



May 4, 2012

By RESS and Courier

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

Dear Ms. Walli;

**Re: Horizon Utilities Corporation ED-2006-0031 - Application for 2012 Smart Meter Cost Recovery effective May 1, 2012 (EB-2011-0417)
Review of Tariff of Rates and Charges**

On May 1, 2012, the Ontario Energy Board (the "Board") issued its Decision and Order ("Decision") in the above-captioned proceeding. As directed by the Board, Horizon Utilities Corporation ("Horizon Utilities") has reviewed the draft Tariff of Rates and Charges schedules attached to the Decision for completeness and accuracy.

Horizon Utilities has identified four items in the Decision and the draft Tariff of Rates and Charges that were attached to the Decision for the Board's consideration. These items are:

- The draft Tariff of Rates and Charges includes rate riders that expired on April 30, 2012. Horizon Utilities proposes that, consistent with the May 1, 2012 effective date of the Tariff of Rates and Charges, these be removed.
- Page 13 of 17 of the draft Tariff of Rates and Charges authorizes Horizon Utilities to charge its "Standby Power Service Classification" the "Monthly Rates and Charges - Regulatory Component". Horizon Utilities submits that these lines should be removed in order for the Tariff of Rates and Charges for the Standby Power Service Classification to be consistent with the Final Tariff of Rate and Charges for that class from Horizon Utilities' 2011 Electricity Distribution Rates Cost of Service application (EB-2011-0131) and to preclude any double recovery from these customers.
- On page 7 of the Decision, the Board stated that "*As Horizon Utilities is scheduled to rebase its rates for 2015, the Board notes that the SMIRR will likely be in effect from May 1, 2012 until April 30, 2015.*" Through its 2011 Electricity

Distribution Rates Cost of Service application (EB-2011-0131), Horizon Utilities' rate year was aligned with its fiscal year and therefore its rate year will end on December 31, 2014. However, Horizon Utilities notes that, as per the Tariff of Rates and Charges, the Smart Meter Incremental Revenue Requirement rider will be in effect until the effective date of the next Cost of Service-based rate order.

- In the header of the Decision, Horizon Utilities is identified as "Horizon Utilities Power Distribution Corporation"; the Corporation's complete name should read "Horizon Utilities Corporation".

Please find attached as Appendix 1, a marked-up version of the draft Tariff of Rates and Charges that reflects the Board's findings in the Decision, removes those rate riders that expired on April 30, 2012 and removes the "Monthly Rates and Charges - Regulatory Component" under the "Standby Power Service Classification", for the reasons noted above. Please find attached as Appendix 2, a clean version of the draft Tariff of Rates and Charges.

Two hard copies will be delivered to the Board; soft copies are being filed using the Board's RESS system.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours Truly,

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza
Vice-President, Regulatory Affairs
Horizon Utilities Corporation

Encl.

cc. Intervenors of Record (electronic version only)

Appendix 1

Marked-up Version of the Tariff sheets



EB-2011-0417

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 Horizon
Utilities Corporation for an order or orders approving or
fixing just and reasonable distribution rates related to
Smart Meter deployment, to be effective May 1, 2012.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER
May 1, 2012

Introduction

Horizon Utilities Corporation ("Horizon Utilities"), a licensed distributor of electricity, filed an application (the "Application") with the Ontario Energy Board (the "Board") on December 13, 2011 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 Horizon Utilities charges for electricity distribution, to be effective May 1, 2012.

Horizon Utilities sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder ("SMFA") revenues collected from May 1, 2006 to April 30, 2012. Horizon Utilities requested approval of proposed Smart Meter Disposition Riders ("SMDRs") and Smart Meter Incremental

Revenue Requirement Rate Riders (“SMIRRs”) effective May 1, 2012. The Application is based on the Board’s policy and practice with respect to recovery of smart meter costs.¹

The Board issued its Letter of Direction and Notice of Application and Hearing (the “Notice”) on January 23, 2012 and issued a letter confirming a correction on January 27, 2012. The Vulnerable Energy Consumers’ Coalition (“VECC”) was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

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:

- Costs Incurred with Respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs;
- Proposed Deferral Account for Smart Meter Costs from 2012 to 2014; and
- Implementation.

Costs Incurred with Respect to Smart Meter Deployment and Operation

In the Application, Horizon Utilities sought the following approvals:

- The Board’s determination that all smart meter capital (\$27,343,350) and operating expenditures (\$5,265,133) to December 31, 2011 are prudent. In its Reply Submission, Horizon Utilities updated these amounts to \$27,440,059 and \$5,153,485, respectively, reflecting 2011 audited actuals;
- SMDRs to recover the deferred revenue requirement through April 30, 2012 related to smart meters installed through December 31, 2011, net of SMFA revenue collected to April 30, 2012;

¹ *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008. On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*. While Horizon Utilities’ Application was filed prior to the issuance of *Guideline G-2011-0001*, Horizon Utilities’ Application is generally in accordance with it. In preparing its Application, Horizon Utilities used Smart Meter Model, Version 2.17, and prepared its application considering recent Board decisions on smart meter cost disposition and recovery.

