



EB-2013-0176

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 Waterloo North
Hydro Inc. for an order approving just and reasonable rates
and other charges for electricity distribution to be effective
May 1, 2014.

By Delegation, Before: Lynne Anderson

DECISION and RATE ORDER

March 13, 2014

Waterloo North Hydro Inc. ("Waterloo North Hydro") filed an application with the Ontario Energy Board (the "Board") on October 23, 2013 under section 78 of the Act, seeking approval for changes to the rates that Waterloo North Hydro charges for electricity distribution, effective May 1, 2014 (the "Application").

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 Electricity Distribution Rate Applications* (the "Filing Requirements") dated July 17, 2013. Waterloo North Hydro 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 in the period between cost of service applications. Waterloo North Hydro last appeared before the Board with a full cost of service application for the 2011 rate year in the EB-2010-0144 proceeding.

The Board conducted a written hearing and Board staff participated in the proceeding. No letters of comment were received. Board staff submitted that it had no concerns with the Application.

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; and
- Review and Disposition of Group 1 Deferral and Variance Account Balances.

Price Cap Index Adjustment

The Board issued the *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors* (the "Price Cap IR Report") 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 0.0% to 0.6% 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 Waterloo North Hydro a stretch factor of 0.3%.

As a result, the net price cap index adjustment for Waterloo North Hydro is 1.4% (i.e. $1.7\% - (0\% + 0.3\%)$). 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 Electricity 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

The Board issued a Decision and Rate Order (EB-2013-0396) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2014. The Board determined that the RRRP charge to be paid by all rate-regulated distributors and collected by the Independent Electricity System Operator (“IESO”) shall be increased to \$0.0013 per kWh effective May 1, 2014, from the current \$0.0012 per kWh. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects the new RRRP charge.

Shared Tax Savings Adjustments

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors*, 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 \$111,647 resulting in a shared amount of \$55,824 to be refunded to rate payers.

I approve the disposition of the shared tax savings of \$55,824 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period (i.e. May 1, 2014 to April 30, 2015).

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges 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).

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.

Waterloo North Hydro is a partially embedded distributor whose hosts are Hydro One, Kitchener-Wilmot Hydro Inc. and Cambridge and North Dumfries Hydro.

The Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2014, as shown in the following table:

2014 Uniform Transmission Rates

Network Service Rate	\$3.82 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.82 per kW
Transformation Connection Service Rate	\$1.98 per kW

The Board also approved new rates for Hydro One’s Sub-Transmission class, including the applicable RTSRs effective January 1, 2014 (EB-2013-0141) and Kitchener Wilmot Hydro Inc.’s (EB-2012-0143) and Cambridge & North Dumfries Hydro’s (EB-2012-0111) RTSRs, as shown in the following tables. Kitchener Wilmot Hydro Inc. and Cambridge & North Dumfries Hydro currently have 2014 cost of service applications before the Board,

and as such, the current rates are shown below. Any variances are to be tracked in the applicable accounts once 2014 rates are approved by the Board.

2014 HONI Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

2013 Kitchener-Wilmot Hydro Inc. Sub-Transmission RTSRs

Network Service Rate	\$2.90 per kW
<u>Connection Service Rates</u>	
Line and Transformation Connection Service Rate	\$0.64 per kW

2013 Cambridge & North Dumfries Hydro Sub-Transmission RTSRs

Network Service Rate	\$2.53 per kW
<u>Connection Service Rates</u>	
Line and Transformation Connection Service Rate	\$1.66 per kW

I find that these 2014 UTRs and Sub-Transmission class RTSRs are to be incorporated into the calculation of Waterloo North Hydro's RTSRs. Accordingly, the rate models that accompany this Decision and Rate Order have been updated to include these rates.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* 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.

Waterloo North Hydro's 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2014 is a credit of \$2,803,893. This amount results in a total credit claim of \$0.0020 per kWh, which exceeds the preset disposition threshold. Waterloo North Hydro 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 further submitted that Waterloo North Hydro's proposal for a one-year disposition period is in accordance with the Board's Report.

