



EB-2010-0086

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 Haldimand County Hydro Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2011.

By delegation before: Allan Fogwill

DECISION AND ORDER

Introduction

Haldimand County Hydro Inc. (“Haldimand County”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”) on October 29, 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 Haldimand County charges for electricity distribution, to be effective May 1, 2011.

Haldimand County 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 3rd 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, Haldimand County 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 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd 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 Haldimand County's rate application was given through newspaper publication in Haldimand County'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. The Board received one letter of comment. No requests for intervention were received. Board staff participated in the proceeding. This application proceeded by way of a written hearing.

While I have considered the entire record in this proceeding, this Decision and Order makes reference only to such evidence as is necessary to provide context to my 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;
- Fixed/Variable Revenue Ratio Adjustment – Residential Rate Class
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Late Payment Penalty Litigation Costs.

Price Cap Index Adjustment

Haldimand County's rate application was filed on the basis of the Filing Requirements.

In fixing new distribution rates and charges for Haldimand County, I have applied the policies described in the Filing Requirements and the Reports.

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Haldimand County'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;
- MicriFIT Service Charge; and
- Retail Service Charges.

Changes in the Federal and Provincial Income Tax Rates

In its *Supplemental Report of the Board on 3rd 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 3rd 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.

I find that a 50/50 sharing of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate. Using the Board's rate model, Haldimand County's tax sharing amount is a refund of \$35,546. In its application, Haldimand County noted that this amount is not material and therefore proposed to record the tax sharing refund amount in variance account 1595 for disposition at a future date. I agree and order Haldimand County to record the tax sharing refund amount of \$35,546 in variance account 1595 by June 30, 2011.

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.

Haldimand County requested the continuation of its utility-specific smart meter funding adder of \$1.87 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. I will approve the continuation of Haldimand County's SMFA of \$1.87 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. Haldimand County's variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

I have 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 Haldimand County 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 *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007.

The Board's Decision (EB-2009-0265) for Haldimand County's 2010 cost of service rate application prescribed a phase-in period to adjust its revenue-to-cost ratios.

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

Table 1 – Haldimand County’s Revenue-to-Cost Ratios (%)

Rate Class	2010 Ratio	Proposed 2011 Ratio	Target Range
	Column 1	Column 2	Column 3
Residential	1.00	1.00	85 – 115
GS < 50 kW	1.02	1.02	80 – 120
GS 50 – 4,999 kW	1.25	1.13	80 – 180
Street Lighting	0.46	0.70	70 – 120
Sentinel Lighting	0.43	0.70	70 – 120
USL	0.81	0.81	80 – 120
Embedded Distributor	1.00	1.00	n/a

Haldimand County proposed to increase the revenue-to-cost ratios for the Sentinel Lighting and Street Lighting rate classes to the bottom of the Board’s target range of 70% for each rate class. The additional revenue was applied to the General Service 50 to 4,999 kW rate class in the volumetric component of the distribution rate only.

In its submission, Board staff noted that a downward revenue-to-cost ratio adjustment for the General Service 50 to 4,999 kW rate class can be achieved by lowering the base service charge from its current ceiling value and/or lowering of the volumetric rate. Board staff also noted that Haldimand County’s proposal to apply the additional revenue only to the volumetric component of the distribution rate of the General Service 50 to 4,999 kW rate class would alter the fixed/variable revenue ratio for this class. Board staff further noted that in response to Board staff interrogatory #2a, Haldimand County indicated that it received prior approval from the Board to proceed in this fashion. Board staff noted that it was unable to find this reference in the Board’s EB-2009-0265 Decision and invited Haldimand County in its reply submission to provide an excerpt of the Decision that supports this claim.

In its reply submission, Haldimand County responded that the applied for revenue-to-cost ratio and fixed/variable split adjustments with respect to the General Service 50 to 4,999 kW rate class were not contested by either Board staff or intervenors in the EB-2009-0265 Settlement Agreement. Haldimand County further stated that accordingly, it was in the absence of any reference to these items in the Board’s EB-2009-0265 Decision that Haldimand County interpreted their approval by the Board.

I note that the proposed revenue-to-cost ratios are in accordance with the Board's findings referenced above. The resulting change in the fixed/variable ratio for this class is not material. I therefore approve the inclusion of the additional revenue for the General Service 50 to 4,999 kW rate class in the volumetric component of the distribution rate only.

It should be noted that Board decisions, particularly in the case of settlements, focus on contested issues. While this can be taken as approval for elements not mentioned in the existing circumstance, parties should be wary of assuming approval of a "package settlement" assumes that general approval can be applied to any particular aspect of the settlement as the primary justification in a future application. Haldimand County should be mindful of this principle in the future.

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%
Connection Service Rates			
Line Connection Service Rate	\$0.73	\$0.79	
Transformation Connection Service Rate	\$1.71	\$1.77	
			+4.9%

Each distributor's rate application model has been adjusted 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, I approve 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

Haldimand County requested that the Board review and approve the disposition of the December 31, 2009 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of \$0.001 per kWh was exceeded. The combined total of Group 1 account balances is a credit of \$534,813 (credit balances are amounts payable to customers). Haldimand County included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. Haldimand County's account balances as at December 31, 2009, plus projected carrying charges to April 30, 2011, are shown below (\$'s).

