



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

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**DECISION AND RATE ORDER**

**EB-2016-0069**

**ESSEX POWERLINES CORPORATION**

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

**By Delegation, Before: Lynne Anderson**

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**March 30, 2017**

# 1 INTRODUCTION AND SUMMARY

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

Essex Powerlines Corporation (Essex Powerlines) serves about 29,000 mostly residential and commercial electricity customers in the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington and the Town of Tecumseh. 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. Essex Powerlines has selected the Price Cap Incentive Rate-setting (Price Cap IR) option that has a five-year term. Rates are set through a cost of service rebasing application for the first year and are adjusted mechanistically through an IRM application for each of the ensuing four years. The price cap adjustment is based on inflation and the OEB's assessment of a distributor's efficiency.

Essex Powerlines filed an IRM application with the OEB on January 12, 2017 to seek approval for changes to its distribution rates to be effective May 1, 2017. Essex Powerlines last appeared before the OEB with a cost of service rebasing application for 2010 rates in the EB-2009-0143 proceeding.

The OEB addresses the following issues with respect to Essex Powerlines' 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

Essex Powerlines applied for a rate increase of 1.75% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.75% price cap adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

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

a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<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 Essex Powerlines' IRM application will result in a monthly bill increase of \$1.90 for a residential customer consuming 750 kWh.

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

## 2 THE PROCESS

Essex Powerlines filed an application with the OEB on January 12, 2017 under section 78 of the OEB Act and under the OEB's Chapter 3 Filing Requirements for Incentive Rate-Setting Applications seeking approval for changes to its electricity distribution rates to be effective May 1, 2017.

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

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

Essex Powerlines' IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Essex Powerlines through emails and phone calls. Based on this information, a decision was drafted and provided to Essex Powerlines on March 7, 2017. Essex Powerlines 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 Essex Powerlines 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 Essex Powerlines is 1.75% (i.e. 1.9% - (0% + 0.15%)).

The 1.75% adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

## 5 REGULATORY CHARGES

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

The Rural or Remote Electricity Rate Protection (RRRP) program is designed to partially offset the relatively high cost of electricity distribution to eligible customers located in rural or remote areas of Ontario. The funding level is established by the government of Ontario and is recovered from all electricity customers in the province through a charge that is set annually by the OEB.

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

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

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 \$95,288, resulting in a shared amount of \$47,644 to be distributed to rate payers. Essex Powerlines requested the amount be transferred to 1595 as instructed in Tab 9 Shared Tax Rate Rider. OEB staff reviewed the calculations in Tab 9 Shared Tax Rate Rider and confirmed there should have been rate riders calculated for all rate classes except the General Service 3,000 to 4,999 rate class. Essex Powerlines stated in their 2015 IRM application<sup>11</sup> that one customer, Hydro One Networks Inc., does not get charged rate riders and the other commercial customer was lost in June 2014. Essex Powerlines changed the volumetric data used for the intermediate class to ensure the allocation of the tax savings was more accurately applied. Due to Essex Powerlines changing their volumetric data to zero for

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<sup>8</sup> Ibid

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

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

<sup>11</sup> Essex Power Managers Summary, EB-2014-0072, Exhibit 1 Tab 2

the General Service 3,000 to 4,999 kW rate class, the model automatically calculated zero rate riders for all rate classes. OEB staff has since updated the model to correctly calculate rate riders for all other rate classes.

Essex Powerlines provided a comment on the draft decision in relation to the General Service 3,000 to 4,999 kW rate class. Essex Powerlines noted that tax rate riders are required for the GS 3,000 to 4,999 rate class as it now has a new customer in that class. OEB staff have again updated the model to correctly calculate rate riders for all rate classes.

### **Findings**

The OEB approves the disposition of the shared tax amount of \$47,644 to be applied to all customer classes over a one-year period (i.e. May 1, 2017 to April 30, 2018), including the intermediate class. The amount will be disposed through a fixed monthly rate rider for residential customers and through riders calculated on a volumetric basis for all other customers.

## **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. Embedded distributors, such as Essex Powerlines, 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 Essex Powerlines has done in this application.

Essex Powerlines provided a comment on the draft decision in relation to the General Service 3,000 to 4,999 rate class. Essex Powerlines noted that RTSR rate riders are required for the GS 3,000 to 4,999 rate class as it now has a new customer in that class. OEB staff have updated the model to correctly calculate rate riders for all rate classes.

