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August 15, 2016

BY RESS & COURIER

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 26th Floor, P.O. Box 2319  
TORONTO, ON M4P 1E4

**Re: EB-2016-0070**  
**Festival Hydro Inc. 2017 Price Cap IR Application**

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Dear Ms. Walli,

Attached are two copies of Festival Hydro's Application for Electricity and Distribution Rates and charges effective January 1, 2017. Our filing is due August 15, 2016.

The enclosure consists of the Manager's Summary and the 2017 IRM Rate Generator Model.

The completed 2017 IRM Rate Application was submitted today via the Ontario Energy Board's RESS system.

If you have any questions please contact me at the number noted below or by email at [kmccann@festivalhydro.com](mailto:kmccann@festivalhydro.com).

Yours truly,  
**Festival Hydro Inc.**  
ORIGINAL SIGNED BY K. McCann

K. McCann  
Tel (519) 271-4703 x. 221

**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 Festival Hydro Inc.  
for an Order or Orders approving of fixing just and reasonable rates  
and other charges for the distribution of electricity to be effective  
January 1, 2017

## **Manager's Summary**

### **Introduction**

Festival Hydro Inc. “(Festival)” hereby applies to the Ontario Energy Board (the “Board”) for an order or orders approving its proposed electricity distribution rates to be effective January 1, 2017, pursuant to Section 78 of the *Ontario Energy Board Act, 1998*.

The 2017 Price Cap IR application has been completed in accordance with the updated guidelines of Chapter 3 of the *Board's Filing Requirements for Electricity Distribution Rate Applications* dated July 14, 2016.

Festival Hydro has utilized the Excel Rate Generator model as provided by the Board.

Festival Hydro distributes electricity to approximately 20,000 customers residing in the City of Stratford, and the surrounding towns of St. Marys, Seaforth, Brussels, Dashwood, Hensall and Zurich. Festival intends to publish the Notice of Application in the Stratford Gazette, which is a Stratford based no-paid subscription newspaper with a circulation of approx. 13,000 delivered to all households within the City. This should provide adequate circulation coverage within Festival's service area. The application will also be accessible on Festival's website.

This application has been filed in accordance with Modified IFRS for RRR reporting purposes.

Festival's COS application (EB-2014-0073) was filed for rates effective January 1, 2015, however the Decision and Order and Final rate order were not received until May 28, 2015 and June 4, 2015 respectively and as such the Decision and Order indicated:

*“Festival confirmed its request for a rate year alignment to January 1 in its draft rate order. Festival noted that although the effective date of the Decision and Order for 2015 rates is May 1, 2015, it is Festival's*

*understanding that its rate year is now aligned with the fiscal year and that its next IRM application will be filed for rates effective January 1, 2016.*

*The interveners concurred with Festival's understanding. OEB staff noted that while the settlement agreement did not explicitly address this issue it was not identified as an unsettled issue.*

***OEB Findings***

*The OEB approves Festival's request to align its rate year to January 1."*

**January 1, 2017 Proposed Rate Adjustments**

The January 1, 2017 proposed Tariff of Rates and Charges is presented in the attachments to this document. Festival seeks approval from the Board for a number of adjustments to its current rates which were approved effective January 1, 2016 (EB-2015-0069). It also seeks approval for the continuation of a number of existing rates and charges.

The requested adjustments\continuation\cessation of rates and charges are as follows:

1. Continuation of the current customer rate classes as approved in EB-2015-0069
2. Approval of a price cap adjustment.
3. Revenue to cost ratio adjustments in accordance with the Board's Policy: *A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210)*.
4. Proposed adjustments to the existing retail transmission service rates (RTSR) as calculated in the RTSR Adjustment Worksheets.
5. The continuation of the existing Rate Rider for the Smart Meter Entity Charge, Low Voltage Service Rates, Specific Service Charges, Retail Service Charges, Loss Factors, Transformer & Primary Metering Allowances and MicroFIT Generator Service Charge.
6. Establishment of 2017 rate riders for dispositions of Global Adjustment, group 1 DVA accounts, LRAMVA, and CBRE Class B.
7. Establish adjustments for Class A customers for Global Adjustment and the disposition of DVA Sub Account CBRE Class A.
8. Establish a Foregone Revenue Rate Rider in the event the Board is unable to provide a decision and order for rates effective January 1, 2017.
9. Continuation of Permanent Bypass Rate Rider with modification to the rate rider charged for each class with the objective of full recovery by December 31, 2017.

Details to support the requested adjustments are provided in the Board 2017 IRM rate generator model.

### **Supporting Documentation for Factors Impacting Proposed Rate Adjustments**

Outlined below are the factors taken into consideration when determining the rate adjustments for which Festival Hydro is seeking approval effective January 1, 2017.

#### **1. Price Cap Index Adjustment**

Festival has used the 2017 IRM Rate Generator Model to calculate an interim price cap adjustment base, which for Festival results in a net increase of 1.15% calculated as follows:

Inflation Factor (GDP-IPI)	2.1%
Less: Productivity Factor	(0%)
Less: Stretch Factor	(0.45%)
Interim Price Cap Adj.	1.65%

Festival understands that the Board will update the price escalator in the Rate Generator model once the Board has established the final inflation factor to be applied to distributors for 2017.

#### **2. Changes in the Federal and Provincial Income Tax Rates**

The Board previously determined that the impact of currently known tax changes should be reflected in rates using a 50/50 sharing model.

The 2017 statutory tax rate is expected to remain at 26.5% and therefore there is no rate differential or annual amount to be retained by Festival.

#### **3. Revenue to Cost Ratios Adjustments**

As part of Festival's 2015 Rate application, EB- 2014-0073, all revenue to cost ratio adjustments, including harmonization of the residential rate class and the Hensall rate class, were agreed to as part of the partial settlement agreement dated October 23, 2014.

On April 2, 2015, the OEB released its Board Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210), which stated that electricity distributors will transition to a fully fixed monthly distribution service charge for residential customers over a four year period beginning in 2016.

Tab 16 of Festival's 2017 IRM rate generator model calculates an increase of the existing monthly fixed charge of \$2.67/month for Festival's residential customers

(\$19.21/mo. to \$21.88/mo.). It also calculates a reduction in the existing variable charge per month from \$0.0125/kWh to \$0.0083/kWh. These adjustments ensure Festival is in compliance with the Board's policy in EB-2014-0210. These adjustments move Festival from a Fixed/Variable split of 70.5% fixed and 29.5% variable to 80.4% fixed and 19.6% variable.

