



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

DECISION AND RATE ORDER

EB-2016-0075

GUELPH HYDRO ELECTRIC SYSTEMS INC.

Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2017.

By Delegation, Before: Lynne Anderson

December 8, 2016

1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order for Guelph Hydro Electric Systems Inc.'s Incentive Regulation Mechanism application for 2017 rates.

Guelph Hydro Electric Systems Inc. (Guelph Hydro) serves about 54,000 mostly residential and commercial electricity customers in the City of Guelph and the Village of Rockwood. The company is seeking the Ontario Energy Board's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

Distributors may choose one of three Ontario Energy Board (OEB) rate-setting methods. Guelph Hydro has selected the Price Cap Incentive rate setting (Price Cap IR) option that has a five-year term. Rates are set through a cost of service rebasing application for the first year and are adjusted mechanistically through an Incentive Regulation Mechanism (IRM application) for each of the ensuing four years. The price cap adjustment is based on inflation and the OEB's assessment of a distributor's efficiency.

Guelph Hydro filed an IRM application with the OEB on August 15, 2016 to seek approval for changes to its distribution rates to be effective January 1, 2017. Guelph Hydro last appeared before the OEB with a cost of service application for 2016 in the EB-2015-0073 proceeding.

The OEB addresses the following issues with respect to Guelph Hydro's IRM application in this Decision and Rate Order.

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

Guelph Hydro applied for a rate increase of 1.60% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.60% price cap adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

Guelph Hydro also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a

variable usage charge. Last year, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.¹ Accordingly, the fixed monthly charge for 2017 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue distributors collect from residential customers.

This Decision on Guelph Hydro's IRM application will result in a monthly decrease of \$3.76 for a residential customer consuming 750 kWh.

The OEB approves the adjustments made to Guelph Hydro's application, and the associated rates calculated, as a result of this proceeding.

2 THE PROCESS

The OEB follows a standard, streamlined process for IRM applications under Price Cap IR.

The OEB first prepares a rate model that includes information from past proceedings and annual reporting requirements. The distributor then reviews and updates the model and includes it with its application.

On August 15, 2016, Guelph Hydro submitted its IRM application supported by written evidence and a completed rate model. Questions were asked and answers were provided by Guelph Hydro through emails and phone calls. Based on this information, a decision was drafted and provided to Guelph Hydro on November 25, 2016. Guelph Hydro was given the opportunity to provide its comments on the draft for consideration prior to finalizing this Decision.

3 ORGANIZATION OF THE DECISION

The OEB has organized this Decision into sections to reflect the issues that were considered in making its findings.² Each section outlines the OEB's reasons for approving or denying the proposals included in the application and affecting 2017 rates. The last section addresses the steps to implement the final rates that flow from this Decision.

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

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

4 PRICE CAP ADJUSTMENT

The price cap adjustment follows an OEB-approved formula that includes annually updated components for inflation and the OEB's expectations of efficiency and productivity gains.³ The formula is an *inflation minus X-factor* rate adjustment, which is intended to incent innovation and efficiency. The OEB has set the inflation factor for 2017 rates at 1.9% based on its established formula.⁴

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

Based on industry conditions over the historical study period, the productivity factor has been set at zero percent. A stretch factor is assigned based on the distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, a range of stretch factors has been set from 0.0% to 0.6%.⁵ The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Higher stretch factors are applied to distributors in accordance with their cost performance relative to expected levels, to reflect the incremental productivity gains that distributors are expected to achieve.

Findings

The OEB assigned Guelph Hydro a stretch factor of 0.30% based on the updated benchmarking study for use for rates effective in 2017.⁶ The resulting net price cap adjustment for Guelph Hydro is 1.60% (i.e. 1.90% - (0% + 0.30%)).

The 1.60% adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

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

⁴ As outlined in the Report cited at footnote 3 above

⁵ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2015 Benchmarking Update." Pacific Economics Group LLC. July 2016

⁶ As outlined in the Report cited at footnote 5 above

5 REGULATORY CHARGES

Customers are charged a number of fees to cover the costs associated with various programs and wholesale market services.

