



**EB-2010-0093**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an application by Innisfil  
Hydro Distribution Systems Limited for an order or orders  
approving or fixing just and reasonable distribution rates  
and other charges, to be effective May 1, 2011.

**BEFORE:** Karen Taylor,  
Presiding Member

Paula Conboy  
Member

## **DECISION AND ORDER**

### **Introduction**

Innisfil Hydro Distribution Systems Limited (“Innisfil Hydro”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”), on October 1, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Innisfil Hydro charges for electricity distribution, to be effective May 1, 2011.

Innisfil Hydro is one of 80 electricity distributors in Ontario regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3<sup>rd</sup> Generation Incentive Rate Mechanism (“IRM”) process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, Innisfil Hydro is one of the electricity distributors that will have its rates

adjusted for 2011 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports contained the relevant guidelines for 2011 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 9, 2010 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Innisfil Hydro's rate application was given through newspaper publication in Innisfil Hydro's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. VECC was granted cost eligibility for participation in the proceeding in relation to Innisfil Hydro's proposal for revenue-to-cost ratio adjustments. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Smart Meter Funding Adder;
- Revenue-to-Cost Ratios;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Late Payment Penalty Litigation Costs.

## Price Cap Index Adjustment

Innisfil Hydro's rate application was filed on the basis of the Filing Requirements. In fixing new distribution rates and charges for Innisfil Hydro, the Board has applied the policies described in the Filing Requirements and the Reports.

As outlined in the Reports, distribution rates under the 3<sup>rd</sup> Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Innisfil Hydro's utility specific stretch factor of 0.4%. Based on the final 2010 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore 0.18%. The rate model reflects this price cap index adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.

The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural Rate Protection Charge;
- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFIT Service Charge; and
- Retail Service Charges.

## Changes in the Federal and Provincial Income Tax Rates

In its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* dated September 17, 2008, the Board determined that a 50/50 sharing of the impact of currently known legislated changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate for the 3<sup>rd</sup> Generation IRM applications. This was based on a decision of the Board in a

proceeding in relation to natural gas distributors' (EB-2007-0606/615) incentive regulation applications in which tax as a Z-factor was being considered. In this decision, the Board found that a 50/50 sharing is appropriate because it recognizes that tax changes already flow to some extent through the inflation factor, though the precise timing and quantum of the tax reduction during a current IRM period is not known.

The calculated annual tax reduction over the plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider derived using annualized consumption by customer class underlying the Board-approved base rates.

In 2011, the maximum income tax rate is 28.25%, the minimum rate for those distributors eligible for both the federal and Ontario small business deduction is 15.50%, and the blended tax rate varies for certain distributors that are only eligible for the Ontario small business deduction. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% of the total change from those taxes included in the most recent cost of service base distribution rates.

The Board finds that a 50/50 sharing of the impact of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate and shall be effected by means of a rate rider over a one-year period.

### **Smart Meter Funding Adder**

On October 22, 2008 the Board issued the *Guideline for Smart Meter Funding and Cost Recovery* which sets out the Board's filing requirements in relation to the funding and recovery of costs associated with smart meter activities conducted by electricity distributors.

Innisfil Hydro requested the continuation of its utility-specific smart meter funding adder ("SMFA") of \$2.00 per metered customer per month. Since the deployment of smart meters on a province-wide basis is now nearing completion, the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. For those distributors that are scheduled to

file a cost-of-service application for 2012 distribution rates, the Board expects that they will apply for the disposition of smart meter costs and subsequent inclusion in rate base. For those distributors that are scheduled to remain on IRM, the Board expects these distributors to file an application with the Board seeking final approval for smart meter related costs. In the interim, the Board will approve the continuation of Innisfil Hydro's SMFA of \$2.00 per metered customer per month from May 1, 2011 to April 30, 2012. This SMFA adder will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Innisfil Hydro's variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

The Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Innisfil Hydro applies for the recovery of these costs on a final basis, if applicable.

### **Revenue-to-Cost Ratios**

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges (the "Target Ranges") for Ontario electricity distributors in its report entitled *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007.

The Board's Decision (EB-2008-0233) for Innisfil Hydro's 2009 cost of service rate application prescribed a phase-in period to adjust its revenue-to-cost ratios.

Innisfil Hydro proposed to adjust its revenue-to-cost ratios in the current application as shown in Column 2 of Table 1.