Festival requests that the Board approve the adjustments to the residential fixed and variable charges as identified in above and in the 2017 Price Cap IR Model. Festival does not request any further revenue to cost ratio adjustments as part of this application.

#### **4. Deferral and Variance Account Rate Riders**

Festival is requesting the disposition of Group 1 Deferral and Variance Accounts, as outlined in the detail below:

##### **Group 1 Deferral and Variance Accounts**

The report of the Board *Electricity Distributor's Deferral and Variance Account Review Report* (the EDDVAR Report) provides that during the IRM period, a distributor's Group 1 audited account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. Consistent with a letter from the OEB on July 25, 2014, distributors may now elect to dispose of Group 1 account balances below the threshold.

As calculated on Tab 4 in the 2016 Price Cap IR Rate Generator Model, Festival's net amount being requested for disposition totals (\$992,800) for Group 1 Deferral and Variance Accounts, consisting of (\$292,025) in global adjustment (GA) repayment (as described below) and (\$700,776) of Group 1 repayment.

According to the model, the (\$700,776) Group 1 and (\$292,025) for GA meets the threshold test as it results in a claim per kWh of more than \$0.0001 at (\$0.0016).

Projected interest for 2016 in the continuity schedule (Tab 3) has been calculated using the current prescribed rates of 1.10% for Jan1 – Dec31.

All December 31, 2015 ending principal and interest balances have been balanced and agree to Festival's RRR 2.1.7 reporting, with the exception of Acct # 1568 LRAMVA as noted below.

##### **Disposition of Global Adjustment**

As part of the 2016 IRM application, Festival was approved for disposition of the December 31, 2014 Global Adjustment balance. As part of the 2017 IRM application, Festival is applying for disposition of the December 31, 2015 Global adjustment balance.

The amount being requested for disposition totals (\$292,025). During 2015, Festival had four Class A customers effective July 1, 2015. The Global adjustment requested for disposition can be applied as per tabs 6 and 6a of the 2017 IRM model.

As part of this filing, the Board has asked for a description of the settlement process with the IESO. Festival bills its Class B customers based on the 1<sup>st</sup> estimate rate from the IESO web site. When the final price is available, Festival compares the amount actually billed at the 1<sup>st</sup> estimate for all rate classes (i.e. billed kWh x 1st estimate rate) to the amount that should have been billed using the actual rate (i.e. billed kWh x final rate) and the difference is placed into Account 1589. Carrying charges are applied to this account.

### **Class A Customer Information**

Effective July 1, 2015, Festival had 4 customers who were participating in the Industrial Conservation Initiative (ICI) (i.e. each over three megawatts but less than five). The combined peak demand factor for the Class A customers for the 2015/2016 period is 0.0006594. Each of these customers are billed their share of the peak demand factor.

For the 2017 IRM year, all 4 customers will receive equal monthly repayments of their portion of Global Adjustment for the period of time there were class B customers in 2015 (January 1 – June 30). These monthly payments have been calculated in tab 6a of the 2017 IRM model.

### **Disposition of WMS – Sub Account CBRE Class A**

As per the continuity schedule on tab 3 of the 2017 IRM model, \$18,197 must be returned to class A customers relating to this sub account. The table below indicates how Festival proposes returning this amount to its four Class A customers over the course of twelve months from January 1, 2017 – December 31, 2017. Festival notes that accounting guidance provided by the Board on OEB file number EB-2016-0193 indicates that the disposition of this account should be done by allocating the balance to each Class A customer based on their specific PDF and determining a customer specific charge for each customer.

Festival confirms that the balance proposed for disposition is a debit balance.

<b>Adjustment for Class A Customers for the disposal of Sub-Account CBRE Class A</b>				
<i>(to be collected over a 12 month period)</i>				
<b>Sub-Account of 1508 for CBRE Class A to Repay</b>			<b>18,397</b>	
	<b>PDF</b>	<b>Allocation</b>	<b>Allocated Balance</b>	<b>Monthly Adjustment</b>
<b>Customer 1</b>	0.00014666	22.2%	4,092	341.01
<b>Customer 2</b>	0.00019861	30.1%	5,542	461.80
<b>Customer 3</b>	0.00017639	26.8%	4,922	410.13
<b>Customer 4</b>	0.00013769	20.9%	3,842	320.15

Festival requests the above noted monthly adjustments be approved for the customers included in class A.

### Disposition of WMS – Sub Account CBRE Class B

Festival notes that because we had four class A customers from July 1, 2015 – December 31, 2015, the balance of this sub account must be disposed of outside of the group one balances. As such, Festival has prepared the tables below to document the rate riders calculated to dispose of this sub account totaling \$144,899 and included in the model as additional rates included on tab 18.

<b>Rate Rider for Disposition of RSVA Sub Account - CBRE Class B</b>								
<i>(to be collected over a 12 month period from class B customers)</i>								
<b>RSVA Sub Account - CBR Class B to Recover</b>						<b>144,899</b>		
Rate Class	Total Metered Non-RPP consumption minus WMP (kWh)	Total Metered Class A Consumption in 2015 (partial and/or full year Class A customers)	Total Metered Consumption for New Class A Customers in the period prior to becoming Class A (Jan - Jun)	Metered Consumption for Current Class B Customers	% of total kWh	Total of Sub Account CBR Class B allocated to Class B Customers	Unit	Proposed Class B Rate Rider
Residential	11,631,368			11,631,368.00	3.7%	4,626.25	kWh	0.00040
G.S. < 50 kW	16,435,777			16,435,777.00	5.3%	6,537.15	kWh	0.00040
G.S. 50 kW to 4999 kW	359,551,882	40,301,122	40,326,958	278,923,802.00	89.6%	110,938.84	kWh	0.00040
Large Use	24,639,648	12,050,181	12,589,467	-	0.0%	-	kWh	
Unmetered Scattered Load	397,602			397,602.00	0.1%	158.14	kWh	0.00040
Sentinel Lights	-			-	0.0%	-		
Streetlighting	4,001,879			4,001,879.00	1.3%	1,591.70	kWh	0.00040
<b>Total</b>	<b>416,658,156</b>	<b>52,351,303</b>	<b>52,916,425</b>	<b>311,390,428.00</b>	<b>100.0%</b>	<b>123,852.08</b>		

A separate calculation has been prepared to indicate the amount of monthly equal payments that should be charged out to the 4 class A customers as documented in the table below.

