



# **Ontario Energy Board Commission de l'énergie de l'Ontario**

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## **DECISION AND RATE ORDER**

**EB-2017-0070**

## **OTTAWA RIVER POWER CORPORATION**

**Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.**

**By Delegation, Before: Pascale Duguay**

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**March 22, 2018**

## 1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Ottawa River Power Corporation (Ottawa River Power) on October 20, 2017, as amended during the course of the proceeding.

Ottawa River Power serves about 11,000 mostly residential and commercial electricity customers in the City of Pembroke, the Township of Whitewater (Beachburg only), the Town of Mississippi (Almonte Ward only) and the Township of Killaloe, Hagarty & Richards (Killaloe only). The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's [Chapter 3 Filing Requirements for Incentive Rate-Setting Applications](#) (the Filing Requirements).

Ottawa River Power's application is based on a Price Cap Incentive Rate-setting option (Price Cap IR) with a five-year term. The Price Cap IR option involves the setting of rates through a cost of service (COS or rebasing) application in the first year. Mechanistic price cap adjustments, based on inflation and the OEB's assessment of the distributor's efficiency, are then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly bill increase of \$0.73 for a residential customer consuming 750 kWh, effective May 1, 2018.

Ottawa River Power has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<sup>1</sup> Accordingly, the fixed monthly charge for 2018 has once again been adjusted upward in this Decision by more than the mechanistic price cap adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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<sup>1</sup> OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers" EB-2012-0410, April 2, 2015

## 2 THE PROCESS

This Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

The OEB follows a standardized and streamlined process for IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application. During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required.

The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

Ottawa River Power filed its application on October 20, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. Ottawa River Power supported its application with written evidence and a completed rate model. Questions were asked of, and answers were provided by, Ottawa River Power through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Ottawa River Power on March 14, 2018. Ottawa River Power was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

## 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Ottawa River Power's proposals relating to each of them:

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Other Matters

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

## 4 PRICE CAP ADJUSTMENT

Ottawa River Power seeks to increase its rates, effective May 1, 2018, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to Ottawa River Power are set out in Table 4.1, below. Inserting these components into the formula results in a 0.90% increase to Ottawa River Power's rates: **0.90% = 1.20% - (0.00% + 0.30%)**.

**Table 4.1: Price Cap IR Adjustment Formula**

Components		Amount
Inflation Factor <sup>2</sup>		1.20%
X-Factor	Productivity <sup>3</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>4</sup>	0.30%

The inflation factor of 1.20% applies to all Price Cap IR applications for the 2018 rate year.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2018 rate year.

<sup>2</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

<sup>3</sup> Ibid.

<sup>4</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2017

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Ottawa River Power is 0.30%.

### Findings

The OEB finds that Ottawa River Power's request for a 0.90% Price Cap IR adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Ottawa River Power's new rates shall be effective May 1, 2018.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.<sup>5</sup>

## 5 RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

Ottawa River Power is embedded within Hydro One Networks Inc.'s distribution systems and Brookfield Energy Management Inc. (Brookfield Energy) and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Tables 5.1 and 5.2.

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<sup>5</sup> Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: 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.

**Table 5.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>6</sup>**

<b>Current Approved Sub-Transmission RTSRs (2017)</b>	<b>per kWh</b>
Network Service Rate	\$3.19
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$1.75

**Table 5.2: Brookfield Energy Sub-Transmission RTSRs**

<b>Current Approved Sub-Transmission RTSRs (2017)</b>	<b>per kWh</b>
Combined Transmission Service Rate <sup>7</sup>	\$2.86

## Findings

Ottawa River Power's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs.

The differences resulting from the approval of new 2018 RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

## 6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.<sup>8</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor

<sup>6</sup> Decision and Rate Order, EB-2016-0081, December 21, 2016

<sup>7</sup> This is 50% of the combined Hydro One Sub-Transmission Network, Line Connection and Transformation Connection charges.

<sup>8</sup> Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

justifies why balances should not be disposed.<sup>9</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

In its original application, the 2016 actual year-end total balance for Ottawa River Power's Group 1 accounts including interest projected to April 30, 2018 was a debit of \$151,973. This amount represented a total debit claim of \$0.0008 per kWh, which did not exceed the disposition threshold. Therefore, Ottawa River Power did not seek disposition of its Group 1 account balances.

In response to OEB staff interrogatories, Ottawa River Power eliminated a principal credit adjustment of \$326,083 and made an interest credit adjustment of \$411,123. The adjustments made resulted in revised Group 1 account balances for the year ended 2016, including interest projected to April 30, 2018, totaling a debit amount of \$71,715. The adjusted total balance did not exceed the pre-set disposition threshold, however, there was no clear evidence on the record documenting what the adjustments constituted or how they were calculated.

Ottawa River Power was also unable to provide a comprehensive description of its RPP settlement process with its host distributor.

## Findings

The OEB finds that no disposition is required at this time as the disposition threshold has not been exceeded.

To ensure the accuracy of the balances, Ottawa River is directed to undertake a review of all of its Group 1 balances prior to applying for disposition. The OEB expects Ottawa River Power to perform a more detailed analysis on its Group 1 account balances to provide the OEB with a clearer understanding of how the balances in the accounts were determined. The evidence should clearly indicate how Ottawa River Power derived its preliminary RPP settlement figures, and any subsequent RPP settlement true-up adjustments, to ensure adherence to the rules and guidelines outlined in the Accounting Procedures Handbook. The methodology and data used to appropriately allocate commodity costs between different classes of ratepayers, namely RPP and non-RPP consumers, should also be clearly documented. Ottawa River may wish to engage with OEB staff to ensure that the requirements in the Accounting Procedures Handbook are being met.