- SMIRRs to recover the annual revenue requirement associated with smart meters installed from the inception of the smart meter program through to December 31, 2011. The SMIRR will include: OM&A expenses; depreciation; cost of debt consistent with the Board approved debt rate in the last cost of service application (EB-2010-0131), taxes/PILs, and the return on equity (“ROE”) consistent with the Board approved ROE in the last cost of service application. The SMIRR will be in place from May 1, 2012 until the implementation date for new rates as determined in Horizon Utilities’ next cost of service application; and
- A new deferral account to record the revenue requirement on new smart meter expenditures for Residential and General Service (“GS”) < 50 kW customer classes in 2012 and future years until the next rebasing in 2015. This deferral account will record the revenue requirement associated with new capital expenditures after December 31, 2011. These costs are not included in the SMDR and SMIRR recoveries.²

Horizon Utilities noted in its Application that the current Board-approved SMFA of \$2.14/month per metered customer would cease after April 30, 2012, as determined by the Board in its decision in Horizon Utilities’ prior stand-alone SMFA application (EB-2010-0292).

In response to VECC interrogatory # 5, Horizon Utilities calculated class-specific SMDRs and SMIRRs based on class-specific costs. This is further addressed below.

Horizon Utilities has documented \$990,005 in smart meter costs for “beyond minimum functionality” for TOU implementation, web presentment, etc. This consists of \$584,907 for capital and \$405,098 for OM&A expenses, and comprises 3% of the total smart meter costs for which Horizon Utilities is seeking approval. Horizon Utilities has documented how it was one of the first in Ontario to implement TOU billing and noted that it was involved in the integration with the provincial MDM/R. Board staff took no issues with the applied for costs, and VECC submitted that these costs are consistent with the Board’s guidelines and therefore eligible for recovery.

In the Application, Horizon Utilities documents \$898,649 for capital costs for smart meter deployment to 2,282 GS > 50 kW customers, for a cost of about \$393.80 per meter for customers in this class. No parties made submissions on these costs. The Board considers these capital costs reasonable based on the per meter costs seen in

² Application, page 4

other applications to date where recovery of costs for “smart” meters for the GS > 50 kW class has been considered.. With the class-specific modelling accepted by the Board in this Decision, these costs and the allocated costs for infrastructure, will be borne by the customers in the GS>50kW class consistent with the principle of cost causality.

In its Application, Horizon Utilities documented that about 93% of its smart meter costs were audited actuals, and that the Application met the criterion in the Board’s Guideline G-2011-0001. However, in its Reply Submission, Horizon Utilities provided an update of Table 1 with the 2011 audited actuals. Horizon Utilities stated that capital costs were \$96,710 higher than expected due to additional software programming to ensure accurate display of smart meter reads on customer bills, OM&A expenses were \$111,648 lower due to lower maintenance costs in 2011 Q4, and SMFA revenues were \$17,298 higher than forecasted. Horizon Utilities stated that the impact was to reduce the deferred revenue requirement to be recovered by the SMDR by \$120,380 while the revenue requirement for the 2012 SMIRR would increase by \$14,108. Horizon Utilities provided updated summaries of the SMDRs and SMIRRs resulting from the 2011 audited actuals, summarized in the following table:

	SMDR (\$/month)		SMIRR (\$/month)	
	Application	Reply Submission (Audited 2011 Actuals)	Application	Reply Submission (Audited 2011 Actuals)
Residential	\$0.11	\$0.08	\$1.48	\$1.49
GS < 50 kW	\$0.26	\$0.19	\$3.59	\$3.66
GS > 50 kW	\$0.38	\$0.25	\$5.13	\$5.00

The Board notes that the 2011 audited actuals are new evidence that has not been tested on the record. There are some changes in some of the data, and while these are largely offsetting and do not significantly alter the level of smart meter costs for which Horizon Utilities is seeking approval in this Application, the Board is concerned with Horizon Utilities placing this updated evidence on the record at this stage in the process, albeit at the request of an intervenor. The Board cautions the parties about introducing new evidence in the submission phase of a proceeding. Such placing of new evidence could cause other parties to request, or the Board on its own motion, to re-open the record to allow for further testing of this evidence. This can lead to delays and added costs in the process.

Further, while Horizon Utilities calculated updated SMDRs and SMIRRs using its proposed method of allocating the costs between the customer classes, it did not provide the updated class-specific models and resulting SMDRs and SMIRRs per the response to VECC IR # 5.

As discussed later in this Decision, the Board has decided to accept the class-specific model approach supported by VECC on the basis that it provides more accurate rate riders based on the principle of cost causality. While the Board does not have the data and calculations for the class-specific models, per VECC IR # 5, using the 2011 audited actuals, the differences shown above lead the Board to conclude that any impacts from such an update would not be material. The Board will rely on the response to VECC interrogatory # 5 to identify the approved SMDRs and SMIRRs.

In its Application, Horizon Utilities calculates the average per meter cost as being \$118.52.³ In its submission, VECC calculated an average cost of \$141.33, including costs beyond minimum functionality (i.e. for TOU implementation, web presentment, etc.) as recovery of these costs is also being sought in this Application.