As noted in Festival's 2015 COS application (Exhibit 9, Tab 3, Sch 10), "*None of the load reductions arising from the OPA contracted province wide CDM programs for 2011 through to 2014 were factored into Festival's 2010 load forecast. The 2015 COS load forecast reflects the full impact of the 2011 to 2014 results*". Festival's Appendix 2-I Load Forecast CDM Adjustment Work form is included in the appendices of this application. Since the 2015 results were



factored into the 2015 COS application forecast, there are class-specific adjustments used in the calculation as documented in the table below.

Results	Lost Revenue Adjustment Mechanism Summary By Rate Class					
	Residential	GS<50 kW	GS>50 kW	Street Lighting	Large Use	Total
<b>Year</b>						
<b>2015</b>	\$ 48,713	\$ 64,855	\$ 53,684	\$ 4,412	\$ 7,194	\$ 178,858
<b>Total</b>	\$ 48,713	\$ 64,855	\$ 53,684	\$ 4,412	\$ 7,194	\$ 178,858
<b>Forecast</b>	\$ 19,421	\$ 8,104	\$ 19,041	\$ 31	\$ 313	\$ 46,910
<b>Net</b>	\$ 29,292	\$ 56,751	\$ 34,643	\$ 4,381	\$ 6,881	\$ 131,948
<b>Interest</b>	\$ 443	\$ 860	\$ 524	\$ 66	\$ 104	\$ 1,997
<b>Total Claim</b>	\$ 29,735	\$ 57,611	\$ 35,167	\$ 4,447	\$ 6,985	\$ 133,945

An assessment has been completed for 2015 based on the OPA evaluation reports. The LRAMVA claim for this year is \$131,948 plus interest. Festival accrued for an estimate of \$43K in its 2015 financial statements and reported \$199K in our 2015 RRR filing of 2.1.7 which includes the 2016 disposition amount approved of \$155K, plus the 2015 accrual of \$43K plus interest. The final claim is \$88K higher based on the OPA report calculations.

Festival obtained the assistance of a third party to calculate the lost revenues resulting from participation in the OPA Contracted Province Wide CDM Programs. In accordance with the Filing Requirements Festival confirms the following:

- Festival has used the most recent input assumptions available at the time of time of program evaluation (early August 2016) when calculating the lost revenue amount
- Festival has relied on the most recent and appropriate draft CDM evaluation report for the OPA in support of its lost revenue calculation. A copy of the report created by the third party is attached.
- The report includes separate tables for each rate class showing the lost revenue amounts requested by the year they are associated with, as well as a list of all the CDM programs applicable to each rate class and their energy (kWh) and demand (kW) savings.
- Carrying charges have been applied only for the 2016 year as provide in the model (Tab 3), calculated using the current prescribed rate of 1.10% for Jan1 – Dec31.
- There were no OEB approved programs delivered by Festival Hydro.

The 2015 claim amount has been included in Tab 3 DVA Continuity Schedule. Festival requests the disposition of this amount as part of this application.

Festival proposes that the new deferral and variance rate riders as calculated in tab 7 of the model be approved.

## **5. Transmission Network and Connection Rate (RTSR) Adjustments**

Festival has followed *Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates – version 4.0* when completing the Board's supplied 2017 Price Cap IR Rate Generator model. Festival requests that the proposed adjustments in tab 16 of the model be approved by the Board, with the understanding that the Uniform Transmission rates (RSTRs) used in the IRM Work form may be subject to update by the Board in the event the Uniform Transmission Rates are changed.

The dollar amounts for Network and Connection Charges in the model are slightly different from the December 31, 2015 balances as reported for USOA accounts # 4714 Network Charges (\$1,169 more reported in USOA filing) and #4716 Connection Charges (\$8,202 more reported in USOA filing) in the RRR 2.1.7 Trial Balance due to load transfer dollars as well as high voltage costs incorrectly being charged to the same account as the connection charges. The correct peak demand (kW) quantities and related network and connection charges have been reported in the 2017 IRM model.

## **6. Rate Rider for Recovery of Permanent Bypass Expenditure.**

As part of Festival's 2015 COS application, EB-2014-0073, the Board directed Festival as follows:

*"The OEB finds that the amount of \$1,230,026 that has been tested in this proceeding should be used to calculate the bypass rate rider given the uncertainty of the final, invoiced amount. The OEB takes no issue with an adjustment as part of Festival's 2016 IRM application subject to the supporting materials to justify the adjustment. Until that time, the bypass rate rider will be approved on an interim basis."*

The Decision also indicates that Festival should collect this rate rider over 31 months ending December 31, 2017.

Further, as part of Festival's 2016 IRM application (EB-2015-0069), the Board Findings states:

*"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."*

At the time of filing of this application, the amount in question has been finalized with Hydro One at \$932,094.

The table below indicates that of the \$932K total claim, Festival still needs to recover \$181K.

Total approved	\$932,094
Expected recovery to the end of 2016	\$750,753
Remaining to Recover in 2017	\$181,341

The table below specifies Festival's proposed reduced rate rider by class to recover the remaining permanent bypass cost by the end of 2017.

<b>Rate Rider for Permanent Bypass Agreement (PBA) - June 1, 2015 to December 31, 2017</b>							
<i>(to be collected over a 31 month period)</i>							
<i>(to be trued-up as part of IRM Process)</i>							
<b>Remaining PBA to recover</b>				<b>181,341</b>			
Rate Class	2015 COS Approved kWh	2015 COS Approved kW	Allocation	Allocated Balance	Proposed Rate Rider over one year	Unit	Prior Approved Rate Rider
Residential	140,396,363		23.6%	42,880	0.0003	kWh	0.0008
G.S. < 50 kW	64,120,602		10.8%	19,584	0.0003	kWh	0.0008
G.S. 50 kW to 4999 kW	361,168,299	942,723	60.8%	110,309	0.1170	kW	0.3072
Large Use	22,711,894	35,166	3.8%	6,937	0.1973	kW	0.5179
Unmetered Scattered Load	657,094		0.1%	201	0.0003	kWh	0.0008
Sentinel Lights	149,276	353	0.0%	46	0.1291	kW	0.339
Streetlighting	4,532,631	11,925	0.8%	1,384	0.1161	kW	0.3048
<b>Total</b>	<b>593,736,159</b>	<b>990,167</b>	<b>100%</b>	<b>181,341</b>			

Festival requests approval for the above noted rate riders effective January 1, 2017.

