DECISION AND RATE ORDER

EB-2019-0130

ELEXICON ENERGY INC. - WHITBY
RATE ZONE

Application for rates and other charges to be effective
January 1, 2020

By Delegation, Before: Jane Scott

December 12, 2019
1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Elexicon Energy Inc. (Elexicon Energy) for its Whitby Rate Zone (Whitby RZ) for new rates effective January 1, 2020.

On December 20, 2018,¹ the OEB approved the amalgamation of Veridian Connections Inc. and Whitby Hydro Electric Corporation and the proposal to defer rebasing for ten years.

Elexicon Energy serves approximately 42,000 mostly residential and commercial electricity customers in the legacy Whitby RZ consisting of the Town of Whitby, the Village of Brooklin, and the hamlets of Ashburn and Myrtle. The company is seeking the OEB’s approval for the rates it charges to distribute electricity to its customers, as is required of licensed 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 Handbook for Utility Rate Applications.

Elexicon Energy’s application for the Whitby RZ is based on the Annual IR Index option to set rates for 2020. The Annual IR Index is based on inflation less the OEB’s highest stretch factor assessment of a distributor’s efficiency. In accordance with the OEB-approved 2020 parameters for an Annual IR Index adjustment, Elexicon Energy applied for an increase of 1.40% to the distribution rates of the Whitby RZ.

As a result of the OEB’s findings in this Decision, there will be a monthly total bill increase before taxes of $0.97 for a residential customer consuming 750 kWh, effective January 1, 2020.

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 hearing IRM applications filed under the Annual IR Index option. In each adjustment year of an Annual IR Index term, the OEB prepares a Rate Generator Model that includes, as a placeholder,
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.

Elexicon Energy’s application for the Whitby RZ was filed on August 12, 2019 under section 78 of the OEB Act and in accordance with the Chapter 3 of the OEB’s Filing Requirements for Incentive Rate-Setting Applications (Filing Requirements) and Addendum to Filing Requirements for Electricity Distribution Rate Applications.

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Elexicon Energy’s proposals relating to each of them:

- Annual IR Index Adjustment
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance

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

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2 The Rate Generator Model is a Microsoft Excel workbook that is used to update 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. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.
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 charges and loss factors). No further approvals are required to continue to include these items on a distributor’s Tariff of Rates and Charges.

4 ORGANIZATION OF THE DECISION

For the Whitby RZ, Elexicon Energy seeks to increase its rates, effective January 1, 2020, based on a mechanistic rate adjustment using the OEB-approved inflation minus X-factor formula applicable to Annual Index IR applications.

The components of the Annual IR Index adjustment formula applicable to the Whitby RZ are set out in Table 4.1, below. Inserting these components into the formula results in a 1.40% increase to Whitby RZ’s rates: \[ 1.40\% = 2.00\% - (0.00\% + 0.60\%) \].

<table>
<thead>
<tr>
<th>Components</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation Factor(^4)</td>
<td>2.00%</td>
</tr>
<tr>
<td>X-Factor</td>
<td></td>
</tr>
<tr>
<td>Productivity(^5)</td>
<td>0.00%</td>
</tr>
<tr>
<td>Stretch (0.00% – 0.60%)(^6)</td>
<td>0.60%</td>
</tr>
</tbody>
</table>


\(^4\) For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage – October 31, 2019.


The inflation factor of 2.00% applies to all Annual IR Index applications for the 2020 rate year.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR and Annual IR Index applications for the 2020 rate year.

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. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

Findings

The OEB finds that Elexicon Energy’s request for a 1.40% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Whitby RZ’s new rates shall be effective January 1, 2020.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.7

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. With regard to IRM applications, the OEB has long held that the impact of such legislated tax changes be shared 50/50

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7 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.
between shareholders and ratepayers. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from the distributor’s last cost of service proceeding.

On July 25, 2019, the OEB issued a letter providing accounting guidance with respect to recent changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM applications, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor’s next cost-base rate application. A distributor’s request for disposition of shared tax adjustment amounts in an IRM application should, therefore, be comprised only of impacts for tax changes unrelated to CCA (such as changes in corporate income tax rates).

The application identifies a total tax decrease of $100,344, resulting in a shared credit amount of $50,172 to be refunded to ratepayers.

