



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

DECISION AND RATE ORDER

EB-2016-0108

WASAGA DISTRIBUTION 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

March 30, 2017

1 INTRODUCTION AND SUMMARY

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

Wasaga Distribution Inc. (Wasaga Distribution) serves about 13,200 mostly residential and commercial electricity customers in the Town of Wasaga Beach. 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. Wasaga Distribution 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.

Wasaga Distribution filed an IRM application with the OEB on October 17, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Wasaga Distribution last appeared before the OEB with a cost of service rebasing application for 2016 rates in the EB-2015-0107 proceeding.

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

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

Wasaga Distribution applied for a rate increase of 1.90% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.90% 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.

Wasaga Distribution 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 Wasaga Distribution's IRM application will result in a monthly bill decrease of \$0.84 for a residential customer consuming 750 kWh.

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

2 THE PROCESS

Wasaga Distribution filed an application with the OEB on October 17, 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.

Wasaga Distribution's IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Wasaga Distribution through emails and phone calls. Based on this information, a decision was drafted and provided to Wasaga Distribution on February 28, 2017. Wasaga Distribution 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.

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

Findings

The OEB assigned Wasaga Distribution a stretch factor of 0.00% based on the updated benchmarking study for use for rates effective in 2017.⁶ The resulting net price cap adjustment for Wasaga Distribution is 1.90% (i.e. 1.9% - (0% + 0.00%)).

The 1.90% 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

⁶ As outlined in the Report cited at footnote 5 above

of \$0.0004 per kWh.⁷

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.⁸

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, 2017⁹ 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.¹⁰

6 RETAIL TRANSMISSION SERVICE RATES

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

Findings

The OEB approves the RTSRs as adjusted in this Application to reflect current applicable rates. 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)

⁷ Decision and Rate Order, EB-2016-0362, December 15, 2016

⁸ Ibid

⁹ EB-2017-0135

¹⁰ EB-2016-0376

to adjust the RTSRs that Wasaga Distribution will charge its customers.¹¹ The Sub-Transmission Class RTSRs for Hydro One Networks Inc. are shown in the following table:

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

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these 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.

Wasaga Distribution's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$688,836. This amount represents a total credit claim of \$0.0055 per kWh, which exceeds the preset disposition threshold. Wasaga Distribution applied to dispose of this credit amount over a one-year period in its IRM application as originally filed on October 17, 2016.

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

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

In the review of Wasaga Distribution's application, the OEB noted that it considered the balances in RSVA – Global Adjustmnet (GA) and RSVA – Power accounts to be high, based on Wasaga Distribution's customer base.

In response to OEB staff questions regarding what appear to be unusually high balances in RSVA – Power (total credit amount of \$1,135,577) and RSVA – GA (total debit amount of \$309,575), Wasaga Distribution provided an analysis of its account balances. While Wasaga Distribution confirmed that the balances are high, the account balances were not adequately explained or substantiated.

Wasaga Distribution noted that it would prefer to complete a more comprehensive review of all its Group 1 accounts, especially RSVA – Power and RSVA – GA, and therefore Wasaga Distribution requested to defer the disposition of its Group 1 accounts until its next IRM application.

Findings

The OEB approves Wasaga Distribution's request to defer the disposition of its Group 1 accounts to its next IRM application. The OEB considers the balances in RSVA – Power and RSVA – GA accounts high based on Wasaga Distribution's customer base and acknowledges Wasaga Distribution's proposal to conduct a more thorough review. However, based on the evidence on record and the fact that commodity is one of the largest cash items that a distributor the size of Wasaga Distribution manages on a monthly basis, the OEB directs that this review be conducted by way of an external special purpose audit engagement, at minimum for accounts 1588 RSVA - Power and 1589 RSVA - GA for the period from January 1, 2015 to December 31, 2016. Wasaga Distribution may decide if this special purpose audit be extended to all Group 1 accounts or whether the company prefers to do its own review of the remaining accounts.

The purpose of the formal audit shall be to provide an independent validation that the transactions have been recorded accurately in all material respects, and that the RPP settlement claims and true-ups made with the IESO are accurate. Wasaga Distribution is to provide the results of the audit with its next rate application.

On March 7, 2017, Wasaga Distribution filed a letter of comment with the OEB on the Draft Decision and Rate Order issued on February 28, 2017. In its comments, Wasaga Distribution noted that while it wishes to cooperate fully with the OEB's request for the external special purpose audit, it has several concerns such as increased financial pressure on the utility, uncertainty as to the exact form of the audit and the unavailability of an external auditor with sufficient understanding to conduct a complete audit.

The OEB notes that the information an external auditor would need to perform the special purpose audit is publicly available, such as the OEB's Accounting Procedures Handbook, the IESO's Market Rules with respect to the wholesale settlement process, and the IESO's Regulated Price Plan Certification Program. This information, in conjunction with the utility's guidance, should be sufficient to allow the auditor to present a special purpose audit report, including audit scope and procedures followed, that confirms that the subject balances are complete, accurate and free of material errors.

