FINAL RATE ORDER

EB-2017-0051

HYDRO ONE REMOTE COMMUNITIES INC.

Application for electricity generation and distribution rates, and other charges beginning May 1, 2018

BEFORE: Emad Elsayed
Presiding Member

Michael Janigan
Member

Rumina Velshi
Member

Issued April 12, 2018
Corrected April 13, 2018
1 INTRODUCTION AND SUMMARY

Hydro One Remote Communities Inc. (Hydro One Remotes) filed a cost of service application dated August 28, 2017 with the Ontario Energy Board (OEB) pursuant to section 78 of the Ontario Energy Board Act, 1998, for an order or orders approving its 2018 revenue requirement and customer rates for the distribution and generation of electricity, effective May 1, 2018.

This is a Final Rate Order of the OEB on the application and settlement proposal filed by Hydro One Remotes to change its electricity generation and distribution rates as of May 1, 2018.

The OEB has reviewed the revised Tariff of Rates and Charges submitted on March 28, 2018, and is satisfied that the documents accurately reflect the settlement proposal and the amendment.

The reductions agreed to in the settlement proposal do not impact the rates proposed by Hydro One Remotes. Most customers within Hydro One Remotes pay rates below the cost of service. The rates for residential and general service customers are financially supported through a cross-subsidy from government customers within Hydro One Remotes, through Indigenous and Northern Affairs Canada (INAC) capital contributions and the Rural or Remote Electricity Rate Protection (RRRP) fund. The reductions in the settlement proposal impact the amount drawn from the RRRP. As a result of the settlement proposal, the amount that will be drawn from the RRRP has been reduced from the original proposed $38.126 million to $35.223 million.

In the application, Hydro One Remotes proposed to increase the total bill by 1.8% across all customer rate classes. The table below shows the bill impacts as a result of this Final Rate Order.
### MONTHLY BILL IMPACT

<table>
<thead>
<tr>
<th>CUSTOMER CLASS</th>
<th>Current Bill</th>
<th>Proposed Bill</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>Residential Year Round (RRRP Funded)</td>
<td>$88.08</td>
<td>$89.63</td>
<td>1.8%</td>
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<tr>
<td>Residential Seasonal</td>
<td>$101.50</td>
<td>$103.29</td>
<td>1.8%</td>
</tr>
<tr>
<td>Residential – Road/Rail (Standard A – not RRRP funded)</td>
<td>$494.83</td>
<td>$503.73</td>
<td>1.8%</td>
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<tr>
<td>Residential – Air Access (Standard A – not RRRP funded)</td>
<td>$725.15</td>
<td>$738.20</td>
<td>1.8%</td>
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</table>
2 THE PROCESS

The OEB held a settlement conference on February 6 and 7, 2018 to enable the parties to reach a settlement on the issues in the proceeding. The parties reached a settlement on all issues in the proceeding with the exception of Issue 5.4 that related to Hydro One Remotes’ proposed plan for First Nation relations\(^1\). Opiikapawiin Services LP opposed the settlement on this one issue. On March 16, 2018, Hydro One Remotes submitted an amendment to the original settlement proposal\(^2\) reaching agreement on Issue 5.4 by all the intervenors.

The OEB accepted the settlement proposal and the amendment at the oral proceeding held on March 19, 2018 subject to certain minor corrections. The OEB directed Hydro One Remotes to file a corrected version of the settlement proposal and the amendment. The OEB also directed Hydro One Remotes to file a draft rate order on March 26, 2018. Comments on the draft rate order were due April 3, 2018 and reply from Hydro One Remotes to the comments was due April 9, 2018.

Hydro One Remotes filed a corrected version of the original settlement proposal and the amendment on March 19, 2018 following the conclusion of the oral proceeding and filed the draft rate order on March 26, 2018.

OEB staff suggested minor corrections to the draft rate order. Hydro One Remotes filed a revised draft rate order on March 28, 2018. OEB staff submitted comments on April 2, 2018 recommending that the draft rate order be approved as filed.

\(^1\) Issue 5.4: Is the plan for First Nation relations appropriate and adequately explained?
\(^2\) Remotes Settlement Proposal dated February 22, 2018
3 RATE ORDER

The OEB has reviewed the information filed by Hydro One Remotes on March 26 and 28, 2018. The OEB is satisfied that the revised documents are in accordance with the OEB’s Decision.

The OEB approves the revised Tariff of Rates and Charges (attached as Schedule A). The OEB also approves the 2018 final revenue requirement of $53.834 million and the amount that will be drawn from the RRRP to $35.223 million.
4 IMPLEMENTATION

Pursuant to the approval by the OEB of the terms and cost consequences of the OEB Decision, the new rates are to be effective and implemented on May 1, 2018.

The OEB has made provisions in this Final Rate Order for eligible intervenors to file their cost claims related to this proceeding.
5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One Remotes’ new rates are to be effective and implemented as of May 1, 2018. Hydro One Remotes shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

2. Intervenors shall submit their cost claims no later than 7 days from the date of issuance of this Final Rate Order.

3. Hydro One Remotes shall file with the OEB and forward to intervenors any objections to the claimed costs within 14 days from the date of issuance of this Final Rate Order.

