



EB-2013-0129

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

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER

March 13, 2014

Festival Hydro Inc. (“Festival Hydro”) filed an application with the Ontario Energy Board (the “Board”) on September 13, 2013 under section 78 of the Act, seeking approval for changes to the rates that Festival 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”) and the *Filing Requirements for Electricity Distribution Rate Applications*. Festival 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. Festival Hydro last appeared before the Board with a full cost of service application for the 2010 rate year in the EB-2009-0263 proceeding. In this proceeding, Festival Hydro also seeks approval to harmonize base rates for the Residential and Residential – Hensall classes.

The Board conducted a written hearing and Board staff participated in the proceeding. The Vulnerable Energy Consumers Coalition (“VECC”) applied for and was granted intervenor status and cost eligibility with respect to the proposed rate harmonization issue. VECC did not file interrogatories or a submission in this proceeding. No letters of comment were received.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- 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;
- Proposal to Harmonize Base Rates for the Residential and Residential – Hensall classes; and
- Correction to nomenclature on the Tariff of Rates and Charges.

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 Festival Hydro a stretch factor of 0.45%.

As a result, the net price cap index adjustment for Festival Hydro is 1.25% (i.e. 1.7% - (0% + 0.45 %)). 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 on December 19, 2013. The Board determined that the RRRP charge to be paid by all rate regulated distributors and collected by the Independent Electricity System Operator 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 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*, 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 \$233,222 resulting in a shared amount of \$116,611 to be refunded to rate payers.

The Board approves the disposition of the shared tax savings of \$116,611 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period from 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

Festival Hydro is a partially embedded distributor whose host is Hydro One.

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
Connection Service Rates	
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 Sub-Transmission class RTSRs effective January 1, 2014 (EB-2013-0141), as shown in the following table.

2014 Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
Connection Service Rates	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

The Board finds that these 2014 UTRs and Sub-Transmission class RTSRs are to be incorporated into the filing module.

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.

Festival Hydro's 2012 actual year-end total balance for Group 1 Accounts including interest projected to December 31, 2013 or April 30, 2014 is a credit of \$354,836. This amount results in a total credit claim of \$0.0006 per kWh, which does not exceed the preset disposition threshold. Festival Hydro did not seek disposition of balances in its application.

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*.

The Board finds that no disposition is required at this time.

Proposal to Harmonize Base Rates for the Residential and Residential – Hensall classes

In the Application, Festival Hydro requested approval to harmonize rates for the Residential and Residential – Hensall service classes. The Board approved Revenue-to-Cost (“R/C”) ratio adjustments in its last cost of service application to bring all rate classes within the Board approved ranges by 2013 and to match the R/C ratios of the two residential classes to 106.27% (EB-2009-0263). Festival Hydro noted that while the intent was to have the same R/C ratios by 2013 for the Residential and Residential – Hensall classes, when the rebalancing was complete in the Board’s models, there was a slight difference between the two classes. Festival Hydro proposed to adjust the Residential – Hensall R/C ratio from 106.27% to 106.47% to harmonize rates for the two residential classes.

Festival Hydro provided a completed R/C ratio workform, using the standard methodology but noted that the model did not generate the changes needed to arrive at complete harmonization of the two residential rate classes. Festival Hydro proposed the following adjustments to the Residential – Hensall class:

1. To increase the Residential – Hensall distribution volumetric rate from \$0.0163 per kWh to \$0.0168 per kWh to agree with the rate for the Residential class.
2. To decrease the Residential - Hensall fixed service charge from \$15.08 to \$15.06.

Similarly, Festival Hydro proposed to harmonize the Incremental Capital Rate Riders approved in Festival Hydro’s 2013 IRM application (EB-2012-0124) by:

1. Increasing the fixed charge for the Residential – Hensall class from \$0.92 to \$1.00 per month; and
2. Increasing the volumetric charge for the Residential – Hensall class from \$0.0010 to \$0.0011 per kWh.

In response to Board staff interrogatory #1.c), Festival Hydro provided tables indicating the difference in total revenue for both residential classes would be \$11,172 using

Festival Hydro's proposed R/C ratio of 106.47% as compared to the Board approved ratio of 106.27%.

Board staff submitted that Festival Hydro's proposals for R/C ratio adjustments to harmonize base rates and the ICM rate riders for the Residential and Residential – Hensall classes are inappropriate as they are not revenue neutral. The result of Festival Hydro's proposal would be an overall increase in the Board approved revenue requirement. Although the amounts are not material in this case, Board staff did not support Festival Hydro's proposal in principle and noted that adjustments such as this are a specific exclusion in the Filing Requirements for IRM rate applications.

Board staff submitted that Festival Hydro should wait until its next cost of service application for rates effective January 1, 2015 to complete the rate harmonization process where the necessary adjustments to Festival Hydro's rate design and cost allocation can be more appropriately considered.

In its reply submission, Festival Hydro agreed to withdraw its request for harmonization of residential rates as part of its 2014 IRM application and defer until its next cost of service application. The Board is supportive of Festival Hydro's proposal to defer further changes to the revenue to cost ratios until its next Cost of Service application.

Correction to nomenclature on the Tariff of Rates and Charges

In response to Board staff interrogatory #3, Festival Hydro stated it was using the wrong terminology on its Tariff of Rates and Charges for its "per connection monthly fixed charge" for streetlights. Festival Hydro noted that while it has historically billed its Street Lighting class a fixed monthly charge based on the number of lights, the Tariff erroneously reflects the charge based on the number of connections. Festival Hydro requested that the Board approve a correction to the Tariff to stipulate that the charge is based on a per light basis to reflect Festival Hydro's practice.

