



EB-2012-0131

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 Hearst Power Distribution Company Limited for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2013.

By Delegation, before: Adrian Pye

DECISION AND ORDER

April 4, 2013

Introduction

Hearst Power Distribution Company Limited (“Hearst Power”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”) on October 1, 2012 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hearst Power charges for electricity distribution, to be effective May 1, 2013.

Hearst Power is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* (the “IR Report”), issued on July 14, 2008, established a three year plan for 3rd generation incentive regulation mechanism (“IRM”) (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed Regulatory Framework for Electricity (“RRFE”), the Board announced that it was extending the IRM plan until such time as the RRFE policy initiatives have been substantially completed. In a letter dated October 18, 2012, the Board stated its expectation that the three rate setting methods set out in the *Report of the Board – Renewed Regulatory Framework*

for *Electricity Distributors: A Performance-Based Approach* would be available for the 2014 rate year.

As part of the plan, Hearst Power is one of the electricity distributors that will have its rates adjusted for 2013 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its IR Report, *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008 (the "Supplemental Report"), and *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports provide the relevant guidelines for 2013 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 28, 2012, the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the application filing requirements for IRM applications based on the policies in the Reports.

Notice of Hearst Power's rate application was given through newspaper publication in Hearst Power's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. The Notice of Application indicated that the Board did not intend to award costs in this proceeding as the applicant has only made proposals of a mechanistic nature within the Board's guidelines. No parties requested intervenor status in this proceeding. No letters of comment were received. Board staff participated in the proceeding. The Board proceeded by way of a written hearing.

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

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Wholesale Market Service Rate;
- Smart Metering Entity Charge;

- MicroFit Service 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

As outlined in the Reports, distribution rates under the IRM are to be adjusted by a price escalator, less a productivity factor of 0.72% and a stretch factor.

On March 21, 2013, the Board announced a price escalator of 1.60% for those distributors under IRM that have a rate year commencing May 1, 2013.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated November 28, 2012 the Board assigned Hearst Power to efficiency cohort 2, being the middle group, and a resulting cohort specific stretch factor of 0.4%.

I have therefore determined, on that basis, that the resulting price cap index adjustment is 0.48% (i.e. $1.60\% - (0.72\% + 0.4\%)$). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes.

The price cap index adjustment does not apply to the following components of delivery rates:

- 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 Service Charge; and

- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Rural or Remote Electricity Rate Protection (“RRRP”) used by rate regulated distributors to bill their customers shall be \$0.0012 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this RRRP charge.

Wholesale Market Service Rate

On March 21, 2013, the Board issued a Decision with Reasons and Rate Order (EB-2013-0067) establishing that the Wholesale Market Service rate (“WMS rate”) used by rate regulated distributors to bill their customers shall be \$0.0044 per kilowatt hour effective May 1, 2013. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this WMS rate.

Smart Metering Entity Charge

On March 28, 2013, the Board issued a Decision and Order (EB-2012-0100/EB-2012-0211) establishing a Smart Metering Entity charge of \$0.79 per month for Residential and General Service < 50kW customers for those distributors identified in the Board’s annual *Yearbook of Electricity Distributors*. This charge will be in effect from May 1, 2013 to October 31, 2018. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects this Smart Metering Entity charge.

MicroFIT Service Charge

On September 20, 2012, the Board issued a letter advising that the default province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator Service Classification was to be updated to \$5.40 per month effective with the implementation of electricity distributors’ 2013 rates applications. The draft Tariff of Rates and Charges flowing from this Decision and Order reflects the new default microFIT service charge.

Shared Tax Savings Adjustments

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Hearst Power's application identified a total tax savings of \$10,226 resulting in a shared amount of \$5,113 to be refunded to rate payers.

I approve the disposition of the shared tax savings of \$5,113 over a one year period (i.e. May 1, 2013 to April 30, 2014) and the associated rate riders for all customer rate classes.

Retail Transmission Service Rates ("RTSRs")

Electricity distributors are charged for transmission costs at the wholesale level and subsequently pass these charges on to their distribution customers through the RTSRs. Variance accounts are used to capture timing differences and 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"). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2013. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Ontario Uniform Transmission Rates ("UTRs") levels and the revenues generated under existing RTSRs. Similarly, embedded distributors whose host is Hydro One Networks Inc. ("Hydro One") should adjust their RTSRs to reflect any changes in Hydro One's Sub-Transmission class RTSRs. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586. In order to

assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module.