Elexicon Energy reasoned that, due to rounding, the rate riders produced by the IRM Rate Generator would credit customers 12% more than the intended credit amount to be refunded to ratepayers. Elexicon Energy has proposed to record the total amount to be refunded to the ratepayers of the Whitby RZ into the Disposition and Recovery of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

**Findings**

The OEB approves Elexicon Energy’s proposal to transfer $50,172, which is the customers’ share of the $100,344 total tax savings to Account 1595 by March 31, 2020 for future disposition. This approach is consistent with previous OEB IRM decisions on Whitby RZ’s tax sharing issues.

**6 RETAIL TRANSMISSION SERVICE RATES**

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

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8 OEB Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance, July 25, 2019.
The Whitby RZ is partially embedded within Hydro One Networks Inc.’s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 6.1 and Table 6.2.

**Table 6.1: UTRs**

<table>
<thead>
<tr>
<th>UTRs (2019)</th>
<th>per kW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Service Rate</td>
<td>$3.83</td>
</tr>
<tr>
<td><strong>Connection Service Rates</strong></td>
<td></td>
</tr>
<tr>
<td>Line Connection Service Rate</td>
<td>$0.96</td>
</tr>
<tr>
<td>Transformation Connection Service Rate</td>
<td>$2.30</td>
</tr>
</tbody>
</table>

**Table 6.2: Hydro One Networks Inc. Sub-Transmission Host-RTSRs**

<table>
<thead>
<tr>
<th>Sub-Transmission Host RTSRs (2019)</th>
<th>per kW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Service Rate</td>
<td>$3.29</td>
</tr>
<tr>
<td><strong>Connection Service Rates</strong></td>
<td></td>
</tr>
<tr>
<td>Line Connection Service Rate</td>
<td>$0.79</td>
</tr>
<tr>
<td>Transformation Connection Service Rate</td>
<td>$1.98</td>
</tr>
</tbody>
</table>

**Findings**

Elexicon Energy’s proposed adjustment to Whitby RZ’s RTSRs is approved. The RTSRs were adjusted to reflect the OEB-approved UTRs and host-RTSRs.

The differences resulting from the approval of new 2020 UTRs will be captured in Accounts RSVA – Retail Transmission Network Charge 1584 and Retail Transmission Connection Charge 1586.

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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 balances should be disposed.\(^{12}\) 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 can justify why balances should not be disposed.\(^{13}\) If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for Whitby RZs Group 1 accounts including interest projected to December 31, 2019 is a credit of $618,978. This amount represents a total credit claim of $0.0007 per kWh, which does not meet the disposition threshold, and the utility has not requested disposition.

The applicant has requested final disposition of the 2017 Global Adjustment (GA) amounts for the transitioning Class A customers that were approved on an interim basis in its 2019 rate proceeding. No other Group 1 balances were approved for disposition in that proceeding.\(^ {14}\)

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.\(^ {15}\) The OEB then issued accounting guidance\(^ {16}\) on the commodity accounts on February 21, 2019. In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

The evidence on the record indicates that Elexicon Energy follows a methodology for settlement and accounting of its commodity accounts, which differ from the OEB’s methodology outlined in its February 2019 accounting guidance on Accounts 1588 and 1589. Elexicon Energy has filed an analysis comparing the balances generated under the two methodologies and has concluded that the differences are within the materiality

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\(^{12}\) 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.


threshold. Elexicon Energy has proposed the continuation of its methodology in the 2019 calendar year.

The applicant has further requested that the OEB consider permitting its methodology and process as a reasonable approach. However, it has requested that should the OEB require a more strict adoption of the OEB accounting guidance issued on February 21, 2019, the timeframe for implementation be extended so it can be aligned with the implementation date of a new integrated Customer Information System (CIS) for the two recently merged entities.

Findings

The OEB finds that the account balances, are reasonable and confirms that the threshold calculation is correct. No disposition is required at this time, as the disposition threshold has not been exceeded and the utility did not request disposition.

The OEB approves final disposition of the 2017 GA amounts for the transitioning Class A customers that were approved on an interim basis in Elexicon Energy - Whitby RZ’s 2019 rate year proceeding

OEB finds that the implementation of the February 21, 2019 accounting guidance is mandatory. However, given the special circumstances of integrating the operations of the two merged distributors’ rate zones, OEB will approve an extension for the implementation of the accounting guidance to align with the implementation date of the new integrated CIS system.

