



EB-2014-0079

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 Halton Hills
Hydro Inc. for an order approving just and reasonable rates
and other charges for electricity distribution to be effective
May 1, 2015.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER

March 19, 2015

Halton Hills Hydro Inc. (“Halton Hills Hydro”) 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 Halton Hills Hydro charges for electricity distribution, effective May 1, 2015 (the “Application”).

Halton Hills Hydro last appeared before the Board with a cost of service application for the 2012 rate year in the EB-2011-0271 proceeding. To adjust its 2015 rates, Halton Hills Hydro 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.

The Board conducted a written hearing and Board staff participated in the proceeding. The Vulnerable Energy Consumers Coalition ("VECC) applied for and was granted intervenor status and cost eligibility with respect to Halton Hills Hydro's request for an adjustment to its base rates given its earnings in the prior year.

While the entire record in this proceeding has been considered by the Board, this decision will make reference only to such evidence as is necessary to provide context to the Board's findings. The following issues are addressed in this Decision and Rate Order:

- Earnings in Prior Years;
- 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.

Earnings in Prior Years

Price Cap IR applications for 2015 rates are prepared in accordance with Chapter 3 of the *Filing Requirements for Electricity Distributors Rate Applications for Price Cap Incentive Rate-Setting and Annual Incentive Rate-Setting Index*, dated July 25, 2014. The filing requirement articulates specific Board policy regarding earnings at section 3.2.10 which states:

"For each of the Board's three rate-setting options, a regulatory review may be triggered if a distributor's earnings are outside of a dead band of +/- 300 basis points from the Board-approved return on equity. The Board monitors results filed by the distributors as part of their reporting and record-keeping requirements and determines if a regulatory review is warranted. Any such review will be prospective, and could result in modifications, termination or the continuation of the respective Price Cap IR or Annual IR Index plan for that distributor.

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)

The Board reminds distributors that the filing of an application for an increase to base rates during the IR period or under the Annual IR index is the decision of the applicant; it is not a Board requirement. A distributor whose earnings are in excess of the deadband can refrain from seeking an adjustment to its base rates through a Price Cap IR or Annual IR Index plan. If not, the level of earnings may be raised as an issue in the application.”

Halton Hills Hydro’s application relates to the fourth year of its IRM term; it is scheduled to rebase its rates through a cost of service proceeding in 2016. Halton Hills Hydro provided its return on equity (“ROE”) for 2011, 2012 and 2013 as follows:

Year	Board Approved ROE	Achieved ROE	Normalized ROE
2011	8.57%	9.14%	N/A
2012	9.12%	13.30%	11.03%
2013	9.12%	14.97%	9.97%

Halton Hills Hydro did not provide a forecast of ROE for 2014, however it did provide a forecast 2014 statement of operation showing a net income for the period of \$2,903,619.

Halton Hills Hydro stated that the variances between actual and achieved ROE are the result of temporary, rather than permanent factors. Halton Hills Hydro explained its increased revenues in 2012 as the result of recovery of lost revenues from CDM activities (“LRAM”) from 2006 to 2010 as approved by the Board. The 2013 excess ROE arose from a one-time tax refund of \$977,797, which resulted from accelerating expenses deducted for income tax purposes and from refiling prior income tax returns. Halton Hills Hydro explained that the tax refund is not a permanent tax saving, as it will result in increased taxes payable in later years.

Halton Hills Hydro provided normalized ROE calculations reflecting the removal of the tax refund of \$977,797 from 2013 net income. The 2012 normalized ROE was calculated by removing the total LRAM amount of \$384,800, which had been approved by the Board for recovery over two years.

Halton Hills Hydro stated that, given the non-permanent nature of the factors underlying

its over-earnings, it was reasonable to submit an application for approval of rates under the 2015 Incentive Regulation Mechanism.

In its submission, Board staff noted that the total amount of \$384,800 for LRAM revenues in 2012 was approved by the Board for recovery over two years. The actual increase in revenues for 2012 was \$192,400, or 1.13% of ROE. As a result the ROE for 2012 on a normalized basis is estimated at 12.17%, not 11.03% as submitted by Halton Hills Hydro. This exceeds the 300 basis point deadband from Halton Hills Hydro's approved ROE of 9.12%, but by only 5 basis points over the threshold.