4. Intervenors shall file with the OEB and forward to Hydro One Remotes any responses to any objections for cost claims within 21 days from the date of issuance of this Final Rate Order.

5. Hydro One Remotes shall pay the OEB’s costs incidental to this proceeding upon receipt of the OEB’s invoice.

All filings to the OEB must quote the file number, EB-2017-0051, be made in searchable / unrestricted PDF format electronically through the OEB’s web portal at https://pes.ontarioenergyboard.ca/eservice/. Two paper copies must also be filed at the OEB’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.oeb.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.
With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Khalil Viraney at Khalil.Viraney@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

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

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

DATED at Toronto, April 12, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary
SCHEDULE A

FINAL RATE ORDER

HYDRO ONE REMOTES COMMUNITIES INC.

EB-2017-0051

TARIFF OF RATES AND CHARGES

ISSUED APRIL 12, 2018
Hydro One Remote Communities Inc.
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

NON STANDARD A YEAR ROUND RESIDENTIAL SERVICE CLASSIFICATION – R2

This classification refers to a residential service that is the principal residence of the customer. This classification may include additional buildings served through the same meter, provided they are not rental income units. To be classed as year round residential, all of the following criteria must be met:

- Occupants must state that this is their principal residence for purposes of the Income Tax Act;
- The occupant must live in this residence for at least 8 months of the year;
- The address of this residence must appear on the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.;
- Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

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.

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

<table>
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<td>Electricity Rate - All Additional kWh</td>
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</tbody>
</table>
Hydro One Remote Communities Inc.
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

NON STANDARD A SEASONAL RESIDENTIAL SERVICE CLASSIFICATION – R4

This classification is comprised of any residential service not meeting the year-round residential criteria. As such, the seasonal residential class includes cottages, chalets, and camps. 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.

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MONTHLY RATES AND CHARGES

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<td>Electricity Rate - All Additional kWh</td>
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Hydro One Remote Communities Inc.
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

NON STANDARD A GENERAL SERVICE SINGLE PHASE SERVICE CLASSIFICATION – G1

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Single Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES

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<td>Electricity Rate - All Additional kWh</td>
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NON STANDARD A GENERAL SERVICE THREE PHASE SERVICE CLASSIFICATION – G3

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Three Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES

<table>
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</table>
Hydro One Remote Communities Inc.

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

STREET LIGHTING SERVICE CLASSIFICATION

The energy consumption for street lights is estimated based on Remotes’ profile for street lighting load, which provides the amount of time each month that the street lights are operating. Streetlight charges include:

- An energy charge based on installed load, at a rate approved annually (Dollars per kWh x # of fixtures x billing);
- A pole rental charge approved annually, when the light is attached to a Remotes' pole.

Remotes must approve the location of new lighting installations on its poles and the streetlight owner must enter into an agreement to use such poles. Remotes will make the electrical service connection of all streetlights to the distribution system. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

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<th>$/kWh</th>
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<tr>
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Hydro One Remote Communities Inc.

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

STANDARD A RESIDENTIAL ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Aboriginal Affairs and Northern Development Canada. Further servicing details are available in the distributor’s Conditions of Service.

This classification is applicable to residential customers in communities that are accessible by a year-round road or by rail.

APPLICATION

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MONTHLY RATES AND CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Electricity Rate - First 250 kWh</td>
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<tr>
<td>Electricity Rate - All Additional kWh</td>
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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018

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STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor’s Conditions of Service.

This classification is applicable to residential customers in communities that are not accessible by a year-round road or by rail.

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.

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MONTHLY RATES AND CHARGES

<table>
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<tr>
<th>Description</th>
<th>Rate</th>
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<tbody>
<tr>
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<td>Electricity Rate - All Additional kWh</td>
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Hydro One Remote Communities Inc.
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

STANDARD A GENERAL SERVICE ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are accessible by a year-round road or by rail.

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.

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MONTHLY RATES AND CHARGES

Electricity Rate $/kWh 0.7008
Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018

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STANDARD A GENERAL SERVICE AIR ACCESS SERVICE
CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue, subject to the following exceptions:

- Canada Post Corporation, Hydro One Inc. or a subsidiary of Hydro One Inc.
- social housing
- a recreational or sports facility
- a radio, television or cable television facility
- a library

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor’s Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are not accessible by a year-round road or by rail.

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.

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MONTHLY RATES AND CHARGES

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<th>Electricity Rate</th>
<th>$/kWh</th>
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Hydro One Remote Communities Inc.
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

**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.

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**MONTHLY RATES AND CHARGES**

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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018

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STANDARD A GRID CONNECTED SERVICE CLASSIFICATION

This classification is applicable to all Standard A customers in communities that are connected to the grid and are not accessible by a year-round road or by rail.

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.

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

<table>
<thead>
<tr>
<th>Electricity Rate</th>
<th>$/kWh</th>
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<td>0.3175</td>
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</table>
Hydro One Remote Communities Inc.
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

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 set up charge/change of occupancy charge (plus credit agency costs if applicable) $30.00
- Returned Cheque (plus bank charges) $15.00
- Meter dispute charge plus Measurement Canada fees (if meter found correct) $30.00

Non-Payment of Account
- Late Payment - per month %1.50
- Late Payment - per annum %19.56
- Collection/Disconnection/Load Limiter/Reconnection – if in Community $65.00