



EB-2011-0435

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by Innisfil Hydro Distribution Systems Ltd. for an order or orders approving or fixing just and reasonable distribution rates related to Smart Meter deployment, to be effective May 1, 2012.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER
May 17, 2012

Introduction

Innisfil Hydro Distribution Systems Ltd. (“IHDSL”), a licensed distributor of electricity, filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on December 19, 2011 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that IHDSL charges for electricity distribution, to be effective May 1, 2012.

IHDSL, in its Application, sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder (“SMFA”) revenues collected from May 1, 2006 to April 30, 2012. IHDSL requested approval of proposed Smart Meter Disposition Riders (“SMDRs”) and Smart Meter

Incremental Revenue Requirement Rate Riders (“SMIRRs”) effective May 1, 2012. The Application is based on the Board’s policy and practice with respect to recovery of smart meter costs.¹

The Board issued its Letter of Direction and Notice of Application and Hearing (the “Notice”) on February 1, 2012. The Vulnerable Energy Consumers’ Coalition (“VECC”) was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions. On March 23, 2012, the Board issued Procedural Order No. 1 amending the timelines for submissions from Board staff, VECC and IHDSL due to the late filing of interrogatory responses by IHDSL.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Costs incurred with respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs; and
- Implementation.

Costs Incurred with Respect to Smart Meter Deployment and Operation

In the Application, IHDSL sought the following approvals:

- a. Smart Meter Disposition Rider (SMDR) – An actual cost recovery rate of \$0.29 per Residential customer per month and \$0.96 per General Service less than 50kW customer per month for two years (May 1, 2012 to April 30, 2014). This rate rider will collect the difference between the 2006 to December 31, 2011 revenue requirement related to smart meters deployed as of December 31, 2011 (plus interest on operations, maintenance and administration and depreciation expenses) and the

¹ *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008. On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*. While Innisfil’s Application was filed just after the issuance of *Guideline G-2011-0001*, Innisfil’s Application is compliant with it. In preparing its Application, Innisfil used Smart Meter Model, Version 2.17, and prepared its application considering recent Board decisions on smart meter cost disposition and recovery.

smart meter funding adder collected 2006 to April 30, 2012 (and corresponding interest on the principal balance of SMFA revenues).

- b. Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) – A forecasted cost recovery rate rider of \$0.95 per Residential customer per month and \$3.12 per General Service less than 50kW customer per month for the period May 1, 2012 to April 30, 2013. This rate rider will collect the 2012 incremental revenue requirement related to smart meter costs to be incurred from January 1, 2012 to December 31, 2012.

In responses to interrogatories, IHDSL made corrections to various data in the Smart Meter Model and revised its proposed rate riders for smart meter cost recovery.

IHDSL's costs in aggregate and on a per meter basis are summarized in the following table, as confirmed by IHDSL in its response to a Board staff interrogatory:

Description	Total Cost	Cost per Meter
Smart Meter and AMI Capital Costs	\$2,151,270	\$146.14
Capital Costs Above Minimum Functionality	\$43,544	\$2.92
Total Capital Costs	\$2,194,814	\$147.16
Smart Meter and AMI OM&A Costs	\$283,733	\$19.02
OM&A Costs Above Minimum Functionality (includes 2012 projected)	\$179,992	\$12.07
Total OM&A Costs	\$463,725	\$31.09
Number of Smart Meters installed	14,914	
Incremental OM&A 2012 projected	\$72,800	\$4.88
Total Cost per installed Smart Meter		\$178.26

Source: Response to Board staff IR # 3

Both Board staff and VECC noted that IHDSL's costs per meter, both for capital and on a combined capital and operating basis are within the ranges that have been observed for other applications that the Board has seen to date. VECC noted that the average per meter capital cost, based on data reported by all utilities to September 30, 2009, was \$186.76,² and that updated data reported for the period ending September 30, 2010, showed an industry average capital cost of \$226.92.³

IHDSL's application included a request to recover \$43,544 in capital costs and \$179,992 in OM&A costs above minimum functionality, as defined in the combined

² VECC, Submission, April 5, 2012, page 4, referencing the Board's *Sector Smart Meter Audit Review Report*, dated March 31, 2010.

