

**Ontario Energy
Board**

**Commission de l'énergie
de l'Ontario**



EB-2015-0055

IN THE MATTER OF AN APPLICATION BY

Brantford Power Inc.

FOR APPROVAL OF DISTRIBUTION RATES FOR 2016

DECISION AND RATE ORDER

[date]

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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 Brantford
Power Inc. for an order approving just and reasonable
rates and other charges for electricity distribution to be
effective January 1, 2016.

By Delegation, Before: Lynne Anderson

DECISION AND RATE ORDER

[date]

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1.0 Introduction and Summary

Brantford Power Inc. (Brantford Power) serves about 50,000 mostly residential and commercial electricity customers in the City of Brantford. As a licenced and rate-regulated distributor in Ontario, the company must receive the Ontario Energy Board's approval for the rates it charges to distribute electricity to its customers.

Brantford Power filed an application with the OEB on August 19, 2015, to seek approval for changes to its distribution rates to be effective January 1, 2016. The OEB has established three different rate-setting methods for distributors. Brantford Power selected the Price Cap Incentive rate-setting (Price Cap IR) plan option to adjust its distribution rates. The Price Cap IR method has a five year term. In the first year, rates are set through a cost of service rebasing application. Brantford Power last appeared before the OEB with a cost of service application for 2014 in the EB-2012-0109 proceeding. In the other four years, there is a mechanistic adjustment to rates based on inflation and the OEB's assessment of a distributor's efficiency.

This is the OEB's Decision with respect to Brantford Power's application. The following issues are addressed in this Decision and Rate Order.

- Price Cap Index Adjustment
- Regulatory Charges
- Shared Tax Savings
- Retail Transmission Service Rates
- Review and Disposition of Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Implementation and Order

In accordance with the OEB-approved parameters for inflation and productivity for 2016, Brantford Power applied for a rate increase of 1.80%. The 1.80% applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Appendix B.

Brantford Power also applied to change the composition of its distribution service rates. Currently, residential distribution rates include a fixed monthly charge and a variable usage charge. However, the OEB issued a new policy to change residential rates to a fully fixed rate structure, transitioning over a four-year period beginning in 2016¹. Accordingly, the proposed fixed monthly charge for 2016 has been adjusted in this Decision to be higher than it was in 2015 and the variable-usage rate is commensurately lower. The amount of revenue the distributor is expected to collect

¹ Board Policy: A New Distribution Rate Design for Residential Electricity Customers, EB-2012-0410, April 2, 2015

from residential customers will not be affected, only the proportion of revenue collected through variable and fixed charges.

The proposed rate adjustments to Brantford Power's application arising from this Decision result in a monthly decrease of \$0.42 for a residential customer consuming 800 kWh. Government policy initiatives that remove the Debt Retirement Charge and the Ontario Clean Energy Benefit from residential electricity bills, effective January 1, 2016, will impact the total bill as well.

I approve the adjustments to Brantford Power's application as calculated through this proceeding.

2.0 The Process

The OEB follows a standard, streamlined process for incentive rate-setting (IR) applications under a Price Cap IR plan.

Initially, the OEB prepares a rate model that includes information from past proceedings and annual reporting requirements. A distributor then reviews and updates the model to include with its application.

In this case, Brantford Power provided written evidence and a completed rate model to support its application on August 19, 2015. Questions were asked and answers were provided by Brantford Power through emails and phone calls. Based on this information, a decision was drafted and provided to Brantford Power on November 17, 2015. Brantford Power was given the opportunity to provide its comments on the draft for consideration prior to finalizing the Decision.

3.0 Organization of the Decision

The OEB has organized this Decision into sections, reflecting the issues that the OEB has considered in making its findings². Each section covers the OEB's reasons for approving or denying the proposals included in the application and affecting 2016 rates. The last section addresses the steps to be taken by Brantford Power and OEB staff in order to implement the final rates that flow from this Decision.

² See list of issues in the Introduction, p.1

4.0 Price Cap Incentive Rate-setting

The Price Cap IR adjustment follows an OEB-approved formula that includes components for inflation and the OEB's expectations of efficiency and productivity gains³. The components in the formula are also approved by the OEB annually.

The formula is an *inflation minus X-factor* rate adjustment, which is intended to incent innovation and efficiency. Based on its established formula⁴, the OEB has set the inflation factor for 2016 rates at 2.1%.