Appendix A of the Combined Proceeding Decision (EB-2007-0063, September 21, 2007) compares data for 9 out of 13 utilities and shows the total cost per meter ranged from \$123.59 to \$189.96, with Hydro One Networks Inc. being the main exception at \$479.47, due in part for the need for more communications infrastructure and increased costs to install smart meters for customers over a larger and less dense service area.⁴ VECC also noted that the average per meter capital cost, based on data reported by all utilities to September 30, 2009, was \$186.76,⁵ and that updated data reported for the period ending September 30, 2010, showed an industry average capital cost of \$226.92.⁶

Board staff and VECC noted Horizon Utilities' costs were within the ranges seen in other applications and also submitted that Horizon Utilities had adequately provided explanations for its smart meter costs as incurred from 2006 to the end of 2011. Horizon Utilities noted the acceptance of its documented costs by Board staff and VECC in its Reply Submission.

³ Application, page 15

⁴ Board staff Submission, page 5. Quoted in VECC's Submission, pages 2-3.

⁵ VECC, Submission, March 17, 2012, page 3, referencing the Board's *Sector Smart Meter Audit Review Report*, dated March 31, 2010.

⁶ *Ibid.*, referencing the *Monitoring Report Smart Meter Investment – September 2010*, March 3, 2011

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations. Horizon Utilities was authorized for discretionary metering activities (i.e., smart meter procurement and installation) by being specifically named for priority installation under O.Reg. 527/06. As such, Horizon Utilities had its smart meter costs, from 2006 to April 30, 2007 reviewed in the Combined Proceeding.⁷ In that proceeding, the Board determined that the procurement processes of the utilities authorized for priority installations, including Horizon Utilities, were prudent to that point in time.

Based on the evidence filed in this Application, the Board finds that Horizon Utilities' documented costs related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable as applied for. The Board approves the disposition for recovery of the costs for smart meter deployment and operation.

Cost Allocation

In its Application, Horizon Utilities proposed class-specific SMDRs and SMIRRs. Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, in the past the Board has noted that the principle of cost causality would support class-specific cost recovery, as there would be differing costs in different customer classes, due in large part to the costs of the meters themselves, and to the extent that accurate data was available from the utility's records. To this end, the Board's Guideline⁸ indicates that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. In recent decisions, the Board has reviewed and approved an evolution of approaches for calculating class-specific rate riders.⁹

⁷ The Board's Decision with Reasons on the combined smart meter proceeding (EB-2007-0063) was issued on August 8, 2007.

⁸ See footnote 1.

⁹ The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

In response to VECC interrogatory # 5, Horizon Utilities filed smart meter models on a class-specific basis to calculate alternative class-specific smart meter rate riders, whereby costs are directly attributed in each model. The resulting SMDRs and SMIRRs under the allocation of costs as proposed by Horizon Utilities and from the class-specific models filed in response to VECC IR # 5 are documented in the following table:

Class	SMDR		SMIRR	
	As Filed	VECC IR # 5	As Filed	VECC IR # 5
Residential	\$0.11	(\$0.61)	\$1.48	\$1.47
GS < 50 kW	\$0.26	\$7.61	\$3.59	\$3.62
GS > 50 kW	\$0.38	\$10.63	\$5.13	\$5.40

While Horizon Utilities responded to VECC's interrogatory, the applicant maintained its proposal of the SMDRs and SMIRRs as allocated in its application. VECC submitted that the more direct allocation through class-specific models was preferable. Board staff noted that the class-specific models should result in a more exact allocation of the costs.

The Board considers the cost causality approach proposed by VECC to be more exacting and principled, and will accept it where the utility has calculated it and is reasonably confident with the underlying data at the customer class level. As such, the Board approves the class-specific SMDRs and SMIRRs as calculated according to the methodology used in VECC IR # 5.

As proposed by Horizon Utilities, the Board finds that the approved SMDRs will be in effect for twelve months from May 1, 2012 to April 30, 2013. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As Horizon Utilities is scheduled to rebase its rates for 2015, the Board notes that the SMIRR will likely be in effect from May 1, 2012 until April 30, 2015.

Proposed Deferral/Variance Account for Smart Meter Costs from 2012 to 2014

Horizon Utilities has proposed the establishment of a new deferral account, or continuation of the existing account 1555 for the purposes of recording capital expenditures for smart meter installations through 2012 to 2014, until Horizon Utilities'

next scheduled rebasing application for 2015 rates. The balance of the proposed account would be disposed in the utility's next cost of service application.

Horizon Utilities stated that the capital expenditures would be for smart meter installations to be done for about 300 hard-to-reach residential installations as well as for 4,425 GS < 50 kW meter conversions remaining to be done.

VECC supported Horizon Utilities' request for the account, agreeing that Horizon Utilities has not completed 100% of its smart meter deployment, although noting that the percentage of outstanding smart meter conversions is only about 2.6% of the total. VECC stated that it felt that Horizon Utilities' proposal was fair to both the utility and to ratepayers.

Board staff opposed Horizon Utilities' proposal. Board staff's submission was that Horizon Utilities' application for disposition of smart meter costs was for completion of its smart meter deployment, as contemplated by the recently issued Guideline G-2011-0001. Board staff submitted that additional smart meter costs due to customer growth would be recovered through the SMIRR that would apply to both the new as well as existing customers.