³ *Ibid.*, referencing the *Monitoring Report Smart Meter Investment – September 2010*, March 3, 2011

proceeding related to smart meters conducted by the Board in 2007 (EB-2007-0063). These costs include: CIS system upgrades; MDM/R integration; TOU implementation; customer education; and web presentment. Board staff noted that IHDSL's documented average cost per meter, when including costs above minimum functionality, remained within the range of costs seen and approved by the Board to date for smart meter cost recovery. Board staff took no issue with the nature or quantum of IHDSL's costs above minimum functionality. VECC submitted that these costs are eligible for recovery and consistent with the Board's guidelines. The Board agrees.

VECC calculated that 83.6% of the costs for recovery in IHDSL's application are audited. VECC submitted that the level of unaudited costs exceeded the 10% threshold identified in the Board's Guideline (G-2011-0001). VECC noted that if 2011 audited costs were available and could be included, the total unaudited costs would become less than 10% and be consistent with the Board's guidelines. VECC submitted that IHDSL should provide audited 2011 financial results in its reply submission.

IHDSL did not address whether or not it had 2011 audited costs available in its reply submission.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select (a) vendor(s) for the procurement and/or installation of smart meters and related systems. There is thus a significant degree of cost control discipline that distributors, including IHDSL, are subject to in smart meter procurement and deployment.

The Board notes that IHDSL has participated as one of the member utilities of the Cornerstone Hydro Electric Concepts ("CHEC") group.⁴ As documented in IHDSL's Application, CHEC participation has enabled the member utilities to address common issues and to seek efficient solutions for issues related to smart meter deployment and operations and to Time-of-Use implementation. The Board finds that IHDSL's documented costs, as applied for, related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable. As

⁴ CHEC is a collaborative initiative by the following utilities to seek synergies in various utility operations, procurement and regulatory processes: Centre Wellington Hydro, COLLUS Power, Innisfil Power, Lakefront Utilities, Lakeland Power Distribution Ltd., Midland Power, Orangeville Hydro, Parry Sound Power, Rideau St. Lawrence Distribution, Wasaga Distribution, Wellington North Power, and West Coast Huron Energy. See Innisfil's Application, pg. 2.

such, the Board approves the disposition for recovery of the costs for smart meter deployment and operation as of December 31, 2011.

The Board notes VECC's observation that the 10% threshold provision of the guideline could be satisfied if IHDSL were to provide audited 2011 financial results. Though IHDSL did not provide audited results in its reply submission, the Board is satisfied that the tested evidence provided while the record was open is adequate to dispose of the matter before it. The Board's Guideline (G-2011-0001) states that the Board expects that the majority (i.e. 90% or more) of the costs for which a distributor is seeking recovery will be audited. Though the Board generally endeavours to adhere to the practises defined in its Guideline (G-2011-0001), it may deviate from those guidelines where warranted. Given the average total costs per installed smart meter are well below the average reported costs that the Board has seen to date for smart meter applications and IHDSL's demonstrated prudence in its procurement processes, the Board does not see any cause for concern in approving the 2011 unaudited amounts provided by IHDSL.

Cost Allocation

In its Application, IHDSL proposed class-specific SMDRs and SMIRRs. Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, it was recognized by the Board that, as there would be differing costs in different customer classes, in large part due to the costs of the meters themselves and, to the extent that accurate data was available from the utility's records, the principle of cost causality would support class-specific cost recovery. To this end, the Board's guidelines⁵ have indicated that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. Further, in recent decisions, the Board has reviewed and approved the evolution of approaches for calculating class-specific rate riders.⁶

IHDSL proposed to allocate costs to each class on the following basis:

⁵ See footnote 1.

