



EB-2012-0353

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 Northern Ontario Wires Inc. for an order or orders approving or fixing just and reasonable distribution rates related to Smart Meter deployment, to be effective January 1, 2013.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER
January 10, 2013

Introduction

Northern Ontario Wires Inc. (“NOW”), a licensed distributor of electricity, filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on August 31, 2012 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 NOW charges for electricity distribution, to be effective January 1, 2013.

NOW 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. NOW requested approval of proposed Smart Meter Disposition Riders (“SMDRs”) effective January 1, 2013. NOW did not request approval of Smart Meter Incremental Revenue Requirement Rate Riders (“SMIRRs”) as its next

cost of service application for rates effective May 1, 2013 will include the recovery of smart meter capital and operating costs going forward as part of its 2013 revenue requirement.

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 on October 3, 2012. The Vulnerable Energy Consumers' Coalition ("VECC") requested and was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice of Application and Hearing established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

Board staff and VECC posed interrogatories to NOW on October 31, 2012. Responses to interrogatories were due on November 14, 2012. The Board issued Procedural Order No. 1 on November 28, 2012 extending the date for interrogatory responses to December 7, 2012, as requested by NOW in letters filed with the Board on November 20, 2012 and November 23, 2012. In its letter filed on November 23, 2012, NOW stated that the deadline for filing interrogatory responses could not be met as a result of key staff turnover. NOW filed its responses to all interrogatories on December 7, 2012.

Board staff and VECC filed submissions on December 17 and 19, 2012 respectively. NOW filed its reply submission on December 21, 2012.

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;
- Cost Recovery Period for SMDRs; and
- Implementation.

¹ On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition* ("Guideline G-2011-0001").

Costs Incurred with Respect to Smart Meter Deployment and Operation

In its Application, NOW sought the following approval:

- Approval for a SMDR (per metered customer per month) of \$6.47 for 16 months (January 1, 2013 to April 30, 2014) for Residential customers, and a SMDR (per metered customer per month) of \$13.85 for 16 months (January 1, 2013 to April 30, 2014) for General Service < 50 kW customers.

In response to Board staff interrogatories, NOW made the following updates to its Application:

- NOW included 2012 actual and forecasted OM&A and depreciation expenses into Sheet 8A of the smart meter model (Board staff interrogatory #10); and
- Updated the smart meter model to reflect an allocation of SMFA revenues and associated interest from the GS > 50 kW rate class to the Residential and GS < 50 kW rate classes (Board staff interrogatory #11).

NOW filed a revised smart meter model version 3.00 and class-specific SMDRs in response to Board staff interrogatory #12, which requested that NOW update and re-file the smart meter model to reflect changes resulting from interrogatories by Board staff and/or VECC. The revised class-specific SMDRs are summarized below:

Class	SMDR (\$/month, for 16 months from January 1, 2013 to April 30, 2014)	
	Original	Revised
		Board staff interrogatory #12
Residential	\$6.47	\$6.92
GS < 50 kW	\$13.85	\$10.87

In its submission, Board staff observed that the capital and operating costs shown on sheet 2 of the revised smart meter model remain unchanged from the costs originally filed. The documented capital costs are \$1,399,608 and OM&A expenses are \$505,183. Board staff noted that it was unclear whether any costs related to the six GS > 50 kW meters installed to date were included in these costs, and submitted that NOW should confirm that no capital and/or operating costs related to GS > 50 kW meter replacements were included in its Application. In its reply submission, NOW confirmed

that no capital and/or operating costs related to the GS > 50 kW meter replacements were included in its Application.

Prudence of Incurred Costs

NOW's Smart Meter Application was prepared on the basis of audited costs incurred until December 31, 2011 and forecasted costs to December 31, 2012. NOW provided its costs in aggregate and on a per meter basis for the Residential class and GS < 50 kW class in response to Board staff interrogatory #9. In its submission, Board staff calculated the total cost per meter using the data provided in response to Board staff interrogatory #9. The calculated average total costs are \$318.05² (capital and OM&A) or \$233.70³ (capital only). NOW confirmed these calculations in its reply submission.