**Table 1 – Innisfil Hydro’s Revenue-to-Cost Ratios (%)**

<b>Rate Class</b>	<b>2010 Ratio</b> Column 1	<b>Proposed 2011 Ratio</b> Column 2	<b>Target Range</b> Column 3
Residential	1.01	1.01	85 – 115
GS < 50 kW	1.09	1.01	80 – 120
GS 50 – 4,999 kW	1.27	1.19	80 – 180
Street Lighting	0.55	0.70	70 – 120
Sentinel Lighting	0.56	0.70	70 – 120
USL	0.80	0.80	80 – 120

VECC submitted that the revised proposed revenue-to-cost ratios are in accordance with the Board’s findings in its EB-2008-0233 Decision.

The Board agrees that the proposed revenue-to-cost ratios are in accordance with the Board’s findings referenced above. The Board therefore approves the proposed revenue-to-cost ratios.

### **Retail Transmission Service Rates**

Electricity distributors are charged the Ontario Uniform Transmission Rates (“UTRs”) at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e., variance accounts 1584 and 1586).

On July 8, 2010 the Board issued revision 2.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2011. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributor’s

specific RTSRs, Board staff provided a filing module. On January 18, 2011, the Board issued its Rate Order for Hydro One Transmission (EB-2010-0002) which adjusted the UTRs effective January 1, 2011. The new UTRs are shown in the following table:

Table 2 - Uniform Transmission Rates	kW Monthly Rates		Change
	Jan 1, 2010	Jan 1, 2011	
Network Service Rate	\$2.97	\$3.22	+8.4%
<u>Connection Service Rates</u>			
Line Connection Service Rate	\$0.73	\$0.79	
Transformation Connection Service Rate	\$1.71	\$1.77	
			+4.9%

The Board has adjusted each distributor's rate application model to incorporate these changes.

Based on the filing module provided by Board staff and the new UTRs effective January 1, 2011 noted in the table above, the Board approves the changes to the RTSRs calculated in the filing module.

### **Review and Disposition of Group 1 Deferral and Variance Accounts**

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

#### **(i) Balances**

Innisfil Hydro requested that the Board review and approve the disposition of the December 31, 2009 Group 1 account balances as defined by the EDDVAR Report. Innisfil Hydro included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. The combined total of Group 1 account balances is a credit of \$143,431 (credit balances are amounts payable to customers). This amount, results in a total claim per kWh of (\$0.000625). Innisfil Hydro's account balances as at December 31, 2009, plus projected carrying charges to April 30, 2011, are shown below (\$).

**Table 3 – Deferral and Variance Account Balances**

Account Description	Account Number	Principal Amounts	Interest Amounts	Total Claim
		A	B	C = A + B
LV Variance Account	1550	(162,267)	322	(161,945)
RSVA - Wholesale Market Service Charge	1580	(65,594)	52	(65,542)
RSVA - Retail Transmission Network Charge	1584	(103,839)	(833)	(104,672)
RSVA - Retail Transmission Connection Charge	1586	(40,508)	(1,565)	(42,073)
RSVA - Power (Excluding Global Adjustment)	1588	28,713	3,272	31,985
RSVA - Power (Global Adjustment Sub-account)	1588	208,797	(1,822)	206,975
Recovery of Regulatory Asset Balances	1590	(705)	(7,454)	(8,159)
		<u>(135,403)</u>	<u>(8,028)</u>	<u>(143,431)</u>

In its submission, Board staff noted that when rounded up to three decimal places, Innisfil Hydro's total claim per kWh is (\$0.001) which equals but does not exceed the preset disposition threshold contained in the EDDVAR Report.

Board staff further noted that the disposition threshold has only been narrowly missed and does not materially differ from the preset disposition threshold of \$0.001/kWh provided for in the EDDVAR Report. Board staff submitted that Innisfil Hydro's proposal is substantively consistent with the rationale of the EDDVAR Report, which endorses a systematic approach to the review and disposition of deferral and variance accounts.

Board staff also noted that the Board has previously considered a case where the preset disposition threshold was narrowly missed (EB-2009-0405). In this Decision, the Board Panel opined that while recognizing the value of the EDDVAR Report in guiding decisions with respect to the disposition of deferral and variance accounts, the Panel found that the public interest required it to deviate from the EDDVAR Report under certain circumstances. Board staff submitted that since Innisfil Hydro's Group 1 deferral and variance account balance is in a credit position, i.e. amounts are payable to customers, the public interest would be served by disposing of Innisfil Hydro's Group 1 deferral and variance account balances.