⁶ The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

- Return (deemed interest plus return on equity) and amortization were allocated based on the weighted average of the residential and GS < 50 kW 1860 Weighted Meter Capital (“CWMC”) allocators from the 2006 cost allocation review;
- OM&A expenses were allocated based on the number of meters installed for each class;
- Payments in lieu of taxes (“PILs”) were allocated based on the revenue requirement allocated to each class before PILs; and
- Smart Meter Funding Adder revenues, including carrying costs, were allocated based on the revenue requirement allocated to each class before PILs.

In response to Board staff interrogatory #13, IHDSL noted the following, when asked why it was unable to provide capital costs for installed smart meters separately for the residential and GS < 50 kW classes:

In accordance with the G-2008-0002 guidelines, accounts 1555 and 1556 were established to track the capital and OM&A costs associated with the Smart Meter project. Costs though were not set up by the impacted customers classes (Residential and GS<50). Meter change outs to smart meters were determined by the existing metering configuration and service requirement (transformer rate, polyphase, etc.). Service requirement does not correlate to a specific customer rate class, example, we have GS<50 customers with a “residential” meter configuration and Residential customers with a “GS<50” meter configuration. As we did not categorize nor track the capital and OM&A costs to a service location installation providing capital costs rate class is not feasible.

In its submission, Board staff accepted IHDSL’s explanation. Board staff noted that, with the exception of the use of the 1860 CWMC allocation, IHDSL’s cost allocation methodology is consistent with the approach approved by the Board in PowerStream’s 2010 smart meter cost recovery application (EB-2010-0209). Board staff observed that the 2006 cost allocation review underpinned the cost allocation approved by the Board in the Decision and Order from IHDSL’s 2009 cost of service application (EB-2008-0233). In the Decision and Order, the Board ordered IHDSL to provide an updated cost allocation in its next cost of service application. IHDSL has yet to file its cost of service application, scheduled for 2013 rates. In the absence of updated cost allocation information, Board staff submitted that IHDSL’s methodology was reasonable.

In its submission, VECC noted that it had requested that IHDSL re-calculate the rate riders by customer class based on full cost causality, but IHDSL did not provide the revised class specific rate riders on this basis as it was unable to separate capital costs for installed meters by rate class. VECC accepted that IHDSL does not have the required data to calculate class-specific rate riders based on cost causality. Nonetheless, VECC stated its concern regarding IHDSL's proposal to use an allocation methodology based on a five year old cost allocation model. VECC submitted, in contrast to Board staff, that the use of the 1860 CWMC allocator is a significant exception and inconsistent with PowerStream's methodology to use current capital costs as the driver for allocation.

VECC suggested that IHDSL may have a means to determine the accounts that have single-phase and three-phase meters and thus could match meters to account. VECC submitted that this determination for capital costs should be used as the driver to allocate the revenue requirement to each class. VECC submitted that this approach would be consistent with the methodology proposed by PowerStream in its smart meter recovery application and is more desirable than using an out-dated cost allocation model. VECC stated that, in its view, the 1860 CWMC allocator is a poor proxy.

In its reply submission, IHDSL agreed with Board staff's submission regarding the cost allocation methodology.

In response to Board staff interrogatory # 15, IHDSL updated the proposed class-specific SMDRs and SMIRRs to reflect corrections to the data and model discovered through the interrogatory process. In its submission, Board staff noted that IHDSL has calculated the SMIRRs to recover the annualized incremental revenue requirement over a two-year period. Board staff noted that the SMIRR is calculated as a proxy for the incremental change in distribution rates that would have occurred if the assets and operating expenses were incorporated into the rate base and the revenue requirement. As such, the rate riders should be calculated to recover the incremental revenue requirement over a one-year period. IHDSL agreed with Board staff and provided updated SMDR and SMIRR calculations in its reply submission. The resulting SMDRs and SMIRRs, and those proposed in the original Application, are documented in the following table:

	Application (December 19, 2011)	IHDSL Submission (Revenue Requirement Allocation)
Residential		
SMDR	\$0.29	\$0.27
SMIRR	\$0.95	\$1.86
GS < 50 kW		
SMDR	\$0.96	\$0.92
SMIRR	\$3.12	\$6.33

The Board agrees with VECC that IHDSL's proposed allocation approach is not optimal. Nevertheless, in the absence of the required data, it is a reasonable proposal to allocating the costs to each rate class. The Board notes that there is no current evidence to suggest that the implementation of smart meters will definitely and significantly alter the relative differential that previously existed between the residential and the GS < 50 kW classes. The Board expects that the cost allocation study to be filed in accordance with its EB-2008-0233 decision will shed more light on this issue.

As proposed by IHDSL, the Board finds that the approved SMDRs will be in effect for twenty-four months from May 1, 2012 to April 30, 2014. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As IHDSL is scheduled to rebase its rates for 2013, the Board notes that the SMIRR will be in effect from May 1, 2012 until April 30, 2013.

Stranded Meter Costs

In its Application, IHDSL proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2013 rates. IHDSL estimated the net book value of stranded meters as of December 31, 2012 will be \$334,627.68. Neither VECC nor Board staff took issue with IHDSL's proposal. Board staff submitted that IHDSL's proposal is also compliant with Guideline G-2011-0001. The Board agrees.

Implementation

In granting its approval for the historically incurred costs and the costs projected for 2012, the Board considers IHDSL to have completed its smart meter deployment.

Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

IHDSL is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in IHDSL's next cost of service application.

With this Decision, the Board is providing IHDSL with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board approved Tariff of Rates and Charges as approved in IHDSL's separate Incentive Regulation Mechanism application (EB-2011-0176) issued on March 22, 2012.

THE BOARD ORDERS THAT:

1. IHDSL's new distribution rates shall be effective May 1, 2012.
2. IHDSL and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. IHDSL and VECC shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive submissions from IHDSL and VECC to the effect that inaccuracies are found or information is missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. IHDSL shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

4. If the Board receives (a) submission(s) from IHDSL or VECC to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission(s) and will issue a final Tariff of Rates and Charges.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. IHDSL shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to IHDSL any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. IHDSL shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0435**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, May 17, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2011-0435

DATED: May 17, 2012

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
EB-2011-0435

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.22
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	0.27
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	1.86
Distribution Volumetric Rate	\$/kWh	0.0188
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0032)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
EB-2011-0435

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	28.85
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	0.92
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	6.33
Distribution Volumetric Rate	\$/kWh	0.0086
Low Voltage Service Rate	\$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0026)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
EB-2011-0435

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	320.64
Distribution Volumetric Rate	\$/kW	2.9751
Low Voltage Service Rate	\$/kW	0.7883
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.7860)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	(0.0632)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0747)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9280
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4825
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.8673
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1738

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
EB-2011-0435

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	23.51
Distribution Volumetric Rate	\$/kWh	0.0396
Low Voltage Service Rate	\$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0036)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0011)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.64
Distribution Volumetric Rate	\$/kW	34.7951
Low Voltage Service Rate	\$/kW	0.6065
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1762
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(1.3065)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	(0.0656)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(1.2028)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4614
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1699

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0176
EB-2011-0435

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.39
Distribution Volumetric Rate	\$/kW	37.3061
Low Voltage Service Rate	\$/kW	1.6331
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1419
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.9549)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kW	(0.0613)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(1.0352)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4540
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1459

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0176
EB-2011-0435

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

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Customer Administration		
Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	15.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
Disconnect/Reconnect at Meter - after regular hours	\$	185.00
Disconnect/Reconnect at Pole – during regular hours	\$	185.00
Disconnect/Reconnect at Pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	40.00
Install/Remove load control device – after regular hours	\$	185.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0176
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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638