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

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

The Ontario Electricity Support Program (OESP) is a program to deliver on-bill rate assistance to low income electricity customers. All Ontario customers contribute to the OESP through the OESP charge.

These three regulatory charges are components of the Regulatory Charge on customers' bill and are established annually by the OEB through a separate order.

Findings

As of the date of this Decision and Rate Order, the OEB has not yet issued an order on the RRRP, WMS or OESP charges for 2017. The Tariff of Rates and Charges flowing from this Decision will reflect the currently-approved charges. When new charges are established for 2017, the OEB will issue a rate order, which will apply to Guelph Hydro's 2017 rates.

6 RETAIL TRANSMISSION SERVICE RATES

Electricity distributors use Retail Transmission Service Rates (RTSRs) to pass along the cost of transmission service to their distribution customers. The RTSRs are adjusted annually to reflect the revised costs as calculated by the application of the current Uniform Transmission Rates (UTRs) to historical transmission deliveries. The UTRs are established annually by a separate OEB order. Partially embedded distributors, such as

Guelph Hydro, must also adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc. Distributors may apply to the OEB annually to approve the RTSRs they propose to charge their customers.

Findings

The OEB approves the RTSRs as adjusted in this application to reflect current applicable rates. As is typical for distributors whose rates are set as of January 1, these RTSRs are based on previous year's rates as the OEB has not yet adjusted UTRs and Hydro One sub-transmission class rates for 2017. The differences between the previous and the new 2017 RTSRs, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

Deferral and Variance Accounts

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB's policy⁷ is to review and dispose of the distributor's Group 1 account balances if they exceed (as a debit or credit) the pre-set disposition threshold of \$0.001 per kWh during the IR plan term. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may dispose of balances below this threshold if its proposal to do so is justified.

Guelph Hydro's 2015 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2016 is a credit of \$5,644,120. This amount represents a total credit claim of \$0.0032 per kWh, which exceeds the preset disposition threshold. Guelph Hydro proposes to dispose of this credit amount over a one-year period.

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

The Group 1 balance includes a Global Adjustment (GA) account credit balance of \$344,285. Ontario electricity customers' costs for the commodity portion of their electricity service reflects the sum of two charges: the price of electricity established by the operation of the IESO administered wholesale market, and the GA. The GA charge consists of the difference between the market price and the rates paid to regulated and contracted generators, and conservation and demand management (demand response) program costs. The GA is established monthly and varies in accordance with market conditions.

Most customers pay the GA charge based on the amount of electricity they consume in a month (kWh); these customers are referred to as Class B. Customers who participate in the Industrial Conservation Initiative, are referred to as Class A. The costs for the GA are recovered from Class A and Class B customers in different ways:

- Class A customers are assessed GA costs through a peak demand factor that is based on the percentage their peak demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. Distributors settle with Class A customers billed based on the actual GA costs resulting in no variance.
- Class B customers are billed GA based on an IESO published GA price. For Class B customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Guelph Hydro proposed the refund of the GA variance account credit balance of \$344,285 as at December 31, 2015, including interest to December 31, 2016, as follows:

- \$309,319 to customers who were Class B customers for the entire period from January 2015 to December 2015, through a kWh rate rider.
- \$34,966 to customers formerly in Class B during the period January 2015 to June 2015 who were reclassified to Class A as of July 2015; to be disposed through 12 equal payments to customers.

The Group 1 balance also includes the recovery of Capacity Based Recovery (CBR) costs related to Demand Response (DR) providers contracted under the wholesale

energy market Demand Response 3 (DR3) program. Guelph Hydro paid CBR charges to the IESO in 2015 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2015.