Board staff and VECC observed that NOW's average costs per meter were higher than the average smart meter costs previously reported by the Board in the following documents:

- Appendix A of the Decision with Reasons of the Combined Smart Meter Proceeding (EB-2007-0063, August 8, 2007) compared data for 9 out of 13 utilities and showed the total cost per meter ranged from \$123.59 to \$189.96, with Hydro One Networks Inc. ("Hydro One") being the main exception at \$479.47, due in part for the need for more communications infrastructure and increased costs to install smart meters for customers over a larger and less dense service area.
- The Board's Smart Meter Audit Review Report, dated March 31, 2010, indicated a sector average capital cost of \$186.76 per meter (based on 3,053,931 meters with a capital cost of \$570,339,200 as from January 1, 2006 to September 30, 2009). The corresponding average total cost per meter (capital and OM&A) is \$207.37 from the data in that report; and
- The Monitoring Report, Smart Meter Investment – September 2010 ("the Monitoring Report") issued on March 3, 2011. The Monitoring Report summarized the total smart meter related investments of 78 distributors, as of September 30, 2010, and showed an average cost of \$226.92 per smart meter.

² Capital + OM&A/Total Smart Meters Deployed (\$1,904,792/5,989 = \$318.05)

³ Capital/Total Smart Meters Deployed (\$1,399,609/5,989 = \$233.70)

VECC noted that NOW's average per meter costs are below the range observed for two utilities within its peer group (Atikokan, \$420 per smart meter, and Sioux Lookout, \$338.90 per smart meter) but above the range for two other utilities in its peer group (Fort Frances, \$262.57 per smart meter, and Parry Sound Power, \$286.68 per smart meter). VECC submitted that NOW's costs are higher than the provincial average but concluded that NOW's costs reflect the circumstances of its service territory.

While Board staff noted that while NOW did not provide much detail on why its per meter costs are higher than average, Board staff did not take issue with NOW's relatively higher costs. Further, Board staff noted that characteristics of smaller size, non-contiguous service territories, and geographical and socio-economic characteristics can work against achieving cost efficiencies, and noted that the Board has taken these factors into consideration in determining the prudence of smart meter costs. In particular, Board staff cited the Board's Decision and Order with respect to Lakeland Power Ltd.'s smart meter application (EB-2011-0413).

The Board notes that, in seeking economies of scale for a cost effective deployment of smart meters, NOW, along with other utilities that form the District 9 Group, engaged in a collaborative initiative of entering into a professional services agreement with Util-Assist. The Board expects that NOW be prepared to address any further operational efficiencies in its recently filed 2013 cost of service application (EB-2012-0153).

The Board further 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.

The Board finds that NOW's documented costs related to smart meter procurement, installation and operation are reasonable given its operating environment and conditions. Subject to the issues discussed elsewhere in this Decision, the Board approves the disposition for recovery of the costs for smart meter deployment and operation by NOW.

Costs Beyond Minimum Functionality

In its Application, NOW documented \$95,211 (capital costs of \$7,785 and OM&A costs of \$87,426) for costs beyond minimum functionality. These costs include web

presentation and MDM/R integration.

With respect to the costs related to web presentation, and the integration with the MDM/R, Board staff noted that the Board has previously approved costs of this nature. Board staff submitted that these documented capital and OM&A costs for “beyond minimum functionality” are reasonable. VECC agreed with Board staff.

The Board approves the recovery of these costs as included in the Application.

Cost Allocation

NOW proposed class-specific SMDRs as calculated based on the cost allocation approach built into Smart Meter Model version 3.00. The following summarizes the methodology used by NOW:

- Allocation of the return (deemed interest plus return on equity) and amortization based on capital cost of meters for each class;
- Allocation of OM&A based on number of meters installed for each rate class;
- Allocation of PILs based on the revenue requirement allocated to each class before PILs; and
- Allocation of revenue collected from each class (revenues collected from GS > 50 kW allocated equally between the residential and GS < 50 kW class).

