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

DECISION AND RATE ORDER

EB-2016-0063

ENTEGRUS POWERLINES INC.

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

By Delegation, Before: Theodore Antonopoulos

[date]

1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order (Decision) for Entegrus Powerlines Inc.'s Incentive Regulation Mechanism (IRM) application for 2017 rates.

Entegrus Powerlines Inc. (Entegrus Powerlines) serves about 41,000 mostly residential and commercial electricity customers in the Municipality of Chatham-Kent, the Towns of Strathroy and Parkhill, and the Villages of Mount Brydges, Dutton and Newbury. 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. Entegrus Powerlines 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 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.

Entegrus Powerlines filed an IRM application with the OEB on September 26, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Entegrus Powerlines last appeared before the OEB with a cost of service rebasing application for 2016 rates in the EB-2015-0061 proceeding.

The OEB addresses the following issues with respect to Entegrus Powerlines' IRM application in this Decision.

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

Entegrus Powerlines applied for a rate increase of 1.75% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.75% 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.

Entegrus Powerlines 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. In 2015, 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 that distributors collect from residential customers.

Before May 1, 2016, Entegrus Powerlines used to maintain four rate zones: i) Chatham-Kent, ii) Strathroy, Mount Brydges & Parkhill, iii) Dutton and iv) Newbury. In its 2016 cost of service appliation[2], Entegrus Powerlines sought harmonization of the four previous rate zones. As per its Tariff of Rates and Charges effective May 1, 2016, Entegrus Powerlines' distribution rates have been harmonized except for a few legacy rate riders (approved in prior years' rate applications) for the former Dutton and Newbury rate zones.

This Decision on Entegrus Powerlines' IRM application will result in a monthly bill decrease of $1.82 for a residential customer consuming 750 kWh in the former Chatham Kent rate zone. This bill impact result is used as representative, as the former Chatham-Kent rate zone represents the largest portion (about 80%) of Entegrus Powerlines residential customers.

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

2 THE PROCESS

Entegrus Powerlines filed an application with the OEB on September 26, 2017 under section 78 of the OEB Act and under the OEB's Chapter 3 Filing Requirements for Incentive Rate-Setting Applications seeking approval for changes to its electricity distribution rates to be effective May 1, 2017.

The OEB follows a standard, streamlined process for IRM applications under Price Cap IR. This Decision is being issued by delegated authority under section 6 of the *Ontario Energy Board Act, 1998*.

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.

[1] Board Policy: A New Distribution Rate Design for Residential Electricity Customers, EB-2012-0410, April 2, 2015
[2] EB-2015-0061

Entegrus Powerlines' IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Entegrus Powerlines through emails and phone calls. Based on this information, a decision was drafted and provided to Entegrus Powerlines on February 16, 2017. Entegrus Powerlines was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing 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.[3] 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.

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.[4] 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.[5]

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 0.0%. A stretch factor is assigned to each distributor based on the individual distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, there are five stretch factor groupings that have

[3] See list of issues in the Introduction, p.1
[4] Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)
[5] As outlined in the Report cited at footnote 3 above

each been assigned a stretch factor in the range from 0.0% to 0.6%.[6] 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 Entegrus Powerlines a stretch factor of 0.15% based on the updated benchmarking study for use for rates effective in 2017.[7] The resulting net price cap adjustment for Entegrus Powerlines is 1.75% (i.e. 1.9% - (0% + 0.15%)).

The 1.75% 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.

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 partially offset the relatively high cost of electricity distribution to eligible customers located in rural or remote areas of Ontario. The funding level is established by the government of Ontario and is recovered from all electricity customers in the province through a charge that is set annually 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. Distributors recover the WMS charges from their customers through the WMS kWh rate.

In addition, the costs of the IESO WMS Capacity Based Recovery (CBR) initiative are recovered by distributors from Class B customers through a separate kWh charge, and from Class A customers through their share of the actual CBR charge based on their contribution to peak demand.

[6] Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2015 Benchmarking Update." Pacific Economics Group LLC. July 2016
[7] As outlined in the Report cited at footnote 5 above

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 this program through the OESP charge.

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

Findings

The OEB has set the RRRP charge for 2017 at $0.0021 per kWh.

The WMS rate used by distributors to bill their Class A and B customers remains at $0.0032 per kWh. An additional component is billed to Class B customers for the CBR of $0.0004 per kWh.[8]

The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; as does the OESP charge at $0.0011 per kWh.[9]

These changes are effective January 1, 2017 for all distributors as a result of the generic orders that were part of the OEB's separate decisions. The OEB has updated the Tariff of Rates and Charges flowing from this Decision, listed in Schedule A to reflect these new regulatory charges.

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 Entegrus Powerlines, 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, as Entegrus Powerlines has done in this application.

