



**EB-2013-0173**

**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 Tillsonburg  
Hydro Inc. for an order approving just and reasonable  
rates and other charges for electricity distribution to be  
effective May 1, 2014.

**By Delegation, Before:** Lynne Anderson

## **DECISION and RATE ORDER**

**March 13, 2014**

Tillsonburg Hydro Inc. (“THI”) filed an application with the Ontario Energy Board (the “Board”) on September 25, 2013 under section 78 of the Act, seeking approval for changes to the rates that THI charges for electricity distribution, effective May 1, 2014 (the “Application”).

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 Electricity Distribution Rate Applications* (the “Filing Requirements”) dated July 17, 2013. THI 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 in the period between cost of service applications. THI last appeared before the Board with a full cost of service application for the 2013 rate year in the EB-2012-0168 proceeding.

The Board conducted a written hearing and Board staff participated in the proceeding.

No letters of comment were received. Board staff submitted that it had no concerns with the Application and the changes agreed to by THI in responses to interrogatories.

I have considered the entire record in this proceeding. I have made 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;
- Revenue-to-Cost Ratio Adjustments;
- Retail Transmission Service Rates; and
- Review and Disposition of Group 1 Deferral and Variance Account Balances.

### **Price Cap Index Adjustment**

The Board issued the *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors* (the "Price Cap IR Report") 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 THI a stretch factor of 0.45%.

As a result, the net price cap index adjustment for THI is 1.25% (i.e.  $1.7\% - (0\% + 0.45\%)$ ). 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 Electricity 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**

The Board issued a Decision and Rate Order (EB-2013-0396) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2014. The Board determined that the RRRP charge to be paid by all rate-regulated distributors and collected by the Independent Electricity System Operator shall be increased to \$0.0013 per kWh effective May 1, 2014, from the current \$0.0012 per kWh. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects the new RRRP charge.

### **Revenue-to-Cost Ratio Adjustments**

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges for electricity distributors in its report *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007 and in its updated report *Review of Electricity Distribution Cost Allocation Policy*, dated March 31, 2011.

Pursuant to the Board-approved Settlement Agreement in THI’s 2013 cost of service application EB-2012-0168, THI proposed to increase the revenue-to-cost ratio for the Sentinel Lighting rate class for the 2014 rate year.

The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for the Street Lighting, Unmetered Scattered Load and General Service Equal to or Greater than 1,500 kW rate classes.

The table below outlines the proposed revenue-to-cost ratios.

### Current and Proposed Revenue-to-Cost Ratio

| Rate Class  | Current 2013 Ratio | Proposed 2014 Ratio |
|---|--------------------|---------------------|
| Residential                                       | 0.96               | 0.96                |
| General Service Less Than 50 kW                   | 1.08               | 1.08                |
| General Service 50 to 499 kW                      | 0.96               | 0.96                |
| General Service 500 to 1,499 kW                   | 1.07               | 1.07                |
| General Service Equal to or Greater than 1,500 kW | 1.20               | 1.19                |
| Street Lighting                                   | 1.20               | 1.19                |
| Sentinel Lighting                                 | 0.60               | 0.70                |
| Unmetered Scattered Load                          | 1.20               | 1.19                |

I agree that the proposed 2014 revenue-to-cost ratios are consistent with the decision arising from the 2013 cost of service proceeding and therefore approve the revenue-to-cost ratios as filed.

### Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges 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).

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.

THI is a partially embedded distributor whose host is Hydro One.

The Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2014, as shown in the following table:

#### 2014 Uniform Transmission Rates

|  |               |
|--|---------------|
| Network Service Rate                   | \$3.82 per kW |
| <u>Connection Service Rates</u>        |               |
| Line Connection Service Rate           | \$0.82 per kW |
| Transformation Connection Service Rate | \$1.98 per kW |

The Board also approved new rates for Hydro One’s Sub-Transmission class, including the applicable RTSRs, effective January 1, 2014 (EB-2013-0141), as shown in the following table.

#### 2014 Sub-Transmission RTSRs

|  |               |
|--|---------------|
| Network Service Rate                   | \$3.23 per kW |
| <u>Connection Service Rates</u>        |               |
| Line Connection Service Rate           | \$0.65 per kW |
| Transformation Connection Service Rate | \$1.62 per kW |

I find that these 2014 Sub-Transmission class RTSRs are to be incorporated into the calculation of THI’s RTSRs. Accordingly the rate models that accompany this Decision and Rate Order have been updated to include these rates.

#### Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative* 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.

THI's 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2014 is a credit of \$342,862. This amount results in a total credit claim of \$0.0019 per kWh, which exceeds the preset disposition threshold. THI proposed to dispose of this credit amount over a one-year period.

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 further submitted that THI's proposal for a one-year disposition period is in accordance with the Board's report.

I approve the disposition of a credit balance of \$342,862 as of December 31, 2012, including interest projected to April 30, 2014 for Group 1 accounts. These balances are to be disposed over a one-year period from May 1, 2014 to April 30, 2015.

The table below identifies the principal and interest amounts approved for disposition for Group 1 accounts.

### Group 1 Deferral and Variance Account Balances

| Account Name  | Account Number | Principal Balance<br>A | Interest Balance<br>B | Total Claim<br>C = A + B |
|---|----------------|------------------------|-----------------------|--------------------------|
| RSVA - Wholesale Market Service Charge                              | 1580           | - \$247,331            | - \$6,222             | - \$253,553              |
| RSVA - Retail Transmission Network Charge                           | 1584           | \$50,328               | \$2,375               | \$52,703                 |
| RSVA - Retail Transmission Connection Charge                        | 1586           | - \$12,221             | \$369                 | - \$11,852               |
| RSVA - Power  | 1588           | - \$88,567             | - \$330               | - \$88,897               |
| RSVA - Global Adjustment  | 1589           | - \$88,468             | - \$5,351             | - \$93,819               |
| Disposition and Recovery of Regulatory Balances (2009)              | 1595           | - \$10,995             | - \$1,002             | - \$11,997               |
| Disposition and Recovery of Regulatory Balances (2010)              | 1595           | - \$1                  | \$350                 | \$349                    |
| Disposition and Recovery of Regulatory Balances (2011)              | 1595           | \$57,398               | \$6,807               | \$64,205                 |
|   |                |                        |                       |                          |
| <b>Total Group 1 Excluding<br/>Global Adjustment – Account 1589</b> |                | <b>- \$251,391</b>     | <b>\$2,348</b>        | <b>- \$249,043</b>       |
| <b>Total Group 1</b>  |                | <b>- \$339,859</b>     | <b>- \$2,967</b>      | <b>- \$342,862</b>       |

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. THI should ensure these adjustments are included in the reporting period ending June 30, 2014 (Quarter 2).

### **Rate Model**

With this Decision and Rate Order, the Board is providing THI 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. THI's new distribution rates shall be effective May 1, 2014.
2. THI 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 THI 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. THI shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from THI 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 THI prior to issuing a final Tariff of Rates and Charges.

5. THI 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-2013-0173**, 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](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to [BoardSec@ontarioenergyboard.ca](mailto: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, March 13, 2014

**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-2013-0173**

**DATED: March 13, 2014**

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account in one of three categories of residential services: single-family or single-unit homes, multi-family buildings, and subdivision developments. Further servicing details are available in Tillsonburg Hydro'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   | \$     | 10.13    |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018                   | \$     | 0.79     |
| Distribution Volumetric Rate   | \$/kWh | 0.0239   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kWh | (0.0013) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |        |          |
| Applicable only for Non-RPP Customers  | \$/kWh | (0.0008) |
| Retail Transmission Rate - Network Service Rate  | \$/kWh | 0.0073   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kWh | 0.0054   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in Tillsonburg Hydro'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.

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### MONTHLY RATES AND CHARGES - Delivery Component

|  |        |          |
|--|--------|----------|
| Service Charge   | \$     | 25.31    |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018                   | \$     | 0.79     |
| Distribution Volumetric Rate   | \$/kWh | 0.0177   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kWh | (0.0014) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |        |          |
| Applicable only for Non-RPP Customers  | \$/kWh | (0.0008) |
| Retail Transmission Rate - Network Service Rate  | \$/kWh | 0.0065   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kWh | 0.0048   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## GENERAL SERVICE 50 TO 499 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 500 kW. Further servicing details are available in Tillsonburg Hydro'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.

