



EB-2013-0153

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 Newmarket Tay
Power Distribution Ltd. 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

June 5, 2014

Newmarket Tay Power Distribution Ltd. (“Newmarket Tay Power”) filed an application with the Ontario Energy Board (the “Board”) on February 19, 2014 under section 78 of the Act, seeking approval for changes to the rates that Newmarket Tay Power 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. Newmarket Tay Power selected the Annual IR Index option to adjust its 2014 rates. Annual IR Index methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service applications. Newmarket Tay Power last appeared before the Board with a full cost of service application for the 2010 rate year in the EB-2009-0269 proceeding.

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

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

- Effective Date for New Rates
- 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.

Effective Date for New Rates

Newmarket Tay Power applied for rates effective May 1, 2014. In its submission, Board staff noted that Newmarket Tay Power's complete application was not filed until February 19, 2014. The filing deadline established by the Board for the application was September 13, 2013. Furthermore, Newmarket Tay Power made no request for interim rates.

While I recognize that an Annual IR Index application is intended to be mechanistic and therefore the Board's review process would generally be shorter than for other types of rate applications, the request for a May 1 effective date is not reasonable given the date the application was filed, and the added complexities to be considered due to a previously approved merger and rate harmonization. Board staff submitted that the rates should be effective June 1, 2014. Newmarket Tay Power did not reply to this submission. I agree with Board staff. Rates will be effective June 1, 2014.

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 Annual IR Index 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 stretch factor is 0.6% for distributors selecting the Annual IR Index option.

As a result, the net price cap index adjustment for Newmarket Tay Power is 1.10% (i.e. $1.7\% - (0\% + 0.6\%)$). 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.

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. As per the Board Decision, the RRRP paid by all rate-regulated distributors and collected by the Independent Electricity System Operator (“IESO”) was increased to \$0.0013 per kWh as of May 1, 2014, from the previous \$0.0012 per kWh. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects this updated 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 \$145,503 resulting in a shared amount of \$72,752 to be refunded to rate payers.

I approve the disposition of the shared tax savings of \$72,752 based on a volumetric rate rider using annualized consumption for all customer classes over an 11 month disposition period (i.e. June 1, 2014 to April 30, 2015). While the rate riders for an 11 month disposition are not on the record of the proceeding, the rate riders can be mechanistically calculated by uplifting the rate riders for a 12-month recovery. The resulting rate riders are shown below. Newmarket Tay Power will have the opportunity to provide comment on these rate riders as part of its review of the draft Tariff of Rates and Charges.

| Tax Sharing Rate Rider - 11 month disposition period | | |
|--|----------|----------|
| Rate Classes | kWh | KW |
| Residential | - 0.0002 | |
| General Service Less Than 50 kW | - 0.0001 | |
| General Service 50 to 4,999 kW | | - 0.0257 |
| Unmetered Scattered Load | - 0.0004 | |
| Sentinel Lighting | | - 0.1425 |
| Street Lighting | | - 0.1734 |

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.

Newmarket Tay Power 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 |
| <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), as shown in the following table.

2014 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 |

I find that these 2014 UTRs and Sub-Transmission class RTSRs are to be incorporated into the calculation of Newmarket Tay Power'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.

Newmarket Tay Power's 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2014 is a credit of \$923,403. This amount results in a total credit claim of \$0.0013 per kWh, which exceeds the preset disposition threshold.

Newmarket Tay Power is the result of a merger between Newmarket Hydro Ltd. ("Newmarket Hydro") and Tay Hydro Electric Distribution Company Inc. ("Tay Hydro") on May 1, 2007. Newmarket Tay Power introduced harmonized rates for the former Newmarket Hydro and Tay Hydro service areas as of January 1, 2011, pursuant to Board approval in EB-2009-0269). Newmarket Tay Power postponed disposition of its 2010 deferral balances to a later date.

Through this application, Newmarket Tay Power proposed to dispose the pre-harmonized balances as of December 31, 2010 to its former service areas separately from the amount that accumulated after 2010. Newmarket Tay Power proposed to dispose of the following credit amounts over a one-year period.

