



EB-2014-0093

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 Midland Power
Utility Corporation for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective May 1, 2015.

By Delegation, Before: Lynne Anderson

DECISION and RATE ORDER

March 19, 2015

Midland Power Utility Corporation (“Midland PUC”) filed an application with the Ontario Energy Board (the “Board”) on October 20, 2014 under section 78 of the *Ontario Energy Board Act*, seeking approval for changes to the rates that Midland PUC charges for electricity distribution, effective May 1, 2015 (the “Application”).

Midland PUC last appeared before the Board with a cost of service application for the 2013 rate year in the EB-2012-0147 proceeding. To adjust its 2015 rates, Midland PUC selected the Price Cap Incentive Rate-setting option (the “Price Cap IR”) which provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service proceedings. The Application met the Board’s filing requirements¹ for filings by rate-regulated electricity distributors (“distributors”) applying for annual rate adjustments under Price Cap IR.

¹ Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (October 18, 2012); and Filing Requirements for Electricity Distribution Rate Applications (July 25, 2014)

While the entire record in this proceeding has been considered by me, this decision will make reference only to such information as is necessary to provide context to my conclusions. The following issues are addressed in this Decision and Rate Order:

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

Price Cap Index Adjustment

The Price Cap IR option is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements.

Under the Price Cap IR option², distribution rates are adjusted by an inflation factor, less the sum of a productivity factor and a stretch factor. Based on its established method³, the Board has set the inflation factor for 2015 rates at 1.6% and the productivity factor remains zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6%, assigned based on a distributor's cost evaluation ranking. The Board assigned Midland PUC a stretch factor of 0.45% based on the updated benchmarking study for use for rates effective in 2015⁴.

As a result, the net price cap index adjustment for Midland PUC is 1.15% (i.e. 1.6 % - (0% + 0.45%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;

² Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

³ As outlined in the Report cited at footnote 2 above.

⁴ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update." Pacific Economics Group LLC. July, 2014.

- Rural or Remote Electricity Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

The Board has determined that the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2015 shall remain \$0.0013 per kWh⁵. The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects this RRRP charge.

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 their Retail Transmission Service Rates (“RTSRs”). Variance accounts 1584 and 1586 are used to capture differences in the rate that a distributor pays for wholesale transmission service relative to the retail rate that the distributor is authorized to charge when billing its customers.

The Board has issued guidelines⁶ which outline the information that the Board requires electricity distributors to file in order to adjust their RTSRs for 2015. 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”) and the revenues generated under existing RTSRs. Similarly, embedded distributors, such as Midland PUC, must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc.

⁵ Decision with Reasons and Rate Order, EB-2014-0347

⁶ Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, revision 4.0 (June 28, 2012)

The Board has not yet established Hydro One's sub-transmission class rates for 2015, including the retail transmission service rates for this class. I will therefore approve the RTSRs as adjusted in this Application so that they reflect those which currently apply to this class, as shown in the following table. The differences arising from the new 2015 rates, once approved, will be captured in Account 1584 and 1586 for future disposition.

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 conclude that these 2014 Sub-Transmission class RTSRs are to be incorporated into the filing module to adjust the RTSRs that Midland PUC will charge its customers accordingly.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The Board's policy on deferral and variance accounts⁷ 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, whether in the form of a 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. If the balances are below this threshold, the distributor may propose to dispose of balances.

Midland PUC's 2013 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2015 is a debit of \$336,335. This amount results in a total debit claim of \$0.0017 per kWh, which exceeds the preset disposition threshold. Midland Power proposes to dispose of this debit amount over a two-year period in order mitigate the rate impacts for customers.

The balances proposed for disposition are the same as the amounts reported as part of the Board's *Reporting and Record-Keeping Requirements*. I approve the disposition of a debit balance of \$336,335 as of December 31, 2013, including interest projected to April

⁷ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

30, 2015 for Group 1 accounts. These balances are to be disposed over a one-year period from May 1, 2015 to April 30, 2016.