Board staff submitted that the 2013 tax refund received by Halton Hills Hydro would result in increased future tax payments which would be borne by Halton Hills Hydro's ratepayers in subsequent years. Although the refund was not the result of a legislated tax change, Board staff submitted that the Board could consider the appropriateness of sharing a 50% portion of the refund with ratepayers. While the timing of such an adjustment could trigger concerns about retroactive ratemaking, Board staff suggested that in this case fair treatment of ratepayers may be of greater priority.

Board staff noted that the forecast 2014 net income of \$2,903,619 appeared to be in the same range as the earnings reported for 2012 and 2013, and suggested that Halton Hills Hydro had not provided sufficient evidence of drivers that would indicate that its earnings levels for 2012 and 2014 were due to transient or one-time factors.

Board staff submitted that Halton Hills Hydro's rates have consistently recovered revenues that result in excess earnings and that it would be a fair modification to Halton Hills Hydro's Price Cap IR plan for both the utility and its customers to refrain from upward adjustments until they are reset through rebasing.

Based on the evidence in this proceeding, VECC submitted that given the level of earnings in 2012, 2013 and possibly 2014 that exceeds the deadband of the Board-approved rate of return, the Board should modify Halton Hills Hydro's Price Cap IR in 2015 to deny the Price Cap adjustment requested in the application.

Board Findings

The Board notes that the 300 basis points dead band above the ROE approved in rates is a threshold number at which the Board may initiate a more detailed review and order

the distributor to terminate or modify the IRM for setting rates. There is no reason to conclude that Halton Hills Hydro will be able to sustain this level of overearnings.

In 2012, the Board approved the disposition of the LRAMVA over a two-year period which ended on April 30, 2014. Although Board staff provided a 2012 normalized calculation of 12.17%, the Board does not consider the 5 basis points to be significantly over the approved ROE deadband of 12.12%. In 2014, the evidence is incomplete and the Board will not draw conclusions based on forecast net income.

In 2013, Halton Hills benefited from one-time tax savings. The Board does not find merit in the suggestion that Halton Hills share the 2013 tax savings with customers as it would result in retroactive rate making. Halton Hill's 2013 rates were issued on a final basis and the tax saving was not the result of a legislative tax change which is explicitly addressed in the IRM methodology. This type of tax savings is not part of that methodology.

Halton Hills is scheduled to file a cost of service application for 2016 at which time all revenues and costs will be reviewed with the objective of establishing base rates for a new IRM term. For these reasons, the Board finds that Halton Hills Hydro should be eligible for a price cap index adjustment for 2015.

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 methodology², 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 at zero percent. Based on the analysis of the Board's consultant, PEG, the stretch factor is assigned based on a distributor's cost evaluation ranking, and ranges from 0.0% to 0.6%. This stretch factor ranking is indicative of a distributor's cost performance relative to other distributors in Ontario. What this means is that a

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.

distributor considered to be the most efficient, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. In this case, the Board assigned Halton Hills Hydro a stretch factor of 0.0%, based on the updated benchmarking study for use for rates effective in 2015⁴.

As a result, the net price cap index adjustment for Halton Hills Hydro is 1.6% (i.e. 1.6 % - (0% + 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;
- 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

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

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

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, as originally filed, included a tax sharing credit of \$2,913. In response to Board staff interrogatory #1, Halton Hills Hydro requested that Board staff make the necessary correction to the regulatory taxable income used to calculate the savings, resulting in an updated credit amount of \$4,696.

Halton Hills Hydro requested the Board authorize the recording of this amount in variance Account 1595 for disposition in a future application given the associated rate riders are negligible. The Board agrees with Halton Hills Hydro's request and directs it to record the tax sharing refund of \$4,696 in variance Account 1595 by June 30, 2015 for disposition at a future date.

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 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, partially embedded distributors, such as Halton Hills Hydro, must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributors, which in this case is Hydro One Networks Inc.