Account Balances as Stated in the Application

| | Pre-harmonized Balances as of December 31, 2010 (incl. interest amounts as of April 30, 2014) | Post-harmonized Balances as of December 31, 2012 (incl. interest amounts as of April 30, 2014) |
|---------------------|--|---|
| Newmarket Hydro | \$662,921 | |
| Tay Hydro | (\$96,585) | |
| Newmarket Tay Power | | (\$1,249,772) |

In its submission, Board staff noted that the principal balances as of December 31, 2012 did not reconcile with the balances reported by Newmarket Tay Power pursuant to the *Reporting and Record-keeping Requirements* ("RRR"). Board staff noted that the RRR balance in account 1550 showed an amount of \$0. In reply Newmarket Tay Power submitted that that the RRR balance in account 1550 should be \$146,457.

Board staff further noted that Newmarket Tay Power did not request the disposition of the balance of \$(560,379) in account 1590 as per RRR 2.1.7., Newmarket Tay Power stated in its responses to interrogatories that the balances in account 1590 and 1595

had been recorded combined in account 1590. In the updated model submitted following its interrogatory responses the applicant provided a corrected amount in account 1590 of \$234,483, including interest as of April 30, 2014. Newmarket Tay Power submitted that the balance should be disposed only to customers formerly of Tay Hydro. Newmarket Tay Power further submitted that the remaining balance of \$(330,820) is due to the recovery of the regulatory amounts from the 2010 cost of service filing and, as this recovery ended in April of 2013, it should therefore be disposed to all customers as part of Newmarket Tay Power's next application.

Board staff submitted that Newmarket Tay Power's Deferral and Variance Account balances should be disposed of over an 11-month period effective June 1, 2014, with a sunset date of April 30, 2015.

I approve the disposition of the debit amount of \$665,838 for Newmarket Hydro and a credit amount of \$(331,838) for Tay Hydro for the pre-harmonized balances as of December 31, 2010. I also approve the disposition of the credit amount of \$(1,257,400) for Newmarket Tay Power's post-harmonized balance as of December 31, 2012 for a combined credit balance of \$923,402 as of December 31, 2012. I agree with Newmarket Tay Power that the remaining balance of \$(330,820) in account 1595 should not be disposed at this time.

These balances are to be disposed over an 11-month period from June 1, 2014 to April 30, 2015.

I note that the incremental interest debit amounts of \$71,591 for Newmarket Hydro, credit amount of \$18,928 for Tay Hydro and credit amount of \$11,851 for Newmarket Tay Power are calculated up to April 30, 2014. Although the interest calculation for May 2014 should be minimal, Newmarket Tay Power may include this interest in their Group 1 accounts to be disposed of at a later date.

The table below identifies the principal and interest amounts approved for disposition for Group 1 accounts for Newmarket Hydro customers only, Tay Hydro customers only and for all customers post-harmonization. The rate riders for each of the two former service areas shall be calculated and then added to the rate riders for the new combined area to give rise to only one set of rate riders for each of the former service areas.

Newmarket Hydro - Group 1 Deferral and Variance Account Balances (2010)

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|---|-----------------------|----------------------------|---------------------------|------------------------------|
| LV Variance Account | 1550 | | | |
| RSVA - Wholesale Market Service Charge | 1580 | (\$654,701) | (\$35,707) | (\$690,408) |
| RSVA - Retail Transmission Network Charge | 1584 | \$630,718 | \$34,418 | \$665,136 |
| RSVA - Retail Transmission Connection Charge | 1586 | \$419,940 | \$22,960 | \$442,900 |
| RSVA - Power | 1588 | (\$1,010,170) | (\$40,234) | (\$1,050,404) |
| RSVA - Global Adjustment | 1589 | \$1,208,460 | \$90,154 | \$1,298,614 |
| | | | | |
| Total Group 1 Excluding Global Adjustment – Account 1589 | | (\$614,213) | (\$18,563) | (\$632,776) |
| Total Group 1 | | \$594,247 | \$71,591 | \$665,838 |

