



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND RATE ORDER

EB-2015-0069

FESTIVAL HYDRO INC.

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

BEFORE: Allison Duff
Presiding Member

Victoria Christie
Member

December 10, 2015

1 INTRODUCTION AND SUMMARY

Festival Hydro Inc. (Festival Hydro) serves about 20,000 mostly residential and commercial electricity customers in City of Stratford, Towns of St. Marys, Seaforth, Brussels, Dashwood, Hensall and Zurich. 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.

Festival Hydro filed an application with the OEB on August 17, 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. Festival Hydro 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. Festival Hydro last appeared before the OEB with a cost of service application for 2015 in the EB-2014-0073 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 Festival Hydro's application. The following issues are addressed in this Decision and Rate Order.

- Price Cap Incentive Rate-setting
- Regulatory Charges
- Retail Transmission Service Rates
- Review and Disposition of Group 1 Deferral and Variance Accounts
- Review and Disposition of the Lost Revenue Adjustment Mechanism Variance Account Balance
- Residential Rate Design
- Implementation and Order

In accordance with the OEB-approved parameters for inflation and productivity for 2016, Festival Hydro applied for a rate increase of 1.65%. The 1.65% applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

Festival Hydro 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 fixed monthly charge for 2016 has been adjusted upward in this

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

Decision by more than the mechanistic adjustment alone and the variable-usage rate is commensurately lower. The amount of revenue the distributor is expected to collect from residential customers will not be affected, only the proportion of revenue collected through variable and fixed charges.

The bill impacts arising from this Decision for Festival Hydro result in a monthly increase of \$4.46 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.

The OEB approves the adjustments to Festival Hydro's application as calculated through this proceeding.

2 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, Festival Hydro provided written evidence and a completed rate model to support its application on August 17, 2015. OEB staff and Vulnerable Energy Consumers Coalition (VECC) also participated in the proceeding. Questions were asked and answers were provided by Festival Hydro to clarify and correct the evidence. Finally Festival Hydro, OEB staff and VECC made submissions to the OEB regarding Festival Hydro's application and proposals.

3 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 implement the final rates that flow from this Decision.

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

4 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

The OEB assigned Festival Hydro a stretch factor of 0.45% based on the updated benchmarking study for use for rates effective in 2016⁶. The resulting net price cap index adjustment for Festival Hydro is 1.65% (i.e. 2.1% - (0% + 0.45%)).

The 1.65% 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 Schedule 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 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

The OEB has determined⁷ that the RRRP charge for 2016 shall be \$0.0013 per kWh; the WMS rate shall be \$0.0036 per kWh; and the OESP charge shall be \$0.0011 per kWh. The Tariff of Rates and Charges flowing from this Decision and Rate Order reflects these new regulatory charges, as well as the OESP credits to be provided to enrolled low income customers.

6 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

⁷ Decision and Rate Order, EB-2015-0294

embedded distributors, such as Festival Hydro, 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. (HONI). Distributors may apply to the OEB annually to approve the proposed UTRs and RTSRs they will charge their customers.

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 Hydro One sub-transmission class rates for 2016. The OEB 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.

7 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 IR 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.

Festival Hydro's 2014 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2015 is a debit of \$1,530,822 or \$0.0026 per kWh which exceeds the disposition threshold. Festival Hydro proposes to recover this amount from customers over a one-year period.

The principal amounts as of December 31, 2014 reconcile with the amounts reported as part of the *Reporting and Record-Keeping Requirements* and Festival Hydro's proposal for a one-year disposition period is in accordance with the OEB's report.

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

Festival Hydro also requests the disposal of a Global Adjustment (GA) balance of \$1,442,080 to all non-RPP customers, including customers that transitioned into Class A on July 1, 2015. Class A customers are not typically allocated GA balances because they settle GA amounts directly with the distributor, or with the IESO if they are market participants.

However, Festival Hydro proposed that customers that transitioned to Class A in 2015 contribute to the recovery as they contributed to the GA balances as of December 31, 2014.

