

DECISION AND RATE ORDER

EB-2018-0065

RIDEAU ST. LAWRENCE DISTRIBUTION INC.

Application for rates and other charges to be effective May 1, 2019

By Delegation, Before: Theodore Antonopoulos

March 28, 2019

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Rideau St. Lawrence Distribution Inc. (Rideau St. Lawrence) on October 15, 2018.

Rideau St. Lawrence serves about 5,900 mostly residential and commercial electricity customers in the Town of Prescott, Village of Westport, Township of Cardinal and Municipality of South Dundas. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

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

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

As a result of the OEB's findings in this Decision, there will be a monthly total bill increase before taxes of \$0.31 for a residential customer consuming 750 kWh, effective May 1, 2019.

Rideau St. Lawrence has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.¹ Whereas most utilities complete their transition by the end of the 2019 rate year, Rideau St. Lawrence is scheduled to complete its transition to fixed rates in 2020. Accordingly, the fixed monthly charge for 2019 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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

2 THE PROCESS

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

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

During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required. The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

Rideau St. Lawrence filed its application on October 15, 2018, under section 78 of the OEB Act and in accordance with the Filing Requirements. Rideau St. Lawrence supported its application with written evidence and a completed Rate Generator Model. Questions were asked of, and answers were provided by, Rideau St. Lawrence through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Rideau St. Lawrence on March 15, 2019. Rideau St. Lawrence was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Rideau St. Lawrence's proposals relating to each of them:

- Price Cap Adjustment
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance
- Residential Rate Design
- Request to Establish a Deferral Account to track Lost Revenues associated with the Collection of Account charge

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

This Decision does not address rates and charges approved by the OEB in previous proceedings which are not part of the scope of an IRM proceeding (such as specific service charges² and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

4 PRICE CAP ADJUSTMENT

Rideau St. Lawrence seeks to increase its rates, effective May 1, 2019, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR formula applicable to Rideau St. Lawrence are set out in Table 4.1, below. Inserting these components into the formula results in a 1.20% increase to Rideau St. Lawrence's rates: **1.20% = 1.50% - (0.00% + 0.30%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ³		1.50%
X-Factor	Productivity ⁴	0.00%
	Stretch (0.00% – 0.60%) ⁵	0.30%

The inflation factor of 1.50% applies to all Price Cap IR applications for the 2019 rate year.

² The most recent proceedings where approval was granted to change specific service charges are the Report of the OEB – “Wireline Pole Attachment Charges” EB-2015-0304, Issued March 22, 2018 and the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019.

³ For 2019 Inflation factor see Ontario Energy Board 2019 Electricity Distribution Rate applications - Updates November 23, 2018.

⁴ Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013.

⁵ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2017 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2018.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2019 rate year.

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

Findings

The OEB finds that Rideau St. Lawrence's request for a 1.20% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Rideau St. Lawrence's new rates shall be effective May 1, 2019.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.⁶

5 SHARED TAX ADJUSTMENTS

In any adjustment year of a Price Cap IR term, a change in legislation may result in a change to the amount of taxes payable by a distributor. For IRM applications, the OEB has long held that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate in these situations. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate

⁶ Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

classes in the same proportions as the OEB-approved distribution revenue by rate class from a distributor's last cost of service proceeding.

The application identifies a total tax change of \$4,400, resulting in a shared amount of \$2,200 to be refunded to ratepayers. Since the allocated tax sharing amount does not produce a rate rider in one or more rate classes, the Rate Generator Model does not compute rate riders and distributors are therefore required to transfer the entire OEB-approved tax sharing amount into Account 1595 for disposition at a later date.

Findings

The allocated tax sharing amount of \$2,200 does not produce a rate rider in one or more rate classes. The OEB therefore directs Rideau St. Lawrence to record the OEB-approved tax sharing amount of \$2,200 into Account 1595 Sub-account Principal Balances Approved for Disposition in 2019, by June 30, 2019 for disposition at a later date.

6 RETAIL TRANSMISSION SERVICE RATES

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

Rideau St. Lawrence is fully embedded within Hydro One's distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 6.1.

Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs⁷

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

⁷ Decision and Order, EB-2016-0081, December 21, 2016.

Findings

Rideau St. Lawrence's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs.

The differences resulting from the approval of new 2019 RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.⁸ OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁹ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2017 actual year-end total balance for Rideau St. Lawrence's Group 1 accounts including interest projected to April 30, 2019 is a credit of \$100,682. This amount represents a total credit claim of \$0.001 per kWh, which meets the disposition threshold. Rideau St. Lawrence proposes the disposition of this credit amount over a one-year period.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account balance of \$76,846. Costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.¹⁰

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.

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

⁹ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

¹⁰ The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as “Class A” customers. These customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- “Class B” non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on the IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Rideau St. Lawrence proposes the recovery of its GA variance account balance of \$76,846 as at December 31, 2017, including interest to April 30, 2019, in accordance with the following table.

Table 7.1: Recovery of GA Variance

Proposed Amounts	Proposed Method for Recovery
\$72,347 recovered from customers who were Class B for the entire period from January 2017 to December 2017	per kWh rate rider
\$4,499 from customers formerly in Class B during the period January 2017 to June 2017 who were reclassified to Class A	12 equal installments ¹¹

The balance of the Group 1 accounts includes (\$1,661) for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market for Capacity Based Recovery program. Distributors pay CBR charges to the IESO and record these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2017 to December 2017. The disposition is also

¹¹ 2019 IRM Rate Generator Model, Tab 6.1a “GA Allocation”.

impacted by whether or not the Class B CBR rate riders in the 2019 IRM Rate Generator Model¹² rounds to zero at the fourth decimal place in one or more rate classes.

Rideau St. Lawrence had Class A customers during the period from July 2017 to December 2017 but the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the entire Account 1580 sub-account CBR Class B is added to the Account 1580 WMS control account to be disposed through the general purpose Group 1 Deferral and Variance Account.

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total credit balance of \$177,528, which results in a refund to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.¹³ Rideau St. Lawrence further notes that its proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁴

Last year, the OEB suspended its approvals of Group 1 rate riders on a final basis. As stated in its letter to the sector dated July 20, 2018, the OEB will determine whether the riders will be approved on an interim basis or not approved at all (i.e. no disposition of account balances) on a case by case basis until further notice.¹⁵

Findings

The OEB approves the disposition of a credit balance of \$100,682 as of December 31, 2017, including interest projected to April 30, 2019 for Group 1 accounts on an interim basis.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

¹² 2019 IRM Rate Generator Model, Tab 6.2 "CBR B".

¹³ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

¹⁴ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

¹⁵ OEB letter to all rate-regulated licensed electricity distributors, Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts, July 20, 2018.

Table 7.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	60,803	2,001	62,804
Smart Meter Entity Variance Charge	1551	(87)	(2)	(89)
RSVA - Wholesale Market Service Charge	1580	(100,534)	(3,768)	(104,302)
Variance WMS - Sub-account CBR Class B	1580	(1,712)	50	(1,661)
RSVA - Retail Transmission Network Charge	1584	(144,786)	(5,070)	(149,856)
RSVA - Retail Transmission Connection Charge	1586	(89,892)	(2,019)	(91,911)
RSVA – Power	1588	55,862	955	56,817
RSVA - Global Adjustment	1589	73,811	3,035	76,846
Disposition and Recovery of Regulatory Balances (2015)	1595	33,798	16,872	50,670
Totals for all Group 1 accounts		(112,737)	12,054	(100,682)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.¹⁶ The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Rideau St. Lawrence shall ensure these adjustments are included in the reporting period ending June 30, 2019 (Quarter 2).

¹⁶ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

The OEB approves these balances to be disposed through interim rate riders and charges as calculated in the Rate Generator Model. The interim rate riders and charges will be in effect over a one-year period from May 1, 2019 to April 30, 2020.¹⁷

8 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

Distributors have an OEB licence requirement to ensure conservation and demand management (CDM) programs are available to their customers. These programs result in reduced total energy consumption. To address the impact of the reduced consumption, OEB Policy established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual load and the last OEB-approved load forecast.¹⁸ These differences are recorded by distributors at the rate class level.