In this application, Guelph Hydro had customers who were part of Class A during the period from January 2015 to December 2015 so it requested that the balance of this account be disposed through a separate rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

As some of the customers were reclassified between Class A and B during the period from January 2015 to December 2015, Guelph Hydro has requested an additional charge to recover a portion of CBR Class B costs from these customers.

Findings

The balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements*. The OEB approves the disposition of a credit balance of \$5,644,120 as of December 31, 2015, including interest projected to December 31, 2016 for Group 1 accounts.

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

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	108,497	1,696	110,192
Smart Meter Entity Variance Charge	1551	(39,205)	(459)	(39,665)
RSVA - Wholesale Market Service Charge	1580	(3,881,395)	(56,303)	(3,937,698)
Variance WMS - Sub-account CBR Class B	1580	350,955	5,029	355,984
RSVA - Retail Transmission Network Charge	1584	(978,909)	(13,022)	(991,932)
RSVA - Retail Transmission Connection Charge	1586	(433,382)	(5,463)	(438,844)
RSVA - Power	1588	(1,091,870)	(9,667)	(1,101,537)
RSVA - Global Adjustment	1589	(347,498)	3,213	(344,285)
Disposition and Recovery of Regulatory Balances (2010)	1595	-	(1)	(1)
Disposition and Recovery of Regulatory Balances (2014)	1595	56,659	1,441	58,100
Disposition and Recovery of Regulatory Balances (2015)	1595	30,526	655,040	685,566
Total Group 1 Excluding Global Adjustment - Account 1589		(5,878,125)	578,291	(5,299,835)
Total Group 1 Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B		(6,229,080)	573,261	(5,655,819)
Total Group 1		(6,225,624)	581,504	(5,644,120)

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Guelph Hydro should ensure these adjustments are included in the reporting period ending March 31, 2017 (Quarter 1).

The OEB approves these balances to be disposed through the following rate riders/charge/payment:

- Deferral and Variance Account Balances (excluding Global Adjustment) Rate Rider
- Class B Global Adjustment Rate Rider
- Reclassified Class A/B Global Adjustment Payment
- Class B Capacity Based Recovery Rate Rider
- Reclassified Class A/B Capacity Based Recovery Charge

The rate riders will be in effect over a one-year period from January 1, 2017 to December 31, 2017.

Global Adjustment

Implicit in this approval, the OEB approves the proposed disposition of the GA credit balance of \$34,966 relating to the customers who were reclassified between Classes A and B. This amount, as of December 31, 2015 and including interest projected to December 31, 2016, will be recovered as part of Group 1 account disposition through a separate payment.

The GA balances being requested for disposition in this case were incurred for all Group 1 Accounts during the year of 2015. During this period, Guelph Hydro experienced some movement of customers into the Class A category.

In accordance with EDDVAR, this balance is to be disposed over a one-year period from January 1, 2017 to December 31, 2017. Guelph Hydro has requested a 12-month disposition period. This is consistent with the general expectation that distributors settle the amount through 12 equal adjustments to bills. The OEB approves the following customer-specific principal and interest amounts to be disposed.

Allocation of GA Balances to Former Class B Customers

Customer	Customer specific GA allocation for the period prior to becoming Class A	Monthly Equal Payments
Customer 1	-\$ 7,555	-\$ 630
Customer 2	-\$ 5,006	-\$ 417
Customer 3	-\$ 3,958	-\$ 330
Customer 4	-\$ 6,386	-\$ 532
Customer 5	-\$ 4,475	-\$ 373
Customer 6	-\$ 2,901	-\$ 242
Customer 7	-\$ 4,686	-\$ 390
Total	-\$ 34,966	

8 THE LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

As part of the Ministry of Energy's conservation-first strategy, the OEB requires distributors to engage in and deliver conservation and demand management (CDM) activities to reduce total energy consumption. The OEB policy⁸ established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture the distributor's revenue implications resulting from differences between actual demand and the last OEB-approved load forecast. These differences are to be recorded by distributors at the rate class level.

