



EB-2013-0133

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 Guelph Hydro
Electric Systems Inc. for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective January 1, 2014.

By Delegation, before: Lynne Anderson

DECISION and RATE ORDER

December 5, 2013

Guelph Hydro Electric Systems Inc. (“Guelph Hydro”) filed an application with the Ontario Energy Board (the “Board”) on August 16, 2013 under section 78 of the Act, seeking approval for changes to the rates that Guelph Hydro charges for electricity distribution, effective January 1, 2014 (the “Application”). The Board assigned file number EB-2013-0133 to the Application and issued a Notice of Application on September 3, 2013.

The Application met the Board's requirements as detailed in the *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (the “RRFE Report”) dated October 18, 2012 and the *Filing Requirements for Transmission and Distribution Applications* (the “Filing Requirements”) dated July 17, 2013. Guelph Hydro selected the Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2014 rates. The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications. Guelph Hydro was last before the Board with a full cost of service application for the 2012 rate year in the EB-2011-0123 proceeding.

The Board conducted a written hearing and Board staff participated in the proceeding. No letters of comment were received.

While I have considered the entire record in this proceeding, I make reference only to such evidence as is necessary to provide context to my findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances; and
- Wholesale Market Service Rates (“WMSR”) and Rural & Remote Protection Plan (“RRRP”).

Price Cap Index Adjustment

The Board issued its *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors* (the “Price Cap IR Report”) on November 21, 2013 which provides the 2014 rate adjustment parameters for distribution companies selecting either the Price Cap IR or Annual IR Index option.

Distribution rates under the Price Cap IR option are adjusted by an inflation factor, less a productivity factor and a stretch factor. The inflation factor for 2014 rates is 1.7%. Based on the total cost benchmarking model developed by Pacific Economics Group Research, LLC, the Board determined that the appropriate value for the productivity factor is zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6% for distributors selecting the Price Cap IR option, assigned based on a distributor’s cost evaluation ranking. In the Price Cap IR Report, the Board assigned Guelph Hydro a stretch factor of 0.3%.

As a result, the net price cap index adjustment for Guelph Hydro is 1.4% (i.e.: 1.7% - (0% + 0.3%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below.

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and,
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

As of the date of this Decision and Rate Order, the Board has not issued a decision on the Rural or Remote Electricity Rate Protection (“RRRP”) charge for 2014. In the event that a new charge is established for 2014, the RRRP rate order will supersede this Decision and Rate Order with respect to the RRRP charge.

Shared Tax Savings Adjustments

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors*, issued September 17, 2008, the Board determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate.

The tax reduction will be allocated to customer rate classes on the basis of the last Board approved cost of service distribution revenue.

The Application identified a total tax savings of \$46,034 resulting in a shared amount of \$23,017 to be refunded to rate payers.

In its submission, Board staff noted that the Tax-Savings Workform reflects the Revenue Requirement Work Form from the Board’s cost of service decision in EB-2011-0123. Board staff had no concerns with the Tax-Savings Workform as filed.

I approve the disposition of the shared tax savings of \$23,017 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period (i.e. January 1, 2014 to December 31, 2014).

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass these charges on to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). Variance accounts are used to capture differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance Accounts 1584 and 1586).

On June 22, 2012 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”) which outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2014. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) levels and the revenues generated under existing RTSRs. Similarly, embedded distributors must adjust their RTSRs to reflect any changes to the applicable Sub-Transmission RTSRs of their host distributor(s), e.g. Hydro One Networks Inc. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586.

As of the date of this Decision and Rate Order, the Board has not issued its rate order for Hydro One Network Inc. Transmission (EB-2012-0031) which will adjust the UTRs effective January 1, 2014. The Board will therefore approve the RTSRs as partially adjusted in this Application. The differences arising from the new UTRs will be captured in Accounts 1584 and 1586 for future disposition.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report Initiative* dated July 31, 2009 (the “EDDVAR Report”) provides that, during the IRM plan term, the distributor’s Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is

exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Guelph Hydro's 2012 actual year-end total balance for Group 1 Accounts including interest projected to December 31, 2013 is a credit of \$3,173,202. This amount results in a total credit claim of \$0.0019 per kWh, which exceeds the preset disposition threshold. Guelph Hydro proposed to dispose of this credit amount over a three-year period. Guelph Hydro noted that it requested a three-year disposition period because this credit will help mitigate rate impacts during two years of IRM and one year of cost of service applications¹.

In its submission, Board staff noted that the principal amounts as of December 31, 2012 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements*. Board staff submitted that it takes no issue with Guelph Hydro's request to dispose of its Group 1 Accounts at this time. Board staff did however take issue with the disposition period requested by Guelph Hydro.