## **7. Outstanding Board Directives**

Festival filed a Cost of Service "(COS)" rate application effective May 1, 2015 (EB-2014-0073), resulting in rates being approved by the Board and implemented as of that date. Festival has complied with all of the Board Findings and Directives as presented in the Decision and Order issued May 28, 2015. The only remaining EB-2014-0073 Directive matter relates to recovery of the permanent bypass rate rider recovery as noted in the section above.

## **8. Continuation of Rates and Charges approved effective May 1, 2016 under EB-2014-0073**

Festival requests the Board's approval for the continuation of the following rates and service charges, as approved as part of EB-2015-0069. Festival has reviewed these rates and charges as part of the 2017 IRM application and has determined

there is no need to request a change at this time. These rates have been used in preparation of the 2017 IRM Rate Generator model.

Continuation of the following rates and charges are requested:

- Wholesale Market and Rural Rate Assistance Charges
- Rate Rider for Smart Meter Entity Charge
- Low Voltage Service Rate
- MicroFIT Generator Service Charge of \$5.40 monthly
- Standard Supply Administration Charge of \$0.25
- Specific Service Charges
- Retail Service Charges
- Loss Factors
- Transformer and Primary Metering Allowances

**9. Proposed Rates and Rate Tariff Sheet**

Festival requests the Board approve the Monthly Rates and Charges to be effective January 1, 2017, as set out on the attached Tariff of Rates and Charges Sheet, as determined in the IRM Rate Generator model Tab 19 Final Tariff Schedule, subject to changes to the model as identified by the Board.

Festival also requests a Foregone Revenue Rate Rider be approved by the Board in the event the Board is unable to provide a decision and order for rates effective January 1, 2017.

**10. Bill Impact Analysis**

The final tab of the 2017 Price Cap IR Rate Generator model (tab 20) includes a table of bill impacts for all classes as prescribed in the filing requirements as well as any other relevant classes to Festival's customer base.

**11. Residential Rate Design – Exceptions and Mitigation**

The OEB requires distributors to calculate the combined impact of the fixed rate increase and any other changes in the cost of distribution service for those residential RPP customers who are in the 10<sup>th</sup> percentile of overall consumption. Festival notes that as per tab 20 of the model, residential customers will experience a rate reduction for 2017. The annual adjustment factor will be more than offset by the impact of moving from 2016 rate riders being charged to customers to the proposed 2017 rate riders providing net returns to customers. As such, no mitigation plan is required.

Festival also notes that kWh lower than fifty per month would be required in order to see a bill impact on a residential customer of more than 10%. Festival

argues that this analysis indicates that customers in the 10<sup>th</sup> percentile of overall consumption will not be impacted in such a way requiring a rate mitigation plan.

**12. Off-ramps**

Festival's 2015 ROE reported was in excess of the 300 basis points dead band and as such the expectation is that Festival must substantiate why we are applying for a rate increase. Festival notes that the disposal of the ICM rate rider was the major contributor to the overage. If the ICM revenues are removed, Festival's ROE for the year would be within the 300 basis point dead band. As such, Festival is applying for the approved adjustment to base rates.

Festival submits to the Board that the adjustments to electricity rates and charges as presented in the 2017 IRM Rate Application EB-2016-0070 are fair and just rates. The enclosed is respectfully submitted for the Board's consideration.

Yours truly,  
**Festival Hydro Inc.**

Original signed by K. McCann

K. McCann  
Accounting Manager

Attachments:

- A – 2017 Price Cap IR Rate Generator Model (excel version only)
- B 2016 Final tariff sheet (PDF)
- C LRAMVA report (PDF)
- D OEB Appendix 2-I from Festivals' 2015 COS filing (EB-201400073) (excel version only)
- E OPA Final 2015 Annual Verified Results Report (excel version only)
- F Managers summary tables (excel version only)

## **APPENDIX A**

Festival 2017 Price Cap IR Model (EB-2016-0070)

(submitted via excel only)

## **APPENDIX B**

2016 Final Tariff Sheet



**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)
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#### 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)
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#### 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)
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#### 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)
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**Festival Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
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## 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.**  
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## 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**  
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## 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.

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### 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.**  
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## **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.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to 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



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## 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

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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.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to 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.**  
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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 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.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to 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

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## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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**

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### **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.**  
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## **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.

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## **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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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)

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## **SPECIFIC SERVICE CHARGES**

### **APPLICATION**

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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.

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### **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

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## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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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	\$	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

## **APPENDIX C**

LRAMVA Third Party Report

## **FESTIVAL HYDRO INC.**

### **LRAMVA SUPPORT**

**August 15, 2016**

**PREPARED BY: JARRETT URECH, CET**

**REVIEWED BY: BART BURMAN, MBA BA.SC. P.ENG**

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## Executive Summary

Burman Energy Consultants group has calculated Festival Hydro's LRAMVA value for the period of 2015 to be a total of \$131,948.54 . This number was derived by calculating the total LRAM value of \$178,858.91 and subtracting the already forecasted lost revenue already collected of \$46,910.38 .

## Introduction

Since the completion of Third Tranche CDM programs and reporting, LDCs across Ontario have sought to recover revenues lost to successful CDM programming. The mechanism that enables this recovery is the Lost Revenue Adjustment Mechanism (LRAM).

On April 26, 2012, new Board-issued CDM Guidelines were enacted that provide updated LRAM details. For CDM programs delivered within the 2011 to 2014 term, the Board established the Lost Revenue Adjustment Variance Account (LRAMVA). This account captures the variance between the Board-approved CDM forecast and the actual CDM results.

The variance calculated from this comparison must be recorded in separate sub-accounts per the applicable customer rate classes.

LDCs must apply for the disposition of the balance in the LRAMVA as part of their cost of service (COS) applications or on an annual basis, as part of their IRM rate applications.

The LRAM mechanism determines persistent CDM impacts realized after 2010, for those distributors whose load forecast has not been updated.

