



Wellington North Power Inc.

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September 25th 2017

Ontario Energy Board

Attention: Kirsten Walli, Board Secretary

P.O. Box 2319

27th Floor

2300 Yonge Street

Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: OEB File: EB-2017-0082

Wellington North Power Inc. (ED-2002-0511)

2018 Price Cap IR Distribution Rate Application

Please find attached Wellington North Power Inc.'s 2018 Price Cap IR application for distribution rates effective May 1, 2018 (file number EB-2017-0082).

An electronic copy of this Application has been filed on the Board's web portal together with the 2018 IRM Rate Generator model, 2018 ACM model and 2018 GA Analysis workform. Two hard copies of this Application have been sent by courier to the Board's office for the attention of the Board Secretary.

This application is respectfully submitted in accordance with Chapter 3 of the filing requirements for *"Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications"* as issued by the Ontario Energy Board on July 20th 2017.

Should the Board have questions regarding this matter please do not hesitate to contact me.

Regards,

Richard Bucknall

Richard Bucknall

Chief Administrative Officer

Wellington North Power Inc.

290 Queen St W, Mount Forest, ON, N0G 2L0

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WELLINGTON NORTH POWER INC.

APPLICATION FOR APPROVAL

**2018 PRICE CAP INDEX FOR ELECTRICITY DISTRIBUTION RATES
USING THE INCENTIVE RATE-SETTING METHOD**

EFFECTIVE MAY 1, 2018

EB-2017-0082

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Legal Application

ONTARIO ENERGY BOARD

EB-2017-0082

IN THE MATTER OF *the Ontario Energy Board Act, 1998, being
Schedule B to the Energy Competition Act, 1998, S.O. 3 1998, c.15;*

AND IN THE MATTER OF an Application by Wellington North Power Inc., to the
Ontario Energy Board for an Order or Orders approving or fixing just and
reasonable rates and other service charges for the distribution of electricity as of
May 1, 2018.

1. Title of Proceeding:

An application by Wellington North Power Inc. for an Order or Orders approving or fixing just
and reasonable distribution rates and other charges, effective May 1, 2018.

2. The Applicant:

Applicant's Name:	Wellington North Power Inc.
Applicant's Address for Service:	Wellington North Power Inc. 290 Queen St W, Mount Forest, ON, N0G 2L0
Applicant's Contact Details:	Richard Bucknall – Chief Administrative Officer E-mail: rbucknall@wellingtonnorthpower.com Raymond Petersen – Finance & Regulatory Supervisor E-mail: rpetersen@wellingtonnorthpower.com Tel: 519-323-1710 Fax: 519-323-2425

1 **3. Application**

2 a) The Applicant is Wellington North Power Inc. (referred to in this application as the
3 “Applicant”, the “Distributor”, the “Company”, “Wellington North Power” or “WNP”). The
4 company is incorporated pursuant to the Ontario *Business Corporations Act*, and licensed
5 as Electricity Distributor under the Ontario Energy Board Act, 1998 (the “Act”).
6

7 Wellington North Power Inc. holds Electricity Distribution Licence ED-2002-0511.
8

9 The Applicant undertakes the business of distributing electricity within the former Town of
10 Mount Forest, Village of Arthur and the Village of Holstein, servicing approximately 3,700
11 residential and general service customers. Wellington North Power’s head office is located
12 at 290 Queen Street West, in the Township of Wellington North in the former town of
13 Mount Forest.
14

15 b) Wellington North Power Inc. hereby applies to the Ontario Energy Board (the Board)
16 pursuant to Section 78 of the Ontario Energy Board Act, 1998 for an Order or Orders
17 approving just and reasonable rates for the distribution of electricity based on a 2018
18 Incentive Rate-setting mechanism (“IRM”) application, to be effective on May 1, 2018.
19

20 c) For its Incentive Rate-Setting Mechanism (“IRM”) Application using the Price Cap Index
21 methodology, Wellington North Power Inc. has used the following Board issued model(s)
22 to support its submission:

- 23 • 2018 IRM Rate Generator Model (*version 1.1, updated September 8th 2017*).
- 24 • 2018 GA Analysis Work Form (*version 1.4, updated July 24th 2017*).
- 25 • 2018 Capital Module – ACM (*version 4.0, updated August 3rd 2017*).
- 26

27 d) In preparing and submitting this application, Wellington North Power Inc. has adhered to
28 Chapter 3 of the Ontario Energy Board’s *“Filing Requirements for Electricity Distribution*

Rate Applications – 2017 Edition for 2018 Rate Applications” (the “Filing Requirements”) issued July 20th 2017.

e) Wellington North Power Inc. applies for Board approval for the following matters:

(1) Adjustment to current (2017) distribution rates by applying the OEB’s annual adjustment mechanism of the Price Cap Index to establish 2018 electricity distribution rates, effective from May 1, 2018.

(2) The Revenue-Cost ratio adjustments were approved in Wellington North Power Inc.’s 2016 Cost of Service rate application (EB-2015-0110) and therefore no further adjustments are being requested for 2018.

(3) As per Board’s policy, “*A New Distribution Rate Design for Residential Electricity Customers*”¹, the report required that electricity distributors to transition to a fully fixed monthly distribution service charge for residential customers over a four-year period beginning in 2016. Wellington North Power Inc. is proposing residential rate changes consistent with the new policy. Wellington North Power Inc. has followed the approach set out in worksheet 16 of the 2018 IRM Rate Generator model as per table below:

Rate Design Transition

		Revenue from Rates	Current Fixed / Variable Split	Decoupling Monthly Fixed Charge Split	Incremental Fixed Charge (\$/month/year)	New Fixed / Variable Split	Adjusted Rates
Current Residential Fixed Rate (inclusive of R/C adj.)	\$27.95	\$1,090,385	79.4%	10.3%	\$3.62	89.7%	\$31.57
Current Residential Variable Rate (inclusive of R/C adj.)	\$0.0103	\$282,304	20.6%			10.3%	\$0.0052

¹ Board policy “A New Distribution Rate Design for Residential Electricity Customers” (EB-2014-0210), April 2, 2015

1 (4) Approval for an adjustment to the Retail Transmission Service Rates approved in
2 Wellington North Power's 2017 IRM rate application (EB-2016-0111) as per Guideline
3 (G-2008-0001) on Retail Transmission Service Rates² and updates to the Uniform
4 Transmission Rates ("UTRs") as reflected in the IRM Rate Generator model filed with
5 this Application.

6 The rate model reflects the most recent uniform transmission rates ("UTRs")
7 approved by the OEB (EB-2015-0311) issued on January 14, 2016. Wellington North
8 Power Inc. acknowledges that OEB staff will adjust Wellington North Power Inc.'s
9 2018 RTSRs when the 2017-2018 UTRs have been determined and approved.³

10
11 (5) The continuation of the Low Voltage Service Rate as approved in Wellington North
12 Power Inc.'s 2016 Cost of Service rate application (EB-2015-0110).

13
14 (6) The continuation of existing Specific Service Charges and Loss Factors as approved in
15 Wellington North Power Inc.'s 2016 Cost of Service rate application (EB-2015-0110).

16
17 (7) Disposition of Group 1 accounts is not being requested because the outcome of the
18 threshold test did not exceed the \$0.001 per kWh pre-set disposition threshold as
19 determined in Chapter 3 of the "Filing Requirements."⁴

20
21 (8) Approval of a new Rate Rider for revenue recovery relating to the Advanced Capital
22 Module (ACM) project that was filed with Wellington North Power Inc.'s 2016 Cost of
23 Service rate application (EB-2015-0110)⁵. This capital investment project is the
24 replacement of an aged and deteriorated municipal substation (MS3) in 2018 which

² OEB Guideline (G-2008-0001) on Retail Transmission Service Rates – issues October 22, 2008, revision 4.0 June 28, 2012 and any subsequent revisions

³ 2017-18 Transmission Cost of Service Application by Hydro One Networks Inc. – EB-2016-0160

⁴ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017 - Section 3.2.5 "Review and Disposition of Group 1 Deferral and Variance Account Balances", pages 9 and 10

⁵ Wellington North Power 2016 Cost of Service application: Decision and Rate Order (EB-2015-0110), March 31, 2016, Sub-section 3.1.1 Advanced Capital Module

1 was included in the LDC's 5-year Distribution System Plan as a component of
2 Wellington North Power Inc.'s 2016 Cost of Service Rate Application.
3

- 4 f) This Application is supported by written evidence that may be amended from time to time,
5 prior to the Board's final decision on this Application.
6
7

8 **4. Proposed Distribution Rates and Other Charges**

9 The Tariff of Rates and Charges proposed in this Application are presented in Appendix B.
10
11

12 **5. Proposed Effective Date of Rate Order**

13 Wellington North Power Inc. requests the Ontario Energy Board make its Rate Order
14 effective May 1, 2018.

15 Wellington North Power Inc. requests that the existing rates be made interim commencing
16 May 1, 2018 in the event there is insufficient time for:

- 17 • The Board to issue a Draft Rate Order;
18 • The Applicant to review and comment on the Draft Rate Order;
19 • The Board to issue a final Decision and Order in this application for the implementation
20 of the proposed rates and charges as of May 1, 2018.

