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BY EMAIL

October 11, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Erie Thames Powerlines Corporation
2018 Cost of Service Electricity Distribution Rate Application
OEB Staff Submission
OEB File No. EB-2017-0038**

In accordance with Procedural Order No. 1, please find attached OEB staff's submission in the above noted proceeding. Erie Thames Powerlines Corporation (Erie Thames Powerlines or ETPL) and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Fiona O'Connell
Project Advisor, Major Applications

Encl.

2018 ELECTRICITY DISTRIBUTION RATES

ERIE THAMES POWERLINES CORPORATION

EB-2017-0038

**OEB STAFF SUBMISSION ON SETTLEMENT
PROPOSAL**

October 11, 2018

Table of Contents

1 SUMMARY 2

2 SETTLEMENT PROPOSAL 3

 2.1 RATE BASE 5

 2.2 DISTRIBUTION SYSTEM PLAN AND CAPITAL EXPENDITURES 7

 2.3 OPERATING COSTS 7

 2.4 COST OF LONG TERM DEBT 9

 2.5 LOAD FORECAST AND OTHER REVENUE 10

 2.6 REVENUE SUFFICIENCY/DEFICIENCY 11

 2.7 COST ALLOCATION 11

 2.8 RATE DESIGN 12

 2.9 DEFERRAL AND VARIANCE ACCOUNTS 14

SCHEDULE A – 2018 PROPOSED TARIFF OF RATES AND CHARGES 16

1 SUMMARY

Erie Thames Powerlines Corporation (ETPL) filed a cost of service application with the Ontario Energy Board (OEB) on September 15, 2017 under section 78 of the *Ontario Energy Board Act, 1998*. ETPL was seeking approval for changes to the rates that ETPL charges for electricity distribution, to be effective May 1, 2018. ETPL's application is being considered under the OEB's proportionate review approach. The proportionate review process is intended to allow for a streamlined hearing of applications where it is appropriate.

The OEB hosted a community meeting on December 12, 2017 in Ingersoll, Ontario to allow customers of ETPL to learn about the application, ask questions and provide their comments. OEB staff, ETPL, and an ETPL customer made presentations at the meeting. A summary of the community meeting was posted to the record of the proceeding. At the community meeting, there were specific questions and concerns raised by customers. Customers were generally concerned about ETPL's distribution rates being higher than most other utilities in south-western Ontario, the potential for cross-subsidization from ETPL to other companies in the EARTH Corporation, the cost of new connections, and the lack of information about the potential for a merger with West Coast Huron Energy Inc.

OEB staff filed its Report to the Registrar (the Report) on March 14, 2018. The Report set out OEB staff's recommendations as to the issues that it believed should proceed to a hearing.

In June 2018, the OEB issued its Decision on Scope of Review (Scoping Decision), which set out the issues that were to proceed to hearing. The Scoping Decision provided parties with the opportunity to propose additions to certain parts of the issues list.

The Consumers Council of Canada (CCC), School Energy Coalition (SEC), Vulnerable Energy Consumers Coalition (VECC), and Toyota Motor Manufacturing Canada Inc. (TMMC) were granted intervenor status in this proceeding.

ETPL raised concerns that VECC was seeking to introduce issues that relate to ETPL's proposed amalgamation with West Coast Huron Energy Inc.¹ (the MAADs application).

¹ EB-2018-0082

In the August 9, 2018 Decision on Issues List and Appeal, the OEB agreed with ETPL that the implications of the MAADs application were out of scope of this proceeding.

A settlement conference was held September 12, 2018 and September 13, 2018. On September 24, 2018, ETPL filed a request to extend the September 26, 2018 date for the filing of its settlement proposal to October 5, 2018. This request was granted by the OEB. ETPL filed its settlement proposal on October 4, 2018, setting out an agreement between all the parties. The parties to the settlement proposal are ETPL, CCC, SEC, TMMC, and VECC.

OEB staff took customers' concerns about rising costs into consideration in reviewing ETPL's application and the settlement proposal. For a typical residential customer with monthly consumption of 750 kWh, the total bill impacts under the filed settlement proposal would be an increase of \$1.60 before taxes per month, or an increase of 1.46%. The distribution portion of the total bill would increase by \$0.88 per month.

The settlement proposal represents a complete settlement. This submission is based on the status of the record as of the filing of ETPL's settlement proposal and reflects observations which arise from OEB staff's review of the evidence and the settlement proposal. It is intended to assist the OEB in deciding upon ETPL's application and the settlement proposal.