## Terms

Term	Description
Persistence	CDM savings during the subsequent years after the first year savings.
Extension Framework	The conservation period between 2011 and 2015
Conservation First Framework	The conservation period between 2015 and 2020.
CDM	Conservation and Demand Management
LRAM	Lost Revenue Adjustment Mechanism
LRAMVA	Lost Revenue Adjustment Mechanism Variance Account
COS	Cost of Service
IRM	Incentive Regulation Model

## Scope of Work

Specifically, Burman Energy will perform the following in its work undertaking:

- 1) Collect and outline savings for the following data sets:
  - i. CDM Results for programs as applicable for the LRAMVA period.
  - ii. Forecasted savings for Conservation and Demand Management programs (Last Approved).
- 2) Collect additional data as outlined:
  - i. LDC volumetric distribution rates for LRAMVA years.
  - ii. Completed Retrofit projects for years for which retrofit savings are reported.
- 3) Calculate by initiative and year the lost revenue values.
- 4) Calculate the currently recovered lost revenue from the load forecast.
- 5) Outline the net LRAMVA values by year and overall.
- 6) Provide summary report with supporting information.

## About Burman Energy Consultants Group Inc.

Burman Energy is a vibrant, growing company, and has provided energy conservation program planning, administration and delivery services since the inception of IESO programs in 2007. Serving 39 CDM client LDCs in Ontario, we currently have over 30 staff with specialized expertise in CDM planning and program administration, marketing, technical review and support, quality control, and contractor management. In 2013, Bart Burman, President of Burman Energy, was inducted into Worldwide Who's Who for Excellence in Energy Consulting, and in 2014/15, Bart sits as chair of the EDA's Commercial Steering Committee.

Burman Energy has adopted a new structured approach to fulfilling its contracted obligations with our numerous and diverse LDC CDM clients. Recognizing, in practice, the significant peaks and valleys associated with sustaining a consistent high standard of service on time delivery, our organizational focus continues to be to ensure adequate and flexible staff resources. Cross training in several different aspects of program execution has historically enabled us to make this approach extremely effective in meeting our clients' timeliness criteria.

As a process centric organization, our starting point is to use stock, off the shelf, proven process designs, and adjust collaboratively, in discussion with you, our client, for your specific LDC protocols as required. From this common basis for understanding, identification of roles and associated accountabilities can be easily determined. In addition, this work, up front, provides for a more solid basis upon which to convey pricing options.

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## Lost Revenue Adjustment Mechanism History

From 2005 to the end of 2010, distributors delivered CDM programs either through approved distribution rate funding by way of the third installment of their incremental market adjusted revenue requirement ("MARR"), or through contracts with the IESO. Some distributors received incremental distribution rate funding separate from MARR. To promote the participation in and the delivery of CDM programs by distributors, the Board made available an LRAM regardless of whether the CDM programs were funded by the IESO or through distribution rates.

## Lost Revenue Adjustment Mechanism Outline

In preparation of this document, Burman Energy performed this analysis in compliance with Guidelines for Electricity Distributor Conservation and Demand Management EB-2012-0003 with specific reference to the following:

### 13.6 LRAM & Shared Savings Mechanism for Pre-CDM Code Activities

The Board notes that the Filing Requirements for Transmission and Distribution Applications state the following:

Distributors intending to file an LRAM or SSM application for CDM Programs funded through distribution rates, or an LRAM application for CDM Programs funded by the IESO between 2005 and 2010, shall do so as part of their 2012 rate application filings, either cost-of-service or IRM. If a distributor does not file for the recovery of LRAM or SSM amounts in its 2012 rate application, it will forego the opportunity to recover LRAM or SSM for this legacy period of CDM activity.

The 2008 CDM Guidelines state as follows: "lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the CDM savings would be assumed to be incorporated in the load forecast at that time". The intent of the LRAM in the 2008 CDM Guidelines was to keep electricity distributors revenue neutral for CDM activities implemented by the distributor during the years in which its rates were set using the incentive regulation mechanism, and that future LRAM claims should be unnecessary once a distributor rebases and updates its load forecast.

The Board therefore expects that LRAM for pre-2011 CDM activities should be completed with the 2012 rate applications, outside of persisting historical CDM impacts realized after 2010 for those distributors whose load forecast has not been updated as part of a cost of service application.

This summary is extracted from the "Guidelines for Electricity Distributor Conservation and Demand Management" (EB-2012-0003). This document can be found at:

[http://www.ontarioenergyboard.ca/oeb/Documents/EB-2012-0003/CDM\\_Guidelines\\_Electricity\\_Distributor.pdf](http://www.ontarioenergyboard.ca/oeb/Documents/EB-2012-0003/CDM_Guidelines_Electricity_Distributor.pdf)

## Lost Revenue Adjustment Mechanism Variance Account Outline

With specific reference to the following:

### 13.2 LRAM Mechanism for 2011- 2014

The Board will adopt an approach for LRAM for the 2011-2014 CDM period that is similar to that adopted in relation to natural gas distributor DSM activities. The Board will authorize the establishment of an LRAM variance account ("LRAMVA") to capture, at the customer rate-class level, the difference between the following:

- i. The results of actual, verified impacts of authorized CDM activities undertaken by electricity distributors between 2011-2014 for both Board-Approved CDM programs and IESO-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor's franchise area); and
- ii. The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded into rates).

Distributors will generally be expected to include a CDM component in their load forecast in cost of service proceedings to ensure that its customers are realizing the true effects of conservation at the earliest date possible date and to mitigate the variance between forecasted revenue losses and actual revenue losses. If the distributor has included a CDM load reduction in its distribution rates, the amount of the forecast that was adjusted for CDM at the rate class level would be compared to the actual DCM results verified by an independent third party for each year of the CDM program (i.e., 2011 to 2014) in accordance with the IESO's EM&V Protocols as set out in Section 6.1 of the CDM Code. The variance calculated from this comparison result in a credit or a debit to the ratepayers at the customer rate class level in the LRAMVA. The LRAM amount is determined by applying, by customer class, the distributor's Board-approved variable distribution charge applicable to the class to the volumetric variance (positive or negative) described in the paragraph above. The calculated lost revenues will be recorded in the LRAMVA. Distributors will be expected to report the balance in the LRAMVA as part of the reporting and record-keeping requirements on an annual basis.

This summary is extracted from the "Guidelines for Electricity Distributor Conservation and Demand Management" (EB-2012-0003). This document can be found at:

[http://www.ontarioenergyboard.ca/oeb/ Documents/EB-2012-0003/CDM\\_Guidelines\\_Electricity\\_Distributor.pdf](http://www.ontarioenergyboard.ca/oeb/ Documents/EB-2012-0003/CDM_Guidelines_Electricity_Distributor.pdf)

## Summary Of Lost Revenue Adjustments

### LRAMVA Summary

Burman Energy Consultants Group Inc. (Burman Energy) has prepared the following LRAMVA tables, representing the variance amount to be recorded in the LRAM Variance Account. The amount is the calculated result of the lost revenues by customer class based on the volumetric impact of the load reductions arising from the CDM measures implemented, multiplied by Festival Hydro's Board-approved variable distribution changes applicable to the customer rate class in which the volumetric variance occurred. The calculations provided by Burman Energy do not include carrying charges or adjustments based on CDM reductions as included in any CDM Load reduction forecast.