Finally, Board staff submitted that since the principal amounts to be disposed as of December 31, 2009 reconcile with the amounts reported as part of the Reporting and Record-keeping Requirements ("RRR"), the amounts should be disposed on a final basis. .

In its reply submission, Innisfil Hydro responded that they were in agreement with Board staff comments on the disposition of the deferral and variance account balances.

The Board approves the disposition of Innisfil Hydro's proposed balances for Group 1

accounts. The December 31, 2009 balances and projected interest up to April 30, 2011 are considered final. For accounting purposes, the respective balance in each of the Group 1 accounts shall be transferred to the applicable sub-accounts in account 1595 established by the Board pursuant to the December 23, 2010 Frequently Asked Questions document accompanying the Accounting Procedures Handbook for disposition of balances in 2010, as soon as possible but no later than June 30, 2011 so that the RRR data reported in the second quarter of 2011 reflect these adjustments.

**(ii) *Disposition***

The EDDVAR Report includes guidelines on the cost allocation methodology and the rate rider derivation for the disposition of deferral and variance account balances. The Board notes that Innisfil Hydro followed the guidelines outlined in the EDDVAR Report.

Innisfil Hydro requested the disposition of its Group 1 account balance over a one year period. Board staff agreed with Innisfil Hydro's proposal on the basis that this would be in accordance with the EDDVAR Report. The Board accepts the disposition period of one year proposed by Innisfil Hydro.

**(iii) *Global Adjustment Sub-Account Disposition***

Innisfil Hydro has proposed to recover its global adjustment ("GA") sub-account debit balance of \$206,975 by means of a rate rider that would be included in the electricity component of the bill for non-RPP customers.

In response to Board staff interrogatory #1, Innisfil Hydro indicated that this change would provide consistency amongst all customer rate classes and further indicated that if the GA rate rider was to be included in the electricity component of the bill, the kWh would be adjusted by the loss factor.

In its submission, Board staff noted that Innisfil Hydro's Tariff of Rates and Charges Effective May 1, 2010 indicates that the rate rider for the GA sub-account applied to non-RPP customers and was included in the delivery component of the bill. Board staff invited Innisfil Hydro to clarify the rationale for proposing to recover the GA sub-account balance via the electricity component of the customer's bill. Board staff further noted that with respect to recovery of the GA sub-account, the prevalent practice amongst distributors is to dispose of the GA sub-account by means of a separate rate rider

applicable to non-RPP customers that is included in the delivery component of the bill. Board staff also noted that during the process for the 2010 IRM applications, the Board approved the recovery of the GA sub-account in the electricity component of the bill for non-RPP customers only in cases where the distributor could not readily accommodate a separate rate rider that would apply prospectively to non-RPP customers in the delivery component of the bill. Board staff submitted that since Innisfil Hydro was able to implement a separate rate rider in 2010 and was directed to do so in the Board's EB-2009-0232 Decision and Order, this approach should be continued were the Board to approve Innisfil Hydro's request to dispose of its Group 1 Deferral and Variance Account balances.

In its reply submission, Innisfil Hydro responded that from a consistency perspective, if the GA rate rider is included in the electricity component, all riders would be expressed as \$/kWh versus a combination of \$/ kWh and \$/kW when included in the delivery component. Innisfil Hydro added that a further consideration for requesting the electricity component was to provide customers with the ability to influence energy savings.

The Board agrees with Board staff that the prevalent practice amongst distributors is to dispose of the GA sub-account by means of a separate rate rider applicable to non-RPP customers that is included in the delivery component of the bill. The Board does not find the reasons advanced by Innisfil Hydro supporting a rate rider on the electricity component of the bill to be compelling. The Board therefore directs Innisfil Hydro to continue to dispose of the GA sub-account by means of a rate rider included in the delivery component of the bill that will apply prospectively to non-RPP customers.

### **Late Payment Penalty Litigation Costs**

In this application, Innisfil Hydro requested the recovery of a one time expense of \$33,431 related to the late payment penalty ("LPP") costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario.