21 Wellington North Power Inc. also requests to be permitted to recover the incremental
22 revenue from the effective date to the implementation date if the dates are not aligned.
23

1 **6. Form of Hearing Requested**

2 Wellington North Power Inc. respectfully requests that, pursuant to Section 34.01 of the
3 Board's *Rules of Practice and Procedure*, that this Incentive Rate-Setting Mechanism
4 ("IRM") Application proceeding be conducted by way of written hearing.
5
6

7 **7. Notice of Application**

8 All of Wellington North Power Inc.'s customers may be affected by this application.

9 Wellington North Power Inc. traditionally publishes the application information in the
10 weekly local newspaper with the highest circulation in the LDC's service territory. The
11 Applicant is proposing to continue that process if instructed by OEB Staff.

12 If required, Wellington North Power Inc. would publish the "Notice of Application" for this
13 proceeding in "*The Wellington Advertiser*" - a local weekly community not-paid-for
14 newspaper which has the highest circulation in its service area (an audited circulation of
15 40,164.)

16 Additionally, the Application will be posted on Wellington North Power Inc.'s website at
17 www.wellingtonnorthpower.com
18
19

20 **8. Customers Affected**

21 All of Wellington North Power Inc.'s customer rate classes may be affected by the 2018
22 Rate Application as the annual mechanism adjustment has been applied uniformly across
23 all customer rate classes. In addition to these adjustments, the residential class is being
24 impacted by the OEB's rate design policy (EB-2014-0210) for residential customers⁶.

⁶ Board policy "A New Distribution Rate Design for Residential Electricity Customers" (EB-2014-0210), April 2, 2015

Wellington North Power Inc. has determined that for this application, the monthly bill impacts are as per table below calculated by the Board's 2018 IRM Rate Generator:

Summary of Monthly Bill Impacts

Rate Class	Average Monthly Usage		Total Bill Impact	
	kWh	kW	(\$)	(%)
Residential	750		\$2.15	1.8%
Residential – low-user (10 th percentile)	302		\$4.40	6.5%
General Service <50kW	2,000		\$5.15	1.6%
General Service 50 - 999kW	38,217	106	\$44.40	0.7%
General Service 1000 - 4999kW	746,695	1,476	\$560.28	0.4%
Unmetered Scattered Load	252		\$4.13	4.1%
Sentinel Lighting	1,927	5	\$20.90	3.2%
Streetlights	64,297	165	\$120.46	1.0%

9. Accuracy of Billing Determinants

Wellington North Power Inc. confirms the accuracy of the billing determinants for the pre-populated 2018 IRM Rate Generator model.

Copies of the Wellington North Power Inc.'s current and proposed Tariff of Rates and Charges as well as customer bill impacts are included in this Application (Appendices A, B and C respectively).

1 **10. Scope of Application**

2 The scope of the application for the Incentive Rate-Setting Mechanism (“IRM”)
3 Application, using the Price Cap IR methodology, for Electricity Distribution Rates for the
4 2018 rate year includes:

- 5 • Manager’s Summary;
- 6 • 2018 IRM Rate Generator (v1.1);
- 7 • 2018 GA Analysis Work Form;
- 8 • 2018 Capital Module: ACM –Rate Rider Approval (2018);
- 9 • Proposed 2018 Tariff of Rates and Charges;
- 10 • Customer Bill Impacts; and
- 11 • Wellington North Power Inc.’s 2017 IRM Decision and Rate Order (EB-2016-0111).

12
13
14
15 **DATED** at Mount Forest, Ontario, this 25th day of September 2017.

16
17 All of which is respectfully submitted.

18
19
20 *Original signed by:*

21
22
23
24 Richard Bucknall

25 Chief Administrative Officer

26 **Wellington North Power Inc.**

1 **Manager's Summary**

2 Wellington North Power Inc. (WNP) is applying for distribution rates pursuant to an Incentive
3 Rate-setting Mechanism ("IRM") Application to set Distribution Rates and Charges to be
4 effective May 1, 2018.

5
6 In applying for 2018 electricity distribution rates, WNP has referred to the Ontario Energy
7 Board's *"Filing Requirements for Electricity Distribution Rate Applications – 2017 Edition for*
8 *2018 Rate Applications - Chapter 3 Incentive Rate-Setting Application"* (the "Filing
9 Requirements") issued July 20th 2017. WNP has completed the 2018 IRM Rate Generator
10 model (v1.1), the 2018 Global Adjustment (GA) work form and the 2018 Capital Module –
11 ACM (4.0) as provided by the OEB.

12
13 The schedule of Proposed Rates and Charges in this Application reflect an adjustment to the
14 Applicant's rates previously approved by the Board in the Decision and Rate Order issued by
15 the Board on March 30th 2017, case number EB-2016-0111, with respect to Wellington North
16 Power Inc.'s 2017 IRM rate application.

17
18 This Manager's Summary will address the following elements:

- 19 a) Annual Adjustment Mechanism;
- 20 b) Accuracy of Billing Determinants;
- 21 c) Revenue to Cost Ratio Adjustment;
- 22 d) Rate Design for Residential Electricity Customers;
- 23 e) Approval for adjustments to the current Retail Transmission Service Rates as approved
24 in EB-2015-0110;
- 25 f) Continuation of the Low Voltage Service Rate as approved in EB-2015-0110;
- 26 g) Continuation of Specific Service Charges and Loss Factors;
- 27 h) Global Adjustment (GA) analysis using the GA workform;
- 28 i) Deferral and Variance Account Analysis;
- 29 j) Review and Disposition Group 1 Deferral and Variance Account Balances;

- k) LRAM Disposition;
- l) Tax Changes;
- m) Z-Factor;
- n) Capital Module: ACM –Rate Rider Approval (2018);
- o) Summary of Bill Impact;
- p) Rate Mitigation; and
- q) Conclusion.

(a) Annual Adjustment Mechanism

For the IRM application, WNP’s electricity distribution rates for 2018 have been adjusted using three factors:

- A price escalator: GDP-IPI (annual percentage change in Gross Domestic Product Implicit Price Index);
- A productivity factor industry Total Factor Productivity (TFP); and
- A stretch factor assigned from the PEG Benchmarking Report

For the purposes of preparing the 2018 rate application, the Board expects WNP to use a proxy for the price cap adjustment. The price cap index is 1.45%. The price cap index is based upon the following default values:

Price Cap Index	
Price Escalator (GDP-IPI)	1.90%
Less: Productivity Factor	0.00%
<u>Less: Stretch Factor</u>	<u>0.45%</u> (WNP is in Group “IV”).
Price Cap Index	1.45%

(As per worksheet 16. Rev2Cost_GDP-IPI of the 2018 Rate Generator model)

The Applicant acknowledges that:

- Board staff will update WNP’s 2018 Rate Generator model with the 2018 Price Cap parameters once they are available as noted in the “Filing Requirements”⁷; and
- The annual adjustment mechanism will apply to distribution rates (fixed and variable charges) uniformly across all customer rate classes.

WNP confirms the Price Cap index adjustment has been applied to distribution rates (fixed and variable) uniformly across all customer rate classes and that the index adjustment has not been applied to the following components of distribution rate components:

- Rate Adders;
- Rate Riders;
- Low Voltage Service Charges;
- Retail Transmission Rates;
- Wholesale Market Service Rates;
- Rural and Remote Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Capacity Based Recovery;
- MicroFIT Service Charge;
- Specific Service Charges;
- Transformation and Primary Metering Allowances; and
- Smart Metering Entity Charge.

(b) Accuracy of Billing Determinants

WNP confirms the accuracy of the billing determinants that were pre-populated in the 2018 Rate Generator model.

⁷ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, pages 5 and 6

(c) Revenue-Cost Ratio Adjustments

The Applicant's Revenue-Cost ratio adjustments were approved in Wellington North Power Inc.'s 2016 Cost of Service rate application (EB-2015-0110) and therefore no further adjustments are required in 2018.