Tay Hydro - Group 1 Deferral and Variance Account Balances (2010)

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|---|-----------------------|----------------------------|---------------------------|------------------------------|
| LV Variance Account | 1550 | (\$61,885) | (\$3,441) | (\$65,326) |
| RSVA - Wholesale Market Service Charge | 1580 | \$6,010 | \$2,731 | \$8,741 |
| RSVA - Retail Transmission Network Charge | 1584 | (\$17,489) | (\$2,156) | (\$19,645) |
| RSVA - Retail Transmission Connection Charge | 1586 | (\$13,631) | (\$3,302) | (\$16,933) |
| RSVA - Power | 1588 | \$211,151 | \$10,362 | \$221,513 |
| RSVA - Global Adjustment | 1589 | (\$216,973) | (\$8,732) | (\$225,705) |
| Recovery of Regulatory Asset Balances | 1590 | (\$220,093) | (\$14,390) | (\$234,483) |
| | | | | |
| Total Group 1 Excluding Global Adjustment – Account 1589 | | (\$95,937) | (\$10,196) | (\$106,134) |
| Total Group 1 | | (\$312,910) | (\$18,928) | (\$331,838) |

Newmarket Tay Power - Group 1 Deferral and Variance Account Balances (2011 & 2012)

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|---|----------------|----------------------|--------------------|-----------------------|
| LV Variance Account | 1550 | \$208,548 | \$6,289 | \$214,837 |
| RSVA - Wholesale Market Service Charge | 1580 | (\$1,688,214) | (\$57,401) | (\$1,745,615) |
| RSVA - Retail Transmission Network Charge | 1584 | \$850,208 | \$25,987 | \$876,195 |
| RSVA - Retail Transmission Connection Charge | 1586 | (\$46,839) | \$1,727 | (\$45,112) |
| RSVA - Power | 1588 | (\$298,633) | \$20,971 | (\$277,662) |
| RSVA - Global Adjustment | 1589 | (\$270,619) | (\$9,424) | (\$280,043) |
| | | | | |
| Total Group 1 Excluding Global Adjustment – Account 1589 | | (\$974,930) | (\$2,427) | (\$977,357) |
| Total Group 1 | | (\$1,245,549) | (\$11,851) | (\$1,257,400) |

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. Newmarket Tay Power 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 Newmarket Tay Power 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. Newmarket Tay Power's new distribution rates shall be effective June 1, 2014.

2. Newmarket Tay Power 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 Newmarket Tay Power 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. Newmarket Tay Power 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 Newmarket Tay Power 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 Newmarket Tay Power prior to issuing a final Tariff of Rates and Charges.
5. Newmarket Tay 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-2013-0153**, 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, June 5, 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-2013-0153

DATED: June 5, 2014

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. 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 Smart Metering Entity Charge - effective until April 30, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0146 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Tay Service Area | \$/kWh | (0.0043) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Tay Service Area | \$/kWh | (0.0244) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Newmarket Service Area | \$/kWh | (0.0027) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Newmarket Service Area | \$/kWh | 0.0034 |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Newmarket Service Area | \$/kWh | (0.0014) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Tay Service Area | \$/kWh | (0.0005) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kWh | (0.0002) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0082 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0060 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. 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 | \$ | 29.86 |
| Rate Rider for Smart Metering Entity Charge - effective until April 30, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0195 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Tay Service Area | \$/kWh | (0.0043) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Tay Service Area | \$/kWh | (0.0244) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Newmarket Service Area | \$/kWh | (0.0027) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Newmarket Service Area | \$/kWh | 0.0034 |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Newmarket Service Area | \$/kWh | (0.0012) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Tay Service Area | \$/kWh | (0.0005) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kWh | (0.0001) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0074 |
| Retail Transmission Rate - Line Connection Service Rate | \$/kWh | 0.0054 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

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 or greater than, 50 kW but less than 5,000 kW. 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 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