The X-factors for individual distributors have two parts: a productivity element based on historical analysis of industry cost performance and a stretch factor that represents a distributor's efficiency relative to its expected costs. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors an incentive to improve efficiency or else face the prospect of declining net income.

Based on industry conditions over the historical study period, the productivity factor has been set at zero percent. A stretch factor is assigned based on the distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, a range of stretch factors has been set from 0.0% to 0.6%⁵. The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Higher stretch factors are applied to distributors whose cost performance falls below that of comparable distributors to encourage them to pursue greater efficiencies.

Findings

In this case, the OEB assigned Brantford Power a stretch factor of 0.30% based on the updated benchmarking study for use for rates effective in 2016⁶. As a result, the net price cap index adjustment for Brantford Power is 1.80% (i.e. 2.1% - (0% + 0.30%)).

The 1.80% adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Appendix B.

³ Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

⁴ As outlined in the Report cited at footnote 3 above.

⁵ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2014 Benchmarking Update." Pacific Economics Group LLC. July, 2015.

⁶ As outlined in the Report cited at footnote 5 above.

5.0 Regulatory Charges

There are a number of charges levied to consumers to cover the costs associated with various programs and wholesale market services.

The Rural or Remote Electricity Rate Protection (RRRP) program is designed to provide financial assistance to eligible customers located in rural or remote areas where the costs of providing electricity service to these customers greatly exceeds the costs of providing electricity to customers located elsewhere in the province of Ontario. The RRRP program cost is recovered from all electricity customers in the province through a charge that is reviewed annually and approved by the OEB.

Wholesale market service (WMS) charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid. Individual electricity distributors recover the WMS charges from their customers through the WMS rate.

The Ontario Electricity Support Program (OESP) is a new regulatory charge that will be initiated in 2016. This program delivers on-bill rate assistance to low income electricity customers. All Ontario customers contribute to the OESP through the OESP charge.

These regulatory charges are established annually by the OEB through a separate order.

Findings

As of the date of this Decision and Rate Order, the OEB has not yet issued an order on the RRRP, WMS or OESP charges for 2016. The Tariff of Rates and Charges flowing from this Decision will reflect the currently-approved charges. When new charges are established for 2016, the OEB will issue a rate order, which will apply to Brantford Power's 2016 rates.

6.0 Shared Tax Adjustments

The OEB approves an amount for taxes in a distributor's cost of service proceeding that is based on the tax rates in place at the time. Legislated changes in tax rates impact the amount of taxes that a distributor pays in the period between cost of service proceedings, but it does not alter the amount that ratepayers contribute towards the cost of taxes unless the rates are updated by an order of the OEB. The OEB has determined

that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate. The shared tax change amount will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from a distributor's last cost of service proceeding. In accordance with the OEB's rate design policy, the rate riders to dispose of these amounts will be calculated as a fixed monthly charge for residential customers.

The application identified a total tax increase of \$63,128, resulting in a shared amount of \$31,564 to be charged to rate payers. Brantford Power requested the impact of this tax increase be shared on a 50/50 basis between Brantford and its ratepayers.⁷

Brantford's effective tax rate has risen from 24.57% when it rebased to 26.5% for 2016 as a result of legislative changes in the effective tax rate for small businesses effective after 2013.

Findings

I approve the disposition of the shared tax increases of \$31,564 to be applied to all customer classes through a rate rider according to their annualized consumption over a one-year period. The amount to be disposed will be based on a fixed monthly rate rider for residential customers. Rates riders for all remaining customer classes will be calculated on a volumetric basis.

7.0 Retail Transmission Service Rates

Electricity distributors use Retail Transmission Service Rates (RTSRs) to pass along the cost of transmission service to their distribution customers. The RTSRs are adjusted annually to reflect the application of the current Uniform Transmission Rates ("UTR") to historical transmission deliveries and the revenues generated under existing RTSRs. The UTRs are established annually by a separate OEB order. Similarly, partially embedded distributors, such as Brantford Power, must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributors, which in this case are Hydro One Networks Inc. and Brant County. Distributors may apply to the OEB annually to approve the proposed UTRs and RTSRs they will charge their customers.