(d) Rate Design for Residential Electricity Customers

As per Board's policy, "A New Distribution Rate Design for Residential Electricity Customers"⁸, the report required electricity distributors to transition to a fully fixed monthly distribution service charge for residential customers over a four-year period beginning in 2016. WNP is proposing residential rate changes consistent with this policy. Wellington North Power Inc. has followed the approach set out in worksheet 16 of the 2018 IRM Rate Generator model as per table below:

Rate Design Transition

		Revenue from Rates	Current Fixed / Variable Split	Decoupling Monthly Fixed Charge Split	Incremental Fixed Charge (\$/month/year)	New Fixed / Variable Split	Adjusted Rates
Current Residential Fixed Rate (inclusive of R/C adj.)	\$27.95	\$1,090,385	79.4%	10.3%	\$3.62	89.7%	\$31.57
Current Residential Variable Rate (inclusive of R/C adj.)	\$0.0103	\$282,304	20.6%			10.3%	\$0.0052

In worksheet 16 of the 2018 Rate Generator model – "16. Rev2Cost_GDPIPI":

- Increased the Monthly Service Charge (fixed) by \$3.62 and decreased the variable charge by \$0.0051 per kWh (before applying the 2018 price cap index).
- The fixed/variable revenue split changes from 79.4%/20.6% to 89.7%/10.3%.
- The resulting \$3.62 incremental monthly increase is below the Board's threshold upper limit of \$4.00 per month.

⁸Board policy "A New Distribution Rate Design for Residential Electricity Customers" (EB-2014-0210), April 2, 2015

1 Because the resulting incremental increase is below the \$4.00 per month upper limit as
2 expected by the OEB⁹ and as per Board's Rate Design policy¹⁰, in WNP's opinion, the four year
3 transitioning period remains appropriate.

4
5 **Calculation of 10th Percentile Residential Customer's Consumption:**

6 In evaluating the total bill impact for a residential customer with consumption at the 10th
7 percentile, WNP reviewed the "Filing Requirements"¹¹ and used the following method:

8 a) Extracted billed electricity usage for each Residential customer where there was
9 consumption between January 1st 2016 and December 31st 2016. (Billed consumption is
10 metered usage with losses applied);

11 b) Prepared data to show the monthly usage for each customer account;

12 c) Reviewed data and excluded accounts where one of the following conditions occurred:

13 i. There was less than 12 months of billed data (i.e. a new occupier who moved into a
14 residential property on August 1st 2016 would have only had five months of billed data
15 and therefore could distort the outcome as they have no usage profile for a full summer
16 and/or winter months.);

17 ii. Customers who's usage profile indicated they occupied the property for less than 10
18 months (i.e. people who leave the area during the winter period);

19 iii. A tenant who although may have 12 months of data, has moved from one property into
20 another property within the twelve month period. WNP made this decision on the basis
21 that tenant may not be moving into a similar size or heated/vented property (i.e. moving
22 from an apartment into a townhouse).

23 iv. An account with a monthly average of less than 50 kWh.

24 Based upon the above criteria, 82 residential records were removed from the data.

25 d) Of the remaining 3,157 valid records, calculated a monthly kWh average by totaling the
26 kWh's billed and divided by the number of months billed;

⁹ As referred in "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017, page 7

¹⁰ Board policy "A New Distribution Rate Design for Residential Electricity Customers" (EB-2014-0210), April 2, 2015

¹¹ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017, Section 3.2.3 pages 7 and 8

e) With the average Monthly kWh known, sorted from the lowest to the highest; and
f) Of the 3,157 records, selected the average Monthly kWh at the 316th record (the 10th percentile.) Record 317 showed an average monthly kWh of 302.40 kWh.

The methodology to calculate WNP's Calculation of 10th Percentile Residential customer's consumption as described above was explained and accepted in the Applicant's 2016 Cost of Service rate application (EB-2015-0110)¹².

WNP is not proposing a rate mitigation plan as the rate increase for a Residential low-energy consumer does not exceed the 10% total bill impact threshold as determined by the OEB as illustrated below:

Total Bill Impact:
WNP Residential Low-Volume Customer (10th percentile; monthly usage 302 kWh)

	Current OEB-Approved	Proposed 2018	Change (\$)	Change (%)
Monthly Service Charge	\$27.95	\$32.03	\$4.08	14.60%
Distribution Volumetric Rate	\$3.11	\$1.30	(\$1.51)	-48.54%
Fixed Rate Riders	-	\$1.56	\$1.56	
Sub-Total	\$31.06	\$35.19	\$4.13	13.30%
Line Loss on Cost of Power	\$1.63	\$1.63	-	-
Deferral/Variance Rate Rider	-	-	-	-
Low Voltage Charge	\$0.88	\$0.88	-	-
Smart Meter Entity	\$0.79	\$0.79	-	-
Sub-Total	\$34.35	\$38.48	\$4.13	12.02%
Wholesale Market Service Charge	\$1.16	\$1.16	-	-
Rural & Remote Protection Charge	\$0.10	\$0.10	-	-
Standard Service Supply Charge	\$0.25	\$0.25	-	-
TOU – Off Peak (\$0.0650 x 196 kWh)	\$12.76	\$12.76	-	-
TOU – Mid Peak (\$0.0950 x 51 kWh)	\$4.88	\$4.88	-	-
TOU – Off Peak (\$0.1320 x 54 kWh)	\$7.18	\$7.18	-	-
Sub-Total	\$64.24	\$68.44	\$4.19	6.53%
HST (@13%)	\$8.35	\$8.90	\$0.55	6.53%
8% Ont. Rebate for Elec Customer	(\$5.14)	(\$5.48)	(\$0.34)	
Total	\$67.46	\$71.86	\$4.40	6.53%

Note:

- The above includes the Price Cap Index adjustment mechanism, RTSR charge rate changes and Fixed Rate Rider for ACM being applied as requested for OEB approval through this IRM application.

¹² Wellington North Power Inc.'s 2016 Cost of Service rate application (EB-2015-0110), Exhibit 8 / Tab 1 / Schedule 15 – Bill Impact Information

(e) Approval for Adjustments to the Current Retail Transmission Service Rates

WNP is applying for an adjustment of its Retail Transmission Service Rates (RTSR) based upon a comparison of historical transmission costs adjusted for new Uniform Transition Rates (UTR) levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in the USoA Accounts 1584 and 1586.

On June 28, 2012, the Ontario Energy Board issued revision 4.0 of the Guideline G-2008-0001 Electricity Distribution Retail Transmission Service Rates (the “Guideline”)¹³. This Guideline outlines the information that the Board requires electricity distributors to file when proposing adjustments to their retail transmission service rates. The guideline was used to adjust WNP’s RTSR’s for 2017.

WNP has calculated the adjustments to the current Retail Transmission Service Rates as approved in the Applicant’s latest rate application (EB-2016-0111) where 2017 Distribution Rates were reviewed and approved. The proposed rates are based on the 2016 RRR filing 2.1.5 “Demand and Revenue” kWh and kW values with kWh loss adjusted consumption used.

The rate model reflects the most recent uniform transmission rates (“UTRs”) approved by the OEB (EB-2015-0311) issued on January 14, 2016. Wellington North Power Inc. acknowledges that OEB staff will adjust Wellington North Power Inc.’s 2018 RTSRs when the 2017-2018 UTRs have been determined and approved.¹⁴

Detailed calculations can be found in the 2018 IRM Rate Generator model (worksheets 10 to 14) with adjusted RTSR’s flowing into worksheet “19. Final Tariff Schedule”.

¹³ Guideline G-2008-0001 Electricity Distribution Retail Transmission Service Rates

¹⁴ 2017-18 Transmission Cost of Service Application by Hydro One Networks Inc. – EB-2016-0160

A summary of the proposed adjustment to the Current Retail Transmission Service Rates are shown in the tables below:

Proposed RTSR-Network

Rate Class	Unit	Current RTSR – Network	Proposed RTSR - Network	Change
Residential	kWh	0.0065	0.0066	0.0001
General Service <50kW	kW	0.006	0.0061	0.0001
General Service 50 - 999kW	kW	2.4881	2.5275	0.0394
General Service 1000 - 4999kW	kW	2.6426	2.6845	0.0419
Unmetered Scattered Load	kWh	0.006	0.0061	0.0001
Sentinel Lighting	kW	1.8858	1.9157	0.0299
Streetlights	kW	1.8763	1.9060	0.0297

Proposed RTSR-Line & Transformation

Rate Class	Unit	Current RTSR – Connection	Proposed RTSR - Connection	Change
Residential	kWh	0.0046	0.0047	0.0001
General Service <50kW	kW	0.0039	0.0039	0.0000
General Service 50 - 999kW	kW	1.5576	1.5763	0.0187
General Service 1000 - 4999kW	kW	1.7076	1.7282	0.0206
Unmetered Scattered Load	kWh	0.0039	0.0039	0.0000
Sentinel Lighting	kW	1.2293	1.2442	0.0149
Streetlights	kW	1.2043	1.2188	0.0145

The Applicant also requests the opportunity to update the RTSR's included in this IRM application should the RTSR's charged to WNP change before the rates applied for in this application are approved and in effect.