Board staff noted that the differences in the bill impacts between the proposed one-, two- and three-year disposition periods are very slight. Board staff submitted that Guelph Hydro's reasoning in its request to utilize a three-year disposition period (i.e. to help mitigate rate impacts during two years of IRM and one year of cost of service) is not supported by the minimal change in bill impacts from a one-year to a three-year disposition period. Board staff also noted that the bridging of the credit to overlap with the next cost of service rates application is also not a sufficient reason to deviate from the Board's default disposition period. Board staff submitted that the Group 1 Accounts credit balance of \$3,173,202 should be disposed of over a one-year period.

In its reply submission Guelph Hydro agreed with Board Staff's submission that the Group 1 Accounts credit balance of \$3,173,202 should be disposed of over a one-year period as the Price Cap IR rate-setting parameters are uncertain at this time.

I approve the disposition of a credit balance of \$3,173,202 as of December 31, 2012, including interest as of December 31, 2013 for Group 1 accounts. These balances are to be disposed over a one-year period from January 1, 2014 to December 31, 2014. The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

¹ EB-2013-0133, Interrogatory Responses, Page 12.

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	-\$9,894	-\$1,217	-\$11,111
RSVA - Wholesale Market Service Charge	1580	-\$3,989,563	-\$127,785	-\$4,117,348
RSVA - Retail Transmission Network Charge	1584	\$1,345,249	\$27,626	\$1,372,875
RSVA - Retail Transmission Connection Charge	1586	\$515,947	\$4,930	\$520,877
RSVA - Power	1588	\$1,579,299	-\$159,858	\$1,419,441
RSVA - Global Adjustment	1589	-\$2,285,823	\$33,672	-\$2,252,151
Recovery of Regulatory Asset Balances	1590	-	-	-
Disposition and Recovery of Regulatory Balances (2008)	1595	-\$3,004	-\$2,443	-\$5,448
Disposition and Recovery of Regulatory Balances (2010)	1595	\$25,686	-\$126,025	-\$100,339
Total Group 1 Excluding Global Adjustment				-\$921,051
Total Group 1				-\$3,173,202

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the transfer must be the same as the effective date for the associated rates, generally, the start of the rate year. Guelph Hydro should ensure these adjustments are included in the reporting period ending March 31, 2014 (Quarter 1).

Wholesale Market Service Rates (“WMSR”) and Rural & Remote Protection Plan (“RRRP”)

On August 21, 2013, Guelph Hydro submitted supplemental evidence in support of its Application noting that only upon further review of other distributors’ 2014 IRM applications, it became apparent to Guelph Hydro that it had not been aware of the Board’s Letter and the Decision and Order for WMSR and RRRP rates issued on April 2, 2013 (EB-2013-0067). Guelph Hydro subsequently updated its proposed 2014 tariff of rates and charges on September 1, 2013 to incorporate the changes to the WMSR and the RRRP that should have been implemented effective May 1, 2013. Guelph

Hydro also changed the WMSR and RRRP rates charged to customers effective September 1, 2013.

In response to Board staff interrogatory #5, Guelph Hydro provided the over/under – recoveries for the WMSR and the RRRP separately over the May 1 to August 31 period. Guelph Hydro also noted that it bills Residential and General Service <50 kW customers bi-monthly; therefore, the actual consumption billed under previous WMSR and RRRP rates between May 1, 2013 and August 31, 2013 would be known after November 15, 2013. Guelph Hydro also confirmed that WMSR and the RRRP variances are captured in Account 1580 and interest is calculated based on the Board's prescribed rates.

In its submission, Board staff noted that while Guelph Hydro stated that it intended to calculate adjustments for all customers to reflect the impact of these changes, Guelph Hydro did not specify the manner by which it intended to make the adjustment.

Board staff also noted that Guelph Hydro was in violation of the Board's recent Decision and Order for WMSR and RRRP rates in EB-2013-0067 and a licensee's failure to comply with an order of the Board constitutes non-compliance with an enforceable provision of the *Ontario Energy Board Act, 1998* ("OEB Act"). Accordingly, Board staff submitted that it is in the best interests of Guelph Hydro and its customers to rectify the matter as soon as possible.

To that end, Board staff submitted that a direct billing adjustment to the affected customers, per section 7.7 of the Retail Settlement Code ("the Code"), would be the preferred method of correcting the over-collection by Guelph Hydro.

Board staff was of the view that Guelph Hydro should be directed to adjust the affected customers' bills at the earliest opportunity once the actual consumption billed with the previous WMSR and RRRP rates becomes available (i.e. on or about November 15, 2013).

In its reply submission, Guelph Hydro noted that it will reimburse the affected customers by applying the calculated credit adjustments on their next regularly scheduled bill after November 15, 2013. Guelph Hydro confirmed that this would be the earliest opportunity once the actual consumption billed with the previous WMSR and RRRP rates becomes available. Guelph Hydro further added that this billing adjustment procedure is in

accordance with Guelph Hydro's Conditions of Service – Section 2.4.4.3 - Billing Adjustments, and with Retail Settlement Code Section 7.7.2 – Billing Errors.