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor. A request for the inclusion of lost revenues from demand response programs, as part of the LRAMVA, must be addressed through a cost of service application.¹⁹

Rideau St. Lawrence applied to dispose of its LRAMVA debit balance of \$46,712. This balance consists of lost revenues in 2016 from CDM programs delivered during the period from 2011 to 2016 and associated carrying charges.

The actual conservation savings from provincial CDM programs claimed by Rideau St. Lawrence were determined by the IESO.²⁰ Actual conservation savings were compared against Rideau St. Lawrence's forecasted conservation savings of 754,381 kWh included in the load forecast, which was set out in Rideau St. Lawrence's cost of service proceeding for 2012 rates.²¹

¹⁷ 2019 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation and Tab 7 Calculation of Def-Var RR.

¹⁸ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014.

¹⁹ Report of the Ontario Energy Board – "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs." EB-2016-0182, May 19, 2016.

²⁰ The Ontario Power Authority was responsible for CDM program evaluation prior to 2015.

²¹ Decision and Order, EB-2011-0274, August 9, 2012

A large portion of the total LRAMVA balance is attributable to lost revenues from street lighting upgrades in the Township of Prescott, Town of Cardinal, and Municipality of South Dundas that participated in the IESO's SaveOnEnergy retrofit program. Consistent with the OEB's LRAMVA policy,²² lost revenues of \$18,197 (or about 40% of the total balance) from street lighting upgrades were included in the LRAMVA claim.

Demand savings from street lighting upgrades were not included in the IESO's verified results report. Rideau St. Lawrence worked with third party contractors to quantify the savings associated with the street lighting upgrades. Rideau St. Lawrence calculated its street light demand savings by taking the difference between pre-installation total billed demand (before the street lights were upgraded) and post-installation total billed demand (after the upgrade). Final net savings for street lighting upgrades were calculated using IESO savings adjustment data, including net-to-gross ratios to account for free riders. Rideau St. Lawrence did not include any forecast CDM savings for the street lighting class in its 2012 load forecast.

Findings

The OEB finds that Rideau St. Lawrence's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB finds that the calculation of demand savings from Rideau St. Lawrence's street light upgrades are reasonable based on the billing information provided. The OEB approves the disposition of Rideau St. Lawrence's LRAMVA debit balance of \$46,712, as set out in Table 8.1 below.

Table 8.1 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	\$55,993	\$11,203	\$1,922	\$46,712

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.²³ Distributors, such as Rideau St. Lawrence, who

²² Chapter 3 Filing Requirements, section 3.2.6.1, p. 19

²³ As outlined in the Policy cited at footnote 1 above.

have yet to complete their transition, are required to continue with this transition until the monthly service charge is fully fixed.

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

In 2019, Rideau St. Lawrence is in its third year of its transition to fixed rates.²⁴ Unlike most distributors that will complete their four-year transition to fixed rates by 2019, Rideau St. Lawrence is scheduled to complete its fixed rate transition by 2020. In the decision and order on Rideau St. Lawrence's 2018 IRM rates, Rideau St. Lawrence was directed to provide evidence to demonstrate the impacts of both one and two more years of fixed rate transition in its next IRM application.²⁵ As such, in this proceeding, Rideau St. Lawrence has demonstrated that two further years of transition (i.e. by 2020) results in a \$2.73 increase to the monthly fixed charge. If it were to complete its fixed rate transition in one more year (i.e. by 2019), as is the case for most distributors, the fixed monthly charge would rise by \$5.45 and exceed the bill impact threshold requiring mitigation for residential customers.

Rideau St. Lawrence submits that the bill impacts arising from its proposal to continue the fixed rate transition in two more years, until 2020, would result in bill impacts that are below 10% for low volume residential customers.

Findings

The OEB finds that the continued transition to fully fixed rates by 2020, as scheduled, remains appropriate. The results of the monthly fixed charge and total bill impact for low consumption residential consumers with two more years of transition demonstrate that no mitigation is required. The OEB approves the increase to 2019 rates as proposed by the applicant and calculated in the final Rate Generator Model.