8 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

In recent years, distributors have delivered conservation and demand management (CDM) programs to their customers through the Conservation First Framework (CFF), which began on January 1, 2015. These programs result in reduced total energy consumption. To address the impact of the reduced consumption, the OEB established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor’s revenue implications resulting from differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast.17 These differences are recorded by distributors at the rate class level.

Ontario Energy Board

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Elexicon Energy Inc. - Whitby Rate Zone

On March 20, 2019, the CFF was revoked. However, the OEB indicated that electricity distributors would continue to have access to a lost revenue adjustment mechanism for conservation program activities undertaken under the CFF.

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.

For the Whitby RZ, Elexicon Energy originally applied to dispose of its LRAMVA debit balance of $454,808. The balance consists of lost revenues in 2017 from CDM programs delivered during the period from 2011 to 2017 and carrying charges. In response to OEB staff questions, Elexicon Energy revised its LRAMVA balance to exclude rate riders subject to their own true-up process from the distribution rates used in the calculation. This update resulted in a decrease of $2,617 and a revised LRAMVA balance of $452,191. The actual conservation savings claimed by Elexicon Energy were determined by the IESO. For CDM programs delivered prior to 2018, the IESO provided LDCs with a Final Results Report that summarized all annual CDM results. For CDM programs delivered in 2018, the IESO made monthly Participation and Cost Reports and detailed project level data available to support LRAMVA applications. There were no forecast CDM savings embedded in the former Whitby Hydro’s 2010 load forecast when the distributor last rebased.

**Findings**

The OEB finds that Elexicon Energy’s LRAMVA balance, for the Whitby RZ, has been calculated in accordance with the OEB’s CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Elexicon Energy’s LRAMVA debit balance of $452,191, as set out in Table 8.1 below.

**Table 8.1 LRAMVA Balance for Disposition**

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Account Number</th>
<th>Actual CDM Savings ($) A</th>
<th>Forecasted CDM Savings ($) B</th>
<th>Carrying Charges ($) C</th>
<th>Total Claim ($) D=(A-B)+C</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRAMVA</td>
<td>1568</td>
<td>$434,147</td>
<td>$0</td>
<td>$18,044</td>
<td>$452,191</td>
</tr>
</tbody>
</table>

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18 On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.
20 For CDM programs delivered from 2015 to 2017, the IESO provided distributors with a Final Results Report that summarized all savings results. For 2018, distributors accessed the Participant and Cost Reports and detailed project level data from the IESO to support LRAMVA applications.
9 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 the former Whitby Hydro's last cost of service decision, and to ensure that the 2019 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2018, are as reported by Elexicon Energy 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>
<thead>
<tr>
<th>Rate</th>
<th>per kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural or Remote Electricity Rate Protection (RRRP)</td>
<td>$0.0005</td>
</tr>
<tr>
<td>Wholesale Market Service (WMS) billed to Class A and B Customers</td>
<td>$0.0030</td>
</tr>
<tr>
<td>Capacity Based Recovery (CBR) billed to Class B Customers</td>
<td>$0.0004</td>
</tr>
</tbody>
</table>

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.\(^{22}\)

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.\(^{23}\)

\(^{22}\) EB-2018-0294, Decision and Order, December 20, 2018.
\(^{23}\) EB-2017-0290, Decision and Order, 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 January 1, 2020 for electricity consumed or estimated to have been consumed on and after such date. Elexicon Energy Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, December 12, 2019

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar and Board Secretary
Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2019-0130

DATED: December 12, 2019
RESIDENTIAL SERVICE CLASSIFICATION
This classification refers to detached, semi-detached or freehold townhouse dwelling units. Energy is supplied to residential customers as single phase, three wire, 60 Hertz, having a normal voltage of 120/240 Volts up to a maximum of 200 Amps per dwelling unit. 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

<table>
<thead>
<tr>
<th>Service Charge</th>
<th>$</th>
<th>32.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Metering Entity Charge - effective until December 31, 2022</td>
<td>$</td>
<td>0.57</td>
</tr>
<tr>
<td>Low Voltage Service Rate</td>
<td>$/kWh</td>
<td>0.0010</td>
</tr>
<tr>
<td>Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020) - effective until December 31, 2020</td>
<td>$/kWh</td>
<td>0.0005</td>
</tr>
<tr>
<td>Retail Transmission Rate - Network Service Rate</td>
<td>$/kWh</td>
<td>0.0080</td>
</tr>
<tr>
<td>Retail Transmission Rate - Line and Transformation Connection Service Rate</td>
<td>$/kWh</td>
<td>0.0070</td>
</tr>
</tbody>
</table>

