



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

DECISION AND RATE ORDER

EB-2016-0107

VERIDIAN CONNECTIONS 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 Veridian Connections Inc.'s Incentive Regulation Mechanism (IRM) application for 2017 rates.

Veridian Connections Inc. (Veridian) serves about 120,000 mostly residential and commercial electricity customers in Ajax, Pickering, Belleville, Brock, Uxbridge, Scugog, Clarington, Port Hope and Gravenhurst. 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. Veridian 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.

Veridian filed an IRM application with the OEB on November 7, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Veridian last appeared before the OEB with a cost of service rebasing application for 2014 rates in the EB-2013-0174 proceeding.

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

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

Veridian 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.

Veridian 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.

This Decision on Veridian's IRM application will result in a monthly bill decrease of \$0.92 for a residential customer consuming 750 kWh, and a monthly bill decrease of \$1.81 for a seasonal customer consuming 545 kWh.

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

2 THE PROCESS

Veridian filed an application with the OEB on November 7, 2016 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.

Veridian's IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Veridian through emails and phone calls. Based on this information, a decision was drafted and provided to Veridian on March 8, 2017. Veridian was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

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

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.

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 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 each been assigned a stretch factor in the range 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 Veridian a stretch factor of 0.30% based on the updated

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

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

benchmarking study for use for rates effective in 2017.⁶ The resulting net price cap adjustment for Veridian is 1.60% (i.e. 1.9% - (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.

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.

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.

⁶ As outlined in the Report cited at footnote 5 above

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.⁷

The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; as does the OESP charge at \$0.0011 per kWh.⁸

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 SHARED TAX ADJUSTMENTS

The OEB approves an amount for taxes in a distributor's cost of service proceeding based on the tax rates in place at the time. The OEB has determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate in the period between cost of service proceedings. The shared tax change amount will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from a distributor's last cost of service proceeding.

The application identified a total tax change of \$5,698, resulting in a shared amount of \$2,849 to be charged to rate payers. Since the allocated tax sharing amount does not produce a rate rider in one or more rate classes the rate generator model does not compute rate riders and distributors are required to transfer the entire OEB-approved tax sharing amount into account 1595 for disposition at a later date⁹. Veridian has accordingly requested to record the amount in a deferral account for future disposition¹⁰.

Findings

The OEB agrees with Veridian's request to record this amount in the variance account for future disposition. Accordingly, the OEB directs Veridian to record the tax sharing of \$2,849 in variance Account 1595 by June 30, 2017 for disposition at a future date.

⁷ Decision and Rate Order, EB-2015-0294, December 15, 2016

⁸ Decision and Rate Order, EB-2016-0376, December 21, 2016

⁹ Chapter 3 Filing Requirements for Electricity Distribution Rate Applications, Appendix B

¹⁰ Veridian Connections Inc., Application filed November 7, 2016, Manager's Summary, Page 25-26

7 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 Veridian, 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 Veridian 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 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 Veridian will charge its customers.¹¹ 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
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.87 per kW
Transformation Connection Service Rate	\$2.02 per kW

¹¹ Rate Order, EB-2016-0081, issued December 21, 2016

2017 Sub-Transmission RTSRs

Network Service Rate	\$3.19 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77 per kW
Transformation Connection Service Rate	\$1.75 per kW

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

The OEB's policy¹² 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.

Veridian's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$646,732. This amount represents a total credit claim of \$0.0003 per kWh, which does not exceed the preset disposition threshold. Veridian proposes to dispose of this credit amount over a one-year period on the grounds that the Global Adjustment account and Group 1 balances result in material amounts on an individual basis.

The Group 1 balance includes a Global Adjustment (GA) account balance of \$4,857,707. 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

¹² Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

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,¹³ 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 from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Veridian proposed the recovery of the GA variance account balance of \$4,857,707 as at December 31, 2015, including interest to April 30, 2017, as follows:

- \$4,523,148 from customers who were Class B customers for the entire period from January 2015 to December 2015, through a kWh rate rider,
- \$334,559 from customers formerly in Class B during the period January 2015 to June 30, 2015 who were reclassified to Class A; to be disposed through a one-time settlement charge

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.¹⁴ 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.

Veridian had Class A customers during the period from January 2015 to December 2015 so it applied to have the balance of this account of \$608,731 disposed as follows:

¹³ The initiative was introduced by the Government of Ontario in 2010.

¹⁴ The Demand Response 3 program was introduced by the then OPA in 2007 and is currently administered by the IESO

- \$602,547 from customers who were Class B customers for the entire period from January 2015 to December 2015, through a rate rider,
- \$6,184 from customers formerly in Class B during the period January 2015 to June 30, 2015 who were reclassified to Class A; to be disposed through a one-time settlement charge.