(f) Continuation of Low Voltage Service Rate

Pursuant to the Decision and Rate Order in WNP' 2016 Cost of Service rate application (EB-2015-0110), the Applicant requests to continue with the current Low Voltage Service Rates that were approved in that proceeding.

1 **(g) Continuation of Specific Service Charges and Loss Factors**

2 Pursuant to the Decision and Rate Order in WNP' 2016 Cost of Service rate application (EB-
3 2015-0110), the Applicant requests to continue with the Specific Service Charges and Loss
4 Factors that were approved in that proceeding.
5
6

7 **(h) Global Adjustment (GA) Analysis Workform**

8 As required, WNP completed the GA analysis Workform for 2015 and 2016. This resulted in
9 identifying a historical misallocation in the GA unbilled entries to the Cost of Power account.
10 The total value of the variance accounts remains the same; however the expected revenue in
11 the Cost of Power accounts is overstated. In the GA Analysis Workform, calculation of the
12 expected change in GA the unbilled amount is included. However, in the "Net Change in
13 Principal Balance in the GL", this amount is not included. This is reconciled by including the
14 change in unbilled revenue in the list of adjustments. The amount is large but for both 2015
15 and 2016 the number is calculated using the previous December's unbilled kWh multiplied by
16 the GA first estimate for the same month and subtracting the GA unbilled revenue calculation
17 for the current year (see cell formula calculations in the GA Analysis Workform). In order to
18 present an accurate Continuity Schedule which reflects this adjustment, this change in GA
19 Unbilled during the year is included in the "Transactions Debit/(Credit) during 201X" for 2015
20 and 2016. There is also a 2015 adjustment between GA and Cost of Power of \$425,150; this
21 value is the December 2014 unbilled kWh multiplied by the GA first estimate.
22
23

24 **(i) Deferral and Variance Account Analysis**

25 The table below reconciles the continuity schedule principal and interest with the year-end
26 RRR filing. There is a difference in the Wholesale Market Service Charge which is equal to the
27 "WMS – Sub-account CBR Class B" as would be expected. There is also a difference between

Cost of Power and the GA principal amounts. To transition from the amounts in the continuity schedule to the RRR filing as explained in section (h) Global Adjustment above, requires:

- GA Unbilled Principal Change = 2014 GA Unbilled Balance + 2015 and 2016 change in GA unbilled.
- GA Change = \$425,150 + \$221,740 – \$58,474 = \$588,416

All these amounts are directly calculated from the 2015 and 2016 GA Analysis Workforms which are filed with this application. The Interest calculation was completed on the month by month balances of the GA. The net effect of this change on the deferral variance accounts is zero dollars.

2016 Continuity Schedule and 2016 Year-End RRR Filings Reconciliation

Item	Account	Account No.	RRR Filing at 31-Dec-2016	Finance Balance at 31-Dec-2016					Variance
				Principal	Interest	GA Unbilled Principal Chng	GA Unbilled Interest Chng	Principal + Interest + Unbilled Changes	
			A	B	C	D	E	F = B + C + D + E	G = A - F
(a)	LV Variance Account	1550	\$205,545	\$203,381	\$2,162			\$205,543	\$2
(b)	Smart Metering Entity Charge	1551	(\$514)	(\$507)	(\$5)			(\$512)	(\$2)
(c)	RSVA - Wholesale Market Service	1580	(\$328,783)	(\$348,708)	(\$4,268)			(\$352,976)	\$24,193
(c)	RSVA - WMS CBR Class B	1580		\$23,824	\$368			\$24,192	(\$24,192)
(d)	RSVA - Retail Transmission Network Charge	1584	\$34,699	\$34,648	\$51			\$34,699	\$0
(e)	RSVA - Retail Transmission Connection Charge	1586	\$56,994	\$56,547	\$447			\$56,994	\$0
(f)	RSVA - Power (excluding Global Adjustment)	1588	(\$203,465)	\$389,861	\$7,017	(\$588,416)	(\$11,927)	(\$203,465)	\$0
(g)	RSVA - Global Adjustment	1589	\$140,817	(\$452,123)	(\$7,403)	\$588,416	\$11,927	\$140,817	\$0
(i)	Disposition and Recovery/Refund of Regulatory Bal (2014) ⁴	1595	\$29,626	\$43,193	(\$13,568)	\$0	\$0	\$29,625	\$1
(j)	Disposition and Recovery/Refund of Regulatory Bal (2015) ⁴	1595	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Variance									\$2

(j) Review and Disposition Group 1 Deferral and Variance Account Balances

In the “Filing Requirements”¹⁵, section 3.2.5 “Review and Disposition Group 1 Deferral and Variance Account Balances” makes reference to the Report of the Board on Electricity Distributors’ Deferral and Variance Account Report (the “EDDVAR Report”). Under the Price

¹⁵ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.2.5 page 9

Cap IR, the distributors' Group 1 audited balances will be reviewed and disposed if the present disposition threshold of \$0.0010 per kWh (debit or credit) is exceeded. Distributors are required to file the Group 1 balances as of December 31st 2016 to determine if the threshold has been exceeded.

WNP has updated the deferral / variance continuity schedule in the 2018 IRM Rate Generator model (worksheet "3. Continuity Schedule") using balances as at December 31st 2016 with the outcome being the threshold has not been exceeded. The threshold verification as per worksheet 4 of the 2018 IRM Rate Generator Model is provided below:


Threshold Test

Total Claim (including Account 1568))	(\$65,933)	
Total Claim for Threshold Test (All Group 1 Accounts)	(\$65,933)	
Threshold Test (Total claim per kWh)	(\$0.0006)	Claim does not meet the threshold test

As per section 3.2.5 of the "Filing Requirements"¹⁶, an applicant may elect to dispose of the Group 1 account balances even if they are below the threshold. WNP confirms that the applicant is not electing to dispose of Group 1 balances through this rate application.

The table below confirms that in this application, WNP is requesting no new Deferral Variance Rate Riders (proposed Rate Riders are shown in the last column which has a zero (\$0) value):

Deferral-Variance Account Rate Riders

 Ontario Energy Board Incentive Regulation Model for 2018 Filers <small>No input required. This worksheet allocates the deferral/variance account balances (Group 1 and 1568) to the appropriate classes as per EDDVAR dated July 31, 2009</small>										
Allocation of Group 1 Accounts (including Account 1568)										
Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	1550	1551	1580	1584	1586	1588	1595 (2014) 1568
RESIDENTIAL SERVICE CLASSIFICATION	23.9%	87.4%	23.9%							0
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	11.7%	12.6%	11.7%							0
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	19.4%	0.0%	19.4%							0
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	44.3%	0.0%	44.3%							0
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.0%	0.0%	0.0%							0
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.0%	0.0%	0.0%							0
STREET LIGHTING SERVICE CLASSIFICATION	0.7%	0.0%	0.7%							0
Total	100.0%	100.0%	100.0%	0	0	0	0	0	0	0

¹⁶ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017, Section 3.2.5 page 9

1
2 **(k) LRAMVA Disposition**

3 WNP is not applying for a Lost Revenue Adjustment Mechanism Variance Account (LRAM-VA)
4 disposition in this application because the Applicant deems the balance to date is immaterial.
5

6 WNP has not updated the 2018 IRM Generator model (worksheet 3. Continuity Schedule) with
7 the balance as at December 31st 2016 for this account as per instructions within the model -
8 i.e. "LRAM Variance Account (only input amounts if applying for disposition of this account)".
9

10 In its 2016 Cost of Service rate application (EB-2015-0110), WNP requested and were
11 approved disposition of LRAM-VA for the account balance of \$11,761 as at December 31st
12 2014¹⁷. In its application, WNP also provided its LRAM model (for the CDM program period
13 2011 to 2014 inclusive) which was reviewed and accepted by OEB Staff and Intervenors.
14
15

16 **(l) Tax Changes**

17 WNP has completed the Shared Tax Sharing information (IRM Rate Generator worksheets 8
18 and 9). The result of the model shows there have been no tax changes that would cause a
19 need for tax sharing at this time.
20
21

22 **(m) Z Factor**

23 WNP is not requesting the recovery of costs associated with unforeseen events in this
24 application.
25
26

¹⁷ Wellington North Power Inc. 2016 Cost of Service rate application – Settlement Proposal, Section 4.2.1 LRAM and LRAMVA Disposition Calculation, page 61

(n) Capital Module: ACM –Rate Rider Request (2018)

WNP has submitted an ACM (Advanced Capital Module) model with this IRM application. The Applicant has completed the ACM model as issued and subsequently revised by the OEB on August 3rd 2017 (version 4.0). The ACM relates to 2018 capital expenditure to replace one of WNP's existing municipal substations (MS3) with a new 44kV 5MVA substation.

