



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

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**DECISION AND RATE ORDER**

**EB-2016-0224**

**HEARST POWER DISTRIBUTION COMPANY  
LTD.**

**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**

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**March 30, 2017**

# 1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order (Decision) for Hearst Power Distribution Company Ltd.'s Incentive Regulation Mechanism (IRM) application for 2017 rates.

Hearst Power Distribution Company Ltd. (Hearst Power) serves about 2,700 mostly residential and commercial electricity customers in the Town of Hearst. 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. Hearst Power 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 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.

Hearst Power filed an IRM application with the OEB on October 18, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Hearst Power last appeared before the OEB with a cost of service rebasing application for 2015 rates in the EB-2014-0080 proceeding.

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

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

Hearst Power 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.

Hearst Power 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.<sup>1</sup> 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 Hearst Power's IRM application will result in no monthly bill increase for a residential customer consuming 750 kWh.

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

## 2 THE PROCESS

Hearst Power filed an application with the OEB on October 18, 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.

Hearst Power's IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Hearst Power through emails and phone calls. Based on this information, a decision was drafted and provided to Hearst Power on February 23, 2017. Hearst Power was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

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<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup>

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%.<sup>5</sup> 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 Hearst Power a stretch factor of 0.15% based on the updated

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<sup>2</sup> See list of issues in the Introduction, p.1

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

<sup>4</sup> As outlined in the Report cited at footnote 3 above

<sup>5</sup> 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.<sup>6</sup> The resulting net price cap adjustment for Hearst Power 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.

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

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.<sup>7</sup>

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<sup>6</sup> As outlined in the Report cited at footnote 5 above

<sup>7</sup> Decision and Rate Order, EB-2016-0362, December 15, 2016

These changes are effective January 1, 2017 for all distributors as a result of the generic order that was part of a separate OEB decision.<sup>8</sup>

The Ontario Electricity Support Program (OESP) is a program to deliver on-bill rate assistance to low income electricity customers. This program was funded by all Ontario customers through the OESP Charge.

On March 23, 2017, the OEB issued a Decision and Order rescinding the OESP charge effective May 1, 2017<sup>9</sup> until further notice.

The OEB has updated the Tariff of Rates and Charges flowing from the above, listed in Schedule A, to reflect these changes. Although the OEB has also, for administrative convenience, removed the OESP credits from the attached tariff, distributors must continue until further notice to apply the OESP credits on bills issued to eligible low-income customers, as set by the OEB's December 21, 2016 Order.<sup>10</sup>

## 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 \$2,139, resulting in a shared amount of \$1,069 to be distributed 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 date.<sup>11</sup> Hearst Power has accordingly requested to record the amount in a deferral account for future disposition.<sup>12</sup>

### Findings

The OEB agrees with Hearst Power's request to record this amount in the variance

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<sup>8</sup> Ibid

<sup>9</sup> EB-2017-0135

<sup>10</sup> EB-2016-0376

<sup>11</sup> Chapter 3 Filing Requirements for Electricity Distribution Rate Applications, Appendix B

<sup>12</sup> Hearst Power Distribution Company, Application filed October 18, 2016, Manager's Summary, Page 14

account for future disposition. Accordingly, the OEB directs Hearst Power to record the tax sharing of \$1,069 in variance Account 1595 by June 30, 2017 for disposition at a future date.

## 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 Hearst Power, 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 Hearst Power 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 Hearst Power will charge its customers.<sup>13</sup> 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

<sup>13</sup> 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 policy<sup>14</sup> 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.

Hearst Power's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a debit of \$179,565. This amount represents a total debit claim of \$0.0021 per kWh, which exceeds the preset disposition threshold. Hearst Power proposes to dispose of this debit amount over a one-year period.

The Group 1 balance includes a Global Adjustment (GA) account balance of \$115,182. 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

<sup>14</sup> Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

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,<sup>15</sup> 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.

Hearst Power proposed the recovery of the GA variance account balance of \$115,182 as at December 31, 2015, including interest to April 30, 2017, from customers who were Class B customers for the entire period from January 2015 to December 2015, through a kWh rate rider.

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.<sup>16</sup> 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.

