



EB-2014-0067

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 E.L.K. Energy
Inc. for an order approving just and reasonable rates and
other charges for electricity distribution to be effective May 1,
2015.

By Delegation, Before: Lynne Anderson

DECISION and RATE ORDER

[Date]

E.L.K. Energy Inc. (“E.L.K.”) filed an application with the Ontario Energy Board (the “Board”) on October 20, 2014 under section 78 of the *Ontario Energy Board Act*, seeking approval for changes to the rates that E.L.K. charges for electricity distribution, effective May 1, 2015 (the “Application”).

E.L.K. last appeared before the Board with a cost of service application for the 2012 rate year in the EB-2011-0099 proceeding. To adjust its 2015 rates, E.L.K. selected the Price Cap Incentive Rate-setting option (the “Price Cap IR”) which provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service proceedings. The Application met the Board’s filing requirements¹ for filings by rate-regulated electricity distributors (“distributors”) applying for annual rate adjustments under Price Cap IR.

¹ Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (October 18, 2012); and Filing Requirements for Electricity Distribution Rate Applications (July 25, 2014)

While the entire record in this proceeding has been considered by me, this decision will make reference only to such information as is necessary to provide context to my conclusions. 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; and
- Review and Disposition of Group 1 Deferral and Variance Account Balances.

Price Cap Index Adjustment

The Price Cap IR option is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements.

Under the Price Cap IR option², distribution rates are adjusted by an inflation factor, less the sum of a productivity factor and a stretch factor. Based on its established method³, the Board has set the inflation factor for 2015 rates at 1.6% and the productivity factor remains zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6%, assigned based on a distributor's cost evaluation ranking. The Board assigned E.L.K a stretch factor of 0.00% based on the updated benchmarking study for use for rates effective in 2015⁴.

As a result, the net price cap index adjustment for E.L.K. is 1.6% (i.e. 1.6 % - (0% + 0%)). 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;

² Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

³ As outlined in the Report cited at footnote 2 above

⁴ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update." Pacific Economics Group LLC. July, 2014.

- 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 has determined that the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2015 shall remain \$0.0013 per kWh⁵. The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects this RRRP charge.

Shared Tax Savings Adjustments

The Board has determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate and that the tax reduction will be allocated to customer rate classes on the basis of the Board-approved distribution revenue from an applicant’s last cost of service proceeding⁶.

The Application identified a total tax savings of \$35,622 resulting in a shared amount of \$17,811 to be refunded to rate payers.

I approve the disposition of the shared tax savings of \$17,811 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period, May 1, 2015 to April 30, 2016.

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 their Retail

⁵ Decision with Reasons and Rate Order, EB-2014-0347

⁶ Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors (September 17, 2008)

Transmission Service Rates (“RTSRs”). Variance accounts 1584 and 1586 are used to capture differences in the rate that a distributor pays for wholesale transmission service relative to the retail rate that the distributor is authorized to charge when billing its customers.

The Board has issued guidelines⁷ which outline the information that the Board requires electricity distributors to file in order to adjust their RTSRs for 2015. 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”) and the revenues generated under existing RTSRs. Similarly, embedded distributors, such as, E.L.K. must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc.

The Board approved new rates for Hydro One’s Sub-Transmission class, including the applicable RTSRs⁸, as shown in the following table:

2015 Sub-Transmission RTSRs

Network Service Rate	\$xx per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$xx per kW
Transformation Connection Service Rate	\$xx per kW

I conclude that these 2015 Sub-Transmission class RTSRs are to be incorporated into the filing module to adjust the RTSRs that E.L.K. will charge its customers accordingly.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The Board’s policy on deferral and variance accounts⁹ 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, whether in the form of a 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. If the balances are below this threshold, the distributor may propose to dispose of balances.

⁷ Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, revision 4.0 (June 28, 2012)

⁸ Rate Order, EB-2013-0416, issued xxxx

⁹ Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative (July 31, 2009)

E.L.K.'s 2013 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2015 is a credit of \$1,232,542. This amount results in a total credit claim of \$0.0051 per kWh, which exceeds the preset disposition threshold. E.L.K. proposes to dispose of this credit amount over a four-year period in order to not create significant variances for its customers from one-year to the next. E.L.K. stated, in the "Managers Summary" section of its Application, that a four-year period will create a rate smoothing effect for its customers, allowing them to better plan and budget electricity consumption and costs in a consistent manner. E.L.K. also stated the \$1,232,542 is a significant cash outlay to absorb over a one-year period.

While I note the balances proposed for disposition are the same as the amounts reported as part of the Board's *Reporting and Record-Keeping Requirements*, I am concerned about certain balances.