1. Background Summary

WNP filed its 5-year Distribution System Plan (DSP) as a component of its 2016 Cost of Service rate application (EB-2015-0110)¹⁸. The DSP plan included capital investments planned for the 5-years of 2016 through to 2020 inclusive with 2018 seeing the replacement of MS3 substation¹⁹. As well as its DSP, WNP also filed an ACM model showing:

- Estimated costs (as at the time of filing – 2015) for replacing MS3 substation²⁰;
- Preliminary estimate of the materiality threshold value and;
- Total eligible incremental capital amount.

By submitting this ACM model as part of its cost of service application, WNP has met the OEB requirements as detailed in the *“Report of the Board – New Policy Options for the Funding of Capital Investments: The Advanced Capital Module”* (EB-2014-0219).²¹

Through its 2016 Cost of Service application (EB-2015-0110) and subsequent interrogatories, WNP met the materiality, need and prudence criteria required for proposing the recovery of the variance of capital costs (i.e. the difference between the LDC's capital budget and the Board-defined materiality threshold) by using an ACM.

¹⁸ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Appendix 2A

¹⁹ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Appendix 2A, section 5.4.5.3.2 MS3 Substation re-build (2018) – Advanced Capital Module, page 216-226

²⁰ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Appendix 2A, section 5.4.5.3.2 MS3 Substation re-build (2018) – Advanced Capital Module, Alternative #2 page 220-221

²¹ OEB report *“Report of the Board – New Policy Options for the Funding of Capital Investments: The Advanced Capital Module”* (EB-2014-0219), issued September 18, 2014, specifically page 14.

Below is a copy of the ACM model worksheet “10a. Proposed ACM projects” that was filed in WNP’s 2016 Cost of Service rate application:

2016 Cost of Service application: Proposed ACM Project

	Cost of Service Test Year 2016	Price Cap IR			
		Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020
Distribution System Plan CapEx	\$1,593,911	\$768,670	\$2,196,470	\$951,850	\$963,000
Materiality Threshold		\$653,131	\$659,768	\$666,580	\$673,572
Maximum Eligible Incremental Capital (Forecasted CapEx less Threshold)		\$115,539	\$1,536,702	\$285,270	\$289,428
Project Description		Price Cap IR			
		Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020
Replacement of Substation MS3 including Recloser Smart Technology			\$1,700,000		

Note: the materiality threshold values shown above are calculated based on 2016 Test Year Distribution Revenues, 2014 Actual Distribution Revenue and 2014 Rates available at the time of submitting WNP’s 2016 Cost of Service application (EB-2015-0110).

In its Decision and Rate Order for WNP’ 2016 Cost of Service application (EB-2015-0110), the Board wrote:

Findings

As part of the overall settlement, the OEB approves the ACM and notes that the review and approval process of the costs and for the establishment of the rate riders intended to recover approved project costs will be part of the Price Cap IR application process.

As outlined in the OEB’s Report, if the cost of the project is 30% or more above what was documented Wellington North’s Distribution System Plan (DSP), i.e. \$1.7M, the distributor should treat the project as a new Incremental Capital Module and re-file the business case in the applicable IR year. If costs exceed the amounts documented in Wellington North’s DSP by less than 30%, Wellington North should provide evidence on the need for the increased costs. If the in-service date is delayed, Wellington North

should inform the OEB in the earliest possible IR application and confirm which IR application it expects to seek to commence funding for the project.”²²

2. ACM Project Status Update

Through way of this IRM application, WNP confirms the following:

- i. The estimated cost for the project (replacing MS3 substation) at the time of submitting this IRM application remains at \$1,700,000 and is therefore not more than 30% nor less than 30% what was documented in Wellington North Power Inc.’s Distribution System Plan (the pre-approved amount of \$1,700,0000); and
- ii. Wellington North Power Inc. plans to demolish the “old” MS3 substation in 2018 as well as build and energize the “new” MS3 substation in 2018. The in-service date for this new asset is still planned for Quarter 4 2018.

3. 2018 ACM Model: Summary

Below is a copy of the 2018 ACM model worksheet “10a. Proposed ACM projects” that has been submitted with this IRM application:

2018 ACM Model: ACM Project – MS3 Substation

	Cost of Service Test Year 2016	Price Cap IR			
		Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020
Distribution System Plan CapEx	\$1,593,911	\$768,670	\$2,196,470	\$951,850	\$963,000
Materiality Threshold		\$754,558	\$764,067	\$773,877	\$783,999
Maximum Eligible Incremental Capital (Forecasted CapEx less Threshold)		\$14,112	\$1,432,403	\$177,973	\$179,001
		Price Cap IR			
Project Description		Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020
Replacement of Substation MS3			\$1,700,000		

The materiality threshold values are calculated based on 2017 Board-Approved Distribution Revenues, 2016 Board-Approved Distribution Revenue and 2015 Actual Distribution Revenue.

²² Decision and Rate Order (EB-2015-0110) Wellington North Power Inc., Section 3.1.1 Advanced Capital Module, page 6

4. Proposed ACM Rate Rider

In the 2018 Capital Module model, in worksheet “12. Opt 1-Rate Rider Calc F &V”, WNP has elected “Fixed and Variable Rate Riders” for all customer rate classes, except Residential. For Residential customers, the Rate-Rider is set at “Fixed” as per sections 3.2.3 and 3.3.2.1 of the “Filing Requirements.”²³ The resulting Rate Riders for each customer rate class as calculated in the ACM are:

2018 ACM Rate Riders

	Incremental Revenue Requirement by Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Service Charge Rate Rider	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
Residential	\$60,895	3,251	27,408,200		\$1.56		
General Service <50kW	\$20,809	476	12,494,682		\$1.88	\$0.0008	\$0.0000
General Service 50-999kW	\$10,798	38	14,065,279	43,362	\$12.42		\$0.1184
General Service 1000-4999kW	\$20,957	5	50,613,209	108,301	\$101.48		\$0.1373
Unmetered Scattered Load	\$17	1	3,024		\$1.28	\$0.0007	
Sentinel Lighting	\$196	29	23,128	65	\$0.33		\$1.2288
Street Lighting	\$939	905	725,392	1,995	\$0.07		\$0.0795
Total	\$114,612	4,705	105,332,914	153,723			

The above Rate Riders have been added into the 2018 Rate Generator model in worksheet “18. Additional Rates” so they are included in the proposed 2018 Tariff of Rates and Charges.