Hearst Power had no Class A customers during the period from January 2015 to December 2015 so it applied to have the balance of this account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

The OEB is concerned with the large balance in Account 1595 (2012). The OEB notes that the proposed debit balance of \$99,451 for account 1595 (2012) is a residual balance flowing from a previously approved credit balance of \$627,950 from Hearst Power's 2012 rate proceeding. This original balance was approved for disposition<sup>17</sup> over

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<sup>15</sup> The initiative was introduced by the Government of Ontario in 2010.

<sup>16</sup> The Demand Response 3 program was introduced by the then OPA in 2007 and is currently administered by the IESO

<sup>17</sup> Decision and Rate Order, EB-2011-0171, issued April 4, 2012

three years commencing May 1, 2012. Hearst Power transferred the approved balances to account 1595 (2012) for the purpose of tracking the disposition period consistent with the OEB's accounting guidance.

Hearst Power brought forward for disposition the residual balance in this account in its 2015 cost of service proceeding, prematurely. The OEB requires deferral and variance account balances to be audited before being brought forward for disposition but also requires that any rate riders associated with the draw down of these accounts to have expired.

For 2015 cost of service filers, most utilities brought forward their year ending 2013 balances. Due to the lateness of Hearst Power's cost of service application, Hearst Power proposed to dispose of the year ending 2014 balances because Hearst Power was able to provide audited balances to support its request for disposition given the passage of time.

Included in the group of accounts whose balances were proposed for disposition was account 1595 (2012), which as of December 31, 2014 was audited, but had not been completely drawn down (the approved rate riders continued to be in effect for another four months, to April 30, 2015).

The residual balance as of December 31, 2014 was a credit of \$65,290.<sup>18</sup> The balance had been audited and was consistent with Hearst Power's RRRs. With the disposition of the \$65,290 residual credit balance, and the continuation of the original credit riders for another four months, Hearst Power over refunded its customers by a significant amount. The company has calculated an updated residual debit balance of \$99,541 in account 1595 (2012) as of December 31, 2015 (including interest to April 30, 2017) and in the original application asked for recovery in this proceeding. After discussion with OEB staff, Hearst Power proposed that if an audit was required of the 1595 sub-accounts, that the 1595 sub-accounts be disposed at a later date.

For the remaining accounts, the balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements*. Hearst Power's proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>19</sup>

## Findings

The OEB approves the disposition of a debit balance of \$80,708 as of December 31, 2015, including interest projected to April 30, 2017 for Group 1 accounts. This amount

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<sup>18</sup> Decision and Rate Order, EB-2014-0080, issued January 21, 2016

<sup>19</sup> Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

represents a total debit claim of \$0.001 per kWh, which equals the preset disposition threshold and reflects the exclusion of the three Account 1595 sub-accounts.

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

### Group 1 Deferral and Variance Account Balances

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance (\$) A</b>	<b>Interest Balance (\$) B</b>	<b>Total Claim (\$) C=A+B</b>
LV Variance Account	1550	53,759	1,736	55,495
Smart Meter Entity Variance Charge	1551	540	18	559
RSVA - Wholesale Market Service Charge	1580	(110,088)	(3,444)	(113,532)
Variance WMS - Sub-account CBR Class B	1580	10,383	262	10,645
RSVA - Retail Transmission Network Charge	1584	5,052	784	5,835
RSVA - Retail Transmission Connection Charge	1586	12,471	567	13,038
RSVA - Power	1588	(5,436)	(1,078)	(6,515)
RSVA - Global Adjustment	1589	112,654	2,529	115,182
<b>Total Group 1 Accounts Excluding Global Adjustment - Account 1589</b>		(33,319)	(1,155)	(34,474)
<b>Total Group 1 Accounts</b>		79,335	1,373	80,708

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. Hearst Power 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:

- 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

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

In addition to the concern raised above about Account 1595 (2012), the OEB notes that Hearst Power proposed two other sub-accounts of Account 1595 for disposition. One of those sub-accounts (2011) was already disposed once in a prior proceeding.