2 SETTLEMENT PROPOSAL

OEB staff has reviewed the settlement proposal in the context of the objectives of the *Renewed Regulatory Framework*,² the Handbook for Utility Rate Applications,³ other applicable OEB policies, relevant OEB decisions, and the OEB's statutory obligations. OEB staff submits that the settlement proposal reflects a reasonable evaluation of the distributor's planned outcomes in this proceeding, appropriate consideration of the relevant issues and ensures there are sufficient resources to allow ETPL to achieve its identified outcomes in the subsequent years that will follow.

OEB staff further submits that the explanations and rationale provided by the parties are adequate to support the settlement proposal. OEB staff also submits that the outcomes

² Report of the Board on the Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach, October 18, 2012

³ Handbook for Utility Rate Applications, October 13, 2016

arising from the OEB's approval of the settlement proposal would adequately reflect the public interest and would result in just and reasonable rates for customers.

OEB staff will provide further specific submissions on the following issues, which are a subset of the issues listed in the settlement proposal.

OEB staff also has further comments below regarding the engagement of a consultant to assist with future rate applications and the proposed effective and implementation date. These comments are discussed below.

Engagement of a Consultant for Future Rate Applications

In the Revenue Sufficiency/ Deficiency section of the settlement proposal, ETPL noted that the process of review of this application, in addition to being lengthy and stretching the resources of the applicant, turned up an unusual number of errors in the application and the underlying data on which it was based. ETPL indicated that some of those errors⁴ were caught by OEB staff during the proportionate review phase of the process, but many were also identified by intervenors and OEB staff later in the process.

In the settlement proposal, ETPL recognized that it must take steps to ensure that its applications to the OEB have a higher level of technical accuracy than was demonstrated in this proceeding. Parties have agreed that in 2019 ETPL will seek the assistance of qualified external consultants knowledgeable in preparation of information and forecasts for OEB applications. ETPL will ensure that those consultants are given the budget, and access to ETPL personnel and records, to identify any weaknesses in ETPL's internal processes, and through advice, training or other means to assist ETPL in improving the quality of the regulatory end product in the future.

OEB staff submits that it is appropriate for ETPL to engage a consultant to complete the tasks noted above. OEB staff agrees with parties that ETPL is to finance that work out of its approved OM&A budget. OEB staff also agrees that when ETPL and the external experts are satisfied that ETPL has improved its regulatory filing processes, and/or the accounting processes underlying them, the report of the external experts is to be filed with the OEB and copied to all other parties to this proceeding. OEB staff submits that this report should be filed in ETPL's first rates proceeding following the completion of the report.

⁴ ETPL also noted that certain errors were material, including errors on which the intervenors did not have discovery (e.g. load and customer forecasts). It was also noted that the late identification of errors made the process of settlement difficult. The settlement proposal stated that had there not been a full settlement through the co-operation and diligence of the parties, the consequences could have been more severe.

Effective and Implementation Date

Parties have agreed that rates would become effective at the beginning of the calendar month following the OEB's decision in this matter, but potentially as late as January 1, 2019. Parties have also settled the issues as a package, and none of the parts of the settlement proposal are severable.⁵

OEB staff notes that in the 2018 proposed tariff of rates and charges included in Appendix F to the settlement proposal, ETPL has included an effective and implementation date of January 1, 2019. OEB staff submits that if the OEB agrees with this effective and implementation date, but its decision on the settlement proposal is issued prior to December 2018, an effective and implementation date of January 1, 2019 is still appropriate, notwithstanding the severable terms of the settlement proposal.

2.1 RATE BASE

OEB staff's comments are provided below with respect to the proposed rate base.

The settled 2018 test year rate base is \$38.2 million, which incorporates certain adjustments agreed to by parties, such as:

- The value of land in the Town of Mitchell that was purchased for a proposed new operations centre of \$75,000 was removed from rate base
- The solar generating facility of \$163,929 and associated amortization of \$3,668 was removed from rate base
- Adjustments were made to the working capital allowance (WCA)⁶

OEB staff supports the removal from rate base of the value of land in the Town of Mitchell that was purchased for a proposed new operations centre of \$75,000. OEB staff submits that this removal is appropriate for the following reasons:

⁵ Parties also indicated that if the OEB does not accept the settlement proposal in its entirety, then there is no settlement (unless the parties agree in writing that any part(s) of the settlement proposal that the OEB does accept may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

⁶ ETPL has updated its WCA to reflect updated cost of power amounts, which include a revised customer and load forecast. The WCA has also been updated to reflect revised controllable expenses.