### **Findings**

The OEB approves the RTSRs as adjusted in this Application to reflect current applicable rates for all customer classes, including the intermediate class. 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 Essex Powerlines will charge its customers.<sup>12</sup> 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

## 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>13</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.

Essex Powerlines' 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$1,165,833. This amount represents a total credit claim of \$0.0024 per kWh, which exceeds the preset disposition threshold. Essex Powerlines proposed not to dispose of this credit amount on the grounds Essex Powerlines is currently undergoing an OEB audit.

<sup>12</sup> Rate Order, EB-2016-0081, issued December 21, 2016

<sup>13</sup> Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)



In the OEB's decision on Essex Powerlines' 2015 IRM application, the OEB ordered that a complete audit of all the utility's deferral and variance accounts (DVA), procedures and controls be undertaken.<sup>14</sup> The OEB ordered the audit to "ensure all DVA entries and balances, not just those associated with Group 1 variance accounts, are accurate for 2013 and on a go forward basis". The only exceptions to the audit are the smart meter accounts 1555 and 1556 (which already underwent a final review in Essex Powerlines' 2015 IRM proceeding).

## Findings

Given the OEB audit is not complete, the OEB finds that no disposition is required at this time regardless of the disposition threshold.

## 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>15</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.

Essex Powerlines' implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.38. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

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<sup>14</sup> EB-2014-0301/EB-2014-0072

<sup>15</sup> Ibid page 2

## 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 Essex Powerlines' EB-2009-0143 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 Essex Powerlines to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

### THE ONTARIO ENERGY BOARD ORDERS THAT

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

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary

E-mail: [boardsec@oeb.ca](mailto: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-2016-0069**

**DATED: March 30, 2017**

**Essex Powerlines Corporation**  
**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-2016-0069

## 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 apartments building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.31
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$	(0.10)
Distribution Volumetric Rate	\$/kWh	0.0078
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kWh	0.0066
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0032

## 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

**Essex Powerlines Corporation**  
**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-2016-0069

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	35.13
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0120
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kWh	0.0066
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030

### 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

**Essex Powerlines Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2017**  
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EB-2016-0069

## GENERAL SERVICE 50 TO 2,999 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 3,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

The rate rider for the disposition of 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	\$	232.69
Distribution Volumetric Rate	\$/kW	2.2101
Low Voltage Service Rate	\$/kW	0.3506
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kW	2.5358
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kW	(0.0192)
Retail Transmission Rate - Network Service Rate	\$/kW	1.6986
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2157
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.0924
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.3480

### 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

**Essex Powerlines Corporation**  
**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-2016-0069

## GENERAL SERVICE 3,000 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, 3,000 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

The rate rider for the disposition of 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	\$	1,528.73
Distribution Volumetric Rate	\$/kW	1.4176
Low Voltage Service Rate	\$/kW	0.4094
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kW	(0.0078)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.0924
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.3480

### 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



**Essex Powerlines Corporation**  
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EB-2016-0069

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account 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 electrical 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 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)	\$	9.53
Distribution Volumetric Rate	\$/kWh	0.0297
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kWh	0.0066
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030

### 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

**Essex Powerlines Corporation**  
**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-2016-0069

## SENTINEL LIGHTING SERVICE CLASSIFICATION

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

### APPLICATION

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

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.41
Distribution Volumetric Rate	\$/kW	9.7922
Low Voltage Service Rate	\$/kW	0.2816
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kW	2.3785
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kW	(0.0492)
Retail Transmission Rate - Network Service Rate	\$/kW	1.3077
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.9267

### 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

**Essex Powerlines Corporation**  
**TARIFF OF RATES AND CHARGES**  
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EB-2016-0069

## 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

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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 (per connection)	\$	3.30
Distribution Volumetric Rate	\$/kW	8.9407
Low Voltage Service Rate	\$/kW	0.2798
Rate Rider for Disposition of Global Adjustment Account (2015) - approved on an interim basis and effective until April 30, 2018, applicable only for Non-RPP Customers	\$/kW	2.1886
Rate Rider for Application of Tax Change (2017) - effective until April 30, 2018	\$/kW	(0.0544)
Retail Transmission Rate - Network Service Rate	\$/kW	1.2894
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.9207

### 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

**Essex Powerlines Corporation**  
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EB-2016-0069

**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.

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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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**ALLOWANCES**

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

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EB-2016-0069

**SPECIFIC SERVICE CHARGES****APPLICATION**

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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.

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**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Returned cheque (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 - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/reconnect charge - at meter - during regular hours	\$	65.00
Disconnect/reconnect charge - at meter - after 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
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	\$	22.35

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EB-2016-0069

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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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	\$	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(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	1.0602
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0496

**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-2016-0069**

**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