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

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$)	Interest Balance (\$)	Total Claim (\$)
		A	B	C = A + B
LV Variance Account	1550	(\$41,035)	(\$804)	(\$41,839)
Smart Meter Entity Variance Charge	1551	\$26,162	\$513	\$26,675
RSVA - Wholesale Market Service Charge	1580	(\$512,142)	(\$10,038)	(\$522,180)
RSVA - Retail Transmission Network Charge	1584	\$78,168	\$1,532	\$79,700
RSVA - Retail Transmission Connection Charge	1586	(\$169,010)	(\$3,313)	(\$172,323)
RSVA - Power	1588	(\$6,098,568)	(\$119,532)	(6,218,100)
RSVA - Global Adjustment	1589	\$5,712,626	\$111,967	\$5,824,594
Recovery of Regulatory Asset Balances	1590	\$0	\$0	\$0
Disposition and Recovery of Regulatory Balances (2009)	1595	(\$205,050)	(\$4,019)	(\$209,069)
Total Group 1 Excluding Global Adjustment – Account 1589		(\$6,921,475)	(\$135,661)	(\$7,057,136)
Total Group 1		(\$1,208,849)	(\$23,693)	(1,232,542)

I note that while the net balance is a credit of \$1,232,542, this includes a credit balance of \$6.2M in the RSVA – Power account offset by a debit balance of \$5.8M in the RSVA – Global Adjustment account. The RSVA – Global Adjustment account is only applicable to non-regulated price plan (RPP) customers. These are extremely high balances for a service area the size of E.L.K. The RSVA – Power account alone is 26 times the disposition threshold. While I recognize that the 2013 deferral and variance account balances are audited, balances of this magnitude put into question whether amounts have been properly allocated between the accounts. Issues of rate retroactivity may arise if any problems with the balances are discovered after account balances have been disposed on a final basis.

For this reason, I will not approve disposition of any balances at this time until E.L.K. completes a comprehensive review of its deferral and variance account balances. This would best be completed as part of its year-end audit. E.L.K. is to provide the results of its review in its next rate application, describing the rationale as to why the balances in accounts 1588 and 1589 are of such magnitude or what adjustments have been made to the balances.

Rate Model

With this Decision and Rate Order are a rate model, applicable supporting models and a Tariff of Rates and Charges (Appendix A). Entries in the rate model were reviewed to ensure that they were in accordance with the 2014 Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order is approved effective May 1, 2015 for electricity consumed or estimated to have been consumed on and after such date. E.L.K. Energy Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, [Date]
ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

DRAFT

Appendix A

To Decision and Rate Order

Tariff of Rates and Charges

Board File No: EB-2014-0067

DATED: [Date]

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E.L.K. Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0067

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to a service which is less than 50 kW supplied to a single family dwelling unit that is for domestic or household purposes, including seasonal occupancy. At E.L.K.'s discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate or by blocking the residential rate by the number of units. 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	\$	11.44
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0081
Low Voltage Service Rate	\$/kWh	0.0012
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kWh	(0.0008)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kWh	(0.0013)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kWh	(0.0010)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0033

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

E.L.K. Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0067

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to premises other than those designated as residential and do not exceed 50 kW in any month of the year. This includes multi-unit residential establishments such as apartment buildings supplied through one service (bulk-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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.45
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0049
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kWh	(0.0004)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kWh	(0.0010)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0029

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

E.L.K. Energy Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2015

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

EB-2014-0067

GENERAL SERVICE 50 TO 4,999 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 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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	183.22
Distribution Volumetric Rate	\$/kW	1.5501
Low Voltage Service Rate	\$/kW	0.4332
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kW	(0.1556)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kW	(0.2407)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kW	(0.3153)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0136)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7083
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1784

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

E.L.K. Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0067

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, 50kW 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. E.L.K. is not in the practice of connecting new unmetered scattered load services. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	6.28
Distribution Volumetric Rate	\$/kWh	0.0019
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kWh	(0.0005)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kWh	(0.0008)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kWh	(0.0010)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0029

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

E.L.K. Energy Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2015

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

EB-2014-0067

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. E.L.K. is not in the practice of connecting new unmetered scattered load services. 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.

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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 (per connection)	\$	3.07
Distribution Volumetric Rate	\$/kW	5.7687
Low Voltage Service Rate	\$/kW	0.3421
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kW	(0.1156)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kW	(0.1788)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kW	(0.3733)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.1338)
Retail Transmission Rate - Network Service Rate	\$/kW	1.2949
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.9307

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

E.L.K. Energy Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2015

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

EB-2014-0067

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to supply to street lighting equipment owned by and operated for a municipal corporation. The consumption for these customers will be based on the calculated 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.

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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 (per connection)	\$	1.15
Distribution Volumetric Rate	\$/kW	11.2028
Low Voltage Service Rate	\$/kW	0.3351
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (per connection) (2012) - effective until April 30, 2016	\$/kW	(0.0059)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kW	(0.0092)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kW	(0.3703)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.1083)
Retail Transmission Rate - Network Service Rate	\$/kW	1.2884
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.9116

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

E.L.K. Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0067

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board, and provided electricity by means of E.L.K. Energy Inc.'s distribution facilities. 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.

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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. 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	\$	1,811.63
Distribution Volumetric Rate	\$/kW	0.2694
Low Voltage Service Rate	\$/kW	0.4332
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) - effective until April 30, 2016	\$/kW	(0.0212)
Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2nd Installment - 2012) - effective until April 30, 2016	\$/kW	(0.0328)
Rate Rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until April 30, 2016	\$/kW	(0.4532)
Rate Rider for Application of Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0076)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7083
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1784

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

E.L.K. Energy Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2015

**This schedule supersedes and replaces all previously
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EB-2014-0067

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
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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)

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SPECIFIC SERVICE CHARGES

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Customer Administration

Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate Invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Notification charge	\$	15.00
Account History	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
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
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00

Other

Special meter reads	\$	30.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service – Install & remove – underground – no transformer	\$	300.00
Temporary Service – Install & remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

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RETAIL SERVICE CHARGES (if applicable)

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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	1.0810
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0703