I approve the disposition of a credit balance of \$2,803,893 as of December 31, 2012, including interest projected to April 30, 2014 for Group 1 accounts. These balances are to be disposed over a one-year period from May 1, 2014 to April 30, 2015.

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

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$39,571	\$1,077	\$40,648
RSVA - Wholesale Market Service Charge	1580	-\$1,891,724	-\$50,580	-\$1,942,304
RSVA - Retail Transmission Network Charge	1584	-\$183,814	-\$2,036	-\$185,850
RSVA - Retail Transmission Connection Charge	1586	-\$211,350	-\$4,904	-\$216,254
RSVA - Power	1588	\$32,846	-\$3,445	\$29,401
RSVA - Global Adjustment	1589	-\$517,110	-\$12,425	-\$529,534
Total Group 1 Excluding Global Adjustment – Account 1589		-\$2,214,471	-\$59,888	-\$2,274,359
Total Group 1		-\$2,731,581	-\$72,312	-\$2,803,893

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. Waterloo North Hydro should ensure these adjustments are included in the reporting period ending June 30, 2014 (Quarter 2).

Rate Model

With this Decision and Rate Order, the Board is providing Waterloo North Hydro 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. Waterloo North Hydro's new distribution rates shall be effective May 1, 2014.
2. Waterloo North Hydro 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 Waterloo North Hydro 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. Waterloo North Hydro shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from Waterloo North Hydro 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 Waterloo North Hydro prior to issuing a final Tariff of Rates and Charges.
5. Waterloo North Hydro 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-2013-0176**, 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, March 13, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Waterloo North Hydro Inc.

Draft Tariff of Rates and Charges

Board File No: EB-2013-0176

DATED: March 13, 2014

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0176

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	\$	15.00
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	\$	2.11
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0190
Low Voltage Service Rate	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kWh	(0.0007)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until April 30, 2015	\$/kWh	0.0002
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0076
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0022

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	31.55
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	\$	5.51
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0141
Low Voltage Service Rate	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kWh	(0.0007)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until April 30, 2015	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0020

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

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. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 kW non-interval metered General Service 50 to 999 kW interval metered General Service 1,000 to 4,999 kW interval metered.

APPLICATION

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

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

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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	\$	117.85
Distribution Volumetric Rate	\$/kW	4.6787
Low Voltage Service Rate	\$/kW	0.0551
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.7266)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	(0.3027)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until April 30, 2015	\$/kW	0.1495
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.0099)
Retail Transmission Rate - Network Service Rate - (less than 1,000 kW)	\$/kW	2.8378
Retail Transmission Rate - Network Service Rate - Interval Metered (less than 1,000 kW)	\$/kW	3.0141
Retail Transmission Rate - Network Service Rate - Interval Metered (1,000 to 4,999 kW)	\$/kW	3.0102
Retail Transmission Rate - Line and Transformation Connection Service Rate - (less than 1,000 kW)	\$/kW	0.7815
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less than 1,000	\$/kW	0.9761
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (1,000 to 4,999 kW)	\$/kW	0.9750

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0176

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	\$	6,886.20
Distribution Volumetric Rate	\$/kW	3.2947
Low Voltage Service Rate	\$/kW	0.0553
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.8427)
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.0072)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.3372
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	0.9795

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

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)	\$	15.77
Distribution Volumetric Rate	\$/kWh	0.0196
Low Voltage Service Rate	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0016)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	(0.0007)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until April 30, 2015	\$/kWh	0.0048
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0020

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.33
Distribution Volumetric Rate	\$/kW	8.5718
Low Voltage Service Rate	\$/kW	0.0341
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.5810)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	(0.2420)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until April 30, 2015	\$/kW	0.2475
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.0207)
Retail Transmission Rate - Network Service Rate	\$/kW	2.1404
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.6039

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2014

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

EB-2013-0176

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
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Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0176

EMBEDDED DISTRIBUTOR 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

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

Distribution Volumetric Rate	\$/kW	0.0124
Rate Rider for Disposition of Deferral/Variance Account (2014) - effective until April 30, 2015	\$/kW	(0.6507)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	(0.2711)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration

Easement letter	\$	15.00
Notification charge	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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EB-2013-0176

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	1.0404
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0300
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0050