8 THE LOST REVENUE ADJUSTMENT MECHANISM

As part of the Ministry of Energy's conservation-first policy,¹³ the OEB requires distributors to engage in, and deliver, conservation and demand management (CDM) activities to reduce total energy consumption. The OEB policy¹⁴ 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.¹⁵

Wasaga Distribution originally requested disposition of a total LRAMVA debit balance of \$26,794. The conservation savings claimed by Wasaga Distribution were determined by the IESO.¹⁶

The first component of the LRAMVA balance that was claimed related to new lost revenues in 2015 from CDM programs delivered between 2011 and 2015 as well as carrying charges. The 2015 LRAMVA amount originally claimed by Wasaga Distribution was a debit balance of \$26,049. The second component of the LRAMVA balance to be claimed related to a true-up of the LRAMVA balance for lost revenues from 2011 to 2014 for CDM programs delivered between 2011 and 2014 required by the OEB as part

¹³ 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

¹⁴ Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003, dated April 26, 2012)

¹⁵ 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)

¹⁶ The Ontario Power Authority was responsible for CDM program evaluation prior to 2015.

of Wasaga Distribution's 2016 cost of service application.¹⁷ The true-up amount requested by Wasaga Distribution was a debit balance of \$746.

In the OEB's decision for the 2016 cost of service application, the OEB ordered Wasaga Distribution to bring forward, in its 2017 rates application, the adjustment amount to the 2015 LRAMVA balance that stems from the determination of outstanding LRAMVA allocation issues in the generic process initiated by the OEB on March 3, 2016.¹⁸ The true-up of the LRAMVA balance entailed making an adjustment for the difference between the amounts originally claimed and any changes resulting from the updates to the OEB's LRAMVA policy.¹⁹ This comparison of originally claimed amounts from the 2016 cost of service application of a credit of \$18,456 and actual lost revenues based on the OEB's updated LRAMVA policy of a debit of \$19,202 results in the true-up debit amount of \$746.

In response to OEB staff questions on the first component, Wasaga Distribution indicated that the 2011 persisting CDM savings were included in the load forecast that was approved in its 2012 cost of service application.²⁰ Wasaga Distribution updated its 2015 LRAMVA balance to remove the persisting 2011 CDM savings.

The total 2015 LRAMVA balance proposed for disposition was updated from the initial requested amount of \$26,794 to \$23,339 to exclude the persistence of savings from 2011 in 2015.

Findings

Wasaga Distribution's LRAMVA balance has been calculated in accordance with the CDM Guidelines and updated LRAMVA policy. The OEB approves the revised disposition of the LRAMVA debit balance of \$23,339.

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	\$66,465	\$43,276	\$150	\$23,339

¹⁷ EB-2015-0107

¹⁸ Wasaga Distribution's 2016 COS Decision and Rate Order, EB-2015-0107, p. 7

¹⁹ The OEB policy consultation (EB-2016-0182) related to the updated policy on applying peak demand savings from CDM programs into the lost revenue calculation.

²⁰ EB-2011-0103

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy²¹ 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.

Wasaga Distribution's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.32. 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 Wasaga Distribution's EB-2015-

²¹ Ibid page 2

0107 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 Wasaga Distribution 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. Wasaga Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. In its next rate application, Wasaga Distribution Inc. shall file the results of a special purpose audit of the balances in its RSVA – Power and RSVA – GA accounts, in compliance with the OEB’s instructions as set out in this Decision.

ADDRESS

Ontario Energy Board
P.O. Box 2319
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Attention: Board Secretary

E-mail: BoardSec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

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-2016-0108

DATED: March 30, 2017

Wasaga Distribution 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-2016-0108

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	17.56
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0081
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0040

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

Wasaga Distribution 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-2016-0108

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 average peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.04
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0152
Low Voltage Service Rate	\$/kWh	0.0021
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035

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

Wasaga Distribution 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-2016-0108

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.42
Distribution Volumetric Rate	\$/kW	5.1924
Low Voltage Service Rate	\$/kW	0.8246
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2017) - effective until April 30, 2018	\$/kW	0.2367
Retail Transmission Rate - Network Service Rate	\$/kW	2.5191
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3650

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

Wasaga Distribution 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-2016-0108

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.33
Distribution Volumetric Rate	\$/kWh	0.0087
Low Voltage Service Rate	\$/kWh	0.0021
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035

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

Wasaga Distribution 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-2016-0108

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.60
Distribution Volumetric Rate	\$/kW	0.9601
Low Voltage Service Rate	\$/kW	0.6397
Retail Transmission Rate - Network Service Rate	\$/kW	1.9000
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0552

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

Wasaga Distribution Inc.
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EB-2016-0108

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 a wholesale market price, as applicable.

It should be noted that this schedule does 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 HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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ALLOWANCES

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

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SPECIFIC SERVICE CHARGES

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
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	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 charge – per month	%	1.50
Late payment charge – 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
Disconnect/reconnect at pole – during regular hours	\$	185.00
Disconnect/reconnect at pole – after regular hours	\$	415.00
Install/remove load control device – during regular hours	\$	65.00
Install/remove load control device – after regular hours	\$	185.00

Other

Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	\$	22.35

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EB-2016-0108

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	1.0802
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0702

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-2016-0108

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