In interrogatory #8, VECC sought the calculation of class specific rate riders based on full cost causality. In its response to this interrogatory, NOW indicated that the calculated rate riders were appropriately calculated using Board approved methodology and considered that the proposed results are fair and reasonable for all affected customer classes. In addition, NOW noted that the data to complete smart meter recovery by rate class in the manner which VECC proposes would not be materially dissimilar to the proposed results obtained with the models already submitted.

Board staff, in its interrogatory #11b, asked NOW why it did not allocate capital-related and operating expenses to the GS > 50 kW rate class. NOW responded that it has only installed 6 smart meters and therefore did not propose any cost recovery from this rate class. In response to Board staff Interrogatory #3a and #3c, NOW indicated that it proposes to deal with the costs for GS > 50 kW smart meter replacements as part of its 2013 cost of service application recently filed with the Board. In its reply submission,

Board staff concurred that the GS > 50 kW meter replacement should be dealt with in its entirety in NOW's 2013 cost of service application.

The Board approves NOW's cost allocation methodology as it is consistent with the approach approved by the Board in other applications for final disposition and recovery of smart meter costs. The Board expects that NOW will address the GS > 50 kW meter replacement in its entirety in its 2013 cost of service application.

Stranded Meter Costs

NOW is not proposing to recover stranded meter costs at this time, but to deal with this issue in its 2013 cost of service application. The aggregated net book value of stranded meters is estimated to be \$173,897 as of December 31, 2010. NOW indicated that it no longer books depreciation expense on the majority of its stranded meters effective 2010.

Board staff noted that while NOW may have removed the stranded conventional meters for financial reporting purposes as of December 31, 2010, these meters were still in rate base from its last cost of service application, and capital-related and operating expenses are still being recovered in approved distribution rates. Board staff further noted that NOW has continued to recover a return on capital and depreciation expense in approved rates, and submitted that the depreciation expense needs to be accounted for in the remaining net book value of stranded meters to be recovered. However, Board staff submitted that the issue of stranded meter cost recovery would be best addressed in NOW's 2013 cost of service application. NOW concurred with Board staff in its reply submission .

The Board agrees that the treatment of recovery for NOW's stranded meters should be addressed in the 2013 cost of service application currently before the Board. As such, the Board does not find it necessary to make any finding on this matter in this Decision.

Cost Recovery Period for SMDRs

NOW proposed a recovery period of 16 months, from January 1, 2013 to April 30, 2014 for its SMDRs.

In its submission, Board staff observed that the revised SMDRs of \$6.92 per month for Residential customers, and \$10.87 per month for GS < 50 kW customers are relatively large, and would have significant percentage bill impacts for these customers. Board staff further noted that NOW has also recently filed its 2013 cost of service application with the Board and is proposing further rate increases in that application.

Board staff submitted that the Board may wish to consider rate mitigation to smooth out rate impacts while keeping NOW whole with respect to the recovery of the deferred revenue requirement of the installed smart meters in the long run. Board staff suggested that the magnitude of rate impacts may be more manageable through a longer recovery period for the SMDRs, and submitted that a 28 month or 40 month recovery period would be more appropriate. VECC concurred with Board staff.

In its reply submission, NOW noted that, as a small utility, it was required to invest a substantial amount into this process, which was for the most part unplanned for. NOW submitted that it would prefer to maintain its original 16 month recovery proposal in order to recover its costs sooner. However, NOW further submitted that it is not opposed to reasonably extending the recovery period and that it would rely on the Board's good judgment.

The Board finds it appropriate to set the recovery period for the SMDRs as being the 15 months from February 1, 2013 to April 30, 2014 (see implementation finding below). This is to enable appropriate cash flow to the distributor and minimize cross-generational inequities, which could result from a longer recovery period.

The Board does not typically impose rate impact mitigation measures unless the impacts exceed 10% of a consumer's total bill. The Board acknowledges that the costs increases are large relative to the average of cost increases for Smart Meter installations experienced by other distributors. However, the need for rate impact mitigation measures is triggered by the magnitude of the increase, not the nature of the underlying cause.