In the EDDVAR report⁸, the Board found that the default disposition period to clear the Group 1 account balances should be one year. The Report also established a mitigation threshold of 10% for any given rate class, including the impact of both the disposition of Account balances and any other rate change. While I recognize Midland PUC's concern about mitigating rate impacts for customers, in particular the GS 50 to 4,999 kW customer class, bill impacts for all rate classes are less than 3% for all customer classes, well below the Board's 10% rate mitigation threshold. The change in bill impacts for the GS 50 to 4,999 kW customer class from 2.79% for a one-year disposition to 1.87% for a two-year disposition is not a sufficient reason to deviate from the Board's default disposition period. Similar to prior decisions⁹, I note that a longer disposition period of these balances would exacerbate intergenerational inequities. Customers in the future are paying for variances created in the past, therefore the time period for disposition should not be extended any further without a compelling reason. I find that these balances should be disposed of over a one-year period.

The table below identifies the principal and interest amounts which the Board approves for disposition.

⁸ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR), p. 24

⁹ Decision and Order EB-2012-0172, Decision and Order EB-2009-0232

Group 1 Deferral and Variance Account Balances

| Account Name | Account Number | Principal Balance A | Interest Balance B | Total Claim C = A + B |
|---|----------------|------------------------|-----------------------|--------------------------|
| LV Variance Account | 1550 | \$118,534 | \$2,952 | \$121,486 |
| Smart Meter Entity Variance Charge | 1551 | \$4,002 | \$126 | \$4,127 |
| RSVA - Wholesale Market Service Charge | 1580 | (\$143,740) | (\$3,519) | (\$147,259) |
| RSVA - Retail Transmission Network Charge | 1584 | \$228,286 | \$6,063 | \$234,349 |
| RSVA - Retail Transmission Connection Charge | 1586 | \$86,776 | \$2,172 | \$88,948 |
| RSVA - Power | 1588 | (\$128,281) | (\$214) | (\$128,495) |
| RSVA - Global Adjustment | 1589 | \$170,869 | \$8,614 | \$179,483 |
| Disposition and Recovery of Regulatory Balances (2010) | 1595 | (\$534,192) | \$470,014 | (\$64,178) |
| Disposition and Recovery of Regulatory Balances (2011) | 1595 | \$38,442 | \$9,431 | \$47,874 |
| | | | | |
| Total Group 1 Excluding Global Adjustment – Account 1589 | | (\$330,173) | \$487,025 | \$156,852 |
| Total Group 1 | | (\$159,304) | \$495,639 | \$336,335 |

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. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Midland PUC should ensure these adjustments are included in the reporting period ending June 30, 2015 (Quarter 2).

Disposition of Deferral and Variance Accounts for Class A Customers and Wholesale Market Participants

As indicated in the Filing Requirements¹⁰, distributors must establish separate rate riders to recover the balances in the retail settlement variance accounts (“RSVA”) from market participants in order that they not be allocated any balances related to charges which they settle directly with the IESO (e.g. wholesale energy, wholesale market services).

The Board further determined that a distributor who serves Class A customers per Ontario Regulation 429/04 must propose an appropriate allocation for the recovery of the global adjustment variance balance based on its settlement process with the IESO.

In response to a request from Board staff, Midland PUC confirmed that it has one customer in the GS >50 to 4,999 kW rate class that is also a market participant and that RSVA balances have not been allocated to this customer.

Midland PUC has no Class A customers.

I conclude that Midland has appropriately addressed the allocation issues relating to wholesale market participants.

Rate Model

With this Decision and Rate Order are a rate model, applicable supporting models and a Tariff of Rates and Charges (Appendix A). Entries in the rate model were reviewed to ensure that they were in accordance with the 2014 Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order is approved effective May 1, 2015 for electricity consumed or estimated to have been consumed on and after such date. Midland Power Utility Corporation

¹⁰ See footnote 1

shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, March 19, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Tariff of Rates and Charges

Board File No: EB-2014-0093

DATED: March 19, 2015

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0093

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account where energy is supplied to customers residing in residential dwelling units. Energy is generally supplied as a single phase, 3-wire, 60-Hertz, having a nominal voltage of 120/240 Volts and having only one Delivery Point per dwelling. For the purposes of calculating customer connection fees, the Basic Connection for Residential customers is defined as 100 amp 120/240 volt overhead service. A residential building is supplied at one service voltage per land parcel. Street Townhouses and Condominiums requiring centralization bulk metering are covered under General Service Classification. 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 | \$ | 15.60 |
| Rate Rider for Recovery of Stranded Meter Assets - effective until April 30, 2016 | \$ | 0.88 |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0205 |
| Low Voltage Service Rate | \$/kWh | 0.0020 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 | \$/kWh | 0.0006 |
| Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 | | |
| Applicable only for Non RPP Customers | \$/kWh | 0.0015 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0069 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0049 |

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 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0093

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Townhouses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one 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.