²⁴ As 2016 rates from its cost of service proceeding were effective July 1, 2017, there was no price cap adjustment nor fixed rate transition filed for 2017 rates.

²⁵ Decision and Rate Order, EB-2017-0265, March 22, 2018, p. 5

10 REQUEST TO ESTABLISH A DEFERRAL ACCOUNT TO TRACK LOST REVENUES ASSOCIATED WITH THE COLLECTION OF ACCOUNT CHARGE

On February 23, 2017, the OEB issued a decision and order amending the licenses of all electricity distributors to ban the disconnection of residential customers due to non-payment of account charges until April 30, 2017.²⁶ Shortly thereafter, the OEB established a disconnection ban period on a go-forward basis from November 15 to April 30 every year.²⁷

On December 18, 2018, the OEB issued a Notice of Proposal to Amend Codes and a Rule as part of the OEB's Review of the Customer Service Rules (the December 2018 Notice of Proposal) and proposed to eliminate the OEB-approved Collection of Account charge that is currently applied by most distributors.²⁸ In the December 2018 Notice of Proposal, the OEB indicated that it would consider applications from distributors for a deferral account to track lost revenues from the eliminated charge, with evidence demonstrating that such an account would meet the eligibility requirements set out in the OEB's *Filing Requirements for Electricity Distribution Rate Applications*.

On March 14, 2019, the OEB issued the Notice of Amendments to Codes and a Rule and a Rate Order to effect the amendments to the non-payment of account service charges for electricity and natural gas distributors (the March 2019 Notice of Amendments).²⁹ The March 2019 Notice of Amendments confirms the OEB's position that it does not find it prudent to establish a generic deferral account for all distributors. The OEB will continue to require distributors to apply for a deferral account to recover the lost revenues associated with eliminated charges. The Rate Order states that distributors shall not apply the Collection of Account charge effective July 1, 2019.³⁰

As per section 2.9.4 of the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications*, an application seeking approval of a new deferral account must demonstrate that the account meets the eligibility tests of causation, materiality and prudence.³¹

²⁶ Decision and Order, EB-2017-0101, February 23, 2017.

²⁷ Decision and Order, EB-2017-0318, November 2, 2017.

²⁸ Notice of Proposal to Amend Codes and a Rule, EB-2017-0183, December 18, 2018, p. 41.

²⁹ Notice of Amendments to Codes and a Rule, EB-2017-0183, March 14, 2019.

³⁰ Rate Order, EB-2017-0183, March 14, 2019.

³¹ *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications – 2018 Edition for 2019 Rate Applications*, July 12, 2018.

On January 11, 2019, Rideau St. Lawrence applied for a deferral account as part of this proceeding, to capture the lost revenues associated with the elimination of the Collection of Account charge. Rideau St. Lawrence notes that its base revenue requirement was reduced by collection charges revenue of \$83,067 in its 2016 cost of service proceeding with the vast majority (\$73,550) in lost revenues attributable to residential customers.³² With the elimination of the Collection of Account charge that must be waived for all customers at all times, Rideau St. Lawrence proposes recording the full \$83,067 annual amount of forecasted collection charges revenue as lost revenue in each of 2019 and 2020, and \$28,400 of lost revenues collectible for 2021 (to April 30, 2021) until rates are reset in its next cost of service proceeding effective May 1, 2021.³³ The applicant submits that, as a result, the materiality threshold of \$50,000 is exceeded in 2019 and 2020, but it is below the materiality threshold in 2021. By 2021, Rideau St. Lawrence considers the cumulative lost revenue impact to be significant, at 9.24% of 2016 distribution revenues.³⁴

In response to OEB staff questions, Rideau St. Lawrence states that despite the ban on disconnection at residential premises during the winter period and elimination of the Collection of Account charge, the majority of the costs related to the collection of accounts are still incurred. These include ongoing costs to generate and analyze disconnection reports, contact delinquent customers to request payments, and generate notices. Rideau St. Lawrence states that the only costs avoided are disconnections and reconnections that are no longer performed during the winter disconnection ban. However, as this work is performed by internal staff, there are no cost savings and offsetting impacts to its lost revenues.³⁵