MONTHLY RATES AND CHARGES - Regulatory Component

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

Issued - December 12, 2019
Elexicon Energy Inc.
For The Whitby Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2020
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION
This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, shall include small apartment buildings and smaller commercial, industrial, and institutional developments. 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

<table>
<thead>
<tr>
<th>Service Charge</th>
<th>$</th>
<th>26.91</th>
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</thead>
<tbody>
<tr>
<td>Smart Metering Entity Charge - effective until December 31, 2022</td>
<td>$</td>
<td>0.57</td>
</tr>
<tr>
<td>Distribution Volumetric Rate</td>
<td>$/kWh</td>
<td>0.0200</td>
</tr>
<tr>
<td>Low Voltage Service Rate</td>
<td>$/kWh</td>
<td>0.0009</td>
</tr>
<tr>
<td>Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020) - effective until December 31, 2020</td>
<td>$/kWh</td>
<td>0.0005</td>
</tr>
<tr>
<td>Retail Transmission Rate - Network Service Rate</td>
<td>$/kWh</td>
<td>0.0073</td>
</tr>
<tr>
<td>Retail Transmission Rate - Line and Transformation Connection Service Rate</td>
<td>$/kWh</td>
<td>0.0065</td>
</tr>
</tbody>
</table>

MONTHLY RATES AND CHARGES - Regulatory Component

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

Issued - December 12, 2019
Elexicon Energy Inc.
For The Whitby Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2020
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

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 and includes apartment buildings, and commercial, industrial, and institutional developments. 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 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.

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 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>$</td>
<td>204.98</td>
</tr>
<tr>
<td>Distribution Volumetric Rate</td>
<td>$/kW</td>
<td>4.0939</td>
</tr>
<tr>
<td>Low Voltage Service Rate</td>
<td>$/kW</td>
<td>0.3181</td>
</tr>
<tr>
<td>Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020) - effective until December 31, 2020</td>
<td>$/kW</td>
<td>0.1593</td>
</tr>
<tr>
<td>Retail Transmission Rate - Network Service Rate</td>
<td>$/kW</td>
<td>2.8962</td>
</tr>
<tr>
<td>Retail Transmission Rate - Line and Transformation Connection Service Rate</td>
<td>$/kW</td>
<td>2.4776</td>
</tr>
</tbody>
</table>

Issued - December 12, 2019
Elexicon Energy Inc.
For The Whitby Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2020
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

MONTHLY RATES AND CHARGES - Regulatory Component

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Market Service Rate (WMS) - not including CBR</td>
<td>$/kWh</td>
</tr>
<tr>
<td>Capacity Based Recovery (CBR) - Applicable for Class B Customers</td>
<td>$/kWh</td>
</tr>
<tr>
<td>Rural or Remote Electricity Rate Protection Charge (RRRP)</td>
<td>$/kWh</td>
</tr>
<tr>
<td>Standard Supply Service - Administrative Charge (if applicable)</td>
<td>$</td>
</tr>
</tbody>
</table>

EB-2019-0130

Issued - December 12, 2019
Elexicon Energy Inc.
For The Whitby Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account 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, decorative lighting, bill boards, 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 connection) | $ | 9.97 |
| Distribution Volumetric Rate | $/kWh | 0.0318 |
| Low Voltage Service Rate | $/kWh | 0.0009 |
| Retail Transmission Rate - Network Service Rate | $/kWh | 0.0073 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | $/kWh | 0.0065 |

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 |

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Elexicon Energy Inc.
For The Whitby Rate Zone
TARIFF OF RATES AND CHARGES
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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.