Findings

The OEB approves the RTSRs as adjusted in this Application to reflect current applicable rates. The RTSRs are based on the previous years' UTRs as the OEB has

[8] Decision and Rate Order, EB-2016-0362, December 15, 2016
[9] Decision and Rate Order, EB-2016-0376, December 21, 2016

not yet approved the adjustment of UTRs for 2017. The OEB has approved the 2017 Sub-Transmission Class RTSRs for Hydro One Networks Inc. to use for billing embedded distributors. These rate changes have been incorporated into the 2017 IRM Rate Generator Model (RTSR filing module) to adjust the RTSRs that Entegrus Powerlines will charge its customers.[10] The differences between the previous and the new 2017 UTRs, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

The applicable UTRs and Sub-Transmission Class RTSRs for Hydro One Networks Inc. are shown in the following tables:

Current Applicable Uniform Transmission Rates

Network Service Rate	$3.66 per kW
Connection Service Rates	
Line Connection Service Rate	$0.87 per kW
Transformation Connection Service Rate	$2.02 per kW

2017 Sub-Transmission RTSRs

Network Service Rate	$3.19 per kW
Connection Service Rates	
Line Connection Service Rate	$0.77 per kW
Transformation Connection Service Rate	$1.75 per kW

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

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

[10] Rate Order, EB-2016-0081, issued December 21, 2016

costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB's policy[11] is to review and dispose of the distributor's Group 1 accounts if they exceed (as a debit or credit) the pre-set disposition threshold of $0.001 per kWh during the term of an incentive ratemaking plan. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may propose to dispose of balances below this threshold.

Entegrus Powerlines' 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of $1,666,163. This amount represents a total credit claim of $0.0018 per kWh, which exceeds the preset disposition threshold. Entegrus Powerlines proposes to dispose of this credit amount over a one-year period.

The Group 1 balance includes a Global Adjustment (GA) account credit balance of $604,899. Customers' costs for the commodity portion of their electricity service reflect the sum of two charges: the price of electricity established by the operation of the IESO administered wholesale market, and the GA. The GA charge consists of the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs. The GA is established monthly, by the IESO, 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,[12] are referred to as Class A. The costs for the GA are recovered from Class A customers 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 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. As distributors settle with Class A customers based on the actual GA costs there is no resulting 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

[11] Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)
[12] The initiative was introduced by the Government of Ontario in 2010.

from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Entegrus Powerlines proposed the refund of the GA variance account credit balance of $604,899 as at December 31, 2015, including interest to April 30, 2017, as follows:

- $562,306 to customers who were Class B customers for the entire period from January 2015 to December 2015, through a kWh rate rider,
- $42,592 to customers who were reclassified between Class A and Class B during the period January 2015 to December 2015; to be disposed through a one-time settlement payment.

The balance for the Group 1 accounts also includes an amount for the recovery of CBR charges related to the IESO's wholesale energy market Demand Response 3 program contracted program providers.[13] Distributors 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.

Entegrus Powerlines had Class A customers during the period from January 2015 to December 2015 so it applied to have the balance of this account 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 customers were reclassified between Class A and Class B during the period from January 2015 to December 2015, Entegrus Powerlines requested a one-time settlement charge to recover a portion of CBR Class B costs from these customers.

The balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements.* Entegrus Powerlines' proposal for a one-year disposition period is in accordance with the OEB's policy.[14]

Findings

The OEB approves the disposition of a credit balance of $1,666,163 as of December 31, 2015, including interest projected to April 30, 2017 for Group 1 accounts.

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

[13] The Demand Response 3 program was introduced by the then OPA in 2007 and is currently administered by the IESO
[14] Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

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	1,459,884	16,482	1,476,365
Smart Meter Entity Variance Charge	1551	(2,512)	(784)	(3,296)
RSVA - Wholesale Market Service Charge	1580	(2,008,590)	(16,238)	(2,024,829)
Variance WMS - Sub-account CBR Class B	1580	242,731	4,365	247,097
RSVA - Retail Transmission Network Charge	1584	(367,759)	(10,937)	(378,697)
RSVA - Retail Transmission Connection Charge	1586	(188,211)	(20,980)	(209,191)
RSVA - Power	1588	(155,234)	(11,277)	(166,511)
RSVA - Global Adjustment	1589	(585,729)	(19,170)	(604,899)
Disposition and Recovery of Regulatory Balances (2011)	1595	4,902	72	4,974
Disposition and Recovery of Regulatory Balances (2014)	1595	(7,072)	(104)	(7,176)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589		(1,021,862)	(39,401)	(1,061,264)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B		(1,264,594)	(43,766)	(1,308,360)

Total Group 1 Accounts		(1,607,591)	(58,571)	(1,666,163)

The balance of each of the Group 1 accounts 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. Entegrus Powerlines should ensure these adjustments are included in the reporting period ending June 30, 2017 (Quarter 2).

The OEB approves these balances to be disposed through the following rate riders/charges/payments:

- Rate Rider for Disposition of Deferral/Variance Accounts (2017) – effective until April 30, 2018
- Rate Rider for Disposition of Global Adjustment Account (2017) – effective until April 30, 2018
- Rate Rider for Disposition of Capacity Based Recovery Account (2017) – effective until April 30, 2018 – Applicable only for Class B Customers
- Reclassified Class A/B Global Adjustment Payment
- Reclassified Class A/B Capacity Based Recovery Charge

The rate riders will be in effect over a one-year period from May 1, 2017 to April 30, 2018.