- ETPL has continued to lease the existing Mitchell operations centre during 2018
- ETPL has not progressed to building a new operations centre in Mitchell for which the land may be required

OEB staff supports the removal from rate base of the solar generating facility of \$163,929 and associated amortization of \$3,668. OEB staff submits that this removal is appropriate as the solar generating facility is not a regulated asset and should not be incorporated into ETPL's rate base.

In the context of the settlement proposal, OEB staff does not have concerns with the 2018 test year rate base amounts, other than comments below regarding capital contributions.

Capital Contributions

It the settlement proposal, parties agreed the change from Canadian Generally Accepted Accounting Principles (CGAAP) to International Financial Reporting Standards (IFRS) in respect of gross fixed assets is appropriate and consistent with the OEB's *Accounting Procedures Handbook* (APH), Article 510, Transitional Issues Relating to the Adoption of IFRS. However, OEB staff notes a potential inconsistency with ETPL's treatment of its customer contributions, versus the requirements of the APH.

As at January 1, 2015, ETPL has recorded approximately \$6.5 million of customer contributions in Account 1995, Contributions and Grants – Credit, in Appendix 2-BA.

The APH⁷ indicates that effective on the date of IFRS adoption, the balance in Account 1995 should be adjusted to zero in accordance with the guidance in Article 510, Transitional Issues Relating to the Adoption of IFRS. As at January 1, 2015, ETPL should have transferred the \$6.5 million credit of customer contributions recorded in Account 1995 against the gross property, plant and equipment values that the contributions relate to. The end result is that Account 1995 should be zero as at January 1, 2015.

⁷ APH Article 220, page 77

Although there is no impact on rate base regarding this issue, OEB staff is of the view that going forward, ETPL's regulatory accounting should be revised so that customer contributions are recorded in accordance with the APH.

2.2 DISTRIBUTION SYSTEM PLAN AND CAPITAL EXPENDITURES

In its application, as updated through the interrogatory phase, ETPL proposed 2018 capital additions of \$3.3 million. OEB staff's comments are provided below with respect to capital additions.

In the settlement proposal, the parties agreed to 2018 capital additions of \$3.1 million for 2018, a reduction of \$0.2 million from proposed related to system renewal spending. ETPL indicated that the agreed to amount of system renewal should permit a similar level of activity (incorporating consideration of inflation/efficiency), as was OEB approved in 2012.

In the context of the settlement proposal, OEB staff does not have concerns regarding the 2018 capital additions. ETPL stated that the rationale for planning and pacing choices are appropriate to maintain system reliability, service quality objectives and the reliable and safe operations of the distribution system, is appropriate. OEB staff submits that the reduction in system renewal spending of \$0.2 million from the 2018 test year capital additions is reasonable, given that the revised level is not drastically higher than the average of the 2013 to 2016 system renewal spending amounts.

2.3 OPERATING COSTS

OM&A

OEB staff's comments are provided below with respect to operations, maintenance and administration (OM&A) costs.

In the settlement proposal, parties agreed to a 2018 test year OM&A costs of \$6.4 million, an aggregate net increase in OM&A of \$0.03 million, from that proposed in the application.

The 2018 test year OM&A of \$6.4 million includes an agreed reduction of \$0.04 million from the applied for OM&A amount included in the pre-filed evidence.

Parties agreed that the 2018 forecasted amount of OM&A represents a reasonable change from 2012 OEB approved amounts and reasonably incorporates customer growth, inflation, efficiency, staff reorganization and the transition to IFRS. Parties also agreed to incorporate the changes in methodology regarding the accounting for the affiliate transactions which resulted in an increase in OM&A of \$0.07 million, as further described below in the Other Revenue section of this document. The settlement proposal stated that the increase from the accounting change is offset by an offsetting increase in 2018 test year other revenue of the same amount. The settlement proposal indicated that there is no direct impact of the accounting change on the 2018 test year proposed revenue requirement.

The combination of reduced spending of \$0.04 million and the change in accounting methodology of an increase of \$0.07 million created an aggregate net increase in OM&A of \$0.03 million.