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MONTHLY RATES AND CHARGES - Delivery Component

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge (per light)</td>
<td>$5.86</td>
</tr>
<tr>
<td>Distribution Volumetric Rate</td>
<td>$/kW 15.7612</td>
</tr>
<tr>
<td>Retail Transmission Rate - Network Service Rate</td>
<td>$/kW 2.1954</td>
</tr>
<tr>
<td>Retail Transmission Rate - Line and Transformation Connection Service Rate</td>
<td>$/kW 1.9556</td>
</tr>
</tbody>
</table>

MONTHLY RATES AND CHARGES - Regulatory Component

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Market Service Rate (WMS) - not including CBR</td>
<td>$/kWh 0.0030</td>
</tr>
<tr>
<td>Capacity Based Recovery (CBR) - Applicable for Class B Customers</td>
<td>$/kWh 0.0004</td>
</tr>
<tr>
<td>Rural or Remote Electricity Rate Protection Charge (RRRP)</td>
<td>$/kWh 0.0005</td>
</tr>
<tr>
<td>Standard Supply Service - Administrative Charge (if applicable)</td>
<td>$ 0.25</td>
</tr>
</tbody>
</table>
STREET LIGHTING SERVICE CLASSIFICATION

This classification relates to the supply of power for street lighting installations. Street lighting design and installations shall be in accordance with the requirements of Whitby Hydro, Town of Whitby specifications and ESA. The Town of Whitby retains ownership of the street lighting system on municipal roadways. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

| Service Charge (per light) | $  | 1.80 |
| Distribution Volumetric Rate | $/kW | 6.8961 |
| Low Voltage Service Rate | $/kW | 0.2459 |
| Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020) - effective until December 31, 2020 | $/kW | 6.1889 |
| Retail Transmission Rate - Network Service Rate | $/kW | 2.1843 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | $/kW | 1.9154 |

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 |
microFIT SERVICE CLASSIFICATION
This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

| Service Charge | $ 5.40 |

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**

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<table>
<thead>
<tr>
<th>Service Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrears certificate</td>
<td>$15.00</td>
</tr>
<tr>
<td>Statement of account</td>
<td>$15.00</td>
</tr>
<tr>
<td>Pulling post dated cheques</td>
<td>$15.00</td>
</tr>
<tr>
<td>Easement Letter</td>
<td>$15.00</td>
</tr>
<tr>
<td>Account history</td>
<td>$15.00</td>
</tr>
<tr>
<td>Credit reference/credit check (plus credit agency costs)</td>
<td>$15.00</td>
</tr>
<tr>
<td>Account set up charge/change of occupancy charge (plus credit agency costs if applicable)</td>
<td>$30.00</td>
</tr>
<tr>
<td>Returned Cheque (plus bank charges)</td>
<td>$15.00</td>
</tr>
<tr>
<td>Special meter reads</td>
<td>$30.00</td>
</tr>
<tr>
<td>Meter dispute charge plus Measurement Canada fees (if meter found correct)</td>
<td>$30.00</td>
</tr>
<tr>
<td>Legal letter charge</td>
<td>$15.00</td>
</tr>
</tbody>
</table>

**Non-Payment of Account**

- Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate) % 1.50
- Reconnection charge - at meter - during regular hours $ 65.00
- Reconnection charge - at meter - after regular hours $ 185.00
- Reconnection charge - at pole - during regular hours $ 185.00
- Reconnection charge - at pole - after regular hours $ 415.00

**Other**

- Temporary service - install & remove - overhead - no transformer $ 500.00
- Temporary service - install & remove - underground - no transformer $ 300.00
- Temporary service - install & remove - overhead - with transformer $ 1,000.00
- Service call - customer owned equipment $ 30.00
- Service call - after regular hours $ 165.00
- Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments) $ 44.50
Elexicon Energy Inc.
For The Whitby Rate Zone
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RETAIL SERVICE CHARGES (if applicable)

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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 $ 102.00
Monthly fixed charge, per retailer $ 40.80
Monthly variable charge, per customer, per retailer $/cust. 1.02
Distributor-consolidated billing monthly charge, per customer, per retailer $/cust. 0.61
Retailer-consolidated billing monthly credit, per customer, per retailer $/cust. (0.61)
Service Transaction Requests (STR)
Request fee, per request, applied to the requesting party $ 0.51
Processing fee, per request, applied to the requesting party $ 1.02

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) $ 4.08

Notice of switch letter charge, per letter (unless the distributor has opted out of applying for the charge as per the Ontario Energy Board’s Decision and Order EB-2015-0304, issued on February 14, 2019) $ 2.04

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 1.0454
Total Loss Factor - Primary Metered Customer < 5,000 kW 1.0349

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