Results Year	Lost Revenue Adjustment Mechanism Year					
	2015					
<b>2015</b>	\$ 45,911					
<b>2014</b>	\$ 37,922					
<b>2013</b>	\$ 37,625					
<b>2012</b>	\$ 27,272					
<b>2011</b>	\$ 30,129					
<b>Total</b>	\$ 178,859					
<b>Forecast</b>	\$ 46,910					
<b>Net</b>	\$ 131,949					
<b>Variance</b>		\$ 131,949				

Results Year	Lost Revenue Adjustment Mechanism Summary By Rate Class					
	Residential	GS <= 50 kW	GS > 50 kW	Street Lighting	Large use	Total
<b>2015</b>	\$ 48,713	\$ 64,855	\$ 53,684	\$ 4,412	\$ 7,194	\$ 178,859
<b>Total</b>	\$ 48,713	\$ 64,855	\$ 53,684	\$ 4,412	\$ 7,194	\$ 178,859
<b>Forecast</b>	\$ 19,421	\$ 8,104	\$ 19,042	\$ 31	\$ 313	\$ 46,910
<b>Net</b>	\$ 29,292	\$ 56,752	\$ 34,643	\$ 4,381	\$ 6,881	\$ 131,949



## Reference Material

The following IESO documents were used to prepare the LRAMVA calculations:

- i. [2006-2015]\_RATES\_DATABASE\_FROM\_TARIFFS.xls
- ii. 2011-2015 Festival Hydro Results with Persistence.xls
- iii. Festival Hydro [2015] Retrofit Project Lists

## Methodology

Burman Energy would like to present a summary of the methodology used to calculate the LRAMVA figures in this report for the purposes of auditing.

Burman Energy collects the following information as the sources for the values calculated in this report:

- Rate Database documents from the Ontario Energy Board (OEB) website for all years that are being calculated.
- Final CDM results and their persistence into future years received directly from the IESO or from the Local Distributor.
- Retrofit & High Performance New Construction (HPNC) project data with kW, kWh and Rate Class information for each project.
- The forecasted CDM results from the distributors most recently approved Cost of Service application (COS).

Burman Energy takes the results of each initiative where the savings for the LRAMVA report period are not equal to zero and enters the figures into the report. The values entered into the report are organized by results year, rate class, and then initiative. The rate classes outlined here are examples and may not be actual customer classes for this local distribution company.

<b>Results from 2015</b>
<b>Residential</b>
HVAC Incentives
<b>RESIDENTIAL TOTAL</b>
<b>GS Less Than 50 kW</b>
Retrofit
<b>GS LESS THAN 50 KW TOTAL</b>
<b>GS Greater Than 50 kW</b>
Retrofit
<b>GS GREATER THAN 50 KW TOTAL</b>
<b>Large Use</b>
Retrofit
<b>LARGE USE TOTAL</b>
<b>RESULTS FROM 2015 TOTAL</b>

The results for Retrofit and HPNC items are initially collected for all rate classes then using verified project savings the result savings are divided into the appropriate rate classes.

Year	Application Type	LDC	Demand Savings	Energy Savings	Rate Class	Sector
2015	Retrofit	stival Hydro I	1,168.19	6,595,075	GS>50	Industrial
2015	Retrofit	stival Hydro I	136.44	1,002,902	GS<50	Business

kW	GS>50	89.54%	GS<50	10.46%	Large Use	0.00%
kWh		86.80%		13.20%		0.00%

Volumetric distribution rates are derived by using the rate database provided on the OEB website directly as they appear. These volumetric distribution rates are collected for each rate class for the years during the LRAMVA reporting period and one year prior are entered into the report along with their effective date. Burman Energy uses the effective date to create a weighted volumetric rate for each of the calendar years (Jan1st through Dec 31st) years in the reporting period. A summary of the calculation is presented below:

$$\text{Weighted Rate} = \left( \text{Rate}_{old} * \left( \frac{\text{Months at Old}}{12} \right) \right) + \left( \text{Rate}_{new} * \left( \frac{\text{Months at New}}{12} \right) \right)$$

The weighted volumetric rate is multiplied by the savings metric selected by rate class (the Residential and GS<50 metric is kWh and the GS>50 and Large Use metric is kW). The resulting figure is then subject to global modifiers based on initiative (eg. Demand Response 3 is taken at a factor of 0% due to the type of savings it provides).

$$\text{LRAM}(kW) = \text{Weighted Rate} * \text{Modifier}\%_{\text{If Applicable}} * ((kW_{\text{Per Month}} * \text{Months at old Rate}) + (kW_{\text{Per Month}} * \text{Months at New Rate}))$$

$$\text{LRAM}(kWh) = \text{Weighted Rate} * \text{Modifier}\%_{\text{If Applicable}} * kWh_{\text{Annual}}$$

The totals are outlined at the bottom of each section with a summary by rate class presented near the bottom of the table for comparison to the forecasted figures.

If the distributor had forecasted CDM savings Burman Energy takes the values and applies same methods outlined for the savings results to calculate the total lost revenue that has already been recovered for the reporting period.

The recovered lost revenue is subtracted from the calculated LRAM resulting in the net figures or Variance. These figures are outlined by reporting period year and as an overall.