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<sup>9</sup> Report of the OEB – “Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR)” EB-2008-0046, July 31, 2009

## 7 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.<sup>10</sup> The OEB requires that distributors filing IRM applications affecting 2018 rates continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service charge and decrease the variable charge consistent with the policy.

The OEB expects an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10<sup>th</sup> percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Ottawa River Power notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.24. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

### Findings

The OEB finds that the proposed 2018 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

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<sup>10</sup> As outlined in the Policy cited at footnote 1 above.

## 8 OTHER MATTERS

In addition to the matters discussed previously, Ottawa River Power sought approval for the following rates and charges<sup>11</sup> in its application:

- Continuance of the micro-FIT monthly Charge.
- Continuance of the Smart Meter Entity Charge.
- Continuance of the Specific Services charges and Loss Factors as approved in Ottawa River Power's 2015 COS Application.<sup>12</sup>
- Continuance of Rate Riders and Adders for which the sunset date has not yet been reached.

### Findings

As these rate and charges were approved by the OEB in previous proceedings, no further approval is required in this Decision to include these items on Ottawa River Power's Tariff of Rates and Charges.

## 9 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Ottawa River Power's last COS decision, the 2017 OEB-approved Tariff of Rates and Charges, as well as to ensure that the cost, revenue and consumption results from 2016, are as reported by Ottawa River Power to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

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<sup>11</sup> Ottawa River Power's 2018 IRM Application, EB-2017-0070, October 20, 2017, page(s) 4-5

<sup>12</sup> EB-2014-0195

**Table 9.1: Regulatory Charges**

<b>Rate</b>	<b>per kWh</b>
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0003
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0032
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2017.<sup>13</sup>

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set at \$0.57 by the OEB on March 1, 2018, effective January 1, 2018 to December 31, 2022.<sup>14</sup> The Rate Generator Model has been adjusted to incorporate this rate.

#### **THE ONTARIO ENERGY BOARD ORDERS THAT**

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2018 for electricity consumed or estimated to have been consumed on and after such date. Ottawa River Power Corporation shall notify its customers of the rate changes no later than the first bill reflecting the new rates.

**DATED** at Toronto, March 22, 2018

#### **ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

<sup>13</sup> Decision and Order, EB-2017-0333, December 20, 2017

<sup>14</sup> Decision and Order, EB-2017-0290, March 1, 2018

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**Ottawa River Power Corporation**

**OEB File No: EB-2017-0070**

**DATED: March 22, 2018**

# Ottawa River Power Corporation

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2018

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

EB-2017-0070

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.88
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until June 30, 2020	\$	1.68
Rate Rider for Recovery of Stranded Meter Assets - effective until June 30, 2018	\$	0.07
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$	0.11
Distribution Volumetric Rate	\$/kWh	0.0067
Low Voltage Service Rate	\$/kWh	0.0008
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kWh	(0.0008)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0027)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0062

**Ottawa River Power Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0070

Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) costs - effective until June 30, 2018	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2018

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

EB-2017-0070

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	22.57
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until June 30, 2020	\$	4.47
Rate Rider for Recovery of Stranded Meter Assets - effective until June 30, 2018	\$	2.50
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0128
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kWh	(0.0008)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0027)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0062

**Ottawa River Power Corporation**  
**TARIFF OF RATES AND CHARGES**  
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Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kWh	(0.0004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) costs - effective until June 30, 2018	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0043

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2018

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

EB-2017-0070

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load equal to or greater than 50 kW but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon the location of the building, primary supplies to transformers and customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 wire

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	84.94
Distribution Volumetric Rate	\$/kW	3.5179
Low Voltage Service Rate	\$/kW	0.2787
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kW	(0.2905)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.9410)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kW	2.1615

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Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$/kW	0.0587
Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kW	(0.1381)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) costs - effective until June 30, 2018	\$/kW	0.1078
Retail Transmission Rate - Network Service Rate	\$/kW	2.3522
Retail Transmission Rate - Line and Transformation Connection Service Rate (See Note 1)	\$/kW	1.7123

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Ottawa River Power Corporation**  
**TARIFF OF RATES AND CHARGES**  
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## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.9463
Distribution Volumetric Rate	\$/kW	9.1292
Low Voltage Service Rate	\$/kW	0.2200
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kW	-0.2901
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	-0.9398
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kW	2.1587
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$/kW	0.0586
Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kW	-1.1379
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) costs - effective until June 30, 2018	\$/kW	0.1077
Retail Transmission Rate - Network Service Rate	\$/kW	1.7828
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3518

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Ottawa River Power Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. The consumption for these customers will be based on the calculated connected load multiplied by the required lighting times, established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.3913
Distribution Volumetric Rate	\$/kW	13.0949
Low Voltage Service Rate	\$/kW	0.2155
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kW	-0.2970
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	-0.9621
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kW	2.2099
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$/kW	0.0600
Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kW	-0.1412
Retail Transmission Rate - Network Service Rate	\$/kW	1.7739
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3239

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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## 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, 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. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	10.3826
Distribution Volumetric Rate	\$/kWh	0.0035
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018	\$/kWh	-0.0008
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until June 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0027)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until June 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0062
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts - effective until June 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Account 1576 - effective until June 30, 2018	\$/kWh	-0.0004
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) costs - effective until June 30, 2018	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0043

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**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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**microFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 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 & 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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**Customer Administration**

Arrears certificate	\$	15.00
Account history	\$	15.00
Returned Cheque (plus bank charges)	\$	20.00
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)	\$	45.00

**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 charge at meter - after hours	\$	185.00

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## 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment 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	1.0457
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0396