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM rate application, if the balance is deemed significant by the distributor. In the event that a distributor wishes to include a request for lost revenues from demand response programs as part of the LRAMVA, it must do so as part of a cost of service application.⁹

In its 2017 IRM application as initially filed, Guelph Hydro requested the disposition of a debit balance of \$1,301,974 in the LRAMVA. This balance was subsequently revised to a debit balance of \$1,656,570. This updated amount includes lost revenues in 2014 and 2015 from CDM programs delivered in 2011 to 2015 as well as carrying charges up until December 31, 2016. This balance includes the persistence of 2011 to 2013 program

⁸ Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003)

⁹ Report of the OEB; Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs (EB-2016-0182)

savings in 2014, persistence of 2011 to 2014 program savings in 2015, and persistence of peak demand savings for 2011 to 2013 programs.

Guelph Hydro proposed to include the persistence of peak demand savings between 2011 and 2013 in this application because these amounts were not claimed in Guelph's Hydro's 2016 cost of service application (EB-2015-0073). This omission resulted in an under-recovery of \$464,825 in rates for 2016.¹⁰ This amount is in excess of Guelph Hydro's materiality threshold of \$172,000 as noted in its 2016 cost of service application. The LRAMVA balance for the year ending 2015 with interest to December 31, 2016, excluding the persistence of peak demand savings between 2011 and 2013, is a debit of \$1,191,745.¹¹

In response to questions from OEB staff regarding whether Guelph Hydro's request amounts to retroactive ratemaking, Guelph Hydro referenced the OEB's decision related to its GEA Plan Funding Adder in its 2015 IRM application. In that application, it came to light that Guelph Hydro's funding adder was overstated due to a formulaic error which led to an over-collection of \$4,703 from customers in 2014. This issue was deferred to Guelph Hydro's next cost of service application where the true-up of GEA revenues and costs would be subject to a prudence review.¹² Because the OEB approved the true-up between revenues and costs in Guelph Hydro's 2016 cost of service application, Guelph Hydro was of the view that the OEB's 2016 cost of service decision was an example of the OEB approving a retroactive correction to rates.¹³

Findings

The OEB approves recovery of \$1,059,595, which consists of new 2014 and 2015 lost revenues, as well as the persistence of 2011 to 2013 program savings in 2014, persistence of 2011 to 2014 program savings in 2015 and carrying charges. The OEB does not approve any amount related to the persistence of peak demand savings between 2011 and 2013 or savings adjustments that have been applied to the 2011 to 2013 period.

In Guelph Hydro's 2016 cost of service application (EB-2015-0073), the OEB approved the disposition of the Account 1568 - LRAM Variance Account (LRAMVA) balance for the year ending 2013. Guelph Hydro's mistake in omitting to include the 2011 to 2013 peak demand persistence savings in this last approved LRAMVA disposition meant an additional \$464,825 was not claimed for recovery at that time. However, the 2013 year-

¹⁰ Guelph Hydro's response to OEB staff's questions following interrogatories (EB-2016-0075)

¹¹ Ibid

¹² Guelph Hydro's response to OEB staff's questions following interrogatories (EB-2016-0075); 2015 Decision and Rate Order for Guelph Hydro's IRM Application (EB-2014-0077), p. 8

¹³ Guelph Hydro's response to OEB staff's questions following interrogatories (EB-2016-0075)

end balance was approved by the OEB for disposition to customers on a final basis. Correcting this mistake now constitutes retroactive rate-making and therefore is not approved. The OEB has made clear that “[t]he utility has control of its books and records and has the responsibility to ensure mistakes do not occur.”¹⁴ This expectation extends to rules regarding the calculation of Account 1568 - LRAMVA, as seen when the OEB similarly denied London Hydro Inc.’s LRAMVA claim by rejecting the distributor’s request to correct an error due to under-recovery of \$120,000 in past approved LRAMVA balances.¹⁵

The OEB does not agree that the correction allowed for Guelph Hydro’s GEA Funding Adder is analogous to the current request to amend a previously approved LRAMVA balance. The Chapter 3 Filing Requirements for Electricity Rate Applications make clear that funding adders are simply a tool to provide advance funding on an interim basis for certain investments or expenses. Approval of a funding adder does not constitute regulatory approval of the costs incurred.