In its Reply Submission, Horizon Utilities stated that it is not seeking final disposition of all smart meter costs, and that it has not completed its smart meter deployment. Horizon Utilities noted that there are 297 hard-to-reach existing residential customers for which smart meters have yet to be installed in 2012. However, the bulk of smart meters remaining to be installed are for the GS < 50 kW class. Horizon Utilities estimated that there are about 4,305 existing GS < 50 kW meters at a pace of about 1,435 per year that will be converted due to replacement or recertification of the meters from 2012 to 2014.

The Board will not approve the establishment of a new deferral account but accepts that Horizon Utilities has not completed its smart meter deployment at this time and has not applied for final disposition of costs, and thus the Board will allow Horizon Utilities to continue to record the capital costs for existing Residential and GS < 50 kW customers for which smart meters had not been deployed by the end of 2011 in Account 1555. Specifically, this relates to 297 hard-to-reach Residential and the 4305 GS < 50 kW legacy customers as documented by Horizon Utilities.

The Board notes and accepts Horizon Utilities' evidence that costs for new smart meter installations due to customer growth will not be recorded in Account 1555. Instead, capital costs for new smart meters and associated infrastructure related to customer growth should be recorded in the applicable asset account (i.e. Account 1860 for Smart Meters). The Board approves this, noting that the approved SMIRR, as designed and which will apply to both existing and new customers, is compensatory for the annualized revenue requirement for both existing and new customers.

Further information on the continuation of Account 1555 for the remaining smart meter capital costs is provided below under Implementation.

Stranded Meter Costs

In its Application, Horizon Utilities proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2015 rates. Horizon Utilities states that the stranded conventional meters continue to be amortized.

Board staff submitted that Horizon Utilities' proposal is also compliant with Guideline G-2011-0001. The Board agrees.

Horizon Utilities noted Board staff's submission and stated that it will be prepared to address and quantify any operational efficiencies and cost savings resulting from smart meter deployment in the next cost of service application.

Implementation

In granting its approval for the historically incurred costs and the operating costs projected for 2012 for legacy customers (i.e. those existing customers as of December 2011), the Board considers Horizon Utilities to have not completed its smart meter deployment. Going forward, no operating costs for new smart meters and the operations of smart meters shall be tracked in Account 1556. Instead, costs shall be recorded in regular operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

As Horizon has not completed its smart meter deployment, the Board shall authorize Horizon Utilities to continue to record capital costs for the installation of smart meters for

the remaining 297 Residential customers with hard-to-reach meters and the legacy GS < 50 kW customers whose smart meters will be replaced upon repair or recertification, for the period from January 1, 2012 to December 31, 2014. Disposition of the balances should be dealt with at Horizon Utilities' next cost of service application currently scheduled for 2015 rates.

To facilitate the disposition and allocation of the capital costs for the remaining smart meter installations between the Residential and GS < 50 kW classes, the Board directs Horizon Utilities to track the capital costs separately by customer class in sub-accounts of Account 1555. In this way, the costs can be directly allocated to each class when Horizon Utilities applies for disposition of the account balances.

Horizon Utilities is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in Horizon Utilities' next cost of service application.

With this Decision, the Board is providing Horizon Utilities with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board-approved Tariff of Rates and Charges as approved in the corrected Rate Order in Horizon Utilities' Incentive Regulation Mechanism application (EB-2011-0172) issued on January 5, 2012.

THE BOARD ORDERS THAT:

1. Horizon Utilities' new distribution rates shall be effective May 1, 2012.
2. Horizon Utilities and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. Horizon Utilities and VECC 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 **7 days** of the date of issuance of this Decision and Order.

3. If the Board does not receive any submissions from Horizon Utilities and VECC 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 Decision and Order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Horizon Utilities 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(s) from Horizon Utilities or VECC 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(s) and will issue a final Tariff of Rates and Charges.

Cost Awards

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Horizon Utilities shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Horizon Utilities any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Horizon Utilities 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-2011-0417**, 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 BoardSec@ontarioenergyboard.ca. 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 2 paper copies.

DATED at Toronto, May 1, 2012

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-2011-0417
DATED: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14.53
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.61)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	1.47
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.27
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0143
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0016
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0020)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kWh	0.0007
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0054

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172

EB-2011-0417

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	32.35
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	7.61
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	3.62
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.63
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0084
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0017
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0020)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	\$/kWh	0.0004
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172
EB-2011-0417

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	294.96
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	10.63
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	5.40
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	7.11
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	2.0459
Low Voltage Service Rate	\$/kW	0.02169
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.0767
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.6033
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.3221)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.7500)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1636)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5502)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kW	0.0632
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0130)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4817
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9492

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172

EB-2011-0417

LARGE USE SERVICE CLASSIFICATION

This classification applies to an 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, 5,000 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22,773.42
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.14
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	414.57
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	1.3436
Low Voltage Service Rate	\$/kW	0.02492
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.0543
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.3387
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.1891)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012		
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.4855)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.0967)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kW	0.0075
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0092)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8349
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2399

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0172
EB-2011-0417

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	9.16
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.45
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0142
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012	\$/kWh	0.0016
Applicable only for Non-RPP Customers		
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0009)
Applicable only for Non-RPP Customers		
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0025)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kWh	0.0003
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

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Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0172

EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172
EB-2011-0417

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential, General Service or Large Use customer. This is typically exterior lighting, and often unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.45
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.06
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	12.2103
Low Voltage Service Rate	\$/kW	0.01745
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.0724
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.5959
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.3106)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.2647)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	0.0158
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5306)
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.1078)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0622
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5685

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0172
EB-2011-0417

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.32
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.03
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	6.1961
Low Voltage Service Rate	\$/kW	0.01702
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
 Applicable only for Non-RPP Customers	\$/kW	0.0740
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.5621
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.3157)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.6378)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1694)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5394)
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0672)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9537
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5293

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0417

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. 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.