All the balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements* except the RSVA Power Account 1588 which had a difference of approximately \$2.1M. Veridian explained that the difference is attributable to an RPP Settlement Adjustment error which was discovered after filing the RRR. Veridian's proposal is for a one-year disposition period is in accordance with the OEB's policy.¹⁵

In addition, OEB staff asked questions regarding the reasons for the high \$4.8M GA balance. Veridian attributed the balance to differences between the first estimate GA rate for billing versus the actual GA rate for payments to the IESO, as well as unbilled revenue estimation differences, and RPP settlement true-ups relating to 2015 which weren't completed until 2016, after the 2015 Financial Statements were issued.

Findings

The OEB approves the disposition of a credit balance of \$646,732 as of December 31, 2015, including interest projected to April 30, 2017 for Group 1 accounts.

The OEB notes that although Veridian was able to reconcile the RSVA-GA account for 2015, the balance of the account was relatively high. The OEB encourages Veridian to consider how to improve its accounting and billing processes to minimize balances going forward.

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

¹⁵ 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	780,765	15,722	796,487
Smart Meter Entity Variance Charge	1551	(38,727)	(986)	(39,712)
RSVA - Wholesale Market Service Charge	1580	(5,728,268)	(108,698)	(5,836,967)
Variance WMS - Sub-account CBR Class B	1580	597,994	10,737	608,731
RSVA - Retail Transmission Network Charge	1584	(273,846)	(13,828)	(287,674)
RSVA - Retail Transmission Connection Charge	1586	596,070	13,448	609,518
RSVA - Power	1588	(1,466,755)	(5,802)	(1,472,557)
RSVA - Global Adjustment	1589	4,852,571	5,136	4,857,707
Disposition and Recovery of Regulatory Balances (2010)	1595	(38,103)	(1,328)	(39,431)
Disposition and Recovery of Regulatory Balances (2012)	1595	388,534	175,237	563,771
Disposition and Recovery of Regulatory Balances (2013)	1595	(164,413)	(87,780)	(252,192)
Disposition and Recovery of Regulatory Balances (2014)	1595	34,422	(188,835)	(154,413)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589		(5,312,327)	(192,112)	(5,504,439)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B		(5,910,321)	(202,850)	(6,113,171)
Total Group 1 Accounts		717,755	(48,283)	(646,732)

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. Veridian 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:

- 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 – Applicable only for Non-RPP Customers
- 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 Charge
- Reclassified Class A/B Capacity Based Recovery Adjustment Charge

The rate riders and charges 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 debit balance of \$334,559 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 recovered as part of Group 1 account disposition through a separate charge.

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. Veridian has requested a 12-month disposition period. 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	Monthly Equal Charges/Payments
Customer 1	38.9%	\$ 130,206	\$10,850
Customer 2	18.3%	\$ 61,074	\$ 5,089
Customer 3	17.5%	\$ 58,458	\$ 4,871
Customer 4	25.4%	\$ 84,822	\$ 7,068
Total		\$ 334,559	\$27,886

Implicit in this Decision, the OEB approves the proposed disposition of the CBR-Class B debit balance of \$6,184 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.

In accordance with the accounting guidance on capacity based recovery,¹⁶ this balance is to be disposed over a one-year period from May 1, 2017 to April 30, 2018. Veridian has requested to dispose of this amount with a one-time settlement charge. 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 Settlement Charge
Customer 1	38.9%	\$ 2,407	\$ 2,407
Customer 2	18.3%	\$ 1,129	\$ 1,129
Customer 3	17.5%	\$ 1,081	\$ 1,081
Customer 4	25.4%	\$ 1,568	\$ 1,568
Total		\$ 6,184	\$ 6,184

¹⁶ OEB letter dated July 25, 2016 – Accounting Guidance on Capacity Based Recovery

9 THE LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

As part of the Ministry of Energy's conservation-first policy,¹⁷ the OEB requires distributors to engage in, and deliver, conservation and demand management (CDM) activities to reduce total energy consumption. The OEB policy¹⁸ 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.¹⁹

Actual conservation savings were compared against Veridian's forecasted conservation savings of 31,633,296 kWh included in the most recent load forecast, which was set out in Veridian's 2014 cost of service application²⁰. Veridian requested disposition of its LRAMVA debit balance of \$561,168, consisting of lost revenues in 2013, 2014 and 2015 from conservation and demand management programs delivered in 2011-2015 and carrying charges. The conservation savings claimed by Veridian were determined by the IESO.²¹

Findings

Veridian's 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 \$561,168.