While the settlement proposal does not identify concerns with any specific OM&A program, OEB staff is of the view that the proposal is supported by the evidence provided during the course of this proceeding. As part of the requested 2018 test year OM&A, ETPL has requested cyber security costs of \$0.14 million. OEB staff is of the view that cyber security costs should already be part of distributors' business and asset planning.⁸ However, OEB staff submits that the proposed 2018 test year OM&A is reasonable and can be managed by ETPL via an envelope approach. OEB staff notes that the proposed 2018 test year OM&A of \$6.4 million represents an increase of \$0.8 million over the 2012 approved OM&A of \$5.6 million, or 2.3% per year for six years, which is a reasonable increase in this particular case.

In the context of the settlement proposal, OEB staff does not have concerns with the proposed 2018 test year OM&A.

Depreciation

Parties accepted the evidence that ETPL has correctly calculated depreciation for the 2018 test year in the amount of \$1.89 million. Prior to the completion of the settlement proposal, ETPL discovered an error in its calculation of depreciation charges. This error existed in the pre-filed evidence which incorrectly calculated the depreciation of certain assets in the first year following installation (the transition from half-year rule to full depreciation). The change as a result of the correction, as well as other changes agreed

⁸ 4-Staff-44; EB-2016-0032, Notice of Proposal to Amend a Code, December 20, 2017, page 13

to in the settlement proposal (e.g. reduced 2018 capital spending by \$0.2 million), is an increase of \$0.1 million in depreciation.⁹

In the context of the settlement proposal, OEB staff does not have concerns with the proposed 2018 test year depreciation.

Taxes

Parties have agreed to reduce the grossed up Payments In Lieu of Taxes (PILs) amount from \$0.2 million to \$0.03 million. This reduction was performed so that the benefit of any PILs savings from actual long-term debt expenses on affiliate debt will be shared with ratepayers equally, as further described below in the Cost of Long Term Debt section of this document. ETPL included an adjustment to the PILs model to reduce its 2018 test year taxable income by \$0.33 million.¹⁰

In the context of the settlement proposal, OEB staff notes that this is a unique adjustment. However, OEB staff does not oppose the PILs as incorporated into the 2018 test year revenue requirement, as this approach is an overall benefit to ratepayers to address an extreme circumstance where 100% of a utility's debt is forecasted to be paid out at 7.25%, a rate significantly higher than the deemed amount that underpins the proposed rates (4.16%). The calculation of the \$0.33 million is outlined in Table 9 – Summary of Interest Shield Debt Adjustment Calculation of the settlement proposal.

2.4 COST OF LONG TERM DEBT

ETPL stated that it has a series of debt instruments with ERTH Corporation, its parent company, and the municipal shareholders of ERTH, with rates above the OEB's current deemed rate. OEB staff notes that the rates for all this affiliate debt is 7.25%.

Parties agreed with the use of the OEB's most recent approved costs for short-term debt of 2.29%, long-term debt rate of 4.16%, and the return on equity of 9%. Parties also agreed with ETPL's use of the OEB-approved deemed capital structure of 4% short term debt, 56% long term debt and 40% equity. Parties accepted that the long-term debt of \$0.89 million included in rates is reasonable and that sharing of the tax shield from

⁹ Table 11 – Summary of Change in Depreciation in the settlement proposal provided a summary the corrected amounts and the net impact on the 2018 test year revenue requirement.

¹⁰ Table 9 – Summary of Interest Shield Debt Adjustment Calculation of the settlement proposal shows the derivation of the \$0.33 million adjustment.

higher actual debt rates, as reflected in the revised 2018 test year PILs amount, is appropriate.

In the context of the settlement proposal, OEB staff does not have concerns with the long-term debt rate used. OEB staff also does not take issue with the impact of the tax shield from higher actual debt rates, as noted above in Taxes section of this document.

2.5 LOAD FORECAST AND OTHER REVENUE

Load Forecast

In the settlement proposal, parties have agreed the actual customer count as at June 30, 2018, is a reasonable forecast of customer count for use in setting rates. Table 13 – Customer Forecast, Table 14 - Load Forecast (kWh) for 2018, and Table 14A – Load Forecast (kW) for 2018 outline the 2018 test year customer count, kWh, and kW accepted by parties.

Parties also agreed that the weather normalization methodology used has produced a reasonable result. However, the intervenors in accepting this result, expressed no opinion regarding the methodology, in general, or its appropriateness for use in other circumstances.