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### MONTHLY RATES AND CHARGES - Delivery Component

|  |       |          |
|--|-------|----------|
| Service Charge   | \$    | 131.63   |
| Distribution Volumetric Rate   | \$/kW | 1.9906   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kW | (0.4605) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |       |          |
| Applicable only for Non-RPP Customers  | \$/kW | (0.2488) |
| Retail Transmission Rate - Network Service Rate  | \$/kW | 2.5311   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kW | 1.8727   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## GENERAL SERVICE 500 TO 1,499 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 500 kW but less than 1,500 kW. Further servicing details are available in Tillsonburg Hydro'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.

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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   | \$    | 1,368.90 |
| Distribution Volumetric Rate   | \$/kW | 1.0319   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kW | (0.6521) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |       |          |
| Applicable only for Non-RPP Customers  | \$/kW | (0.2983) |
| Retail Transmission Rate - Network Service Rate - Interval Metered                               | \$/kW | 3.3168   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered    | \$/kW | 2.5520   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 KW SERVICE

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW. Further servicing details are available in Tillsonburg Hydro's Conditions of Service.

### APPLICATION

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### MONTHLY RATES AND CHARGES - Delivery Component

|  |       |          |
|--|-------|----------|
| Service Charge   | \$    | 1,927.20 |
| Distribution Volumetric Rate   | \$/kW | 1.8209   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kW | (0.6906) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |       |          |
| Applicable only for Non-RPP Customers  | \$/kW | (0.3932) |
| Retail Transmission Rate - Network Service Rate - Interval Metered                               | \$/kW | 3.3168   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered    | \$/kW | 2.5520   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum 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 level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in Tillsonburg Hydro'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.

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### MONTHLY RATES AND CHARGES - Delivery Component

|  |        |          |
|--|--------|----------|
| Service Charge (per connection)  | \$     | 7.03     |
| Distribution Volumetric Rate   | \$/kWh | 0.0123   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kWh | (0.0014) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |        |          |
| Applicable only for Non-RPP Customers  | \$/kWh | (0.0008) |
| Retail Transmission Rate - Network Service Rate  | \$/kWh | 0.0065   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kWh | 0.0048   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## 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 Tillsonburg Hydro'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)  | \$    | 2.40     |
| Distribution Volumetric Rate   | \$/kW | 21.0387  |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kW | (7.6425) |
| Retail Transmission Rate - Network Service Rate  | \$/kW | 2.0840   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kW | 1.5426   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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

EB-2013-0173

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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 Tillsonburg Hydro'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 customer)  | \$    | 1,707.42 |
| Distribution Volumetric Rate   | \$/kW | 8.1464   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | \$/kW | (1.6739) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015  |       |          |
| Applicable only for Non-RPP Customers  | \$/kW | (0.2756) |
| Retail Transmission Rate - Network Service Rate  | \$/kW | 2.0787   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate                       | \$/kW | 1.5387   |

### MONTHLY RATES AND CHARGES - Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0044 |
| Rural or Remote Electricity Rate Protection Charge (RRRP)       | \$/kWh | 0.0013 |
| Standard Supply Service - Administrative Charge (if applicable) | \$     | 0.25   |

**Tillsonburg Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2014**

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EB-2013-0173

## **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 Tillsonburg Hydro'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.

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### **MONTHLY RATES AND CHARGES - Delivery Component**

|                |    |      |
|----------------|----|------|
| Service Charge | \$ | 5.40 |
|----------------|----|------|

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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## ALLOWANCES

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

## SPECIFIC SERVICE CHARGES

### APPLICATION

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

|   |    |       |
|---|----|-------|
| Returned cheque (plus bank charges)   | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Special meter reads   | \$ | 30.00 |

### Non-Payment of Account

|   |    |        |
|---|----|--------|
| Late Payment – per month  | %  | 1.50   |
| Late Payment – per annum  | %  | 19.56  |
| Collection of account charge – no disconnection                           | \$ | 30.00  |
| Disconnect/Reconnect at meter – during regular hours                      | \$ | 65.00  |
| Disconnect/Reconnect at meter – after regular hours                       | \$ | 185.00 |
| Disconnect/Reconnect at pole – during regular hours                       | \$ | 185.00 |
| Install/Remove load control device – after regular hours                  | \$ | 185.00 |
| Service call – after regular hours  | \$ | 165.00 |
| Specific Charge for Bell Canada Access to the Power Poles – per pole/year | \$ | 22.35  |

# Tillsonburg Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2014

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EB-2013-0173

## 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.

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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 | 1.0333 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW   | 1.0233 |