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MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the amount of reserved load transfer capacity contracted or the amount of monthly peak load displaced by a generating facility

	\$/kW	2.4952
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2012	\$/kW	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – Effective until December 31, 2012	\$/kW	(0.0013)
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0087)

~~MONTHLY RATES AND CHARGES – Regulatory Component~~

Wholesale Market Service Charge	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0417

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172

EB-2011-0417

ALLOWANCES

Transformer Allowance for Ownership - General Service 50 to 4,999 kW customers		
- per kW of billing demand/month	\$/kW	(0.73)
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.

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Customer Administration		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special Meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Credit Card Convenience Charge	\$	15.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

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EB-2011-0417

Install / remove load control device – during regular hours	\$	65.00
Install / remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Administrative Billing Charge	\$	150.00

Horizon Utilities Corporation

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0407
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0179
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0303
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0078

Issuance Date: May 1, 2012

Appendix 2

Clean Version of the Tariff Sheets



EB-2011-0417

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 Horizon
Utilities Corporation for an order or orders approving or
fixing just and reasonable distribution rates related to
Smart Meter deployment, to be effective May 1, 2012.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER
May 1, 2012

Introduction

Horizon Utilities Corporation (“Horizon Utilities”), a licensed distributor of electricity, filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on December 13, 2011 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 Horizon Utilities charges for electricity distribution, to be effective May 1, 2012.

Horizon Utilities sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder (“SMFA”) revenues collected from May 1, 2006 to April 30, 2012. Horizon Utilities requested approval of proposed Smart Meter Disposition Riders (“SMDRs”) and Smart Meter Incremental

Revenue Requirement Rate Riders (“SMIRRs”) effective May 1, 2012. The Application is based on the Board’s policy and practice with respect to recovery of smart meter costs.¹

The Board issued its Letter of Direction and Notice of Application and Hearing (the “Notice”) on January 23, 2012 and issued a letter confirming a correction on January 27, 2012. The Vulnerable Energy Consumers’ Coalition (“VECC”) was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

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:

- Costs Incurred with Respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs;
- Proposed Deferral Account for Smart Meter Costs from 2012 to 2014; and
- Implementation.

Costs Incurred with Respect to Smart Meter Deployment and Operation

In the Application, Horizon Utilities sought the following approvals:

- The Board’s determination that all smart meter capital (\$27,343,350) and operating expenditures (\$5,265,133) to December 31, 2011 are prudent. In its Reply Submission, Horizon Utilities updated these amounts to \$27,440,059 and \$5,153,485, respectively, reflecting 2011 audited actuals;
- SMDRs to recover the deferred revenue requirement through April 30, 2012 related to smart meters installed through December 31, 2011, net of SMFA revenue collected to April 30, 2012;

¹ *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008. On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*. While Horizon Utilities’ Application was filed prior to the issuance of *Guideline G-2011-0001*, Horizon Utilities’ Application is generally in accordance with it. In preparing its Application, Horizon Utilities used Smart Meter Model, Version 2.17, and prepared its application considering recent Board decisions on smart meter cost disposition and recovery.

- SMIRRs to recover the annual revenue requirement associated with smart meters installed from the inception of the smart meter program through to December 31, 2011. The SMIRR will include: OM&A expenses; depreciation; cost of debt consistent with the Board approved debt rate in the last cost of service application (EB-2010-0131), taxes/PILs, and the return on equity (“ROE”) consistent with the Board approved ROE in the last cost of service application. The SMIRR will be in place from May 1, 2012 until the implementation date for new rates as determined in Horizon Utilities’ next cost of service application; and
- A new deferral account to record the revenue requirement on new smart meter expenditures for Residential and General Service (“GS”) < 50 kW customer classes in 2012 and future years until the next rebasing in 2015. This deferral account will record the revenue requirement associated with new capital expenditures after December 31, 2011. These costs are not included in the SMDR and SMIRR recoveries.²

Horizon Utilities noted in its Application that the current Board-approved SMFA of \$2.14/month per metered customer would cease after April 30, 2012, as determined by the Board in its decision in Horizon Utilities’ prior stand-alone SMFA application (EB-2010-0292).

In response to VECC interrogatory # 5, Horizon Utilities calculated class-specific SMDRs and SMIRRs based on class-specific costs. This is further addressed below.

Horizon Utilities has documented \$990,005 in smart meter costs for “beyond minimum functionality” for TOU implementation, web presentment, etc. This consists of \$584,907 for capital and \$405,098 for OM&A expenses, and comprises 3% of the total smart meter costs for which Horizon Utilities is seeking approval. Horizon Utilities has documented how it was one of the first in Ontario to implement TOU billing and noted that it was involved in the integration with the provincial MDM/R. Board staff took no issues with the applied for costs, and VECC submitted that these costs are consistent with the Board’s guidelines and therefore eligible for recovery.