In its submission, Board staff noted that it had reviewed the cost allocation model, as well as the evidence relating to the rate design from Festival Hydro's last cost of service application and was satisfied that the fixed charge for Festival Hydro's Street Lighting class was calculated on a per light basis and not per connection. Board staff submitted that Festival Hydro's request is in the nature of a clerical error as the calculation of the

fixed charge is correct. Board staff took no issue with Festival Hydro's proposal to change the wording of the monthly fixed charge to reflect that it is a per light charge.

In 2014, the Board approves the change in terminology on the Tariff of Rates and Charges, as proposed by Festival Hydro.

Rate Model

With this Decision and Rate Order, the Board is providing Festival 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. Festival Hydro's new distribution rates shall be effective May 1, 2014.
2. Festival 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 Festival 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. Festival 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 Festival 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 Festival Hydro prior to issuing a final Tariff of Rates and Charges.

5. Festival Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

COST AWARDS

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

1. VECC shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Festival Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Festival Hydro any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Festival 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-2013-0129**, 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

Draft Tariff of Rates and Charges

Board File No: EB-2013-0129

DATED: March 13, 2014

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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

EB-2013-0129

RESIDENTIAL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

Exceptions may be made for properties zoned for farming use, under the following conditions:

- (a) the principal use of the service is for the residence,
- (b) the service size is 200 amperes or less, and the service is 120/240 volt 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.

FOR ALL SERVICE AREAS EXCEPT HENSALL

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.18
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$	1.00
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	\$	2.79
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0169
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kWh	0.0011
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 01, 2014

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

EB-2013-0129

FOR ALL SERVICE AREAS EXCEPT HENSALL (Continued)

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

FOR HENSALL SERVICE AREA

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.20
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$	0.92
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	\$	2.79
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0164
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kWh	0.0010
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

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

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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

EB-2013-0129

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is less than 50 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Customers who are classed as General Service but consider themselves eligible to be classed as Residential must provide Festival Hydro with a copy of their tax assessment, which clearly demonstrates the zoning is for residential use only. Further servicing details are available in Festival Hydro'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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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	\$	29.44
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$	1.93
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	\$	4.72
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0149
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kWh	0.0010
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
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 or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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

EB-2013-0129

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is equal to or greater than 50 kW but less than 5,000 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Further servicing details are available in Festival Hydro'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	\$	227.57
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$	14.89
Distribution Volumetric Rate	\$/kW	2.3333
Low Voltage Service Rate	\$/kW	0.0689
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kW	0.1527
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kW	(0.0347)
Retail Transmission Rate - Network Service Rate	\$/kW	2.6136
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8682
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.7761
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.0481

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

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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EB-2013-0129

LARGE USE SERVICE CLASSIFICATION

This classification refers to non-residential accounts whose monthly peak demand is equal to or greater than 5,000 kW, based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Further servicing details are available in Festival Hydro's Conditions of Service.

APPLICATION

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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	\$	10,883.89
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$	712.23
Distribution Volumetric Rate	\$/kW	1.0100
Low Voltage Service Rate	\$/kW	0.0801
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kW	0.0661
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kW	(0.0342)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.0738
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.3422

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

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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EB-2013-0129

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account 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, pedestrian Cross-Walk signals/beacons, 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)	\$	13.04
Rate Rider for Recovery of Incremental Capital (2013) (per connection) - in effect until the effective date of the next cost of service-based rate order	\$	0.85
Distribution Volumetric Rate	\$/kWh	0.0129
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kWh	0.0008
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
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 or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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

EB-2013-0129

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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)	\$	2.06
Rate Rider for Recovery of Incremental Capital (2013) (per connection) - in effect until the effective date of the next cost of service-based rate order	\$	0.13
Distribution Volumetric Rate	\$/kW	10.8198
Low Voltage Service Rate	\$/kW	0.0504
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kW	0.7080
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kW	(0.1554)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9812
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4746

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

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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

EB-2013-0129

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. If connected to the municipal or the Province of Ontario street lighting system, decorative lighting and tree lighting services will be treated as a Street Lighting class of service. Decorative or tree lighting connected to Festival Hydro Inc.'s distribution system will be treated as a General Service Less Than 50 kW class 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. 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 light)	\$	1.10
Rate Rider for Recovery of Incremental Capital (2013) (per connection) - in effect until the effective date of the next cost of service-based rate order	\$	0.07
Distribution Volumetric Rate	\$/kW	5.0151
Low Voltage Service Rate	\$/kW	0.0494
Rate Rider for Recovery of Incremental Capital (2013) - in effect until the effective date of the next cost of service-based rate order	\$/kW	0.3282
Rate Rider for Application of Tax Change - effective until April 30, 2015	\$/kW	(0.1346)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9712
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4444

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

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 01, 2014

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approved schedules of Rates, Charges and Loss Factors**

EB-2013-0129

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration

Arrears certificate	\$	15.00
Income Tax Letter	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.66
Collection of account charge – no disconnection - during regular business hours	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect Charge – At Meter – After 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 – During Regular Hours	\$	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

Festival Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 01, 2014

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EB-2013-0129

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.

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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	1.0307
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0176
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0204
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0075