## Supporting Attachments

Festival Hydro Inc. LRAMVA CALCULATIONS  
OPA Conservation & Demand Management Programs  
Initiative Results at End-User Level

Initiative Name	2014	2015			
	Volumetric Rate	Net Summer Peak Demand Savings (kW)	Net Energy Savings (kWh)	Distribution Volumetric Rate (Effective Date: May 1)	2015 LRAMVA
LRAM CDM Results and Persistence					
Results from 2015					
Residential					
Appliance Retirement Initiative	0.01665	7.00	45,924.00	0.0164	\$ 756.98
Bi-Annual Retailer Event Initiative	0.01665	22.00	322,796.00	0.0164	\$ 5,320.75
Coupon Initiative	0.01665	12.00	179,690.00	0.0164	\$ 2,961.89
HVAC Incentives Initiative	0.01665	107.00	206,697.00	0.0164	\$ 3,407.06
Low Income Initiative	0.01665	2.00	24,600.00	0.0164	\$ 405.49
RESIDENTIAL TOTAL		150.00	779,707		\$ 12,852.17
GS Less Than 50 kW					
Direct Install Lighting and Water Heating Initiative	0.0149	73.00	296,859.00	0.0152	\$ 4,482.57
Energy Audit Initiative	0.0149	61.09	285,082.18	0.0152	\$ 4,304.74
Retrofit	0.0149	39.22	465,377.24	0.0152	\$ 7,027.20
GS LESS THAN 50 KW TOTAL		173.31	1,047,318		\$ 15,814.51
GS Greater Than 50 kW					
Energy Audit Initiative	2.3333	106.91	498,893.82	2.4567	\$ 3,098.95
Retrofit	2.3333	335.78	3,060,316.57	2.4567	\$ 9,733.23
GS GREATER THAN 50 KW TOTAL		442.69	3,559,210		\$ 12,832.18
Street Lighting					
Retrofit	5.0151	0.00	414,961.19	3.314	\$ 4,412.27
STREET LIGHTING TOTAL		0.00	414,961		\$ 4,412.27
RESULTS FROM 2015 TOTAL		766.00	5,801,197		\$ 45,911.13
Results from 2014					
Residential					
Appliance Exchange	0.01665	10.15	18,102.55	0.0164	\$ 298.39
Appliance Retirement	0.01665	12.15	74,733.24	0.0164	\$ 1,231.85
Bi-Annual Retailer Event	0.01665	24.56	372,953.20	0.0164	\$ 6,147.51
Conservation Instant Coupon Booklet	0.01665	6.94	91,714.97	0.0164	\$ 1,511.77
Home Assistance Program	0.01665	8.48	73,073.77	0.0164	\$ 1,204.50
HVAC Incentives	0.01665	88.68	165,748.22	0.0164	\$ 2,732.08
RESIDENTIAL TOTAL		150.96	796,326		\$ 13,126.11
GS Less Than 50 kW					
Direct Install Lighting	0.0149	58.57	220,147.36	0.0152	\$ 3,324.23
Energy Audit	0.0149	53.47	261,094.28	0.0152	\$ 3,942.52
Retrofit	0.0149	29.98	130,244.12	0.0152	\$ 1,966.69
GS LESS THAN 50 KW TOTAL		142.02	611,486		\$ 9,233.44
GS Greater Than 50 kW					
PSUI	2.3333	51.09	447,640.00	2.4567	\$ 1,480.88
Retrofit	2.3333	485.81	2,095,644.81	2.4567	\$ 14,081.94
GS GREATER THAN 50 KW TOTAL		536.89	2,543,285		\$ 15,562.82
RESULTS FROM 2014 TOTAL		829.87	3,951,097		\$ 37,922.36
Results from 2013					
Residential					
Annual Coupons	0.01665	1.74	25,922.64	0.0164	\$ 427.29
Appliance Exchange	0.01665	6.22	11,083.20	0.0164	\$ 182.69
Appliance Retirement	0.01665	15.70	103,624.87	0.0164	\$ 1,708.08
Bi-Annual Retailer Events	0.01665	3.91	56,475.34	0.0164	\$ 930.90
Conservation Instant Coupon Booklet	0.01665	0.01	78.00	0.0164	\$ 1.29
Home Assistance Program	0.01665	22.64	198,531.25	0.0164	\$ 3,272.46
HVAC	0.01665	75.75	136,597.39	0.0164	\$ 2,251.58
HVAC Incentives	0.01665	2.14	3,843.53	0.0164	\$ 63.35
RESIDENTIAL TOTAL		128.11	536,156		\$ 8,837.64
GS Less Than 50 kW					
Energy Audit	0.0149	0.01	64.27	0.0152	\$ 0.97
Energy Audit Funding	0.0149	17.63	96,901.54	0.0152	\$ 1,463.21
Retrofit	0.0149	95.98	707,597.25	0.0152	\$ 10,684.72
Small Business Lighting	0.0149	37.61	131,004.68	0.0152	\$ 1,978.17
GS LESS THAN 50 KW TOTAL		151.23	935,568		\$ 14,127.07
GS Greater Than 50 kW					
Energy Managers	2.3333	0.18	10,467.69	2.4567	\$ 5.15
Program Enabled Savings	2.3333	125.10	1,142,449.68	2.4567	\$ 3,626.25
Retrofit	2.3333	380.47	1,989,155.25	2.4567	\$ 11,028.73
GS GREATER THAN 50 KW TOTAL		505.75	3,142,073		\$ 14,660.12
RESULTS FROM 2013 TOTAL		785.09	4,613,797		\$ 37,624.83
Results from 2012					
Residential					
Appliance Exchange	0.01665	7.61	13,575.17	0.0164	\$ 223.76
Appliance Retirement	0.01665	16.22	113,350.85	0.0164	\$ 1,868.40
Bi-Annual Retailer Event	0.01665	5.18	93,684.17	0.0164	\$ 1,544.23
Conservation Instant Coupon Booklet	0.01665	0.81	4,891.01	0.0164	\$ 80.62
Home Assistance Program	0.01665	1.65	10,278.90	0.0164	\$ 169.43
HVAC	0.01665	1.39	2,908.25	0.0164	\$ 47.94
HVAC Incentives	0.01665	68.14	122,477.57	0.0164	\$ 2,018.84
RESIDENTIAL TOTAL		100.99	361,166		\$ 5,953.22
GS Less Than 50 kW					
Direct Install Lighting	0.0149	48.91	192,675.40	0.0152	\$ 2,909.40
Energy Audit	0.0149	10.70	52,060.63	0.0152	\$ 786.12
Retrofit	0.0149	211.89	1,148,180.23	0.0152	\$ 17,337.52
GS LESS THAN 50 KW TOTAL		271.50	1,392,916		\$ 21,033.04
GS Greater Than 50 kW					
High Performance New Construction	2.3333	9.86	35,486.78	2.4567	\$ 285.69

Initiative Name	2014	2015			
	Volumetric Rate	Net Summer Peak Demand Savings (kW)	Net Energy Savings (kWh)	Distribution Volumetric Rate (Effective Date: May 1)	2015 LRAMVA
GS GREATER THAN 50 KW TOTAL		9.86	35,487		\$ 285.69
RESULTS FROM 2012 TOTAL		382.34	1,789,569		\$ 27,271.94