Board staff noted that NOW has recently filed its 2013 cost of service and is proposing rate increases in that application. The Board, in determining whether or not to impose rate impact mitigation measures for the implementation of 2013 rates, has the discretion to consider the increase that has been approved in this case.

Implementation

NOW requested an effective date of January 1, 2013 for its new rates. Due to a delay in NOW filing interrogatory responses, as noted previously, the Board has determined that an effective date of February 1, 2013 is appropriate for the SMDRs.

With this Decision, the Board is providing NOW with an updated smart meter model version 3.00 (spreadsheet) and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The revised model and Tariff of Rates and Charges reflect an effective date of February 1, 2013 and a recovery period of 15 months to April 30, 2014 for the SMDRs. The Board has also reviewed the entries in the rate model to ensure that they were in accordance with the 2012 Board approved Tariff of Rates and Charges.

Accounting Matters

In granting its approval for the historically incurred costs and the costs projected for 2012, the Board considers NOW 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.

NOW 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 is to be brought forward for disposition as part of NOW's 2013 cost of service application currently before the Board under file number EB-2012-0153.

THE BOARD ORDERS THAT:

1. Northern Ontario Wires Inc.'s new distribution rates shall be effective February 1, 2013.
2. Northern Ontario Wires Inc. and the Vulnerable Energy Consumers Coalition shall review the draft Tariff of Rates and Charges set out in Appendix A. Northern Ontario Wires Inc. and the Vulnerable Energy Consumers Coalition 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 any submissions from Northern Ontario Wires Inc. and the Vulnerable Energy Consumers Coalition pursuant to item 2 of this Decision and Order to the effect that inaccuracies were found or information was missing, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final effective February 1, 2013, and will apply to electricity consumed or estimated to have been consumed on and after February 1, 2013. Northern Ontario Wires Inc. 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) Northern Ontario Wires Inc. or the Vulnerable Energy Consumers Coalition 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 Rate Order and Tariff of Rates and Charges.

Cost Awards

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

1. The Vulnerable Energy Consumers Coalition shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Northern Ontario Wires Inc. shall file with the Board and forward to the Vulnerable Energy Consumers Coalition any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. The Vulnerable Energy Consumers Coalition shall file with the Board and forward to Northern Ontario Wires Inc. any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Northern Ontario Wires Inc. 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-2012-0353**, be made through the Board's web portal at, www.pes.ontarioenergyboard.ca/eservice 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, January 10, 2013

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-2012-0353

DATED: January 10, 2013

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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	\$	17.83
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	7.38
Distribution Volumetric Rate	\$/kWh	0.0135
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0012)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0029)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
– effective until April 30, 2013	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0027

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

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

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 average peak demand is less than, or is forecast 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	\$	23.90
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	11.59
Distribution Volumetric Rate	\$/kWh	0.0134
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0013)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0032)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
– effective until April 30, 2013	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0025

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

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188

EB-2012-0353

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 forecast to be equal to or greater than, 50 kW but less than 5,000 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	\$	181.61
Distribution Volumetric Rate	\$/kW	0.6880
Low Voltage Service Rate	\$/kW	0.3342
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kW	(0.1461)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	(0.5839)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(1.2149)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012) – effective until April 30, 2013	\$/kW	0.0163
Retail Transmission Rate – Network Service Rate	\$/kW	2.3850
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.9844

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

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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)	\$	12.23
Distribution Volumetric Rate	\$/kWh	0.0134
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0011)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0027)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0025

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

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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)	\$	5.27
Distribution Volumetric Rate	\$/kW	6.2108
Low Voltage Service Rate	\$/kW	0.2454
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kW	(0.1526)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	(0.2965)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.6158)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7989
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7610

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

Northern Ontario Wires Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

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. 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	\$	5.25
----------------	----	------

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

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

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 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.

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.

Customer Administration		
Arrears Certificate	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	\$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	65.00
Disconnect/Reconnect at Meter - after Regular Hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Northern Ontario Wires Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date February 1, 2013

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

EB-2011-0188
EB-2012-0353

RETAIL SERVICE CHARGES (if applicable)

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.

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	1.0448
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0344