WNP is proposing the Rate Riders are effective from May 1, 2018 and are in effect until the effective date of the next cost of service-based rate order (May 1, 2021). Furthermore, WNP proposes the Rate Rider is named as “*Rate Rider for Recovery of Advanced Capital Module (2018) – in effect until the effective date of the next cost of service-based rate order.*”

5. Latest RoE

As per the “Filing Requirements”, WNP is required to submit its most recent calculation of its regulated return at the time of the applicable Price Cap IR application in which funding for the project and recovery through rate riders would commence.²⁴ The table below illustrates

²³ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.2.3 pages 7-8 and Section 3.3.2.1 page 21

²⁴ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.3.1 Advanced Capital Module, page 18

WNP's latest regulated return filed with the OEB based on the LDC's 2016 audited financial statements (RRR 2.1.5.6):

Latest Rate of Return on Deemed Equity (2016 Year-End)

		Amount	Amount	
Regulated Net Income				
Accounting Standard used	MIFRS			
Regulated Net Income		\$423,664.05	\$263,590.00	Excluding regulatory income for 2014, 2015 and 2016
Non-rate regulated item & Adjustment		(\$1,657.32)	(\$1,657.32)	
Actuarial (gains)/losses on OPEB and/or Pensions		\$0.00	\$0.00	
Non-recoverable donations		\$0.00	\$0.00	
Net interest/carrying charges from DVAs		(\$2,163.19)	(\$2,163.19)	
Interest adjustment for deemed debt		(\$25,148.43)	(\$25,148.43)	
Adjusted regulated net income before tax adjustments		\$394,695.11	\$234,621.06	
Future/deferred taxes expense		\$0.00	\$0.00	
Current income tax expense		(\$23,610.00)	(\$23,610.00)	
Current income tax expense for regulated ROE purposes		(\$27,955.35)	(\$27,955.35)	
Adjusted regulated net income		\$399,040.46	\$238,966.41	
Deemed Equity				
Rate Base				
Cost of power		\$12,571,629.25	\$12,571,629.25	
Adjusted operating expenses		\$1,757,547.96	\$1,757,547.96	
Total		\$14,329,177.21	\$14,329,177.21	
Working Capital Allowance		7.50%	7.50%	
Total Working Capital Allowance		\$1,074,688.29	\$1,074,688.29	
Property, Plant & Equipment				
Opening balance - PP&E		\$7,704,837.89	\$7,704,837.89	
Closing balance - PP&E		\$8,820,953.06	\$8,820,953.06	
Average PP&E		\$8,262,895.48	\$8,262,895.48	
Total Rate Base		\$9,337,583.77	\$9,337,583.77	
Regulated short-term debt	4.00%	\$373,503.35	\$373,503.35	
Regulated long-term debt	56.00%	\$5,229,046.91	\$5,229,046.91	
Regulated Deemed Equity	40.00%	\$3,735,033.51	\$3,735,033.51	
Regulated Rate of Return on Deemed Equity (ROE)				
Achieved RoE		10.68%	6.40%	
Deemed RoE from last CoS	EB-2015-0110	9.19%	9.19%	
Variance		1.49%	-2.79%	
Within +/- 300 basis points		Yes	Yes	

WNP's 2016 reported Regulated Rate of Return on Deemed Equity was 10.68%. This included the regulatory income earned in 2014, 2015 and 2016 that was realized in LDC's 2016 financial statements. This regulatory income relates to an ICM Rate Rider for WNP's MS2 Substation replacement capital project. (In its 2014 IRM application (EB-2013-0178), WNP applied for ICM funding to rebuild its MS2 substation for an in-service date of 2014. In the "Findings" of the Decision and Order (EB-2013-0178, dated March 13, 2014):

1 *“The Board accepts Wellington North’s proposal to recover the resulting ICM*
2 *revenue requirement through fixed and variable rate riders to be in effect until the*
3 *issuance of the rate order arising from its next cost of service application.”²⁵*

4 MS2 substation was rebuilt and energized in 2014 as planned. In its 2016 Cost of Service rate
5 application (EB-2015-0110), WNP requested approval and received approval from the Board
6 for:

7 (i) Incremental Capital Expenditures to be transferred from Account 1508 to its capital assets
8 as of January 1, 2016; and

9 (ii) True-up of the variances resulting from the increased actual capital spending and the
10 Board approved amount in its ICM application (EB-2013-0178), net of any recoveries from
11 its approved ICM rate rider.²⁶)

12 In WNP’s opinion, if the regulatory income had not been included in the company’s 2016
13 financial statements, the LDC’s Regulated Rate of Return on Deemed Equity for 2016 would
14 have been 6.40% as also illustrated in the table above.

17 **(o) Summary of Bill Impacts**

18
19 The service and rate classifications, together with the associated electricity distribution rates
20 included in the 2018 IRM models, are those approved by the Board in its Decision and Orders
21 in WNP’s 2017 IRM rate application EB-2016-0111.

22
23 The total bill impact to a Residential Regulated Price Plan (RPP) customer with a monthly
24 electricity consumption of 750 kWh’s is an increase of \$2.15 or 1.76% per month (inc. HST).

25
26 The total bill impact to a Residential RPP low energy using customer with a monthly electricity
27 consumption of 302 kWh’s is an increase of \$4.40 or 6.53% per month (inc. HST).

²⁵ Wellington North Power Inc., EB-2013-0178 Decision and Order, dated March 13, 2013, page 11

²⁶ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Tab 5, Schedule 7

The total bill impact on a General Service < 50 kW RPP customer with a monthly electricity consumption of 2,000 kWh's is an increase of \$5.15 or 1.62% per month (inc. HST).

The table below summarizes the effects of the rate adjustments and overall bill impacts proposed in this application for the default customer profile in each customer rate class for RPP and non-RPP pricing:

Total Bill Impact

					Sub-Totals of A + B + C				Total Bill (including HST and 8% Ont. Rebate for Elec Consumers)			
Customer Class	RPP or Non-RPP	kWh	kW	Load Factor	Current Board Approved Amount	Proposed 2018 Amount	Change in		Current Board Approved Amount	Proposed 2018 Amount	Change in Total	
							\$	%			\$	%
Residential	RPP	750			\$51.55	\$53.60	\$2.05	3.98%	\$122.37	\$124.52	\$2.15	1.76%
Residential - low user (10th percentile)	RPP	302			\$37.93	\$42.12	\$4.19	11.05%	\$67.46	\$71.86	\$4.40	6.52%
General Service <50 kW	RPP	2,000			\$116.38	\$121.28	\$4.90	4.21%	\$318.42	\$323.57	\$5.15	1.62%
General Service 50 - 999 kW	Non-RPP	38,217	106	90%	\$1,097.22	\$1,136.51	\$39.29	3.58%	\$6,788.51	\$6,832.91	\$44.40	0.65%
General Service 1000 - 4999 kW	Non-RPP	746,695	1,476	90%	\$14,886.78	\$15,382.60	\$495.82	3.33%	\$125,227.96	\$125,788.25	\$560.29	0.45%
Unmetered Scattered Load	RPP	252			\$66.11	\$69.76	\$3.65	5.52%	\$101.56	\$105.69	\$4.13	4.07%
Sentinel Lighting	Non-RPP	1,927	5	90%	\$344.19	\$362.69	\$18.50	5.37%	\$653.25	\$674.16	\$20.91	3.20%
Streetlights	Non-RPP	64,297	165	90%	\$2,405.15	\$2,511.75	\$106.60	4.43%	\$12,052.77	\$12,173.23	\$120.46	1.00%

* Based on TOU Rates effective July 1, 2017 for RPP customer classes

** 8% Ont. Rebate for Electricity Customers applied only to Residential and General Service <50kW in the table above

*** Sentinel Lighting, Unmetered Scattered Load and Street Lights are based on number of connections

(p) Rate Mitigation

Wellington North Power Inc. does not propose any Rate Mitigation in this application because any distribution rate adjustments that have resulted in a bill impact change are within the Board's threshold requirements for all consumer rate-classes.

(q) Conclusion

The annual mechanism adjustment has been applied uniformly across all customer rate classes. In addition to this adjustment, the residential class is being impacted by the OEB's rate

1 design policy for residential customers - *“A New Distribution Rate Design for Residential*
2 *Electricity Customers”*²⁷.

3
4 WNP is not proposing the disposition of deferral and variance accounts due to immaterial
5 balances. This is as a consequence of the Applicant fully disposing of account balances as at
6 December 31st 2014 as per its Board approved 2016 Cost of Service rate application (EB-2015-
7 0110).

8 *(For reference: in its 2017 IRM rate application (EB-2016-0111), WNP did not request disposal*
9 *account balances as at December 31, 2015 due to balances not meeting the present*
10 *disposition threshold of \$0.0010 per kWh (debit or credit.))*²⁸

11
12 WNP is proposing the inclusion of Advanced Capital Module (ACM) Rate Riders relating to a
13 2018 capital investment project (a replacement substation – MS3) as described in section (n)
14 above.

15
16 The bill impact for each rate class is included in Appendix C and references to the 2018 IRM
17 Rate Generator model in Appendix D.

²⁷ Board policy “A New Distribution Rate Design for Residential Electricity Customers” (EB-2014-0210), April 2, 2015

²⁸ Wellington North Power Inc. 2017 IRM application (EB-2016-0110), page 20

Appendix A: Current Tariff of Rates and Charges

Page 1 of 10

Wellington North Power 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-2016-0111

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to Customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having a nominal voltage of 120/240 Volts. 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

Monthly Service Charge	\$	27.95
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0103
Low Voltage Service Rate	\$/kWh	0.0029
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046

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

Issued March 30, 2017

Wellington North Power 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-2016-0111

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to customers in General Service buildings with a connected load less than 50 kW, and Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. 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

Monthly Service Charge	\$	42.31
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0182
Low Voltage Service Rate	\$/kWh	0.0025
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039

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

Issued March 30, 2017

Wellington North Power 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-2016-0111

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 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.