In the Application, Horizon Utilities documents \$898,649 for capital costs for smart meter deployment to 2,282 GS > 50 kW customers, for a cost of about \$393.80 per meter for customers in this class. No parties made submissions on these costs. The Board considers these capital costs reasonable based on the per meter costs seen in

² Application, page 4

other applications to date where recovery of costs for “smart” meters for the GS > 50 kW class has been considered.. With the class-specific modelling accepted by the Board in this Decision, these costs and the allocated costs for infrastructure, will be borne by the customers in the GS>50kW class consistent with the principle of cost causality.

In its Application, Horizon Utilities documented that about 93% of its smart meter costs were audited actuals, and that the Application met the criterion in the Board’s Guideline G-2011-0001. However, in its Reply Submission, Horizon Utilities provided an update of Table 1 with the 2011 audited actuals. Horizon Utilities stated that capital costs were \$96,710 higher than expected due to additional software programming to ensure accurate display of smart meter reads on customer bills, OM&A expenses were \$111,648 lower due to lower maintenance costs in 2011 Q4, and SMFA revenues were \$17,298 higher than forecasted. Horizon Utilities stated that the impact was to reduce the deferred revenue requirement to be recovered by the SMDR by \$120,380 while the revenue requirement for the 2012 SMIRR would increase by \$14,108. Horizon Utilities provided updated summaries of the SMDRs and SMIRRs resulting from the 2011 audited actuals, summarized in the following table:

	SMDR (\$/month)		SMIRR (\$/month)	
	Application	Reply Submission (Audited 2011 Actuals)	Application	Reply Submission (Audited 2011 Actuals)
Residential	\$0.11	\$0.08	\$1.48	\$1.49
GS < 50 kW	\$0.26	\$0.19	\$3.59	\$3.66
GS > 50 kW	\$0.38	\$0.25	\$5.13	\$5.00

The Board notes that the 2011 audited actuals are new evidence that has not been tested on the record. There are some changes in some of the data, and while these are largely offsetting and do not significantly alter the level of smart meter costs for which Horizon Utilities is seeking approval in this Application, the Board is concerned with Horizon Utilities placing this updated evidence on the record at this stage in the process, albeit at the request of an intervenor. The Board cautions the parties about introducing new evidence in the submission phase of a proceeding. Such placing of new evidence could cause other parties to request, or the Board on its own motion, to re-open the record to allow for further testing of this evidence. This can lead to delays and added costs in the process.

Further, while Horizon Utilities calculated updated SMDRs and SMIRRs using its proposed method of allocating the costs between the customer classes, it did not provide the updated class-specific models and resulting SMDRs and SMIRRs per the response to VECC IR # 5.

As discussed later in this Decision, the Board has decided to accept the class-specific model approach supported by VECC on the basis that it provides more accurate rate riders based on the principle of cost causality. While the Board does not have the data and calculations for the class-specific models, per VECC IR # 5, using the 2011 audited actuals, the differences shown above lead the Board to conclude that any impacts from such an update would not be material. The Board will rely on the response to VECC interrogatory # 5 to identify the approved SMDRs and SMIRRs.

In its Application, Horizon Utilities calculates the average per meter cost as being \$118.52.³ In its submission, VECC calculated an average cost of \$141.33, including costs beyond minimum functionality (i.e. for TOU implementation, web presentment, etc.) as recovery of these costs is also being sought in this Application.

Appendix A of the Combined Proceeding Decision (EB-2007-0063, September 21, 2007) compares data for 9 out of 13 utilities and shows the total cost per meter ranged from \$123.59 to \$189.96, with Hydro One Networks Inc. being the main exception at \$479.47, due in part for the need for more communications infrastructure and increased costs to install smart meters for customers over a larger and less dense service area.⁴ VECC also noted that the average per meter capital cost, based on data reported by all utilities to September 30, 2009, was \$186.76,⁵ and that updated data reported for the period ending September 30, 2010, showed an industry average capital cost of \$226.92.⁶

Board staff and VECC noted Horizon Utilities' costs were within the ranges seen in other applications and also submitted that Horizon Utilities had adequately provided explanations for its smart meter costs as incurred from 2006 to the end of 2011. Horizon Utilities noted the acceptance of its documented costs by Board staff and VECC in its Reply Submission.

³ Application, page 15

⁴ Board staff Submission, page 5. Quoted in VECC's Submission, pages 2-3.

⁵ VECC, Submission, March 17, 2012, page 3, referencing the Board's *Sector Smart Meter Audit Review Report*, dated March 31, 2010.

⁶ *Ibid.*, referencing the *Monitoring Report Smart Meter Investment – September 2010*, March 3, 2011

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations. Horizon Utilities was authorized for discretionary metering activities (i.e., smart meter procurement and installation) by being specifically named for priority installation under O.Reg. 527/06. As such, Horizon Utilities had its smart meter costs, from 2006 to April 30, 2007 reviewed in the Combined Proceeding.⁷ In that proceeding, the Board determined that the procurement processes of the utilities authorized for priority installations, including Horizon Utilities, were prudent to that point in time.

Based on the evidence filed in this Application, the Board finds that Horizon Utilities' documented costs related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable as applied for. The Board approves the disposition for recovery of the costs for smart meter deployment and operation.