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 | \$ | 135.41 |
| Distribution Volumetric Rate - Thermal Demand Meter | \$/kW | 4.6711 |
| Distribution Volumetric Rate - Interval Meter | \$/kW | 4.8017 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Tay Service Area | \$/kW | (1.7367) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Tay Service Area | \$/kW | (10.1426) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 | | |
| Applicable in the former Newmarket Service Area | \$/kW | (1.0542) |
| Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015 | | |
| Applicable only for Non-RPP Customers in the former Newmarket Service Area | \$/kW | 1.3548 |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Newmarket Service Area | \$/kW | (0.2208) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 | | |
| Applicable in the former Tay Service Area | \$/kW | (0.0885) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kW | (0.0257) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 3.0129 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.1359 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge | \$ | 17.24 |
| Distribution Volumetric Rate | \$/kWh | 0.0198 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Tay Service Area | \$/kWh | (0.0043) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Newmarket Service Area | \$/kWh | (0.0027) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Newmarket Service Area | \$/kWh | (0.0033) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Tay Service Area | \$/kWh | (0.0009) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kWh | (0.0004) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0073 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0054 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. 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 | \$ | 3.18 |
| Distribution Volumetric Rate | \$/kW | 12.1707 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Tay Service Area | \$/kW | (1.3906) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Newmarket Service Area | \$/kW | (0.9421) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Newmarket Service Area | \$/kW | (1.2718) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Tay Service Area | \$/kW | (0.2280) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kW | (0.1425) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.2732 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.6852 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB street lighting load shape. 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 | \$ | 3.12 |
| Distribution Volumetric Rate | \$/kW | 15.5111 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Tay Service Area | \$/kW | (1.5141) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015 Applicable in the former Newmarket Service Area | \$/kW | (0.9414) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Newmarket Service Area | \$/kW | (1.5463) |
| Rate Rider for Disposition of Deferred PILS Variance Account 1562 - effective until December 31, 2014 Applicable in the former Tay Service Area | \$/kW | (0.5255) |
| Rate Rider for Application of Tax Change - effective until April 30, 2015 | \$/kW | (0.1734) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.2942 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.6493 |

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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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

EB-2013-0153

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 |
|----------------|----|------|

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

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EB-2013-0153

ALLOWANCES

| | | |
|---|-------|--------|
| Transformer Allowance for Ownership - per kW of billing demand/month | \$/kW | (0.85) |
| 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 |
| Statement of Account | \$ | 15.00 |
| Duplicate Invoices for previous billing | \$ | 15.00 |
| Request for other billing information | \$ | 15.00 |
| Easement Letter | \$ | 15.00 |
| Account History | \$ | 15.00 |
| Credit reference Letter | \$ | 15.00 |
| Credit check (plus credit agency costs) | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Special meter reads | \$ | 30.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable – Residential) | \$ | 26.00 |
| Meter dispute charge plus Measurement Canada fees (if meter found correct) | \$ | 30.00 |

Non-Payment of Account

| | | |
|---|----|----------|
| Late Payment – per month | % | 1.50 |
| Late Payment – per annum | % | 19.56 |
| Collection of account charge – no disconnection | \$ | 23.00 |
| Disconnect/Reconnect at meter – during regular hours | \$ | 50.00 |
| Disconnect/Reconnect at pole – after regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole – during regular hours | \$ | 185.00 |
| Disconnect/Reconnect Charge – At Pole – After Hours | \$ | 415.00 |
| Install/Remove load control device – during regular hours | \$ | 50.00 |
| Install/Remove load control device – after regular hours | \$ | 185.00 |
| Service call – customer owned equipment | \$ | 30.00 |
| Service call – after regular hours | \$ | 165.00 |
| Temporary Service – Install & remove – underground – 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 |

Newmarket - Tay Power Distribution Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date June 1, 2014

**This schedule supersedes and replaces all previously
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EB-2013-0153

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 | 1.0383 |
| Distribution Loss Factor - Primary Metered Customer < 5,000 kW | 1.0279 |