

EB-2012-0086

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

AND IN THE MATTER OF an application by Cambridge and North Dumfries Hydro Inc. for an order or orders approving or fixing just and reasonable distribution rates related to Smart Meter deployment, to be effective July 1, 2012.

BEFORE: Ken Quesnelle

Presiding Member

Marika Hare Member

FINAL RATE ORDER

August 23, 2012

Introduction

Cambridge and North Dumfries Hydro Inc. ("CND"), a licensed distributor of electricity, filed an application (the "Application") with the Ontario Energy Board (the "Board") on March 27, 2012 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 CND charges for electricity distribution, to be effective July 1, 2012.

CND 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. CND requested approval of proposed Smart Meter Disposition Riders ("SMDRs") and Smart Meter Incremental Revenue Requirement Rate Riders ("SMIRRs") effective July 1, 2012.

In its Decision and Order on the Application issued on July 26, 2012, the Board ordered CND to file with the Board a draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board's findings, within 7 days of the date of the Decision and Order. The draft Rate Order was also to include customer rate impacts and detailed supporting information showing the calculation of the final rates.

On August 2, 2012, CND filed a draft Rate Order ("DRO"), including revised models and a proposed Tariff of Rates and Charges.

On August 9, 2012 Board staff filed comments on the DRO, submitting the following with respect to CND's draft Rate Order:

- CND's calculation of the SMIRR was in error, as CND calculated the SMIRR as if the 2012 annual revenue requirement was recovered over the 20 month period from September 1, 2012 to April 30, 2014, while the SMIRR is designed as a monthly rate to recover the annualized revenue requirement until the distributor's rates are next rebased; and
- As the implementation date for new rates was approved as of September 1, 2012, past the May 1, 2012 effective date for which the Smart Meter Model was designed, interest on SMFA revenues and on OM&A and depreciation expense principal amounts up to August 31, 2012 should be taken into account in determining the class-specific SMDRs.

Board staff attached revised models with the proposed modifications. VECC did not submit any comments on the CND's DRO.

On August 15, 2012, CND filed a reply submission on the DRO, and accepted the modifications proposed by Board staff as a more accurate implementation of the findings from the Board's Decision and Order.

The Board has reviewed the information provided by CND and the proposed Tariff of Rates and Charges and has become aware of two errors in the revised models:

- For the GS < 50 kW class, the number of Residential customers, rather than the number of GS < 50 kW, is used in the determination of the rate; and
- The adjusted SMDR rates need to account for 12 months in a year to determine the monthly rate.

The Board has directed Board staff to make the necessary corrections to the models, and the results are summarized in the table below:

	Adjusted Smart Meter Disposition Rider	
	(effective September 1, 2012 to April 30, 2014)	
	Staff submission (August 9, 2012)	Corrected
Residential	\$0.07/month	\$0.01/month
GS < 50 kW	\$5.91/month	\$4.89/month

With these corrections, the Board is satisfied that the Tariff of Rates and Charges filed as part of the reply submission on the DRO submitted on August 15, 2012 accurately reflects the Board's Decision.

Quarterly Reporting on the Implementation of the CIS/Billing System

The Board notes that the existence and operationalization of CND's new CIS/billing system was in evidence in this Application, specifically in that CND had significantly lower costs as TOU billing capability was reflected in the \$1.85 million capital expenditure for the new CIS/billing system approved as part of its 2010 rates application.

In its Decision EB-2009-0260 regarding CND's cost of service rates application for 2010 rates, the Board approved a capital addition of \$1.85 million for a new CIS/billing system for CND. However, the Board noted concerns expressed by intervenors about delays and increasing cost estimates, and directed that CND record the variance between the new CIS/billing system and the \$1.85 million approved capital expenditure in Account 2425 Other Deferred Credits, Sub-account: Over-Recovery of Capital Expenditures, and also to provide quarterly reports on the status and any issues related to the new CIS/billing system and to also provide the variance sub-account balance. The Board stated that it would review the need for continued reporting once the CIS/billing system was operational.¹

CND has complied with the accounting and quarterly reporting requirements. On August 10, 2012, CND filed its letter report for Quarter 2 (April to June) 2012 on the implementation of the CIS/billing system. CND notes that the replacement CIS/billing system was put into production on May 9, 2011, and that no significant capability or

¹ Decision EB-2009-0260, paras. 128-129, April 20, 2010

functional limitations have been encountered.

The Board is satisfied that the CIS/billing system is fully operational and that there is no further need for ongoing quarterly reporting on the implementation of the CIS/billing system as directed in Decision EB-2009-0260. However, to be clear, the Board will not dispose of the balance of Account 2425: Other Deferred Credits, Sub-Account: Over-Recovery of Capital Expenditures at this time. CND is directed to continue recording interest on the principal balance as directed in para. 128 of Decision EB-2009-0260. In its next cost of service rates application, CND is directed to propose disposition of the balance of the account as part of its deferral and variance account disposition.

THE BOARD ORDERS THAT:

- 1. The Tariff of Rates and Charges set out in Appendix A of this Order will become final effective September 1, 2012 and will apply to electricity consumed or estimated to have been consumed on and after September 1, 2012. Cambridge and North Dumfries Hydro Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
- 2. Cambridge and North Dumfries Hydro Inc. is relieved of the quarterly reporting requirement documented in paragraph 129 of Decision EB-2009-0260 on the status of the implementation of its CIS/billing system.