Cost Allocation

In its Application, Horizon Utilities proposed class-specific SMDRs and SMIRRs. Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, in the past the Board has noted that the principle of cost causality would support class-specific cost recovery, as there would be differing costs in different customer classes, due in large part to the costs of the meters themselves, and to the extent that accurate data was available from the utility's records. To this end, the Board's Guideline⁸ indicates that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. In recent decisions, the Board has reviewed and approved an evolution of approaches for calculating class-specific rate riders.⁹

⁷ The Board's Decision with Reasons on the combined smart meter proceeding (EB-2007-0063) was issued on August 8, 2007.

⁸ See footnote 1.

⁹ The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

In response to VECC interrogatory # 5, Horizon Utilities filed smart meter models on a class-specific basis to calculate alternative class-specific smart meter rate riders, whereby costs are directly attributed in each model. The resulting SMDRs and SMIRRs under the allocation of costs as proposed by Horizon Utilities and from the class-specific models filed in response to VECC IR # 5 are documented in the following table:

Class	SMDR		SMIRR	
	As Filed	VECC IR # 5	As Filed	VECC IR # 5
Residential	\$0.11	(\$0.61)	\$1.48	\$1.47
GS < 50 kW	\$0.26	\$7.61	\$3.59	\$3.62
GS > 50 kW	\$0.38	\$10.63	\$5.13	\$5.40

While Horizon Utilities responded to VECC's interrogatory, the applicant maintained its proposal of the SMDRs and SMIRRs as allocated in its application. VECC submitted that the more direct allocation through class-specific models was preferable. Board staff noted that the class-specific models should result in a more exact allocation of the costs.

The Board considers the cost causality approach proposed by VECC to be more exacting and principled, and will accept it where the utility has calculated it and is reasonably confident with the underlying data at the customer class level. As such, the Board approves the class-specific SMDRs and SMIRRs as calculated according to the methodology used in VECC IR # 5.

As proposed by Horizon Utilities, the Board finds that the approved SMDRs will be in effect for twelve months from May 1, 2012 to April 30, 2013. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As Horizon Utilities is scheduled to rebase its rates for 2015, the Board notes that the SMIRR will likely be in effect from May 1, 2012 until April 30, 2015.

Proposed Deferral/Variance Account for Smart Meter Costs from 2012 to 2014

Horizon Utilities has proposed the establishment of a new deferral account, or continuation of the existing account 1555 for the purposes of recording capital expenditures for smart meter installations through 2012 to 2014, until Horizon Utilities'

next scheduled rebasing application for 2015 rates. The balance of the proposed account would be disposed in the utility's next cost of service application.

Horizon Utilities stated that the capital expenditures would be for smart meter installations to be done for about 300 hard-to-reach residential installations as well as for 4,425 GS < 50 kW meter conversions remaining to be done.

VECC supported Horizon Utilities' request for the account, agreeing that Horizon Utilities has not completed 100% of its smart meter deployment, although noting that the percentage of outstanding smart meter conversions is only about 2.6% of the total. VECC stated that it felt that Horizon Utilities' proposal was fair to both the utility and to ratepayers.

Board staff opposed Horizon Utilities' proposal. Board staff's submission was that Horizon Utilities' application for disposition of smart meter costs was for completion of its smart meter deployment, as contemplated by the recently issued Guideline G-2011-0001. Board staff submitted that additional smart meter costs due to customer growth would be recovered through the SMIRR that would apply to both the new as well as existing customers.

In its Reply Submission, Horizon Utilities stated that it is not seeking final disposition of all smart meter costs, and that it has not completed its smart meter deployment. Horizon Utilities noted that there are 297 hard-to-reach existing residential customers for which smart meters have yet to be installed in 2012. However, the bulk of smart meters remaining to be installed are for the GS < 50 kW class. Horizon Utilities estimated that there are about 4,305 existing GS < 50 kW meters at a pace of about 1,435 per year that will be converted due to replacement or recertification of the meters from 2012 to 2014.

The Board will not approve the establishment of a new deferral account but accepts that Horizon Utilities has not completed its smart meter deployment at this time and has not applied for final disposition of costs, and thus the Board will allow Horizon Utilities to continue to record the capital costs for existing Residential and GS < 50 kW customers for which smart meters had not been deployed by the end of 2011 in Account 1555. Specifically, this relates to 297 hard-to-reach Residential and the 4305 GS < 50 kW legacy customers as documented by Horizon Utilities.

The Board notes and accepts Horizon Utilities' evidence that costs for new smart meter installations due to customer growth will not be recorded in Account 1555. Instead, capital costs for new smart meters and associated infrastructure related to customer growth should be recorded in the applicable asset account (i.e. Account 1860 for Smart Meters). The Board approves this, noting that the approved SMIRR, as designed and which will apply to both existing and new customers, is compensatory for the annualized revenue requirement for both existing and new customers.

Further information on the continuation of Account 1555 for the remaining smart meter capital costs is provided below under Implementation.

Stranded Meter Costs

In its Application, Horizon Utilities proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2015 rates. Horizon Utilities states that the stranded conventional meters continue to be amortized.

Board staff submitted that Horizon Utilities' proposal is also compliant with Guideline G-2011-0001. The Board agrees.