OEB staff supported Festival Hydro's proposal on the basis of cost causality.

Findings

The OEB approves the disposition of a debit balance of \$1,530,822 as of December 31, 2014, including interest projected to December 31, 2015 for Group 1 accounts. The balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements*. 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.

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	90,309	1,679	91,988
Smart Meter Entity Variance Charge	1551	(1,853)	(34)	(1,887)
RSVA - Wholesale Market Service Charge	1580	(11,539)	3,767	(7,772)
RSVA - Retail Transmission Network Charge	1584	130,757	2,020	132,777
RSVA - Retail Transmission Connection Charge	1586	(297,732)	(4,948)	(302,680)

RSVA - Power	1588	180,244	(3,928)	176,316
RSVA - Global Adjustment	1589	1,418,193	23,887	1,442,080
Total Group 1 Excluding Global Adjustment - Account 1589		90,186	(1,444)	88,742
Total Group 1		1,508,379	22,443	1,530,822

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

The OEB finds that non-RPP customers and Class A customers that transitioned in 2015 will be responsible for their portion of the GA balance as of December 31, 2014. A customer should pay for costs incurred on its behalf, regardless of its current class assignment. The OEB approves Festival Hydro's proposed recovery of the \$1,442,080 GA balance in Account 1589.

8 REVIEW AND DISPOSITION OF THE LOST REVENUE ADJUSTMENT MECHANISM BALANCE

As part of the Ministry of Energy's conservation-first strategy, the OEB requires distributors to engage in and deliver conservation and demand management activities in an effort to reduce total energy consumption and reduce peak demand on the provincial electricity system (CDM programs). The OEB policy⁹ established the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture the revenue implications for the distributor from the reduction in actual demand, as compared with the last OEB-approved load forecast, resulting from conservation and demand management activities. These differences are recorded for each of a distributor's customer classes.

⁹ Guidelines for Electricity Distributor Conservation and Demand Management (April 26, 2012)

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM rate application, if the balance is deemed significant by the distributor.

Festival Hydro requested OEB approval to recover its LRAMVA debit balance of \$155,879 as at December 31, 2014, related to the persistence of its 2011 to 2013 CDM programs, and its new 2014 CDM programs¹⁰. OEB staff submitted that 100% of Festival Hydro's 2014 net energy savings are eligible for recovery through the LRAMVA.

Findings

The OEB approves the disposal of the LRAMVA debit balance of \$155,879 as it is significant and is consistent with the final 2014 CDM program evaluation report. The OEB approves the disposition over a one-year period.

9 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 electricity distributors will transition to a fully fixed monthly distribution service charge for residential customers over four years. Starting in 2016, the fixed rate will increase gradually, and the variable (usage) rate will decline.

The OEB is requiring distributors to calculate and report on the rate impacts of the change so that strategies may be employed, where needed, to smooth the transition for the customers most impacted, such as those that consume less electricity. 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.

The Festival Hydro rate model shows that the change in fixed rates results in an increase to the fixed charge prior to IRM adjustments of \$2.63.

¹⁰ Festival updated the original application estimate of \$125,401 to \$155,879 using the final OPA report in response to interrogatories.

Findings

The OEB finds that Festival Hydro's proposal for implementing the OEB's policy on distribution rate design for residential customers to be reasonable. The OEB finds that the increases to the monthly fixed charge and to low consumption consumers are consistent with OEB policy and approves the increase as calculated in the final rate model.

The OEB has verified that the combined impact of the fixed rate increase and the other changes in the cost of distribution service associated with this Decision for customers at the 10th percentile of overall consumption is less than 10%. Changes to the bill resulting from the provincial government's decision to phase out the Ontario Clean Energy Benefit and the Debt Retirement Charge are not within the scope of the evaluation.

10 PERMANENT BYPASS AGREEMENT

The OEB directed Festival Hydro to recover the costs for a permanent bypass of a Hydro One Network (HONI) transformer station through a rate rider in the 2015 COS proceeding. The rate rider was established to collect \$1,230,026 over a 31-month period, from May 1, 2015 to December 31, 2017. The OEB approved the permanent bypass agreement (PBA) rate rider on an interim basis, as the final invoice had not been received at the time of the decision. The OEB ordered that the amount be trued-up as part of Festival Hydro's 2016 IRM proceeding.

