



EB-2013-0137

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 approving just and reasonable rates
and other charges for electricity distribution to be effective
January 1, 2014.

By Delegation, before: Lynne Anderson

DECISION and RATE ORDER

December 5, 2013

Horizon Utilities Corporation (“Horizon Utilities”) filed an application with the Ontario Energy Board (the “Board”) on August 19, 2013 under section 78 of the Act, seeking approval for changes to the rates that Horizon Utilities charges for electricity distribution, effective January 1, 2014 (the “Application”). The Board assigned file number EB-2013-0137 to the Application and issued a Notice of Application on September 9, 2013.

The Application met the Board's requirements as detailed in the *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (the “RRFE Report”) dated October 18, 2012 and the *Filing Requirements for Transmission and Distribution Applications* (the “Filing Requirements”) dated July 17, 2013. Horizon Utilities selected the Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2014 rates. The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications. Horizon Utilities was last before the Board with a full cost of service application for the 2011 rate year in the EB-2010-0131 proceeding.

The Board conducted a written hearing and Board staff participated in the proceeding. No letters of comment were received.

While I have considered the entire record in this proceeding, I have made reference only to such evidence as is necessary to provide context to my findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances; and
- Distribution System Plans.

Price Cap Index Adjustment

The Board issued its *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors* (the "Price Cap IR Report") on November 21, 2013 which provides the 2014 rate adjustment parameters for distribution companies selecting either the Price Cap IR or Annual IR Index option.

Distribution rates under the Price Cap IR option are adjusted by an inflation factor, less a productivity factor and a stretch factor. The inflation factor for 2014 rates is 1.7%. Based on the total cost benchmarking model developed by Pacific Economics Group Research, LLC, the Board determined that the appropriate value for the productivity factor is zero percent. The Board also determined that the stretch factor can range from 0.00% to 0.60% for distributors selecting the Price Cap IR option, assigned based on a distributor's cost evaluation ranking. In the Price Cap IR Report, the Board assigned Horizon Utilities a stretch factor of 0.15%.

As a result, the net price cap index adjustment for Horizon Utilities is 1.55% (i.e.: 1.70% - (0% + 0.15%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below:

- Rate Riders;
- Rate Adders;

- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and,
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

As of the date of this Decision and Rate Order, the Board has not issued a decision on the Rural or Remote Electricity Rate Protection (“RRRP”) charge for 2014. In the event that a new charge is established for 2014, the RRRP rate order will supersede this Decision and Rate Order with respect to the RRRP charge.

Shared Tax Savings Adjustments

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors*, issued September 17, 2008, the Board determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate.

The tax reduction will be allocated to customer rate classes on the basis of the last Board approved cost of service distribution revenue.

The Application identified a total tax savings of \$548,513 resulting in a shared amount of \$274,256 to be refunded to rate payers.

In its submission, Board staff noted that the revised Tax-Savings Workform, submitted in response to interrogatories, reflects the Revenue Requirement Work Form from the Board’s cost of service decision in EB-2010-0131.

I approve the disposition of the shared tax savings of \$274,256 over a one-year period (i.e. January 1, 2014 to December 31, 2014) and the associated rate riders for all

customer rate classes.

Retail Transmission Service Rates

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

On June 22, 2012 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”) which outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2014. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) levels and the revenues generated under existing RTSRs. Similarly, embedded distributors must adjust their RTSRs to reflect any changes to the applicable Sub-Transmission RTSRs of their host distributor(s), e.g. Hydro One Networks Inc. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586.

As of the date of this Decision and Rate Order, the Board has not issued its rate order for Hydro One Network Inc. Transmission (EB-2012-0031) which will adjust the UTRs effective January 1, 2014. The Board will therefore approve the RTSRs as partially adjusted in this Application. The differences arising from the new UTRs will be captured in Accounts 1584 and 1586 for future disposition.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report Initiative* dated July 31, 2009 (the “EDDVAR Report”) provides that, during the IRM plan term, the distributor’s Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Horizon Utilities' 2012 actual year-end total balance for Group 1 Accounts including interest projected to December 31, 2013 is a credit of \$10,399,111. This amount results in a total credit claim of \$0.0024 per kWh, which exceeds the preset disposition threshold. Horizon Utilities proposed to dispose of this credit amount over a one-year period.

In its submission, Board staff noted that the principal amounts as of December 31, 2012 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements*. Board staff submitted that the amounts should be disposed on a final basis.