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

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

The Board has adjusted the UTRs effective January 1, 2015⁸, as shown in the following table:

2015 Uniform Transmission Rates

Network Service Rate	\$3.78 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.86 per kW
Transformation Connection Service Rate	\$2.00 per kW

The Board has not yet established Hydro One's sub-transmission class rates for 2015, including the retail transmission service rates for this class. The Board will therefore approve the RTSRs as adjusted in this Application so that they reflect those which currently apply to this class, as shown in the following table. The differences arising from the new 2015 rates, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

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

The Board finds that these 2014 Sub-Transmission class RTSRs are to be incorporated into the filing module to adjust the RTSRs that Halton Hills Hydro 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.

⁸ 2015 Uniform Electricity Transmission Rate Order, EB-2014-0357

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

Halton Hills Hydro's 2013 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2015 is a debit of \$1,607,685. This amount results in a total debit claim of \$0.0033 per kWh, which exceeds the preset disposition threshold. Halton Hills Hydro proposes to dispose of this debit amount over a one-year period.

In its submission, Board staff noted that the principal amounts as of December 31, 2013 reconcile with the amounts reported as part of the *Reporting and Record-Keeping Requirements*.

The Board approves the disposition of a debit balance of \$1,607,685 as of December 31, 2013, including interest as of April 30, 2015 for Group 1 accounts. These balances are to be disposed over a one-year period from May 1, 2015 to April 30, 2016.

The table below identifies the principal and interest amounts which the Board approves for disposition.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	133,292	2,332	135,624
Smart Meter Entity Variance Charge	1551	17,296	603	17,899
RSVA - Wholesale Market Service Charge	1580	(319,435)	(4,689)	(324,124)
RSVA - Retail Transmission Network Charge	1584	737,959	12,317	750,276
RSVA - Retail Transmission Connection Charge	1586	438,577	5,585	444,162
RSVA - Power	1588	549,283	26,450	575,733
RSVA - Global Adjustment	1589	22,142	(2,545)	19,597
Recovery of Regulatory Asset Balances	1590	2	(3)	(1)
Disposition and Recovery of Regulatory Balances (2008)	1595	0	(135)	(135)
Disposition and Recovery of Regulatory Balances (2009)	1595	0	(14,799)	(14,799)
Disposition and Recovery of Regulatory Balances (2010)		0	3,453	3,453
Total Group 1 Excluding Global Adjustment – Account 1589		1,556,974	31,114	1,588,088
Total Group 1		1,579,116	28,569	1,607,685

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. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Halton Hills Hydro should ensure these adjustments are included in the reporting period ending June 30, 2015 (Quarter 2).

Disposition of Deferral and Variance Accounts for Class A customers and Wholesale Market Participants

As indicated in the Filing Requirements¹⁰, distributors must establish separate rate riders to recover the balances in the retail settlement variance accounts from market participants in order that they not be allocated any balances related to charges which they settle directly with the IESO (e.g. wholesale energy, wholesale market services).

The Board further determined that a distributor who serves Class A customers per Ontario Regulation 429/04 must propose an appropriate allocation for the recovery of the global adjustment variance balance based on its settlement process with the Independent Electricity System Operator.

In response to Board staff Interrogatory #3, Halton Hills Hydro confirmed that it had one wholesale market participant and no Class A consumers. Halton Hills Hydro provided updated rate riders to remove the allocations of retail settlement variance accounts to its wholesale market participant.

The Board finds that in light of the updates made to the application Halton Hills Hydro has appropriately addressed the allocation issues relating to wholesale market participants.

Rate Model

With this Decision and Rate Order, the Board is providing Halton Hills Hydro with a rate model 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 2014

¹⁰ See footnote 1

Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Halton Hills Hydro's new distribution rates shall be effective May 1, 2015.
2. Halton Hills 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 Halton Hills 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. Halton Hills Hydro 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 Halton Hills 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 Halton Hills Hydro prior to issuing a final Tariff of Rates and Charges.

COST AWARDS

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Halton Hills Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **17 days** from the date of issuance of the final Rate Order.

VECC shall file with the Board and forward to Halton Hills Hydro any responses to any objections for cost claims within **24 days** from the date of issuance of the final Rate Order.