Implicit in this Decision, the OEB approves the proposed disposition of the GA credit balance of $42,592 relating to the customers who were reclassified between Class A and Class B. This amount, as of December 31, 2015 and including interest projected to April 30, 2017, will be disposed as part of Group 1 account disposition through a separate payment.

In accordance with Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR), this balance is to be disposed over a one-year period from May 1, 2017 to April 30, 2018. While it is generally expected that distributors settle the amount through 12 equal adjustments to bill, the OEB accepts Entegrus Powerlines' proposal to dispose of this amount with a one-time settlement; a method clearly preferred by its customers. The OEB approves the following customer-specific principal and interest amounts to be disposed.

Allocation of Global Adjustment Balances to Customers reclassified between Class A and Class B

Customer	% of kWh	Customer specific GA allocation for the period being Class B (one-time payment)
Customer 1	40.31%	-$17,167
Customer 2	12.81%	-$5,456
Customer 3	46.89%	-$19,969
Total	100%	-$42,592

Implicit in this Decision, the OEB approves the proposed disposition of the CBR-Class B debit balance of $9,259 relating to the customers who were reclassified between Classes A and B. This amount, as of December 31, 2015 and including interest projected to April 30, 2017, will be recovered as part of Group 1 account disposition through a separate charge.

Entegrus Powerlines has requested to dispose of this amount with a one-time settlement. The OEB approves the following customer-specific principal and interest amounts to be disposed.

Allocation of Capacity Based Recovery to Customers reclassified between Class A and Class B

Customer	% of kWh	Customer specific CBR-Class B allocation for the period being Class B (one-time charge)
Customer 1	40.31%	$3,732
Customer 2	12.81%	$1,186
Customer 3	46.89%	$4,341
Total	100%	$9,259

8 THE LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

As part of the Ministry of Energy's conservation-first policy,[15] the OEB requires distributors to engage in, and deliver, conservation and demand management (CDM) activities to reduce total energy consumption. The OEB policy[16] 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 application, if the balance is deemed significant by the distributor. A request for the inclusion of lost revenues from demand response programs as part of the LRAMVA, must be addressed through a cost of service application.[17]

Entegrus Powerlines initially requested approval to dispose of Account 1568 – LRAVMA total debit balance of $293,491. The LRAMVA disposition relates to lost revenues from CDM activities in two rate zones: Chatham Kent and Strathroy, Mount Brydges & Parkhill. Entegrus Powerlines requested disposition of its LRAMVA balance on a harmonized basis. In response to OEB Staff interrogatories, Entegrus Powerlines revised the amount to $294,593 using the correct distribution rates. The conservation savings claimed by Entegrus Powerlines were determined by the IESO.[18]

The total revised LRAMVA amount of $294,593 relates to Entegrus Powerlines' two rate zones, as follows: the Chatham Kent rate zone total equals $248,408 related to lost revenues in 2015, from CDM programs delivered in 2011 to 2015, and carrying charges. The Strathroy, Mount Brydges & Parkhill rate zone total equals $46,185 related to lost revenues in 2015, from CDM programs delivered in 2006 to 2015, and carrying charges. No CDM activity in either rate zones were previously captured in rates.

Findings

Entegrus Powerlines' LRAMVA balance has been calculated in accordance with the CDM Guidelines and updated LRAMVA policy. The OEB approves the disposition of the LRAMVA debit balance of $294,593.

[15] Ministry of Energy Policy Conservation First: A Renewed Vision for Energy Conservation in Ontario in the government's 2013 Long-Term Energy Plan, Achieving Balance
[16] Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003, dated April 26, 2012)
[17] Report of the Ontario Energy Board; Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs (EB-2016-0182, dated May 19, 2016)
[18] The Ontario Power Authority was responsible for CDM program evaluation prior to 2015.

LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings ($) A	Forecasted CDM Savings ($) B	Carrying Charges ($) C	Total Claim ($) D=(A-B)+C
LRAMVA	1568	$288,882	$0	$5,712	$294,593

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy[19] stipulates that electricity distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period starting in 2016. The OEB requires that distributors filing IRM applications this year continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service 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.

In its 2016 cost of service application (EB-2015-0061), Entegrus Powerlines was approved to harmonize distribution rates simultaneously with the transition to fixed residential rates. The implementation was started by first migrating all residential customers to the highest level of fixed rates (the fixed rate percentage of the former Chatham-Kent rate zone) in 2016. Then starting in 2017, Entegrus Powerlines will transition the harmonized rates in equal increments over three years to reach fully fixed residential rates in 2019.

19 Ibid page 2

Entegrus Powerlines' implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of $1.65. 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 proposed 2017 increase to the monthly fixed charge is in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final rate model.

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 Entegrus Powerlines' EB-2015-0061 cost of service decision, and that the 2016 OEB-approved Tariff of Rates and Charges as well as the cost, revenue and consumption results from 2015 are as reported by Entegrus Powerlines 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 May 1, 2017 for electricity consumed or estimated to have been consumed on and after such date. Entegrus Powerlines Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

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DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2016-0063

DATED: [date]

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-2016-0063

DATED: [date]

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

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