⁷ The OEB's Policy is described in the 2008 Report: *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*

Findings

Distributors whose rates are set as of January 1 typically calculate their RTSRs using the previous year's UTRs as the updates are not yet available. In this case, the OEB has not yet adjusted UTRs and RTSRs relevant to Brantford for 2016. I will therefore approve the RTSRs as adjusted in this Application to reflect the current applicable rates. The differences arising from the new 2016 rates, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

8.0 Review and Disposition of Group 1 Deferral and Variance Account Balances

Group 1 Deferral and Variance Accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor costs (including the cost of power) and the revenues that the distributor receives from its customers for these costs through its OEB-approved rates. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB's policy on deferral and variance accounts⁸ provides that, during the incentive rate-setting (IRM) plan term, the distributor's Group 1 account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh, whether in the form of a debit or credit, is exceeded. It is the distributor's responsibility 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.

Brantford Power's 2014 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2015 is a debit of \$540,791. This amount results in a total debit claim of \$0.0006 per kWh, which does not exceed the preset disposition threshold. Brantford Power noted that the trending of the USoA Account 1589 RSVA – Global Adjustment (GA Variance Account) had been an increasing debit balance to be collected from customers and not disposing of the balance in this account would result in a larger claim for disposition, and therefore a large bill impact for Non-RPP customers in addition to higher carrying charges. As permitted by OEB policy, Brantford Power requested that its Group 1 account balances be disposed.

⁸ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

Class A Customers

Ontario electricity customers' costs for the commodity portion of their electricity service reflect the sum of two charges: the price of electricity established by the operation of the wholesale market administered by the IESO, and the global adjustment (GA). The GA is a mechanism that ensures that customers pay for any differences between a generator's wholesale market revenues and the revenues to which it is entitled under the terms of any contract or similar payment arrangement. The GA is established monthly and varies in accordance with market conditions.

The costs for the GA are recovered from customers in two ways. Class A customers are assessed on their portion of the GA costs based on the percentage that their peak demand contributes to the top five Ontario system peaks through a peak demand factor. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. By contrast, Class B customers are billed based on an estimated GA rate. Any differential resulting from the estimated and actual price is tracked in the GA Variance Account and disposed of, once audited. Class A customers served by their distributor settle their costs directly with them in a way that does not result in a variance.

Brantford Power disposed of its December 31, 2013 Group 1 deferral and variance account balances in its 2015 IRM proceeding. The balances proposed for disposition in this case were incurred during the period from January 1 to December 31, 2014. During this period, Brantford Power experienced some movement of customers into and out of the Class A category. These customers contributed to the accumulation of the 2014 GA Variance Account for the period that they were Class B customers. At issue in this proceeding is whether these former Class B customers ought to contribute to the disposition of the balance they contributed to in 2014.

In answers to questions from OEB staff, Brantford provided more detail on when and how many customers have moved in and out of Class A since January 2014. In its Manager's summary, Brantford Power stated that in January 2014 it had three Class A customers. From February 2014 to the end of June 2014, it had only two Class A customers. From July 2014 until June 2015, it had one Class A customer. As of July 1, 2015 and until June 30, 2016, it is expected to have three Class A customers. The table below illustrates the status of Brantford Power's Class A customers over the period:

	2014 (Variance Period)		2015		2016 (Disposition Period)	
	Jan- Jun	Jul- Dec	Jan-Jun	Jul- Dec	Jan- Jun	Jul- Dec
Customer 1						?
Customer 2						?
Customer 3						
Customer 4						?

Legend:

	Class A customer in July 2013- June 2014 adjustment period
	Class A customer in July 2014- June 2015 adjustment period
	Class A customer in July 2015- June 2016 adjustment period
	Customer ceased operating
?	Signifies unknown customer makeup of Class A class after July 2016.

Brantford Power proposed that no amounts related to the GA Variance Account be allocated to Class A customers. Brantford Power pointed out that any approach that instead attempted to allocate some of the balance would be complicated by the fact that each of its current Class A customers would need to be allocated different proportions: one customer should not be allocated any charges, one customer should be allocated a half-years' worth and one customer should be allocated a full year's worth of variance. Brantford Power noted that aside from the implementation of customer-specific rate riders, there is no approach which would be consistently appropriate for the allocation of GA Variance Account balances to current (and future) 2016 Class A customers.

Brantford Power consequently proposed that the balance in the GA Variance Account should be allocated based on 2014 non-RPP kWh consumption in each class, excluding the 2014 Class A consumption, and the rate riders should be similarly calculated using non-RPP kWh or kW billing determinants excluding the 2014 consumption for Class A customers.