Table 3 – Deferral and Variance Account Balances

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	(170,793)	(2,217)	(173,010)
RSVA - Wholesale Market Service Charge	1580	(287,150)	(3,756)	(290,906)
RSVA - Retail Transmission Network Charge	1584	171,235	2,379	173,614
RSVA - Retail Transmission Connection Charge	1586	69,010	1,000	70,010
RSVA - Power (Excluding Global Adjustment)	1588	(20,620)	(959)	(21,579)
RSVA - Power (Global Adjustment Sub-account)	1588	(289,277)	(3,665)	(292,942)
Recovery of Regulatory Asset Balances	1590	0	0	0
		<u>(527,595)</u>	<u>(7,218)</u>	<u>(534,813)</u>

In its submission, Board staff noted that the proposed balances for disposition reconcile with Haldimand County's Reporting and Record-keeping Requirements ("RRR") reporting, and that the balances should be approved for disposition on a final basis.

I approve the proposed balances for Group 1 accounts as presented by Haldimand County. 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. I note that Haldimand County followed the guidelines outlined in the EDDVAR Report.

Haldimand County requested the disposition of its Group 1 account balance over a one year period. Board staff agreed with Haldimand County's proposal on the basis that this would be in accordance with the EDDVAR Report. I accept the disposition period of one year proposed by Haldimand County. Haldimand County is directed to dispose of the Global Adjustment Sub Account 1588 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, Haldimand County requested the recovery of a one time expense of \$52,104 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 Distributors¹, including Haldimand County, should be allowed to recover from their ratepayers the costs and damages incurred as a result of 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 Haldimand County 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.

On March 24, 2011, Haldimand County sent a letter to the Board that indicating that it will not seek recovery of the LPP costs. As a result, no rate rider associated with LPP is included in the Tariff of Rates and Charges.

Rate Model

With this Decision, Haldimand County is being provided 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 entries in the rate model have been

¹ As defined in the Board’s Decision and Order EB-2010-0295

reviewed 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. Haldimand County's new distribution rates shall be effective May 1, 2011.
2. Haldimand County shall review the draft Tariff of Rates and Charges set out in Appendix A. Haldimand County 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 receives a submission from Haldimand County confirming the completeness and accuracy 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. Haldimand County 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 Haldimand County 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 Haldimand County and may issue a revised final Tariff of Rates and Charges.
5. Haldimand County shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0086**, be made through the Board's web portal at, 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. 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

Allan Fogwill
Managing Director,
Planning & Business Services

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2010-0086

DATED: March 28, 2011

Haldimand County Hydro Inc.

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-2010-0086

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. Residential includes Urban, Suburban and Farm customer's premises which can be occupied on a year-round and seasonal basis. Farm applies to properties actively engaged in agricultural production as defined by Statistics Canada. These premises must be supplied from a single phase primary line. The farm definition does not include tree, sod, or pet farms. Services to year-round pumping stations or other ancillary services remote from the main farm shall be classed as farm. 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 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	\$	14.10
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.87
Distribution Volumetric Rate	\$/kWh	0.0311
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0027)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0015)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

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

Haldimand County Hydro Inc.

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-2010-0086

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

General Service does include farms supplied from polyphase primary lines. General Service includes commercial, industrial, educational, administrative, auxiliary and government services. It also includes combination services where a variety of uses are made of the service by the owner of one property. 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. 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 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	\$	28.65
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.87
Distribution Volumetric Rate	\$/kWh	0.0202
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0027)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0015)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

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

Haldimand County Hydro Inc.

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-2010-0086

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

General Service does include farms supplied from polyphase primary lines. General Service includes commercial, industrial, educational, administrative, auxiliary and government services. It also includes combination services where a variety of uses are made of the service by the owner of one property. 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. Further servicing details are available in the distributor's Conditions of Service. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 50 to 1,000 kW non-interval metered
- General Service 50 to 1,000 kW interval metered
- General Service greater than 1,000 to 5,000 kW interval metered.

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	\$	102.66
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.87
Distribution Volumetric Rate	\$/kW	4.7636
Low Voltage Service Rate	\$/kW	0.1502
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	(1.0030)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5440)
Retail Transmission Rate – Network Service Rate	\$/kW	2.3155
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8604
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4562
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0562

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

Haldimand County Hydro Inc.
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-2010-0086

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information / documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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 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)	\$	20.55
Distribution Volumetric Rate	\$/kWh	0.0027
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0015)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

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

Haldimand County Hydro Inc.

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-2010-0086

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account that is an unmetered lighting load supplied to a sentinel light. (Metered sentinel lighting is captured under the consumption of the principal service.) The consumption for these customers is assumed to have the same hourly consumption load profile as for Street Lighting. 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 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)	\$	12.82
Distribution Volumetric Rate	\$/kW	33.0781
Low Voltage Service Rate	\$/kW	0.1103
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	(0.9751)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5291)
Retail Transmission Rate – Network Service Rate	\$/kW	1.75492
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4684

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

Haldimand County Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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EB-2010-0086

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	6.01
Distribution Volumetric Rate	\$/kW	15.3755
Low Voltage Service Rate	\$/kW	0.1081
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	(0.9774)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(0.5301)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7461
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4384

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

Haldimand County Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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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. 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 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	\$	5.25
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Haldimand County Hydro Inc.
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**EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION FOR HYDRO
ONE NETWORKS INC.**

This classification applies to Hydro One Networks Inc., an electricity distributor licensed by the Board, and provided electricity by means of Haldimand County Hydro Inc.'s distribution facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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	\$	181.84
Distribution Wheeling Service Rate	\$/kW	0.5604
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.2979
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	0.9734
Retail Transmission Rate – Network Service Rate	\$/kW	2.9731
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.3890

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

Haldimand County Hydro Inc.

TARIFF OF RATES AND CHARGES

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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration

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

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Regular Hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Bell Canada Pole Rentals	\$	18.08
Norfolk Pole Rentals – Billed	\$	28.61

Haldimand County Hydro Inc.

TARIFF OF RATES AND CHARGES

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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	1.0680
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0573
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Embedded Distributor – Hydro One Networks Inc.	1.0305