After Guelph Hydro’s GEA Funding Adder was approved in 2012, a formulaic error was identified in the 2015 IRM proceeding, which resulted in over-collections from the funding adder. The OEB determined that variances between incurred costs and revenues recovered through the GEA Funding Adder would be subject to a future prudence review at the next cost of service application.¹⁶ This matter was accordingly deferred to Guelph Hydro’s 2016 cost of service proceeding. In Guelph Hydro’s 2016 cost of service proceeding, the GEA costs were subject to a prudence review. Prudently incurred costs were then compared to the revenues generated through the funding adder and the difference was returned to ratepayers.

The OEB is of the view that this matter differs from the issue at hand in this proceeding as funding adders can only be finalized once a prudence review has occurred which, by definition, will occur after the fact. In this case, the 2013 year-end balance in Account 1568 - LRAMVA was reviewed for prudence in the EB-2015-0073 cost of service proceeding, and disposed on a final basis.

Further, with respect to the CDM savings adjustments for the 2011 to 2013 program years, the OEB does not approve the LRAMVA amount related to these savings adjustments. The OEB has calculated the LRAMVA amount during the 2011 to 2013 period related to CDM saving adjustments to be \$132,150. Guelph Hydro’s LRAMVA for the year ending 2013 was approved on a final basis as part of its 2016 cost of service application (EB-2015-0073). Any change to a balance that was approved on a final

¹⁴ See, for example, North Bay’s 2009 Decision and Order on Disposition of RSVA balances (EB-2009-0113), p. 9

¹⁵ 2014 Decision and Order for London Hydro’s 2014 IRM Application (EB-2013-0150), p. 7

¹⁶ 2015 Decision and Rate Order for Guelph Hydro’s IRM Application (EB-2014-0077), p. 8

basis raises issues of retroactive rate making and therefore is not approved. The 2011 to 2013 CDM savings adjustments persisting for 2014 and 2015 have been approved as part of this Decision and Rate Order.

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy¹⁷ stipulates that electricity distributors will transition residential customers to a fully fixed monthly distribution service charge over a four year period starting in 2016. This year's IRM applications are once again required to adjust the distribution rates to increase the fixed charge and decrease the variable charge consistent with the policy.

The OEB expects the applicant to apply two tests to evaluate whether mitigation (generally a lengthening of the transition period) for customers in the transition is required. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Guelph Hydro's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.08. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB finds that the increases to the monthly fixed charge and to low consumption residential consumers are below the thresholds set in the OEB policy and approves the increase as proposed by the applicant and calculated in the final rate model.

¹⁷ Ibid page 2

10 IMPLEMENTATION AND ORDER

Rate Model

This Decision and Rate Order is accompanied by a rate model, applicable supporting models and a Tariff of Rates and Charges (Schedule A). Entries in the models were reviewed to ensure that they are in accordance with Guelph Hydro's EB-2015-0073 cost of service decision, the 2016 OEB-approved Tariff of Rates and Charges as well as the cost, revenue and consumption results from 2015 as reported by Guelph Hydro to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2017 for electricity consumed or estimated to have been consumed on and after such date. Guelph Hydro Electric Systems Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

ADDRESS

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DATED at Toronto, December 8, 2016

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2016-0075

DATED: December 8, 2016

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. 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	\$	22.36
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.18)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0098
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0030)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

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 credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

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

In this class:

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

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

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

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

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

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons; and
 - (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
- but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
- but does not include account-holders in Class G.