Results from 2011					
Residential					
Appliance Retirement	0.01665	12.42	94,464.12	0.0164	\$ 1,557.08
Bi-Annual Retailer Event	0.01665	5.85	101,588.75	0.0164	\$ 1,674.52
Conservation Instant Coupon Booklet	0.01665	3.84	61,134.18	0.0164	\$ 1,007.70
HVAC Incentives	0.01665	118.15	224,747.84	0.0164	\$ 3,704.59
RESIDENTIAL TOTAL		140.26	481,935		\$ 7,943.89
GS Less Than 50 kW					
Direct Install Lighting	0.0149	106.28	272,188.69	0.0152	\$ 4,110.05
Energy Audit	0.0149	5.18	25,176.25	0.0152	\$ 380.16
Retrofit	0.0149	2.01	10,400.04	0.0152	\$ 157.04
GS LESS THAN 50 KW TOTAL		113.47	307,765		\$ 4,647.25
GS Greater Than 50 kW					
High Performance New Construction	2.3333	238.64	1,341,637.64	2.4567	\$ 6,917.52
Retrofit	2.3333	118.20	611,045.59	2.4567	\$ 3,426.10
GS GREATER THAN 50 KW TOTAL		356.84	1,952,683		\$ 10,343.62
Large Use					
High Performance New Construction	1.01	549.22	2,079,477.68	1.1323	\$ 7,193.89
LARGE USE TOTAL		549.22	2,079,478		\$ 7,193.89
RESULTS FROM 2011 TOTAL		1,159.79	4,821,861		\$ 30,128.65

Summary By Rate Class					
Residential	0.01665	670.32	2,955,289.98	0.0164	\$ 48,713.03
General Service Less Than 50 kW	0.0149	851.53	4,295,053.16	0.0152	\$ 64,855.30
General Service Greater Than 50 kW	2.3333	1,852.03	11,232,737.82	2.4567	\$ 53,684.42
Street Lighting	5.0151	0.00	414,961.19	3.314	\$ 4,412.27
Large use Customers	1.01	549.22	2,079,477.68	1.1323	\$ 7,193.89
SUMMARY BY RATE CLASS TOTAL		3,923.10	20,977,520		\$ 178,858.91

LRAM CDM RESULTS AND PERSISTENCE TOTAL	3,923.10	20,977,519.84	\$ 178,858.91
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Load Forecast CDM Component					
Residential	0.01665	0.00	1,178,196.00	0.0164	\$ 19,420.60
General Service Less Than 50 kW	0.0149	0.00	536,664.00	0.0152	\$ 8,103.63
General Service Greater Than 50 kW	2.3333	7,883.00	3,025,113.00	2.4567	\$ 19,041.91
Street Lighting	5.0151	92.00	34,953.00	3.314	\$ 30.97
Large use Customers	1.01	287.00	185,150.00	1.1323	\$ 313.27
LOAD FORECAST CDM COMPONENT TOTAL		8,262.00	4,960,076.00		\$ 46,910.38

FESTIVAL HYDRO INC. NET LRAMVA TOTAL (LRAM MINUS FORECAST)	-4,338.90	16,017,443.84	\$ 131,948.54
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Lost Revenue Adjustment Mechanism Variance	\$131,948.54
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## METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

### EQUATIONS:

#### PRESCRIPTIVE MEASURES/PROJECTS:

**Gross Savings** = Activity \* Per Unit Assumption

**Net Savings** = Gross Savings \* Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

#### ENGINEERED/CUSTOM PROJECTS:

**Gross Savings** = Reported Savings \* Realization Rate

**Net Savings** = Gross Savings \* Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

#### DEMAND RESPONSE:

**Peak Demand: Gross Savings = Net Savings** = contracted MW at contributor level \* Provincial contracted to ex ante ratio

**Energy: Gross Savings = Net Savings** = provincial ex post energy savings \* LDC proportion of total provincial contracted MW

All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<b>Consumer Program</b>				
1	Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of residential throughput; Home pickup stream directly attributed by postal code or customer selection	Savings are considered to begin in the year the appliance is picked up.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of residential throughput	Savings are considered to begin in the year that the exchange event occurred	
3	HVAC Incentives	Results directly attributed to LDC based on customer postal code	Savings are considered to begin in the year that the installation occurred	
4	Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of residential throughput	Savings are considered to begin in the year in which the coupon was redeemed.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.
5	Bi-Annual Retailer Event	Results are allocated based on average of residential throughput	Savings are considered to begin in the year in which the event occurs.	
6	Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.
7	Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a <b>peaksaver PLUS™</b> participant agreement.	<b>Peak demand savings</b> are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to <b>persist</b> for only 1 year, reflecting that savings will only occur if the resource is activated.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
8	Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	<b>Peak demand and energy savings</b> are determined using a measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
<b>Business Program</b>				
9	Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
10	Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
11	Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
12	New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, reported results are presented with reported assumptions.	Savings are considered to begin in the year of the actual project completion date.	
13	Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year of the audit date.	<b>Peak demand and energy savings</b> are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
14	Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a <b>peaksaver</b> PLUS™ participant agreement.	<b>Peak demand savings</b> are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to <b>persist</b> for only 1 year, reflecting that savings will only occur if the resource is activated.
15	Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st of the relevant year, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	<b>Peak demand savings</b> are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
<b>Industrial Program</b>				
16	Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system.	Savings are considered to begin in the year in which the incentive project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
17	Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
18	Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).



#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
20	Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st of the relevant year, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	<b>Peak demand savings</b> are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. <b>Energy savings</b> are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Home Assistance Program				
21	Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application; reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year in which the measures were installed.	<b>Peak demand and energy savings</b> are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Legacy Programs Completed in Current Year				
22	Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which a project was completed.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). <b>If energy savings are not available</b> , an estimate is made based on the kWh to kW ratio in the provincial results ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
23	High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from the gas utility.	Savings are considered to begin in the year in which a project was completed.	
24	Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory		

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
25	Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year in which a project was completed.	<p><b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). <b>If energy savings are not available</b>, an estimate is made based on the kWh to kW ratio in the provincial results (<a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a>).</p>
26	Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory		
27	EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory		



## **APPENDIX D**

OEB Appendix 2-I from Festivals' 2015 COS filing (EB-2014-0073)

(submitted via excel only)

## **APPENDIX E**

OPA Final 2015 Annual Verified Results Report

(submitted via excel only)

## **APPENDIX F**

Tables Included in Festival's Managers Summary

(submitted via excel only)