I disagree with Board staff that Guelph Hydro needs to be directed to adjust the affected customers' bills at the earliest opportunity. While I expect that customers will be reimbursed, this is in accordance with the Code.

The Code is an enforceable provision of the licence granted to Guelph Hydro under the *OEB Act*. Section 7.7.2 of the Code states as follows:

Where a distributor has over billed a customer or retailer by an amount that is less than the customer's or retailer's average monthly billing amount, determined in accordance with section 7.7.5, the distributor shall credit the account in the next regularly scheduled bill issued to the customer or retailer.

Guelph Hydro has committed to reimbursing the affected customers as required by the Code. I accept the statement of Guelph Hydro that the earliest opportunity to credit customers' accounts is November 15, 2013.

If Guelph Hydro does not correct the billing error in an appropriate manner it will be in non-compliance with the Code, and the Board could proceed with compliance action. I see no reason to direct Guelph Hydro to comply with a Code with which it is already required to comply. I will, however, order Guelph Hydro to notify the Board once the affected customers have been reimbursed to ensure that the Board knows when the matter has been resolved.

Rate Model

With this Decision and Rate Order, the Board is providing Guelph Hydro with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2013 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Guelph Hydro's new distribution rates shall be effective January 1, 2014.
2. Guelph Hydro shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.
3. If the Board does not receive a submission from Guelph Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final. Guelph Hydro 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 from Guelph Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the Board will consider the submission of Guelph Hydro prior to issuing a final Tariff of Rates and Charges.
5. Guelph Hydro will notify the Board in writing by no later than December 31, 2013 that it has credited the accounts of all customers affected by the billing error with respect to the Wholesale Market Service Rates ("WMSR") and Rural & Remote Protection Plan ("RRRP"). Guelph Hydro may choose to provide this notification as part of a submission for item 2 of this Decision and Rate Order.
6. Guelph Hydro 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-2013-0133**, be made through the Board's web portal at, <https://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, December 5, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Draft Tariff of Rates and Charges

Board File No: EB-2013-0133

DATED: December 5, 2013

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts 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 quadraplex 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 distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	14.30
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.18)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0174
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0003
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kWh	(0.0006)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014	\$/kWh	(0.0018)
Applicable only for Non-RPP Customers	\$/kWh	(0.0018)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	15.37
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.50)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0129
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0001
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kWh	(0.0006)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014	\$/kWh	(0.0018)
Applicable only for Non-RPP Customers	\$/kWh	(0.0018)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where 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 1,000 kW. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 non-interval metered, General Service 50 to 999 kW interval metered. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	166.66
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.5420
Low Voltage Service Rate	\$/kW	0.0151
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0065
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0031)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0614
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kW	(0.2138)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kW	(0.7082)
Retail Transmission Rate - Network Service Rate	\$/kW	2.7544
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8571
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9662
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.0399

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2014

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

EB-2013-0133

**GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION
(continued)**

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal or greater than 1,000 kW but less than 5,000 kW. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	635.54
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	3.3980
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0061
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0032)
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kW	(0.2378)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kW	(0.8460)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8571
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.0399

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	930.26
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.3246
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0099
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0021)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0373
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kW	(0.2908)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kW	(1.0220)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.4502
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.4632

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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)	\$	5.84
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0267
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0048
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kWh	(0.0006)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0018)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

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 distributor'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 or 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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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)	\$	6.96
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	7.7038
Low Voltage Service Rate	\$/kW	0.0112
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0141)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.3253
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kW	(0.2412)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014	\$/kW	(0.6536)
Applicable only for Non-RPP Customers	\$/kW	(0.6536)
Retail Transmission Rate - Network Service Rate	\$/kW	2.1089
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5055

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connection load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor'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. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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)	\$	0.39
Green Energy Act Plan Funding Adder - effective April 1, 2013 until March 31, 2014	\$	0.14
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	9.4450
Low Voltage Service Rate	\$/kW	0.0135
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0102)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0738
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until December 31, 2014	\$/kW	(0.1876)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014	\$/kW	(0.6578)
Applicable only for Non-RPP Customers	\$/kW	(0.6578)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5374
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8114

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

microFIT 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 distributor'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	\$	5.40
----------------	----	------

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.72)
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 (plus bank charges)	\$	8.55
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at meter – during regular hours	\$	20.00
Disconnect/Reconnect at meter – after regular hours	\$	50.00
Disconnect/Reconnect at pole – during regular hours	\$	50.00
Disconnect/Reconnect at pole – after regular hours	\$	95.00
Service call – customer owned equipment	\$	17.50
Service call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0133

RETAIL SERVICE CHARGES (if applicable)

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	1.0209
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0160
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0107
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	1.0059