OESP Credit \$ (38.00)

Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons; and
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
- but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

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)

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. 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	\$	16.59
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.50)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0139
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0031)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 kW non-interval metered, and General Service 50 to 999 kW interval metered. Class B consumers are defined in accordance with O. Reg. 429/04. 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	\$	179.86
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.7403
Low Voltage Service Rate	\$/kW	0.0121
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP and Non-Wholesale Market Participant Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until December 31, 2017	\$/kW	0.1279
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.0687)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(0.0881)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017 - Applicable only for Class B Customers	\$/kW	0.0986
Retail Transmission Rate – Network Service Rate	\$/kW	2.1758
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2568
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7001
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7639

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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

EB-2016-0075

GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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.

The rate rider for the disposition of Class B WMS – Sub-account CBR (2017) is not applicable to wholesale market participants (WMP) and customers that transitioned between Class A and Class B in 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied in accordance with a customer's Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider.

The rate rider for the disposition of Global Adjustment (2017) is only applicable to non-RPP Class B customers. It is not applicable to WMP and customers that transitioned between Class A and Class B in the period of last Global Adjustment disposition to 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied in accordance with a customer's Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider.

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	\$	568.96
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	3.0421
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kW	0.2036
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.7699)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kW	0.1306
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2568
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7639

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2017
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approved schedules of Rates, Charges and Loss Factors

EB-2016-0075

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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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	\$	1,093.75
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.7331
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until December 31, 2017	\$/kW	1.0107
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.8638)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7254
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1299

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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.86
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0221
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until December 31, 2017	\$/kWh	(0.0006)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0028)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

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

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2017
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EB-2016-0075

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

Standby Charge - the charge is based on the applicable General Service 50 to 999 kW, or General Service 1,000 to 4,999 kW or Large Use Distribution Volumetric Rate applied to the generator's peak demand. A Standby Service Charge will be applied for a month where standby power is provided partially or is not provided.

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2017
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EB-2016-0075

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.51
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	8.3138
Low Voltage Service Rate	\$/kW	0.0089
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	0.8754
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kW	0.0951
Retail Transmission Rate – Network Service Rate	\$/kW	1.6659
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3017

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

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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EB-2016-0075

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.43
Rate Rider for Disposition of Post Retirement Actuarial Gain – effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	10.1929
Low Voltage Service Rate	\$/kW	0.0107
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	(0.0004)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(1.1907)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until December 31, 2017		
- Applicable only for Class B Customers	\$/kW	0.0943
Retail Transmission Rate – Network Service Rate	\$/kW	2.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5663

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

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0075

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.40
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ALLOWANCES

Transformer Allowance for Ownership by General Service 50 to 999 kW customers - per kW of billing demand/month	\$/kW	(0.72)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0075

SPECIFIC SERVICE CHARGES**APPLICATION**

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

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

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

Customer Administration

Arrears certificate	\$	15.00
Returned cheque (plus bank charges)	\$	8.55
Account setup charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00
Credit service charge for paperless bill	\$	(10.00)

Non-Payment of Account

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/reconnect at meter – during regular hours	\$	20.00
Disconnect/reconnect at meter - after regular hours	\$	50.00
Disconnect/reconnect at pole – during regular hours	\$	50.00
Disconnect/reconnect at pole – after regular hours	\$	95.00

Other

Service call – customer-owned equipment	\$	17.50
Service call – after regular hours	\$	95.00
Specific charge for access to the power poles – per pole/year (with the exception of wireless attachments)	\$	22.35
Overhead bond connection – per connection	\$	105.00
Underground bond connection – per connection	\$	100.00

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0075

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly fixed charge, per retailer	\$	20.00
Monthly variable charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0260
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0137
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0157
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0036

Schedule B

To Decision and Rate Order

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

OEB File No: EB-2016-0075

DATED: December 8, 2016

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

- Rate riders
- Rate adders
- Low voltage service charges
- Retail transmission service rates
- Wholesale market service rate
- Rural or remote electricity rate protection charge
- Standard supply service – administrative charge
- Ontario Electricity Support Program
- Transformation and primary metering allowances
- Loss factors
- Specific service charges
- microFIT charge
- Retail service charges