Findings

I note that typically, Class A customers are not allocated any GA Variance Account balances.

In this case, Brantford Power has two customers that contributed to the GA Variance Account balance as Class B customers but are now Class A customers. These are Customer 2 and Customer 4 from the table above. At issue in this case, is whether these customers should contribute to disposition of the GA Variance Account balance. This is further complicated by the fact that one of the customers only contributed to the accumulation of the account balance for half of the variance period.

It is a general principle of cost causality that customer groups that cause any variances should be the ones to pay to dispose them (or, equally, receive credits to do so, as the case may be). In my view, the movement from one class to another should not prevent customers from contributing to paying down a debit balance when they can be identified.

Similar circumstances arose in 2009, when changes to eligibility for the Regulated Price Plan (RPP) caused larger institutional customers, such as schools and hospitals, to leave the RPP. At that time, the OEB's orders regarding the disposition of GA balances specifically excluded customers who had paid RPP prices in 2008 (which include GA) from being required to pay a GA rate rider established in 2009.⁹

In my view, the current situation is analogous. The Class A customers who were in Class B in 2014 are easily identifiable. These customers were responsible for a portion of the GA Variance Account balances that were accumulated in 2014. In other words, in 2014 they paid less than the actual cost of the global adjustment. It is therefore reasonable, and fair to all remaining Class B customers, for these new Class A customers to pay for their portion of the GA Variance Account balance.

Brantford Power has indicated that it is unable to implement customer-specific rate riders to recover this account balance. I note that Brantford Power has been able to isolate the portions that are applicable to the two individual customers in question. There is also a separate Class A settlement process involving these customers. Furthermore, there are only two customers involved. I therefore find that Brantford Power is required to make the necessary adjustments to bills to implement rate-riders specific to these two customers.

The balances proposed for disposition are the same as the amounts reported as part of the OEB's Reporting and Record-Keeping Requirements. I approve the disposition of a

⁹ EB-2009-0245, p13

debit balance of \$540,791 as of December 31, 2014, including interest as of December 31, 2015 for Group 1 accounts. These balances are to be disposed through rate riders over a one-year period from January 1, 2016 to December 31, 2016.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

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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	0	0	0
Smart Meter Entity Variance Charge	1551	(4,231)	(79)	(4,310)
RSVA - Wholesale Market Service Charge	1580	(232,038)	(3,989)	(236,027)
RSVA - Retail Transmission Network Charge	1584	587,614	10,597	598,211
RSVA - Retail Transmission Connection Charge	1586	119,283	1,721	121,004
RSVA - Power	1588	(1,276,047)	(22,756)	(1,298,803)
RSVA - Global Adjustment	1589	1,561,083	19,032	1,580,116
Disposition and Recovery of Regulatory Balances (2010)	1595	0	287	287
Disposition and Recovery of Regulatory Balances (2011)	1595	0	264	264
Disposition and Recovery of Regulatory Balances (2012)	1595	0	(615)	(615)
Disposition and Recovery of Regulatory Balances (2013)	1595	0	(219,336)	(219,336)
Total Group 1 Excluding Global Adjustment – Account 1589		(805,419)	(233,906)	(1,039,325)
Total Group 1		755,664	(214,874)	540,791

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. Brantford Power should ensure these adjustments are included in the reporting period ending March 31, 2016 (Quarter 1).

9.0 Residential Rate Design

Currently, all residential distribution rates include a fixed monthly charge and a variable usage charge. The OEB's April 2, 2015 policy on electricity distribution rate design set out that distribution rates for residential customers will transition to a fully fixed rate structure from the current combination of fixed and variable charges over four years. Starting in 2016, the fixed rate will increase gradually, and the usage rate will decline.

The 2016 rate model has been revised to include the first year of the gradual transition to fully fixed rates and its impact to the monthly fixed charge that residential customers will pay. The OEB is requiring distributors to calculate and report on the rate impacts of the change so that strategies may be employed to smooth the transition for the customers most impacted, such as those that consume less electricity, if mitigation is required. In support of this, the OEB requires distributors to calculate the impact of this change to residential customers in general; it also requires applicants to calculate the combined impact of the fixed rate increase and any other changes in the cost of distribution service for those customers who are at the 10th percentile of overall consumption. Any increase of 10% or greater to these low-consumption customers' bills arising from changes made in this Decision, or an increase to the monthly fixed charge of greater than \$4 prior to incentive rate-setting adjustments, may result in the requirement for a longer transition period than four years specified in the OEB policy. Distributors may also propose other strategies to smooth out these increases as appropriate.