Rideau St. Lawrence filed a draft accounting order, specifying that a new sub-account for Lost Revenues – Collection of Account charge under Account 1508 be established with an effective date of May 1, 2019. Rideau St. Lawrence requests that the OEB consider the recovery of lost revenues accumulated from the initial date of the disconnection ban on February 23, 2017 as the utility believes that all revenues due to the previous and proposed code changes should be recoverable.³⁶

Findings

The OEB finds that the request for a new deferral account associated with the Collection of Account charge is approved. The availability of such an account, subject to

³² Application, Table 13, p. 20

³³ Response to OEB Staff-11 c) and Staff-15

³⁴ Response to OEB Staff-11 c)

³⁵ Response to OEB Staff-12 a) and b), OEB Staff-16

³⁶ Response to OEB Staff-10 a)

a request by a distributor, was set out in the December 2018 Notice of Proposal.³⁷ The OEB finds that Rideau St. Lawrence's request for a deferral account is supported by evidence of material, annual lost revenues prior to its next rebasing application, due to OEB enacted changes in the March 2019 Notice of Amendments. Unlike prior applications for such a deferral account³⁸, the OEB is now eliminating the subject charge permanently in accordance with the March 2019 Rate Order, and not just for the annual winter disconnect ban period nor just for residential customers. This results in the loss of 100% of the revenues anticipated as part of the most recent cost of service proceeding. The OEB notes that Rideau St. Lawrence's total revenue offsets approved in its 2016 cost of service proceeding was \$270,254. The portion of total revenue offsets relating to specific service charges was \$116,376, and of this amount, Rideau St. Lawrence has demonstrated that \$83,067 were attributable to collection charges revenue.³⁹ The applicant's materiality threshold is \$50,000.

Rideau St. Lawrence provided information on the impact that the historical and forecast lost revenues may have on its financial viability. The OEB is not persuaded that the account is needed because of the impact that any cumulative lost revenues may have on Rideau St. Lawrence's financial viability. The OEB is establishing this account because the applicant has identified the amount attributable specifically to revenues arising from the application of the Collection of Account charge, that this amount is material on an annual basis, and has stated that there are no offsetting savings that will result by no longer applying the charge.

The OEB notes that the disposition of Group 2 accounts are in the normal course associated with a review of the prudence of the amounts in more detail than is normally the case in a proceeding where the account is first established, including the determination of the exact amount to be disposed, if any.

The effective date of this deferral account shall be July 1, 2019, as it corresponds with the effective date of the March 2019 Rate Order. Rideau St. Lawrence has the ability to continue to apply the Collection of Account charge in May and June 2019. Any lost revenues incurred prior to April 30, 2019 (the end of the annual disconnection ban period) are considered 'out-of-period', as this timeframe was under a final rate order.

The deferral account is expected to cease when Rideau St. Lawrence next rebases, as there will be no lost revenues thereafter once its rates are reset without the provision for

³⁷ Notice of Proposal to Amend Codes and a Rule, EB-2017-0183, December 18, 2018, p. 41.

³⁸ Decision and Rate Order, EB-2017-0029, March 22, 2018.

³⁹ Decision and Rate Order, EB-2015-0100, June 15, 2017.

other revenues from the Collection of Account charge. The OEB approves the Accounting Order attached to this Decision and Rate Order as Schedule B.

11 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with Rideau St. Lawrence's last cost of service decision, and to ensure that the 2018 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2017, are as reported by Rideau St. Lawrence to the OEB.

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

Table 11.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2018.⁴⁰

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.⁴¹

⁴⁰ Decision and Order, EB-2018-0294, December 20, 2018.

⁴¹ Decision and Order, EB-2017-0290, March 1, 2018.

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2019 for electricity consumed or estimated to have been consumed on and after such date. Rideau St. Lawrence Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim rates.
2. The Accounting Order set out in Schedule B of this Decision and Rate Order is approved effective July 1, 2019, establishing a deferral account under Account 1508 – Other Regulatory Assets – Sub-Account Lost Revenue – Collection of Account Charge.