In the context of the settlement proposal, OEB staff does not have concerns with the revised 2018 test year billing determinants. OEB staff agrees with the intervenors that the weather normalization methodology used does not necessarily imply acceptance of the methodology in other cases.

Other Revenue

As part of the settlement proposal, ETPL updated its 2018 test year other revenue from \$0.49 million to \$0.57 million. Parties agreed that 2018 test year other revenue was to be updated to account for the change to the accounting for affiliate transactions using Accounts 4375, Revenues from Non Rate-Regulated Utility Operations, and Account 4380, Expenses of Non Rate-Regulated Utility Operations, and the applicable OM&A account for the service provided. This is consistent with the current filing requirements.¹¹

¹¹ Filing Requirements For Electricity Distribution Rate Applications - 2018 Edition for 2019 Rate Applications - Chapter 2 Cost of Service, July 12, 2018, page 27

ETPL stated that costs incurred by ETPL were transferred to Account 4380 as the fact that the service was provided by an affiliate should not change the classification of the cost. ETPL also indicated that conversely, for revenues earned by ETPL from its affiliate, it results in a change to Account 4375. Table 15 – Summary of Changes from Accounting Methodology Regarding Affiliate Transactions of the settlement proposal summarizes the impact of this change. This change did not result in any change to the amount to be recovered from ratepayers because it was an offset between OM&A and other revenue.

In the context of the settlement proposal, OEB staff does not have concerns with the other revenue as incorporated into the 2018 test year revenue requirement.

2.6 REVENUE SUFFICIENCY/DEFICIENCY

As outlined in Table 1 – Summary of Changes in Revenue Requirement in the settlement proposal, parties have agreed to a service revenue requirement of \$10.7 million, a base revenue requirement of \$10.2 million, and a gross revenue sufficiency of \$0.18 million. ETPL also included an updated revenue requirement work form to support its requested amounts.

These amounts in the settlement proposal reflect a reduction of \$0.20 million to the service revenue requirement, and a reduction of \$0.28 million to the base revenue requirement from the pre-filed evidence. ETPL indicated that these changes were the result of adjustments made to the WCA, PILs, customer and load forecasts, updated capital spending, OM&A and depreciation, as outlined in the settlement proposal.

In the context of the settlement proposal, OEB staff does not have concerns with the 2018 service revenue requirement of \$10.7 million included in the settlement proposal.

2.7 COST ALLOCATION

Parties agreed the cost allocation methodology and the allocations reflect OEB policies and are appropriate.

In the context of the settlement proposal, OEB staff does not have concerns with the cost allocation methodology and the allocations.

2.8 RATE DESIGN

Gross Load Billing and Stand-by Charges

Intervenors consented to ETPL's request to withdraw its proposals for the implementation of gross load billing and stand-by charges. CCC, SEC and VECC were of the view that the current dollar impact on customers is not material. Parties agreed that the issues underpinning both proposals are complex and involve matters of policy that are currently being considered by the OEB.¹² The intervenors took no position regarding the appropriateness of gross load billing or standby charges, with the view that parties are free to take any position in regards to these issues in future proceedings.

In the context of the settlement proposal, OEB staff does not take issue regarding the withdrawal of the proposals regarding gross load billing and stand-by charges.

Residential Rate Design

Parties agreed that ETPL's proposal for the phase in of the fixed charge for the residential rate class is consistent with the OEB's policy, *A New Distribution Rate Design for Residential Electricity Customers*.

In the context of the settlement proposal, OEB staff does not have concerns with this rate design. OEB staff notes that the change in fixed rate is \$3.18, as per Tab 12 of the revenue requirement work form, which is less than the \$4.00 threshold set by the OEB. For ETPL, the average monthly consumption for the 10th percentile residential customer is 233 kWh.¹³ In Appendix E of the filed settlement proposal, the bill impact calculations illustrated that the rate impact for the 10th percentile residential customer would be an increase of \$2.96 before taxes per month, or an increase of 5.86%. As this percentage is less than 10%, no rate mitigation is required.

Fixed Charges

Parties agreed the fixed charge for the GS>50 to 999 kW class would be adjusted upward, but would remain under the maximum. OEB staff notes that the maximum level is the level that could be proposed based on the calculation of 2018 rates.