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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

Monthly Service Charge	\$	279.90
Distribution Volumetric Rate	\$/kW	2.6697
Low Voltage Service Rate	\$/kW	0.9952
Retail Transmission Rate - Network Service Rate	\$/kW	2.4881
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5576

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

Issued March 30, 2017

Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 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

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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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

Monthly Service Charge	\$	2,287.64
Distribution Volumetric Rate	\$/kW	3.0947
Low Voltage Service Rate	\$/kW	1.0911
Retail Transmission Rate - Network Service Rate	\$/kW	2.6426
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7076

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

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Wellington North Power Inc.
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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum 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, decorative street lighting, billboards, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	28.74
Distribution Volumetric Rate	\$/kWh	0.0158
Low Voltage Service Rate	\$/kWh	0.0025
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039

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

Issued March 30, 2017

Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts for unmetered lighting loads supplied to sentinel lights. 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

Monthly Service Charge (per connection)	\$	7.49
Distribution Volumetric Rate	\$/kW	27.7000
Low Voltage Service Rate	\$/kW	0.7856
Retail Transmission Rate - Network Service Rate	\$/kW	1.8858
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2293

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

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Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts for roadway lighting with a Municipality, Regional Municipality, and Ministry of Transportation. 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.

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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

Monthly Service Charge (per connection)	\$	1.62
Distribution Volumetric Rate	\$/kW	1.7920
Low Voltage Service Rate	\$/kW	0.7695
Retail Transmission Rate - Network Service Rate	\$/kW	1.8763
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2043

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

Issued March 30, 2017

Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

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

Monthly Service Charge	\$	15.69
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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)

Issued March 30, 2017

Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration

Notification charge	\$	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 - during regular business hours	\$	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

Other

Interval meter load management tool charge \$/month	\$	50.00
Service call – customer-owned equipment	\$	30.00
Service call – customer-owned equipment – after regular hours	\$	165.00
Temporary service – install & remove – overhead – no transformer	\$	500.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35

Issued March 30, 2017

Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2016-0111

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.

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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	\$/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	1.0656
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0549

Issued March 30, 2017

Appendix B: 2018 Proposed Tariff of Rates and Charges

Wellington North Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2018

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0082

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to Customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having a nominal voltage of 120/240 Volts. 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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MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	32.03
Rate Rider for Recovery of Advanced Capital Module (2018 - Fixed) - effective until the effective date of the next cost of service-based rate order	\$	1.56
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0053
Low Voltage Service Rate	\$/kWh	0.0029
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2017-0082

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to customers in General Service buildings with a connected load less than 50 kW, and Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. 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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MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	42.92
Rate Rider for Recovery of Advanced Capital Module (2018 - Fixed) - effective until the effective date of the next cost of service-based rate order	\$	1.88
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0185
Low Voltage Service Rate	\$/kWh	0.0025
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kWh	0.0008
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	283.96
Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order	\$	12.42
Distribution Volumetric Rate	\$/kW	2.7084
Low Voltage Service Rate	\$/kW	0.9952
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kW	0.1184
Retail Transmission Rate - Network Service Rate	\$/kW	2.5275
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5763

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 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

Monthly Service Charge	\$	2,320.81
Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order	\$	101.48
Distribution Volumetric Rate	\$/kW	3.1396
Low Voltage Service Rate	\$/kW	1.0911
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kW	0.1373
Retail Transmission Rate - Network Service Rate	\$/kW	2.6845
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7282

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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Wellington North Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0082

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum 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, decorative street lighting, billboards, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	29.16
Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order	\$	1.28
Distribution Volumetric Rate	\$/kWh	0.0160
Low Voltage Service Rate	\$/kWh	0.0025
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts for unmetered lighting loads supplied to sentinel lights. 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

Monthly Service Charge (per connection)	\$	7.60
Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order	\$	0.33
Distribution Volumetric Rate	\$/kW	28.1017
Low Voltage Service Rate	\$/kW	0.7856
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kW	1.2288
Retail Transmission Rate - Network Service Rate	\$/kW	1.9157
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2442

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts for roadway lighting with a Municipality, Regional Municipality, and Ministry of Transportation. 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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MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge (per connection)	\$	1.64
Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order	\$	0.07
Distribution Volumetric Rate	\$/kW	1.8180
Low Voltage Service Rate	\$/kW	0.7695
Rate Rider for Recovery of Advanced Capital Module (2018 - Variable) - effective until the effective date of the next cost of service-based rate order	\$/kW	0.0795
Retail Transmission Rate - Network Service Rate	\$/kW	1.9060
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2188

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	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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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

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MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge	\$	15.69
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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 & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration

Notification charge	\$	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 - during regular business hours	\$	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

Other

Interval meter load management tool charge \$/month	\$	50.00
Service call - customer owned equipment	\$	30.00
Service call - customer-owned equipment - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35

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RETAIL SERVICE CHARGES (if applicable)

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

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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	\$	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	1.0656
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0549

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Appendix C: Bill Impacts

Current vs Proposed Rates

Wellington North Power Inc. has completed the 2018 IRM model in accordance with the instructions provided by the Board. The service and rate classifications, together with the associated electricity distribution rates included in the 2018 IRM models, are those approved by the Board in WNP's 2017 IRM rate application (EB-2016-0111).

The table below summarizes the effects of the rate adjustments and overall bill impacts proposed in this application for the default customer profile in each customer rate class for RPP and non-RPP pricing:

Total Bill Impact

					Sub-Totals of A + B + C				Total Bill (including HST and 8% Ont. Rebate for Elec Consumers)			
					Current Board Approved Amount	Proposed 2018 Amount	Change in		Current Board Approved Amount	Proposed 2018 Amount	Change in Total	
Customer Class	RPP or Non-RPP	kWh	kW	Load Factor			\$	%			\$	%
Residential	RPP	750			\$51.55	\$53.60	\$2.05	3.98%	\$122.37	\$124.52	\$2.15	1.76%
Residential - low user (10th percentile)	RPP	302			\$37.93	\$42.12	\$4.19	11.05%	\$67.46	\$71.86	\$4.40	6.52%
General Service <50 kW	RPP	2,000			\$116.38	\$121.28	\$4.90	4.21%	\$318.42	\$323.57	\$5.15	1.62%
General Service 50 - 999 kW	Non-RPP	38,217	106	90%	\$1,097.22	\$1,136.51	\$39.29	3.58%	\$6,788.51	\$6,832.91	\$44.40	0.65%
General Service 1000 - 4999 kW	Non-RPP	746,695	1,476	90%	\$14,886.78	\$15,382.60	\$495.82	3.33%	\$125,227.96	\$125,788.25	\$560.29	0.45%
Unmetered Scattered Load	RPP	252			\$66.11	\$69.76	\$3.65	5.52%	\$101.56	\$105.69	\$4.13	4.07%
Sentinel Lighting	Non-RPP	1,927	5	90%	\$344.19	\$362.69	\$18.50	5.37%	\$653.25	\$674.16	\$20.91	3.20%
Streetlights	Non-RPP	64,297	165	90%	\$2,405.15	\$2,511.75	\$106.60	4.43%	\$12,052.77	\$12,173.23	\$120.46	1.00%

* Based on TOU Rates effective July 1, 2017 for RPP customer classes
** 8% Ont. Rebate for Electricity Customers applied only to Residential and General Service <50kW in the table above
*** Sentinel Lighting, Unmetered Scattered Load and Street Lights are based on number of connections

The tables on the following pages illustrate the bill impact for all WNP's customer rate classes.

Current vs Proposed Rates – Residential Customer

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for a Residential RPP customer with a monthly consumption of 750 kWh.