DATED at Toronto, March 28, 2019

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2018-0065

DATED: March 28, 2019

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning.

Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	22.92
Rate Rider for the 2018 Capital Funding - effective until the effective date of the next cost of service-based rate order	\$	0.52
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0041
Low Voltage Service Rate	\$/kWh	0.0049
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0018)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. 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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	31.16
Rate Rider for the 2018 Capital Funding - effective until the effective date of the next cost of service-based rate order	\$	1.14
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0112
Low Voltage Service Rate	\$/kWh	0.0045
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0018)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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.

If included in the following listing of monthly rates and charges, 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 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (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 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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	296.99
Rate Rider for the 2018 Capital Funding		
- effective until the effective date of the next cost of service-based rate order	\$	12.86
Distribution Volumetric Rate	\$/kW	2.2867
Low Voltage Service Rate	\$/kW	1.6712
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020		
Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019)		
- effective until April 30, 2020	\$/kW	0.0444

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(0.6096)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4538
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8828
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.7415
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.0986

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	4.40
Rate Rider for the 2018 Capital Funding - effective until the effective date of the next cost of service-based rate order	\$	0.41
Distribution Volumetric Rate	\$/kWh	0.0201
Low Voltage Service Rate	\$/kWh	0.0045
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0023)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.72
Rate Rider for the 2018 Capital Funding - effective until the effective date of the next cost of service-based rate order	\$	0.19
Distribution Volumetric Rate	\$/kW	19.8927
Low Voltage Service Rate	\$/kW	1.3055
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0019
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(0.7737)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8599
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4859

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies 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 connected 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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.41
Rate Rider for the 2018 Capital Funding - effective until the effective date of the next cost of service-based rate order	\$	0.09
Distribution Volumetric Rate	\$/kW	13.0121
Low Voltage Service Rate	\$/kW	1.2790
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0020
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kW	9.3558
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(0.3294)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8505
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4558

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

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 Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	17.20
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Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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 Global Adjustment, and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

Non-Payment of Account (see Note below)

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Disconnect/reconnect at pole - during regular hours	\$	185.00
Disconnect/reconnect at pole - after regular hours	\$	415.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service install and remove - overhead - no transformer	\$	500.00
Temporary service install and remove - underground - no transformer	\$	300.00
Temporary service install and remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	\$	43.63

NOTE: Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0065

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 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	\$	40.00
Monthly variable charge, per customer, per retailer	\$/cust.	1.00
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.60
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.60)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.50
Processing fee, per request, applied to the requesting party	\$	1.00
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	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.00
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	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	1.0819
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0711

Schedule B

To Decision and Rate Order

Accounting Order

OEB File No: EB-2018-0065

DATED: March 28, 2019

Accounting Order

Account 1508 – Other Regulatory Assets – Sub-Account Lost Revenue – Collection of Account Charge

Rideau St. Lawrence Distribution Inc. shall establish a new deferral account, effective July 1, 2019, to record the difference between the Collection of Account Charges revenue included in its 2016 Cost of Service application (EB-2015-0100) and the actual revenue recorded for all customer classes.

This account will accrue interest based on the OEB prescribed interest rates.

Disposition of the balances recorded in the Group 2 deferral and variance account is subject to review at an appropriate future rate proceeding, and is expected to be achieved through a rate rider applicable to affected customer classes. The revenue variance will be calculated individually for each affected customer class.

The deferral account is expected to cease when Rideau St. Lawrence Distribution Inc. next rebases, as there will be no lost revenues thereafter once its rates are reset without the provision for other revenues from the Collection of Account Charge.

Accounting Entry:

Each month, the monthly Collection of Account revenue included in Rideau St. Lawrence Distribution Inc.'s 2016 Cost of Service application (EB-2015-0100) will be compared with the actual revenue recorded for customer classes affected by the elimination of all Collection of Account charges.

In the case where the actual monthly revenue is lower than the amount in the Cost of Service application, the journal entry will be:

Debit – Account 1508 – Other Regulatory Assets – Sub-Account Lost Revenue – Collection of Account Charge

Credit – Account 4235 – Specific Service Charges