Horizon Utilities noted Board staff's submission and stated that it will be prepared to address and quantify any operational efficiencies and cost savings resulting from smart meter deployment in the next cost of service application.

Implementation

In granting its approval for the historically incurred costs and the operating costs projected for 2012 for legacy customers (i.e. those existing customers as of December 2011), the Board considers Horizon Utilities to have not completed its smart meter deployment. Going forward, no operating costs for new smart meters and the operations of smart meters shall be tracked in Account 1556. Instead, costs shall be recorded in regular operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

As Horizon has not completed its smart meter deployment, the Board shall authorize Horizon Utilities to continue to record capital costs for the installation of smart meters for

the remaining 297 Residential customers with hard-to-reach meters and the legacy GS < 50 kW customers whose smart meters will be replaced upon repair or recertification, for the period from January 1, 2012 to December 31, 2014. Disposition of the balances should be dealt with at Horizon Utilities' next cost of service application currently scheduled for 2015 rates.

To facilitate the disposition and allocation of the capital costs for the remaining smart meter installations between the Residential and GS < 50 kW classes, the Board directs Horizon Utilities to track the capital costs separately by customer class in sub-accounts of Account 1555. In this way, the costs can be directly allocated to each class when Horizon Utilities applies for disposition of the account balances.

Horizon Utilities is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in Horizon Utilities' next cost of service application.

With this Decision, the Board is providing Horizon Utilities with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board-approved Tariff of Rates and Charges as approved in the corrected Rate Order in Horizon Utilities' Incentive Regulation Mechanism application (EB-2011-0172) issued on January 5, 2012.

THE BOARD ORDERS THAT:

1. Horizon Utilities' new distribution rates shall be effective May 1, 2012.
2. Horizon Utilities and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. Horizon Utilities and VECC 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 **7 days** of the date of issuance of this Decision and Order.

3. If the Board does not receive any submissions from Horizon Utilities and VECC 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 Decision and Order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Horizon Utilities 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(s) from Horizon Utilities or VECC 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(s) and will issue a final Tariff of Rates and Charges.

Cost Awards

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Horizon Utilities shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Horizon Utilities any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Horizon Utilities 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-2011-0417**, 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 BoardSec@ontarioenergyboard.ca. 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 2 paper copies.

DATED at Toronto, May 1, 2012

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-2011-0417
DATED: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14.53
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.61)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	1.47
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.27
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0143
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0016
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kWh	0.0007
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0054

Issuance Date: May 1, 2012

Horizon Utilities Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172

EB-2011-0417

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	32.35
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	7.61
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	3.62
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.63
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0084
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0017
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0004)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kWh	0.0004
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

Issuance Date: May 1, 2012

Horizon Utilities Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0172
EB-2011-0417

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	294.96
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	10.63
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	5.40
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	7.11
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	2.0459
Low Voltage Service Rate	\$/kW	0.02169
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	0.6033
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	(0.3221)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1636)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5502)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	\$/kW	0.0632
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0130)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4817
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9492

Issuance Date: May 1, 2012

Horizon Utilities Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously
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EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172

EB-2011-0417

LARGE USE SERVICE CLASSIFICATION

This classification applies to an 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, 5,000 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22,773.42
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	414.57
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	1.3436
Low Voltage Service Rate	\$/kW	0.02492
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.3387
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.1891)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.0967)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.3230)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kW	0.0075
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0092)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8349
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2399

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EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172
EB-2011-0417

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	9.16
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.45
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0142
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0016
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery		
– effective until December 31, 2012	\$/kWh	0.0003
Rate Rider for Tax Change – effective until December 31, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

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EB-2011-0172
EB-2011-0417

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0172
EB-2011-0417

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential, General Service or Large Use customer. This is typically exterior lighting, and often unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.45
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.06
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	12.2103
Low Voltage Service Rate	\$/kW	0.01745
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.5959
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.3106)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	0.0158
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5306)
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.1078)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0622
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5685

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issuance Date: May 1, 2012

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0172
EB-2011-0417

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.32
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until July 31, 2012	\$	0.03
Rate Rider for Recovery of Green Energy Act related costs – effective until December 31, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	6.1961
Low Voltage Service Rate	\$/kW	0.01702
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.5621
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	(0.3157)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1694)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(0.5394)
Rate Rider for Tax Change – effective until December 31, 2012	\$/kW	(0.0672)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9537
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5293

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0172

EB-2011-0417

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. 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.

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MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the amount of reserved load transfer capacity contracted or the amount of monthly peak load displaced by a generating facility

Rate Rider for Deferral/Variance Account Disposition (2011) – Effective until December 31, 2012

Rate Rider for Tax Change – effective until December 31, 2012

\$/kW	2.4952
\$/kW	(0.0013)
\$/kW	(0.0087)

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2011-0417

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Horizon Utilities Corporation

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EB-2011-0417

ALLOWANCES

Transformer Allowance for Ownership - General Service 50 to 4,999 kW customers		
- per kW of billing demand/month	\$/kW	(0.73)
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
Statement of Account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special Meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Credit Card Convenience Charge	\$	15.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

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EB-2011-0417

Install / remove load control device – during regular hours	\$	65.00
Install / remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Administrative Billing Charge	\$	150.00

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0407
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0179
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0303
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0078