The final invoice had still not been received by the time of Festival Hydro's 2016 application. Festival Hydro has therefore proposed to defer the true-up by one year until its 2017 IRM application. Festival Hydro proposes to continue collecting the current PBA rate rider on an interim basis in 2016 to provide rate stability for its customers.

Festival Hydro indicated that the latest invoice estimate from HONI was \$932,094, lower than the \$1,230,026 estimate on which the current rate rider is based. Festival Hydro also indicated that the current rate rider should result in collections of \$753,887 by December 31, 2016, below the \$932,094 estimate.

VECC submitted that \$932,094 was the "best available information" representing a significant 24% reduction from the original \$1,230,026 estimate. VECC submitted that the rider should be revised to reflect the \$932,094 estimate, providing rate stability for 2016 and 2017, arguing that the lower estimate was unlikely to differ from the final invoice.

OEB staff submitted that the current rate rider should continue on an interim basis and that final true-up should be ordered for Festival Hydro's 2017 IRM application in the interest of rate certainty.

Findings

The OEB approves the continuation of the current PBA rate rider in 2016 on an interim basis. A true-up and rate rider adjustment will be made once the final invoice is received. Hydro One provided three estimates ranging from \$1,463,321 to \$932,094 making it difficult to assess the "best available information". In addition, the current rate rider will result in cost recovery from customers earlier, minimizing the future true-up required. With this approach, Festival Hydro will have collected less than the lower estimate by the end of 2016.

11 IMPLEMENTATION AND ORDER

With this Decision and Rate Order, the OEB is providing Festival Hydro with a rate model, applicable supporting models and a Tariff of Rates and Charges (Schedule A). The OEB also reviewed the entries in the rate model(s) to ensure that they were in accordance with Festival Hydro's EB-2014-0073 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 Festival Hydro to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Festival Hydro's new distribution rates shall be effective January 1, 2016.
2. The Tariff of Rates and Charges set out in Schedule A shall be deemed "draft" until the parties have complied with the subsequent procedural steps.
3. Festival Hydro shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, 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.
4. If the OEB does not receive a submission from Festival Hydro to the effect that inaccuracies were found or information was missing pursuant to item 3, the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order will be

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

5. If the OEB receives a submission from Festival Hydro to the effect that inaccuracies were found or information was missing pursuant to item 3 of this Decision and Rate Order, the OEB will consider the submission of Festival Hydro prior to issuing a revised Tariff of Rates and Charges which will be considered final.

COST AWARDS

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of this Decision and Rate Order.
2. Festival Hydro shall file with the OEB and forward to VECC any objections to the claimed costs within **17 days** from the date of issuance of this Decision and Rate Order.
3. VECC shall file with the OEB and forward to Festival Hydro any responses to any objections for cost claims within **24 days** from the date of issuance of this Decision and Rate Order.
4. Festival Hydro shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, EB-2015-0069 and be made electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice> in searchable unrestricted PDF format. Two paper copies must also be filed at the OEB's address provided below. 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 <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. 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 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

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, December 10, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2015-0069

DATED: December 10, 2015

Festival Hydro 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-2015-0069

RESIDENTIAL SERVICE CLASSIFICATION

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

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

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

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

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	19.21
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0125
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	0.0003
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kWh	0.0008
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the charges are in accordance with the Distribution System Code (Section 9) and subsection 79.2(4) of the Ontario Energy Board Act, 1998.

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

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;

“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

“household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;

“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

(a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;

(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;

(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons; and

(d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons; but does not include account-holders in Class E.

OESP Credit	\$	(30.00)
-------------	----	---------

Class B

(a) account-holders with a household income of \$28,000 or less living in a household of three persons;

(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;

(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;

but does not include account-holders in Class F.