Hearst Power is a partially embedded distributor whose host is Hydro One.

On December 20, 2012 the Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2013, as shown in the following table:

2013 Uniform Transmission Rates

Network Service Rate	\$3.63 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.75 per kW
Transformation Connection Service Rate	\$1.85 per kW

The Board also approved new rates for Hydro One Sub-Transmission class RTSRs effective January 1, 2013 (EB-2012-0136), as shown in the following table.

2013 Sub-Transmission RTSRs

Network Service Rate	\$3.18 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.70 per kW
Transformation Connection Service Rate	\$1.63 per kW

I find that these 2013 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 Report Initiative* (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.

Hearst Power requested that the Board review and approve the disposition of its December 31, 2011 balances of Group 1 Deferral and Variance account balances, including interest as of April 30, 2013. The total balance of the Group 1 accounts provided by Hearst Power in its Application was a credit of \$699,492. In response to Board staff interrogatory #5a, Hearst Power revised this amount to a credit balance of \$89,804. This revised amount results in a total claim per kWh of (\$0.0012), which exceeds the preset disposition threshold. Hearst Power proposed to dispose of this credit amount over a one-year period.

In its submission, Board staff noted that the difference between the original Group 1 Account balance and the revised balance was \$609,688. In response to Board staff interrogatory #5a, Hearst Power explained that a revision to the continuity schedule was required since the amount approved for disposition in its 2012 IRM application (EB-2011-0171) was inadvertently not included in the continuity schedule. Board staff however noted that the amount approved for disposition in Hearst Power's 2012 IRM application was a credit of \$549,723. Board staff invited Hearst Power to explain in its reply submission the source of the residual difference of \$59,965 (i.e. \$609,688 - \$549,723). Depending on this explanation, Board staff argued that the Board may want to consider whether the balance should be disposed on an interim basis. Board staff further submitted that in its original application, Hearst Power's proposal for one-year disposition period is in accordance with the EDDVAR Report.

In its reply submission, Hearst Power provided a table showing the calculation of the \$59,965 residual difference. Hearst Power explained that the reason for this difference was due to other input errors which were corrected on the continuity schedule.

On January 14, 2013, Hearst Power filed an addendum to its reply submission and stated that an interpolation error had overstated its revised claim. Hearst Power submitted that the revised Group 1 account balance is a credit of \$77,074. As this amount is below the threshold, Hearst Power requested that no disposition be made in this application.

On January 22, 2013, Hearst Power filed a revised addendum to its reply submission. Hearst Power stated that the revised claim is a credit of \$89,804 which was the amount of the claim originally submitted in response to Board staff interrogatory #5a. This amount results in a total credit claim of \$0.0012 per kWh, which exceeds the preset

disposition threshold. Hearst Power requested that the Board approve the disposition of this amount.

I note the correction of multiple errors during the evidentiary base of this proceeding. As a result, I will approve, on an interim basis, the disposition of a credit balance of \$89,804 as of December 31, 2011, including interest as of April 30, 2013 for Group 1 accounts subject to an audit review by the Board's Regulatory Accounting Group. These balances are to be disposed over a one year period from May 1, 2013 to April 30, 2014.

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

Account Name	Account	Principal Balance	Interest Balance	Total Claim
	Number	A	B	C = A + B
LV Variance Account	1550	-\$30,992	-\$3,271	-\$34,263
RSVA - Wholesale Market Service Charge	1580	-\$15,568	\$1,806	-\$13,762
RSVA - Retail Transmission Network Charge	1584	-\$32,951	-\$188	-\$33,069
RSVA - Retail Transmission Connection Charge	1586	-\$13,074	-\$2,525	-\$10,549
RSVA - Power (excluding Global Adjustment)	1588	-\$76,433	\$2,668	-\$73,765
RSVA - Power – Global Adjustment Sub-Account	1588	\$72,298	\$269	\$72,567
Recovery of Regulatory Asset Balances	1590	-\$180	\$3,217	\$3,037
Disposition and Recovery of Regulatory Balances (2008)	1595	\$0	\$0	\$0
Disposition and Recovery of Regulatory Balances (2009)	1595	\$0	\$0	\$0
Total Group 1 Excluding Global Adjustment Sub-Account		-\$169,198	\$1,707	-\$162,371
Total Group 1		-\$96,900	\$1,976	-\$89,804

For accounting and reporting purposes, the respective 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 journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year. This entry should be completed on a timely basis to ensure that these adjustments are included in the reporting period ending June 30, 2013 (Quarter 2).