3. Halton Hills 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 the file number, EB-2014-0079 and be made electronically through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. 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 <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. 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 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, March 19, 2015

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-2014-0079

DATED: March 19, 2015

Halton Hills Hydro 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-2014-0079

RESIDENTIAL - TIME OF USE SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. The customer will be supplied at one service entrance only. 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 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	\$	12.72
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2016	\$	1.31
Rate Rider for Recovery of Stranded Meter Assets - effective July 1, 2012 - April 30, 2016	\$	1.13
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	2.23
Distribution Volumetric Rate	\$/kWh	0.0120
Low Voltage Service Rate	\$/kWh	0.0012
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	0.0033
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016		
Applicable only for Non RPP Customers	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

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

Halton Hills Hydro 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-2014-0079

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum 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 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	\$	27.51
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2016	\$	1.38
Rate Rider for Recovery of Stranded Meter Assets - effective until April 30, 2016	\$	1.46
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	4.87
Distribution Volumetric Rate	\$/kWh	0.0085
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	0.0032
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016		
Applicable only for Non RPP Customers	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
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

Halton Hills Hydro 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-2014-0079

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification applies to a non-residential customer with an average peak demand equal to or greater than 50 kW over the past twelve months, or is forecast to be equal to or greater than 50 kW, but less than 1,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer. 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 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.

Billing demands are established at the greater of 100% of the kW, or 90% of the kVA amounts with the exception of the Retail Transmission Rate-Network Service Rate, which is billed on a \$/kW basis only.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	77.50
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	51.28
Distribution Volumetric Rate	\$/kW	3.4560
Low Voltage Service Rate	\$/kW	0.4734
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	1.1260
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 Applicable only for Wholesale Market Participants	\$/kW	1.2861
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers, excluding Wholesale Market Participants	\$/kW	0.0293
Retail Transmission Rate - Network Service Rate	\$/kW	2.8647
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0574

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

Halton Hills Hydro 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-2014-0079

GENERAL SERVICE 1,000 TO 4,999 KW

This classification applies to a non-residential customer with an average peak demand equal to or greater than 1,000 kW over the past twelve months, or is forecast to be equal to or greater than 1,000 kW, but less than 5,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the installed transformer. 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 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.

Billing demands are established at the greater of 100% of the kW, or 90% of the kVA amounts with the exception of the Retail Transmission Rate-Network Service Rate, which is billed on a \$/kW basis only.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	179.93
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	490.55
Distribution Volumetric Rate	\$/kW	3.1683
Low Voltage Service Rate	\$/kW	0.4734
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	1.1717
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.0305
Retail Transmission Rate - Network Service Rate	\$/kW	2.8647
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0574

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

Halton Hills Hydro 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-2014-0079

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less 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, pedestrian X-Walk signals/beacons, 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 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 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	\$	6.75
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	0.96
Distribution Volumetric Rate	\$/kWh	0.0045
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	0.0032
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016		
Applicable only for Non RPP Customers	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
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

Halton Hills Hydro 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-2014-0079

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 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 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)	\$	5.06
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	1.25
Distribution Volumetric Rate	\$/kW	19.1614
Low Voltage Service Rate	\$/kW	0.3408
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	1.4942
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.0389
Retail Transmission Rate - Network Service Rate	\$/kW	2.0437
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4811

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

Halton Hills Hydro 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-2014-0079

STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street lighting equipment owned by or operated for the Municipality, the Region or the Province of Ontario shall be classified as Street Lighting Service. Street Lighting plant, facilities, or equipment owned by the customer are subject to the Electrical Safety Authority (ESA) requirements and Halton Hills Hydro specifications. 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 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)	\$	2.23
Rate Rider for Ice Storm Cost Recovery - effective until October 31, 2016	\$	0.63
Distribution Volumetric Rate	\$/kW	30.0608
Low Voltage Service Rate	\$/kW	0.3338
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	1.1312
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.0295
Retail Transmission Rate - Network Service Rate	\$/kW	2.0343
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4509

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

Halton Hills Hydro 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-2014-0079

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
----------------	----	------

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.50)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Halton Hills Hydro 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-2014-0079

SPECIFIC SERVICE CHARGES

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
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
Special Meter Reads	\$	30.00
Meter Dispute Charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment Charge – per month	%	1.50
Late Payment Charge – 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

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 - per pole/year	\$	22.35
Interval Meter Charge	\$	20.00

Halton Hills Hydro 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-2014-0079

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	1.0602
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0496