OESP Credit	\$	(34.00)
-------------	----	---------

Class C

(a) account-holders with a household income of \$28,000 or less living in a household of four persons;

(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;

(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;

but does not include account-holders in Class G.

OESP Credit	\$	(38.00)
-------------	----	---------

Class D

(a) account-holders with a household income of \$28,000 or less living in a household of five persons; and

(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;

but does not include account-holders in Class H.

OESP Credit	\$	(42.00)
-------------	----	---------

Festival Hydro 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-2015-0069

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

- (a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
- (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
- (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person ; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Festival Hydro 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-2015-0069

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is less than 50 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Customers who are classed as General Service but consider themselves eligible to be classed as Residential must provide Festival Hydro Inc. with a copy of their tax assessment, which clearly demonstrates the zoning is for residential use only. Further servicing details are available in Festival Hydro Inc.'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	31.17
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0155
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	0.0003
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.0036
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kWh	0.0008
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kWh	0.0011
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is equal to or greater than 50 kW but less than 5,000 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Further servicing details are available in Festival Hydro Inc.'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	231.32
Distribution Volumetric Rate	\$/kW	2.4972
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.0508)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	0.1104
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	1.3933
Low Voltage Service Rate	\$/kW	0.1365
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kW	0.3072
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kW	0.0492
Retail Transmission Rate - Network Service Rate	\$/kW	2.6062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6983
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.7683
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.8618

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

LARGE USE SERVICE CLASSIFICATION

This classification refers to non-residential accounts whose monthly peak demand is equal to or greater than 5,000 kW, based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Further servicing details are available in Festival Hydro Inc.'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	11,063.47
Distribution Volumetric Rate	\$/kW	1.1510
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.0839)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	0.1821
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	2.2984
Low Voltage Service Rate	\$/kW	0.1579
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kW	0.5179
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kW	0.1822
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.0651
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.1291

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy 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)	\$	8.18
Distribution Volumetric Rate	\$/kWh	0.0084
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	0.0003
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kWh	0.0036
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kWh	0.0008
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.26
Distribution Volumetric Rate	\$/kW	12.0520
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.0470)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	0.1019
Low Voltage Service Rate	\$/kW	0.0994
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kW	0.3390
Retail Transmission Rate - Network Service Rate	\$/kW	1.9756
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3404

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Festival Hydro 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-2015-0069

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. If connected to the municipal or the Province of Ontario street lighting system, decorative lighting and tree lighting services will be treated as a Street Lighting class of service. Decorative or tree lighting connected to Festival Hydro Inc.'s distribution system will be treated as a General Service Less Than 50 kW class customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per light)	\$	1.12
Distribution Volumetric Rate	\$/kW	3.3687
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	(0.0513)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	0.1113
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kW	1.4051
Low Voltage Service Rate	\$/kW	0.0974
Rate Rider for Recovery of Permanent Bypass Expenditure - approved on an interim basis and in effect until the effective date of the next IRM based Rate Order	\$/kW	0.3048
Retail Transmission Rate - Network Service Rate	\$/kW	1.9656
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3130

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.2500

Festival Hydro 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-2015-0069

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
----------------	----	------

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)

Festival Hydro 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-2015-0069

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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

Customer Administration

Arrears certificate	\$	15.00
Income tax 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	%	19.66
Collection of account charge - no disconnection - during regular hours	\$	30.00
Disconnect/reconnect charge - at meter during regular hours	\$	65.00
Disconnect/reconnect charge - at meter after hours	\$	185.00
Disconnect/reconnect at pole - during regular hours	\$	185.00
Disconnect/reconnect at pole - after regular hours	\$	415.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer		Time & materials
Temporary service install & remove - underground - no transformer		Time & materials
Temporary service install & remove - overhead - with transformer		Time & materials
Specific charge for access to the power poles - per pole/year	\$	22.35

Festival Hydro 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-2015-0069

RETAIL SERVICE CHARGES (if applicable)

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment 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	\$	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(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	1.0291
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0176
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0188
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0075

Schedule 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-2015-0069

DATED: December 10, 2015

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