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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|--------|
| Service Charge | \$ | 21.94 |
| Rate Rider for Recovery of Stranded Meter Assets - effective until April 30, 2016 | \$ | 2.22 |
| Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018 | \$ | 0.79 |
| Distribution Volumetric Rate | \$/kWh | 0.0162 |
| Low Voltage Service Charge | \$/kWh | 0.0018 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 | \$/kWh | 0.0005 |
| Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 | | |
| Applicable only for Non RPP Customers | \$/kWh | 0.0015 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0062 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |

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 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service customers requiring a connection with a connected load equal to or greater than 50 kW and less than 5,000 kW. A General Service building is supplied at one service voltage per land parcel. Depending on the location of the building, primary supplies to transformers and Customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 2,400/4,160 volts 3 Phase 4Wire
- 4,800/8,320 volts 3 Phase 4 Wire
- 7,200/12,400 volts 3 Phase 4 Wire
- 8,000/13,800 volts 3 Phase 4 Wire
- 16,000/27,600 volts 3 Phase 4 Wire
- 44,000 Volts 3 Phase 3 Wire

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|-------|--------|
| Service Charge | \$ | 62.00 |
| Distribution Volumetric Rate | \$/kW | 3.1594 |
| Low Voltage Service Rate | \$/kW | 0.7282 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 Applicable only for Non Wholesale Market Participants | \$/kW | 0.3721 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 Applicable only for Wholesale Market Participants | \$/kW | 0.9630 |
| Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers, excluding Wholesale Market Participants | \$/kW | 0.5992 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.5630 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.7802 |

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 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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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 customer) | \$ | 10.14 |
| Distribution Volumetric Rate | \$/kWh | 0.0108 |
| Low Voltage Service Rate | \$/kWh | 0.0018 |
| Rate Rider for Disposition of Deferral/Variance Account (2015) - effective until April 30, 2016 | \$/kWh | 0.0004 |
| Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers | \$/kWh | 0.0015 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0062 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |

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 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

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STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|-------|--------|
| Service Charge (per connection) | \$ | 3.75 |
| Distribution Volumetric Rate | \$/kW | 8.6614 |
| Low Voltage Service Rate | \$/kW | 0.5629 |
| Rate Rider for Disposition of Deferral/Variance Account (2015) - effective until April 30, 2016 | \$/kW | 0.2005 |
| Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers | \$/kW | 0.5548 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 1.9331 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.3762 |

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 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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EB-2014-0093

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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

| | | |
|---|----|-------|
| Notification charge | \$ | 15.00 |
| Account History | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |

Non-Payment of Account

| | | |
|---|----|--------|
| Late Payment – per month | % | 1.50 |
| Late Payment – per annum | % | 19.56 |
| Disconnect/Reconnect at meter – during regular hours | \$ | 65.00 |
| Disconnect/Reconnect at meter – after regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole – during regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole – after regular hours | \$ | 415.00 |
| Install/Remove load control device – during regular hours | \$ | 65.00 |
| Install/Remove load control device – after regular hours | \$ | 185.00 |

Other

| | | |
|---|----|--------|
| Specific Charge for Access to the Power Poles - \$/pole/year | \$ | 22.35 |
| Interval Meter Load Management Tool Charge \$/month | \$ | 25.00 |
| Temporary Service – Install & remove – overhead – no transformer | \$ | 500.00 |
| Temporary Service – Install & remove – underground – no transformer | \$ | 300.00 |

Midland Power Utility Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2015

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

EB-2014-0093

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.

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| 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.

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| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0682 |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0576 |