I approve the disposition of a credit balance of \$10,399,111 as of December 31, 2012, including interest as of December 31, 2013 for Group 1 accounts. These balances are to be disposed over a one-year period from January 1, 2014 to December 31, 2014.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$15,111	\$1,892	\$17,004
RSVA - Wholesale Market Service Charge	1580	-\$6,486,056	-\$198,209	-\$6,684,265
RSVA - Retail Transmission Network Charge	1584	\$151,219	\$31,287	\$182,506
RSVA - Retail Transmission Connection Charge	1586	-\$77,445	-\$536	-\$77,981
RSVA - Power	1588	-\$521,933	-\$15,557	-\$537,490
RSVA - Global Adjustment	1589	-\$3,304,844	\$5,959	-\$3,298,885
Total Group 1 Excluding Global Adjustment Sub-Account				-\$7,100,226
Total Group 1				-\$10,399,111

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the transfer must be the same as the effective date for the associated rates, generally, the start of

the rate year. Horizon Utilities should ensure these adjustments are included in the reporting period ending March 31, 2014 (Quarter 1).

Green Energy Plan Funding

Horizon Utilities had a *Green Energy Act* (“GEA”) related rate rider of \$0.04 per month per metered customer, effective January 1, 2013, approved as part of its 2013 IRM rates application (EB-2012-0132). This was based on the Board’s decision in Horizon Utilities’ 2011 cost of service application (EB-2010-0131) which approved Horizon Utilities’ Green Energy Plan.

In this Application, Horizon Utilities requested approval to continue to charge a GEA rate rider of \$0.04 per customer in 2014. Horizon Utilities has not requested any funding incremental to the expenditures proposed in its GEA Plan. In its submission, Board staff confirmed that the Board approved Horizon Utilities’ proposed GEA-related rate rider of \$0.04 per month for all classes except Standby and MicroFIT in Horizon’s 2013 IRM application. Board staff submitted that Horizon’s request is reasonable for its current Application consistent with the Board’s decision in the EB-2010-0131 proceeding.

I approve Horizon Utilities’ request to continue to charge a GEA rate rider of \$0.04 per customer from January 1, 2014 to December 31, 2014.

Rate Model

With this Decision and Rate Order, the Board is providing Horizon Utilities with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2013 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Horizon Utilities’ new distribution rates shall be effective January 1, 2014.
2. Horizon Utilities shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or

missing information, within **7 days** of the date of issuance of this Decision and Rate Order.

3. If the Board does not receive a submission from Horizon Utilities to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final, except for the stand-by rates which remain interim. 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 from Horizon Utilities to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the Board will consider the submission of Horizon Utilities prior to issuing a final Tariff of Rates and Charges.
5. 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-2013-0137**, be made through the Board's web portal at, <https://www.pes.ontarioenergyboard.ca/eservice/> 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, December 5, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Draft Tariff of Rates and Charges

Board File No: EB-2013-0137

DATED: December 5, 2013

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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	\$	14.92
Rate Rider for Recovery of 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 Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0147
Low Voltage Volumetric Rate	\$/kWh	0.00006
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kWh	(0.0013)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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	\$	33.21
Rate Rider for Recovery of 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 Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0086
Low Voltage Volumetric Rate	\$/kWh	0.00006
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kWh	(0.0013)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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	\$	302.77
Rate Rider for Recovery of 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 Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Distribution Volumetric Rate	\$/kW	2.1001
Low Voltage Volumetric Rate	\$/kW	0.02169
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kW	(0.5899)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kW	(0.4770)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0104)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8734

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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.

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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	\$	23,376.17
Rate Rider for Recovery of Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Distribution Volumetric Rate	\$/kW	1.3792
Low Voltage Volumetric Rate	\$/kW	0.02492
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kW	(0.3462)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kW	(0.2800)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0074)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8640
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1528

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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 (per connection)	\$	9.40
Rate Rider for Recovery of Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0146
Low Voltage Volumetric Rate	\$/kWh	0.00006
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kWh	(0.0013)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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 (per connection)	\$	4.57
Rate Rider for Recovery of Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Distribution Volumetric Rate	\$/kW	12.5335
Low Voltage Volumetric Rate	\$/kW	0.01745
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kW	(0.5688)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kW	(0.4600)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0863)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0833
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5075

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to 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 (per connection)	\$	2.39
Rate Rider for Recovery of Green Energy Act related costs - effective until December 31, 2014	\$	0.04
Distribution Volumetric Rate	\$/kW	6.3601
Low Voltage Volumetric Rate	\$/kW	0.01702
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until December 31, 2014	\$/kW	(0.5783)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until December 31, 2014		
Applicable only for Non-RPP Customers	\$/kW	(0.4676)
Rate Rider for Application of Tax Change - effective until December 31, 2014	\$/kW	(0.0537)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9737
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4698

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

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.

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 - 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	2.5221
--	-------	--------

Rate Rider for Application of Tax Change - effective until December 31, 2014

	\$/kW	(0.0069)
--	-------	----------

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges, 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	\$	5.40
----------------	----	------

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.73)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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.

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
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
Credit check (plus credit agency costs)	\$	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
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service – Install & remove – underground – no transformer	\$	300.00
Temporary Service – Install & remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Administrative Billing Charge	\$	150.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00

Horizon Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2014

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

EB-2013-0137

RETAIL SERVICE CHARGES (if applicable)

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.

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
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0303
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	1.0078