Rate Model

With this Decision, the Board is providing Hearst Power with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board has reviewed the entries in the rate model to ensure that they are in accordance with the 2012 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT

1. Hearst Power's new distribution rates shall be effective May 1, 2013.
2. Hearst Power shall review the draft Tariff of Rates and Charges set out in Appendix A. Hearst Power shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from Hearst Power to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final, except for the 2013 rate riders supporting the disposition of Group 1 accounts, effective May 1, 2013. The new rates will apply to electricity consumed or estimated to have been consumed on and after May 1, 2013. Hearst Power 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 Hearst Power to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Hearst Power and will issue a final Tariff of Rates and Charges.
5. Hearst Power 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-2012-0131**, 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, April 4, 2013

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A
To Decision and Order
Draft Tariff of Rates and Charges
Board File No: EB-2012-0131
DATED: April 4, 2013

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Further servicing details are available in the utility'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	\$	9.19
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0160
Low Voltage Service Charge	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kWh	(0.0028)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0007
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kWh	(0.0021)
Rate Rider for the disposition of Global Adjustment Sub-Account Disposition (2013) - effective on an interim basis until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0018
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility'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	\$	19.76
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0067
Low Voltage Service Charge	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kWh	(0.0028)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0007
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kWh	(0.0021)
Rate Rider for the disposition of Global Adjustment Sub-Account Disposition (2013) - effective on an interim basis until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0018
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0056
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Further servicing details are available in the utility'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	\$	54.82
Distribution Volumetric Rate	\$/kW	2.3213
Low Voltage Service Charge	\$/kW	0.2270
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kW	(1.0232)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	0.2351
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kW	(0.7626)
Rate Rider for the disposition of Global Adjustment Sub-Account Disposition (2013) - effective on an interim basis until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.6279
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kW	(0.0122)
Retail Transmission Rate - Network Service Rate	\$/kW	2.3025
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7025

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

INTERMEDIATE USERS SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less than 5,000 kW. Further servicing details are available in the utility'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	\$	223.01
Distribution Volumetric Rate	\$/kW	1.0215
Low Voltage Service Charge	\$/kW	0.2677
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kW	(0.8739)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) - effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	0.2005
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kW	(0.6605)
Rate Rider for the disposition of Global Adjustment Sub-Account Disposition (2013) - effective on an interim basis until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.5438
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kW	(0.0050)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5753
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0081

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Further servicing details are available in the utility'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)	\$	7.09
Distribution Volumetric Rate	\$/kW	3.1198
Low Voltage Service Charge	\$/kW	0.1791
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kW	(0.9880)
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kW	(0.6971)
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kW	(0.0653)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7453
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3314

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is 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 utility'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)	\$	7.88
Distribution Volumetric Rate	\$/kW	2.2937
Low Voltage Service Charge	\$/kW	0.1755
Rate Rider for Disposition of Deferral/Variance Account (2012) – effective until April 30, 2015	\$/kW	(0.9151)
Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until April 30, 2015 Applicable only for Non-RPP Customers	\$/kW	0.2127
Rate Rider for the disposition of Deferral/Variance Account Disposition (2013) - effective on an interim basis until April 30, 2014	\$/kW	(0.6954)
Rate Rider for the disposition of Global Adjustment Sub-Account Disposition (2013) - effective on an interim basis until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.5726
Rate Rider for Application of Tax Change - effective until April 30, 2014	\$/kW	(0.1335)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7364
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3043

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2013

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

EB-2012-0131

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 utility'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
----------------	----	------

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
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.

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Easement 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
Special meter reads	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
Disconnect/Reconnect at pole – during regular hours	\$	time and materials
Install/Remove load control device – during regular hours	\$	40.00
Temporary Service – Install & remove – overhead – no transformer	\$	time and materials
Temporary Service Install & Remove – Underground – No Transformer	\$	time and materials
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2013

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

EB-2012-0131

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, 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	1.0460
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0356