On October 29, 2010 the Board commenced a generic proceeding on its own motion to determine whether Affected Electricity Distributors<sup>1</sup>, including Innisfil Hydro, should be allowed to recover from their ratepayers the costs and damages incurred as a result of

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<sup>1</sup> As defined in the Board's Decision and Order EB-2010-0295

the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-r0878) and as amended by addenda dated July 7, 2010 and July 8, 2010 in the late payment penalty class action and if so, the form and timing of such recovery. This proceeding was assigned file No. EB-2010-0295.

On February 22, 2011, the Board issued its Decision and Order and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The decision set out a listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery. The Board also directed Affected Electricity Distributors such as Innisfil Hydro to file with the Board detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the EB-2010-0295 Decision and Order. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or cost of service application, as applicable. Innisfil Hydro elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

The Board has reviewed Innisfil Hydro's proposed rate riders and approves them as filed.

### **Rate Model**

With this Decision, the Board is providing Innisfil Hydro with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2010 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

### **THE BOARD ORDERS THAT:**

1. Innisfil Hydro's new distribution rates shall be effective May 1, 2011.
2. Innisfil Hydro shall review the draft Tariff of Rates and Charges set out in Appendix A. Innisfil Hydro shall file with the Board a written confirmation assessing the

completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.

3. If the Board does not receive a submission from Innisfil Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final, effective May 1, 2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Innisfil Hydro shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from Innisfil Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Innisfil Hydro and will issue a final Tariff of Rates and Charges.
5. Innisfil Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

### **Cost Awards**

The Board will issue a separate decision on cost awards once the following steps are completed:

1. Intervenors eligible for cost awards shall submit their cost claims by no later than 14 days from the date of this Decision and Order.
2. Innisfil Hydro shall file its response, if any, by no later than 28 days from the date of this Decision and Order.
3. Intervenors shall file their reply to Innisfil Hydro's response by no later than 35 days from the date of this Decision and Order.

All filings to the Board must quote file number **EB-2010-0093**, be made through the Board's web portal at, [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly

state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

**DATED** at Toronto, March 28, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**  
**To Decision and Order**  
**Draft Tariff of Rates and Charges**  
**Board File No: EB-2010-0093**  
**DATED: March 28, 2011**

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.05
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Distribution Volumetric Rate	\$/kWh	0.0186
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012	\$/kWh	0.0032
Applicable only for Non-RPP Customers		
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	28.60
Smart Meter Funding Adder - effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.29
Distribution Volumetric Rate	\$/kWh	0.0085
Low Voltage Service Rate	\$/kWh	0.0020
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0032
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 20, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	317.84
Smart Meter Funding Adder - effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	4.00
Distribution Volumetric Rate	\$/kW	2.9491
Low Voltage Service Rate	\$/kW	0.7883
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012	\$/kW	1.1162
Applicable only for Non-RPP Customers		
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5267)
Rate Rider for Tax Change – effective until April 20, 2012	\$/kW	(0.0481)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2638
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7728
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.1926
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.5994

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	23.30
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Distribution Volumetric Rate	\$/kWh	0.0393
Low Voltage Service Rate	\$/kWh	0.0020
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012	\$/kWh	0.0032
Applicable only for Non-RPP Customers		
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0016)
Rate Rider for Tax Change – effective until April 20, 2012	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.57
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Distribution Volumetric Rate	\$/kW	34.4916
Low Voltage Service Rate	\$/kW	0.6065
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012	\$/kW	1.1516
Applicable only for Non-RPP Customers		
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1762
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5591)
Rate Rider for Tax Change – effective until April 20, 2012	\$/kW	(0.7744)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7159
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3990

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.34
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Distribution Volumetric Rate	\$/kW	36.9807
Low Voltage Service Rate	\$/kW	1.6331
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	1.1532
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	0.1419
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5453)
Rate Rider for Tax Change – effective until April 20, 2012	\$/kW	(0.6663)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3703

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Innisfil Hydro Distribution Systems Ltd.**

## **TARIFF OF RATES AND CHARGES**

### **Effective and Implementation Date May 1, 2011**

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

EB-2010-0093

## **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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EB-2010-0093

## ALLOWANCES

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

## SPECIFIC SERVICE CHARGES

### APPLICATION

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#### Customer Administration

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

#### Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	15.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
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	\$	40.00
Install/Remove load control device – after regular hours	\$	185.00
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	\$	22.35

# Innisfil Hydro Distribution Systems Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0093

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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

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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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A