DATED at Toronto, August 23, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli Board Secretary

Appendix A

To Final Rate Order

Cambridge and North Dumfries Hydro Inc.

Tariff of Rates and Charges

Board File No: EB-2012-0086

DATED: August 23, 2012

Effective and Implementation Date September 1, 2012

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

> EB-2011-0156 EB-2012-0086

RESIDENTIAL SERVICE CLASSIFICATION

Residential refers to the supply of electrical energy to detached, semi-detached, and row-housing units (freehold or condominium). This classification typically refers to an account taking electricity at 750 volts or less where 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. Separate metered dwellings within a town house complex, condominium, or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Standard Supply Service – Administrative Charge (if applicable)

Service Charge	\$	10.04
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2014	\$	0.01
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the	œ.	0.00
Next cost of service-based rate order	\$	2.22
Distribution Volumetric Rate	\$/kWh	0.0162
Low Voltage Service Rate	\$/kWh	0.0001
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
- effective until April 30, 2013	\$/kWh	0.0003
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038
MONTHLY DATES AND CHARGES Descriptory Component		
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011

0.25

Effective and Implementation Date September 1, 2012

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

EB-2011-0156 EB-2012-0086

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to a non-residential account taking electricity at 750 volts or less whose average monthly peak 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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	11.86
Rate Rider for Disposition of Residual Historical Smart Meter Costs –effective until April 30, 2014	\$	4.89
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the	_	
next cost of service-based rate order	\$	6.20
Distribution Volumetric Rate	\$/kWh	0.0126
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0002
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)	•	
- effective until April 30, 2013	\$/kWh	0.0002
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/KVVII	0.0036
MONTHLY RATES AND CHARGES – Regulatory Component		
MONTHET RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	¢ (KVVII	0.25
Standard Supply Service - Administrative Charge (if applicable)	φ	0.23

Effective and Implementation Date September 1, 2012

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

EB-2011-0156 EB-2012-0086

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. 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	\$	108.83
Distribution Volumetric Rate	\$/kW	3.6658
Low Voltage Service Rate	\$/kW	0.0290
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0383
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
- effective until April 30, 2013	\$/kW	0.0149
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0255)
Retail Transmission Rate – Network Service Rate	\$/kW	3.5962
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2128
MONTHLY RATES AND CHARGES - Regulatory Component		

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date September 1, 2012

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

EB-2011-0156 EB-2012-0086

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 1,000 kW but less than 5,000 kW. 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	\$	904.41
Distribution Volumetric Rate	\$/kW	3.1933
Low Voltage Service Rate	\$/kW	0.0228
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0173
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
- effective until April 30, 2013	\$/kW	0.0255
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0219)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7313
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7366
MONTHLY RATES AND CHARGES – Regulatory Component		
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Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date September 1, 2012

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LARGE USE SERVICE CLASSIFICATION

General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to an account whose average monthly average peak demand 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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	7,747.90
Distribution Volumetric Rate	\$/kW	2.1516
Low Voltage Service Rate	\$/kW	0.0232
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0009
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery (2012)		
- effective until April 30, 2013	\$/kW	0.0079
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0160)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5882
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7677

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date September 1, 2012

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

General Service refers to the supply of electrical energy to business customers, to bulk-metered residential buildings and to combined residential and business or residential and agricultural buildings. Apartment buildings that are bulk metered will be billed at the appropriate General Service rate. This classification refers to an account taking electricity at 750 volts or less whose average monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Standard Supply Service - Administrative Charge (if applicable)

Service Charge (per connection) Distribution Volumetric Rate Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013 Rate Rider for Tax Change – effective until April 30, 2013 Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate	\$ \$/kWh \$/kWh \$/kWh \$/kWh	7.04 0.0150 0.0004 (0.0002) 0.0055 0.0036
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate Rural Rate Protection Charge	\$/kWh \$/kWh	0.0052 0.0011

0.25

Effective and Implementation Date September 1, 2012

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EB-2011-0156 EB-2012-0086

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, 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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.03
Distribution Volumetric Rate	\$/kW	12.9488
Low Voltage Service Rate	\$/kW	0.0146
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.1729
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.1500)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1120

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date September 1, 2012

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EB-2011-0156 EB-2012-0086

EMBEDDED DISTRIBUTORS SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES

Monthly Distribution Wheeling Service Rate – Waterloo North Hydro	\$/kW	0.9732
Rate Rider for Tax Change – Waterloo North Hydro – effective until April 30, 2013	\$/kW	(0.0057)
Monthly Distribution Wheeling Service Rate – Hydro One Networks	\$/kW	0.9113
Rate Rider for Tax Change – Hydro One Networks – effective until April 30, 2013	\$/kW	(0.0053)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.0164
Retail Transmission Rate – Network Service Rate	\$/kW	2.5882
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7677

Effective and Implementation Date September 1, 2012

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

EB-2011-0156 EB-2012-0086

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

Effective and Implementation Date September 1, 2012

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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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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 (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
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
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
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
	Issued A	ugust 23, 2012
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Effective and Implementation Date September 1, 2012

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

EB-2011-0156 EB-2012-0086

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.

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	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	1.0286
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0103
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0183
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0003