There is no specific guidance with respect to the treatment of residual balances in 1595 sub-accounts. That said, the intent of establishing separate sub-accounts within account 1595 for each disposition period is to track the original draw-down of approved balances. These sub-accounts were not intended to track subsequent residual balances, year after year. If Hearst Power is unsure as to how to deal with residual balances in Account 1595 sub-accounts, it should contact OEB staff for guidance.

The amount in the 2011 sub-account in this application is not material. However, given the concerns raised regarding Hearst Power's use of Account 1595 (2012), none of the three sub-accounts filed in this application will be disposed at this time and the OEB will require Hearst Power to provide a detailed mapping of the approved amounts transferred to the applicable sub-accounts of 1595 and provide a reconciliation explaining any errors made in these accounts commencing with the 2011 rate year. At that time, the OEB will decide if the 2011 sub-account residual balance will be disposed.

Going forward however, it is the OEB's expectation that Hearst Power will not seek disposition for vintage Account 1595 sub-accounts that were previously disposed and that it will follow the guidance provided in this regard.

## 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<sup>20</sup> 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 10<sup>th</sup> percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Hearst Power's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.80. 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 Hearst Power's EB-2014-0080 cost

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<sup>20</sup> Ibid page 2

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 Hearst Power 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. Hearst Power Distribution Company Ltd. 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, March 30, 2017

### **ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2016-0224**

**DATED: March 30, 2017**

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	16.01
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until December 31, 2019	\$	3.48
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	0.24
Distribution Volumetric Rate	\$/kWh	0.0085
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment-Account (2016) – effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kWh	(0.0013)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### 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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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	\$	18.62
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until December 31, 2019	\$	5.11
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	0.62
Distribution Volumetric Rate	\$/kWh	0.0063
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0004)
Rate Rider for Disposition of Global Adjustment-Account (2016) – effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kWh	(0.0013)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

#### APPLICATION

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

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

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

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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	\$	55.78
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until December 31, 2019		8.36
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	4.55
Distribution Volumetric Rate	\$/kW	1.7554
Low Voltage Service Rate	\$/kW	0.2296
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.1537)
Rate Rider for Disposition of Global Adjustment-Account (2016) – effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kW	0.5288
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kW	(0.4482)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kW	(0.1759)
Retail Transmission Rate – Network Service Rate	\$/kW	2.1769
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7418

#### 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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### INTERMEDIATE USER SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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

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

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

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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	\$	226.91
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until December 31, 2019	\$	9.46
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	71.36
Distribution Volumetric Rate	\$/kW	1.1662
Low Voltage Service Rate	\$/kW	0.2708
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.1486)
Rate Rider for Disposition of Global Adjustment-Account (2016) – effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kW	0.5518
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kW	(0.4677)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kW	(0.1836)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4348
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0545

### 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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

#### APPLICATION

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

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

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

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

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.63
Distribution Volumetric Rate	\$/kW	8.1489
Low Voltage Service Rate	\$/kW	0.1795
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.1706)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kW	(0.3754)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kW	(0.1466)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6500
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3621

#### 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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.64
Distribution Volumetric Rate	\$/kW	2.5703
Low Voltage Service Rate	\$/kW	0.1759
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.1413)
Rate Rider for Disposition of Global Adjustment-Account (2016) – effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kW	0.4867
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2017	\$/kW	(0.4156)
Rate Rider for Disposition of Account 1576 – effective until December 31, 2017	\$/kW	(0.1619)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6417
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3345

### 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
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### 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 utility's Conditions of Service.

### APPLICATION

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.40
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# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

#### APPLICATION

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

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

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

#### Customer Administration

Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	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	\$	40.00
Disconnect/reconnect at pole - during regular hours	\$	time and materials
Install/remove load control device – during regular hours	\$	40.00

#### Other

Temporary service install and remove – overhead – no transformer	\$	time and materials
Temporary service install and remove – underground – no transformer	\$	time and materials
Specific charge for access to the power poles – per pole/year (with the exception of wireless attachments)	\$	22.35

# Hearst Power Distribution Company Ltd.

## 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-2016-0224

### RETAIL SERVICE CHARGES (if applicable)

#### APPLICATION

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

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

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

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

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

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

### LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0414
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0310

**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-2016-0224**

**DATED: March 30, 2017**

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

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