¹² EB-2015-0043

¹³ March 1, 2018 Exhibit 8, Tab 1, Schedule 4, Page 1

Parties agreed that the GS>1000 to 4,999 kW and Large Use rates were kept at the minimum permissible fixed charge. ETPL stated that this will continue to provide encouragement for conservation initiatives for these customers.

In the context of the settlement proposal, OEB staff does not have concerns with these fixed charges. OEB staff also notes that the proposed 2018 fixed charges of \$2,537.23 for the GS>1000 to 4,999 kW rate class and \$10,362.66 for the Large Use rate class reconcile to ETPL's 2017 Incentive Regulation Mechanism (IRM) tariff sheet.¹⁴

Bill Impacts

In the settlement proposal, parties included Table 2 – Summary of Bill Impacts. This table illustrated the updated bill impacts based on the results of the settlement proposal. The table indicates that no rate classes will experience total bill impact increases in excess of 10%, therefore no rate mitigation is required.

In the context of the settlement proposal, OEB staff does not have concerns with the bill impacts.

Low Voltage Charges

Parties accepted that ETPL has correctly calculated the low voltage (LV) charges and that the application of LV charges to the embedded distributor rate class is appropriate.

OEB staff notes that in ETPL's prior 2012 cost of service proceeding,¹⁵ no LV charges were applied to the embedded distributor rate class. In the context of the settlement proposal, OEB staff does not have concerns with either the LV charges, nor the allocation of LV charges to the embedded distributor rate class. OEB staff notes that there are other instances where LV charges have been applied to embedded distributor rate classes.¹⁶

Retail Transmission Service Rates

The Retail Transmission Service Rates (RTSRs) have been updated for the most recent Uniform Transmission Rates (UTRs) and the other elements of the settlement proposal. Parties expressed no concerns regarding the proposed RTSRs.

¹⁴ EB-2016-0068

¹⁵ EB-2012-0121

¹⁶ EB-2017-0036, E.L.K. Energy Inc. March 22, 2018 Decision and Rate Order

In the context of the settlement proposal, OEB staff does not have concerns with the proposed RTSRs.

Loss Factors

Parties agreed that a loss factor of 3.25%, which is the average of the previous five years, is appropriate. The pre-filed evidence had used the average of the previous three years, as the fourth year losses was viewed as anomalous by ETPL.

In the context of the settlement proposal, OEB staff does not have concerns with the loss factors.

2.9 DEFERRAL AND VARIANCE ACCOUNTS

Parties agreed that the Group 1 deferral and variance account (DVA) balances are settled on an interim basis consistent with OEB policy and that the Group 2 balances are settled on a final basis. Parties also agreed that the recovery period for all deferral and variance account rate riders will be one year. Parties accepted ETPL's evidence that it has calculated the rate riders correctly.

The total Group 1 DVA balances requested for clearance in this proceeding is a debit balance of \$1,576,477.¹⁷ The total Group 2 DVA balances requested for clearance in this proceeding, as well as Account 1568, LRAM Variance Account, and Account 1576, Accounting Changes Under CGAAP, is a credit balance of \$464,608.¹⁸

ETPL has applied to clear the following commodity pass-through variance accounts and associated balances in this proceeding:

- A debit balance of Account 1588, RSVA Power, of \$318,943
- A debit balance of Account 1589, RSVA Global Adjustment, of \$1,034,259

OEB staff notes that Account 1588 and Account 1589 are included in the applied-for Group 1 DVA balances. In the context of the settlement proposal, OEB staff agrees that it is appropriate to only clear the Group 1 DVA balances on an interim basis, pending

¹⁷ ETPL_2018_DVA_Continuity_Schedule_Settlement_20181003.XLSM, Tab 2. 2016 Continuity Schedule

¹⁸ Ibid

the outcome of the OEB's plan to standardize processes to improve the accuracy of commodity pass-through variance accounts.¹⁹

In the context of the settlement proposal, OEB staff agrees that it is appropriate to clear the Group 2 DVA balances on a final basis, as well as the balances in Account 1568, LRAM Variance Account, and Account 1576, Accounting Changes Under CGAAP.

OEB staff notes that in the 2018 proposed tariff of rates and charges included in Appendix F to the settlement proposal, DVA rate riders impacting Group 1 DVAs have not been characterized as being settled on an interim basis. OEB staff submits that the description of these rate riders in the tariff sheet should be changed to reflect the interim nature of these rate riders, as well as following the format of other OEB-approved tariff sheets.²⁰ For example, for the residential rate class, OEB staff is of the view that the following phrase "approved on an interim basis" should be added to the tariff sheet:

- Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis
- Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis
- Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis

OEB staff has attached a revised tariff sheet in Schedule A to this submission which includes the above noted changes, as well as correcting some typographical mistakes. In the context of the settlement proposal, OEB staff is of the view that the revised tariff sheet is appropriate.