Adjustments to Brantford Power's rate model to implement the change in fixed rates results in an increase to the fixed charge prior to IRM adjustments of \$2.40; OEB staff have calculated the bill impacts of this Decision, including the fixed rate change, to be below 10% for typical low consumption customers.

Findings

I find that the increases to the monthly fixed charge and to low consumption consumers are consistent with OEB policy and approve the increase as calculated in the final rate model.

10.0 Implementation and Order

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(s) were reviewed to ensure that they were in accordance with Brantford Power's EB-2012-0109 cost of service decision, the 2015 OEB-approved Tariff of Rates and Charges as well as the cost, revenue and consumption results from 2014 as reported by Brantford Power to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order is approved effective January 1, 2016 for electricity consumed or estimated to have been consumed on and after such date. Brantford Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary
E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

DRAFT

Appendix A
To Decision and Rate Order
Tariff of Rates and Charges
Board File No: EB-2015-0055
DATED: [date]

Brantford Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2015-0055

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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 and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.64
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until December 31, 2017	\$	(0.48)
Rate Rider for Recovery of Stranded Meter Assets - effective until December 31, 2017	\$	1.47
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0110
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0017)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	xxxx
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0082
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0056

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

Brantford Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2015-0055

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 average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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 and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	26.46
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until December 31, 2017	\$	2.90
Rate Rider for Recovery of Stranded Meter Assets - effective until December 31, 2017	\$	4.41
Distribution Volumetric Rate	\$/kWh	0.0069
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0017)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	xxxx
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
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

Brantford Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2016
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2015-0055

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

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 and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	232.03
Distribution Volumetric Rate	\$/kW	3.0605
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.2123
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.6249)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	xxxx
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$/kW	0.0073
Retail Transmission Rate - Network Service Rate	\$/kW	2.5047
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6685

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

Brantford Power Inc.
TARIFF OF RATES AND CHARGES
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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 boots, 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.

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 and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	12.84
Distribution Volumetric Rate	\$/kWh	0.0076
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016		
Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0017)
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
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

Brantford Power Inc.
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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.05
Distribution Volumetric Rate	\$/kW	19.4167
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.2087
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.5679)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	xxxx
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$/kW	0.0792
Retail Transmission Rate - Network Service Rate	\$/kW	2.3389
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5583

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

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photocells. The consumption for these customers will be based on the calculated 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.

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 and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.69
Distribution Volumetric Rate	\$/kW	2.8877
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.2071
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.5676)
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	xxxx
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$/kW	0.0128
Retail Transmission Rate - Network Service Rate	\$/kW	2.4098
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5403

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

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EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	286.50
Distribution Volumetric Rate	\$/kW	1.7059
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.2717
Rate Rider for Application of Tax Change (2016) – effective until December 31, 2016	\$/kW	0.0032
Retail Transmission Rate - Network Service Rate	\$/kW	2.5047
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6685

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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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. 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 - APPROVED ON AN INTERIM BASIS

Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of the generation facility).

\$/kW 1.7030

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ALLOWANCES

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

SPECIFIC SERVICE CHARGES**APPLICATION**

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

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

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Customer Administration

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

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect charge - At Meter - during regular hours	\$	65.00
Disconnect/Reconnect charge - At Meter - after regular hours	\$	185.00
Disconnect/Reconnect charge - At Pole - during regular hours	\$	185.00
Disconnect/Reconnect charge - 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

Temporary Service - Install & Remove - Overhead - No Transformer	\$	500.00
Temporary Service - Install & Remove - Underground - No Transformer	\$	300.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Meter Removal Without Authorization	\$	60.00

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RETAIL SERVICE CHARGES (if applicable)

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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	1.0349
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0246

Appendix B

To Decision and Rate Order

List of Rates and Charges Not Affected by the Price Cap or Annual IR Index

OEB File No: EB-2015-0055

DATED: [date]

The following rates and charges are not affected by the Price Cap or Annual IR Index:

- 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
- Retail service charges