¹⁷ 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

¹⁸ Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003, dated April 26, 2012)

¹⁹ 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)

²⁰ EB-2013-0174

²¹ 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	\$1,030,151	\$488,665	\$19,682	\$561,168

10 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy²² 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.

Veridian's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.12 for residential customers and \$3.37 for seasonal residential customers. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential and seasonal 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 and seasonal 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.

²² Ibid page 2

11 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 Veridian's EB-2013-0174 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 Veridian 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. Veridian Connections 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, [date]

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

DRAFT

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2016-0107

DATED: [date]

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0107

RESIDENTIAL SERVICE CLASSIFICATION

All residential customers with kilowatt-hour meters shall be deemed to have a demand of 50kW or less. This customer classification included single family homes, street townhouses, multiplexes, and block townhouses. This classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. To be classified as Residential, the customer must represent and warrant that the premise is designated as his/her principal residence or, in the case of a rented premise, that the premise is the principal residence of the rental occupant.

A principal residence is defined as meeting the following criteria:

- a. The occupant must live in this residence for at least 8 months of the year.
- b. The address of this residence must appear on the occupant's electric bill, driver's license, credit card invoice, property tax bill, etc.
- c. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

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	\$	19.73
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0083
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017)		
- effective until April 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0024)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0107

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

DRAFT

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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EB-2016-0107

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

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

APPLICATION

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

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

In this class:

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

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

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

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

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

MONTHLY RATES AND CHARGES

Class A

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

OESP Credit \$ (30.00)

Class B

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

OESP Credit \$ (34.00)

Class C

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

OESP Credit \$ (38.00)

Class D

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

OESP Credit \$ (42.00)

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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)

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SEASONAL RESIDENTIAL SERVICE CLASSIFICATION

This classification is defined as any residential service not meeting the Residential Service Classification criteria. It includes such dwellings as cottages, chalets, and camps. 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	\$	37.39
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0215
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0042)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Veridian Connections Inc.
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GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than 50kW.

Class B consumers are defined in accordance with O. Reg. 429/04.

Further servicing details are available in the distributor's Condition 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	\$	16.90
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0170
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	0.0002
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0024)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50kW but less than 3,000 kW. Class A and Class B customers 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	\$	107.98
Distribution Volumetric Rate	\$/kW	3.3314
Low Voltage Service Rate	\$/kW	0.3858
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.0876
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.1976)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	0.2018
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.1102
Retail Transmission Rate - Network Service Rate	\$/kW	3.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0348

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average peak demand used for billing purposes over the past twelve months is equal to or greater than, or forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

Class A and Class B customers 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	\$	5,674.07
Distribution Volumetric Rate	\$/kW	2.1106
Low Voltage Service Rate	\$/kW	0.4346
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.0057
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.0755)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.1274
Retail Transmission Rate - Network Service Rate	\$/kW	3.3121
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2348

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Veridian Connections Inc.
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LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is greater than, or is forecast to be greater than, 5,000 kW.

Class A and Class B customers 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	\$	8,523.61
Distribution Volumetric Rate	\$/kW	2.9724
Low Voltage Service Rate	\$/kW	0.4157
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.1415
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.4208)
Retail Transmission Rate - Network Service Rate	\$/kW	3.3121
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2348

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

In general, all services will be metered. However, certain types of electrical loads are not practical to meter, or the cost of metering represents an inordinate expense to both the Customer and Veridian. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. These situations can be managed through a controlled connection and a pre-defined basis for estimating consumption.

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)	\$	6.89
Distribution Volumetric Rate	\$/kWh	0.0169
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0024)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

Sentinel lights (dusk-to-dawn) connected to unmetered wires will have a flat rate monthly energy charge added to the regular customer bill.

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	\$	4.54
Distribution Volumetric Rate	\$/kW	13.7229
Low Voltage Service Rate	\$/kW	0.2505
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.8682)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.0969
Retail Transmission Rate - Network Service Rate	\$/kW	1.8751
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2793

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street or roadway lighting equipment owned by or operated for a municipality or the Province of Ontario shall be classified as Street Lighting Service.

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 light)	\$	0.70
Distribution Volumetric Rate	\$/kW	3.7524
Low Voltage Service Rate	\$/kW	0.2618
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.1118
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.8652)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.0965
Retail Transmission Rate - Network Service Rate	\$/kW	1.9744
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3369

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Veridian Connections Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
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EB-2016-0107

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

SPECIFIC SERVICE CHARGES

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
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

Other

Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35
Customer substation isolation - after hours	\$	905.00

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RETAIL SERVICE CHARGES (if applicable)

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	1.0482
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0146
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0344
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

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-2016-0107

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