All of which is respectfully submitted

¹⁹ July 20, 2018 OEB letter tiled "OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts"

²⁰ EB-2017-0071, PUC Distribution Inc., Decision and Rate Order, Schedule B, September 27, 2018

SCHEDULE A

OEB Staff Submission

Erie Thames Powerlines Corporation

EB-2017-0038

2018 Proposed Tariff of Rates and Charges

October 11, 2018

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. 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	\$	27.92
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$	0.50
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$	(1.62)
Distribution Volumetric Rate	\$/kWh	0.0051
Low Voltage Service Rate	\$/kWh	0.0034
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0009
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kWh	0.0003
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0055

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

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 described in section 3.1.9 of the Distributor's Conditions of Service that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single family dwellings. 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	\$	22.22
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0141
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0010
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kWh	0.0008
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kWh	0.0003
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kWh	0.0018
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kWh	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service customers requiring a connection with a connected load, or whose average monthly maximum demand used for billing purposes, is equal to or greater than 50 kW but less than 1000 kW. 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	\$	123.60
Distribution Volumetric Rate	\$/kW	2.9894
Low Voltage Service Rate	\$/kW	1.1189
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.5177
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kW	0.2627
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kW	0.0942
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kW	0.1597
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kW	(0.8493)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5556
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8531

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

GENERAL SERVICE 1,000 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 or whose average monthly maximum demand used for billing purposes is equal to or greater than 1000 kW but less than 5000 kW. 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	\$	2,537.23
Distribution Volumetric Rate	\$/kW	1.5459
Low Voltage Service Rate	\$/kW	1.1986
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.3087
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kW	0.3684
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kW	0.1321
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kW	0.8199
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kW	(1.1911)
Retail Transmission Rate - Network Service Rate	\$/kW	2.7743
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9851

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

LARGE USE SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5000 kW. 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	\$	10,362.66
Distribution Volumetric Rate	\$/kW	1.8690
Low Voltage Service Rate	\$/kW	1.3596
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.4103
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kW	0.4561
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kW	0.6177
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kW	(1.4747)
Retail Transmission Rate - Network Service Rate	\$/kW	3.0755
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2518

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose average monthly peak 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 consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of 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

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	\$	2.11
Distribution Volumetric Rate	\$/kWh	0.0752
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0051
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kWh	0.0008
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kWh	0.0003
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kWh	(0.0054)
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kWh	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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)	\$	13.28
Distribution Volumetric Rate	\$/kWh	0.0963
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kWh	0.0008
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kWh	0.0003
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kWh	0.0018
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kWh	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

STREET LIGHTING SERVICE CLASSIFICATION

This Classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connection load times 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 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)	\$	3.73
Distribution Volumetric Rate	\$/kW	21.6752
Low Voltage Service Rate	\$/kW	1.4231
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	(0.4707)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kW	0.2884
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kW	0.1034
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kW	(18.8903)
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kW	(0.9325)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9726
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3561

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification refers to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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	\$	1,689.82
Distribution Volumetric Rate	\$/kW	2.9069
Low Voltage Service Rate	\$/kW	1.5809
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until December 31, 2019 - applicable only to Non-RPP customers - Approved on an Interim Basis	\$/kWh	0.0066
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.2865
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until December 31, 2019	\$/kW	0.3700
Rate Rider for Disposition of Account 1580 sub-account CBDR (2018) - effective until December 31, 2019 - applicable only to Class B customers - Approved on an Interim Basis	\$/kW	0.1326
Rate rider for Recovery of Lost Revenue Adjustment Mechanism Account (LRAM) (2018) - effective until December 31, 2019	\$/kW	(0.0339)
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2018) - effective until December 31, 2019	\$/kW	(1.1964)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7115
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.6180

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

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

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.

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.

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)

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

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 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.

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.

Customer Administration

Arrears certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection - during regular business hours	\$	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

Other

Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Specific Charge for Access to the Power Poles - \$/pole/year (with the exception of wireless attachments)	\$	43.63

Erie Thames Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2017-0038

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	1.0325
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0144
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0222
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0043