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION									
RPP / Non-RPP: RPP									
Consumption	750	kWh							
Demand	-	kW							
Current Loss Factor	1.0656								
Proposed/Approved Loss Factor	1.0656								
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 27.95	1	\$ 27.95	\$ 32.03	1	\$ 32.03	\$ 4.08	14.60%	
Distribution Volumetric Rate	\$ 0.0103	750	\$ 7.73	\$ 0.0053	750	\$ 3.98	\$ (3.75)	-48.54%	
Fixed Rate Riders	\$ -	1	\$ -	\$ 1.56	1	\$ 1.56	\$ 1.56		
Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
Sub-Total A (excluding pass through)			\$ 35.68			\$ 37.57	\$ 1.89	5.30%	
Line Losses on Cost of Power	\$ 0.0822	49	\$ 4.04	\$ 0.0822	49	\$ 4.04	\$ -	0.00%	
Total Deferral/Variance Account Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
CBR Class B Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.0029	750	\$ 2.18	\$ 0.0029	750	\$ 2.18	\$ -	0.00%	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%	
Additional Volumetric Rate Riders (Sheet 18)		750	\$ -	\$ -	750	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 42.68			\$ 44.57	\$ 1.89	4.43%	
RTSR - Network	\$ 0.0065	799	\$ 5.19	\$ 0.0066	799	\$ 5.27	\$ 0.08	1.54%	
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0046	799	\$ 3.68	\$ 0.0047	799	\$ 3.76	\$ 0.08	2.17%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 51.55			\$ 53.60	\$ 2.05	3.98%	
Wholesale Market Service Charge (WMSC)	\$ 0.0036	799	\$ 2.88	\$ 0.0036	799	\$ 2.88	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	799	\$ 0.24	\$ 0.0003	799	\$ 0.24	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)									
TOU - Off Peak	\$ 0.0650	488	\$ 31.69	\$ 0.0650	488	\$ 31.69	\$ -	0.00%	
TOU - Mid Peak	\$ 0.0950	128	\$ 12.11	\$ 0.0950	128	\$ 12.11	\$ -	0.00%	
TOU - On Peak	\$ 0.1320	135	\$ 17.82	\$ 0.1320	135	\$ 17.82	\$ -	0.00%	
Total Bill on TOU (before Taxes)			\$ 116.54			\$ 118.59	\$ 2.05	1.76%	
HST	13%		\$ 15.15	13%		\$ 15.42	\$ 0.27	1.76%	
8% Rebate	8%		\$ (9.32)	8%		\$ (9.49)	\$ (0.16)		
Total Bill on TOU			\$ 122.37			\$ 124.52	\$ 2.15	1.76%	

Current vs Proposed Rates – Residential Customer: Low User

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model a Residential low-energy user RPP customer with a monthly consumption of 302.40 kWh.

Customer Class: RESIDENTIAL SERVICE CLASSIFICATION									
RPP / Non-RPP: RPP									
Consumption: 302 kWh									
Demand: - kW									
Current Loss Factor: 1.0656									
Proposed/Approved Loss Factor: 1.0656									
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 27.95	1	\$ 27.95	\$ 32.03	1	\$ 32.03	\$ 4.08	14.60%	
Distribution Volumetric Rate	\$ 0.0103	302	\$ 3.11	\$ 0.0053	302	\$ 1.60	\$ (1.51)	-48.54%	
Fixed Rate Riders	\$ -	1	\$ -	\$ 1.56	1	\$ 1.56	\$ 1.56		
Volumetric Rate Riders	\$ -	302	\$ -	\$ -	302	\$ -	\$ -		
Sub-Total A (excluding pass through)			\$ 31.06			\$ 35.19	\$ 4.13	13.30%	
Line Losses on Cost of Power	\$ 0.0822	20	\$ 1.63	\$ 0.0822	20	\$ 1.63	\$ -	0.00%	
Total Deferral/Variance Account Rate Riders	\$ -	302	\$ -	\$ -	302	\$ -	\$ -		
CBR Class B Rate Riders	\$ -	302	\$ -	\$ -	302	\$ -	\$ -		
GA Rate Riders	\$ -	302	\$ -	\$ -	302	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.0029	302	\$ 0.88	\$ 0.0029	302	\$ 0.88	\$ -	0.00%	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%	
Additional Volumetric Rate Riders (Sheet 18)		302	\$ -	\$ -	302	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 34.35			\$ 38.48	\$ 4.13	12.02%	
RTSR - Network	\$ 0.0065	322	\$ 2.09	\$ 0.0066	322	\$ 2.12	\$ 0.03	1.54%	
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0046	322	\$ 1.48	\$ 0.0047	322	\$ 1.51	\$ 0.03	2.17%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 37.93			\$ 42.12	\$ 4.19	11.06%	
Wholesale Market Service Charge (WMSC)	\$ 0.0036	322	\$ 1.16	\$ 0.0036	322	\$ 1.16	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	322	\$ 0.10	\$ 0.0003	322	\$ 0.10	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)									
TOU - Off Peak	\$ 0.0650	196	\$ 12.76	\$ 0.0650	196	\$ 12.76	\$ -	0.00%	
TOU - Mid Peak	\$ 0.0950	51	\$ 4.88	\$ 0.0950	51	\$ 4.88	\$ -	0.00%	
TOU - On Peak	\$ 0.1320	54	\$ 7.18	\$ 0.1320	54	\$ 7.18	\$ -	0.00%	
Total Bill on TOU (before Taxes)			\$ 64.24			\$ 68.44	\$ 4.19	6.53%	
HST	13%		\$ 8.35	13%		\$ 8.90	\$ 0.55	6.53%	
8% Rebate	8%		\$ (5.14)	8%		\$ (5.48)	\$ (0.34)		
Total Bill on TOU			\$ 67.46			\$ 71.86	\$ 4.40	6.53%	

Current vs Proposed Rates – General Service <50kW Customer

The Rates and Charges in the table below are based upon the output from the 2018 IRM Rate Generator model for a General Service <50kW RPP customer with a monthly consumption of 2,000 kWh.

Customer Class: GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION									
RPP / Non-RPP: RPP									
Consumption: 2,000 kWh									
Demand: - kW									
Current Loss Factor: 1.0656									
Proposed/Approved Loss Factor: 1.0656									
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 42.31	1	\$ 42.31	\$ 42.92	1	\$ 42.92	\$ 0.61	1.44%	
Distribution Volumetric Rate	\$ 0.0182	2000	\$ 36.40	\$ 0.0185	2000	\$ 37.00	\$ 0.60	1.65%	
Fixed Rate Riders	\$ -	1	\$ -	\$ 1.88	1	\$ 1.88	\$ 1.88		
Volumetric Rate Riders	\$ -	2000	\$ -	\$ 0.0008	2000	\$ 1.60	\$ 1.60		
Sub-Total A (excluding pass through)			\$ 78.71			\$ 83.40	\$ 4.69	5.96%	
Line Losses on Cost of Power	\$ 0.0822	131	\$ 10.78	\$ 0.0822	131	\$ 10.78	\$ -	0.00%	
Total Deferral/Variance Account Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -		
CBR Class B Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -		
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.0025	2,000	\$ 5.00	\$ 0.0025	2,000	\$ 5.00	\$ -	0.00%	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ 0.79	1	\$ 0.79	\$ 0.79	1	\$ 0.79	\$ -	0.00%	
Additional Volumetric Rate Riders (Sheet 18)		2,000	\$ -	\$ -	2,000	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 95.28			\$ 99.97	\$ 4.69	4.92%	
RTSR - Network	\$ 0.0060	2,131	\$ 12.79	\$ 0.0061	2,131	\$ 13.00	\$ 0.21	1.67%	
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0039	2,131	\$ 8.31	\$ 0.0039	2,131	\$ 8.31	\$ -	0.00%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 116.38			\$ 121.28	\$ 4.90	4.21%	
Wholesale Market Service Charge (WMSC)	\$ 0.0036	2,131	\$ 7.67	\$ 0.0036	2,131	\$ 7.67	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	2,131	\$ 0.64	\$ 0.0003	2,131	\$ 0.64	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)	\$ 0.0070	2,000	\$ 14.00	\$ 0.0070	2,000	\$ 14.00	\$ -	0.00%	
TOU - Off Peak	\$ 0.0650	1,300	\$ 84.50	\$ 0.0650	1,300	\$ 84.50	\$ -	0.00%	
TOU - Mid Peak	\$ 0.0950	340	\$ 32.30	\$ 0.0950	340	\$ 32.30	\$ -	0.00%	
TOU - On Peak	\$ 0.1320	360	\$ 47.52	\$ 0.1320	360	\$ 47.52	\$ -	0.00%	
Total Bill on TOU (before Taxes)			\$ 303.26			\$ 308.16	\$ 4.90	1.62%	
HST	13%		\$ 39.42	13%		\$ 40.06	\$ 0.64	1.62%	
8% Rebate	8%		\$ (24.26)	8%		\$ (24.65)	\$ (0.39)		
Total Bill on TOU			\$ 318.42			\$ 323.57	\$ 5.15	1.62%	

Current vs Proposed Rates – General Service 50 – 999 kW Customer

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for a General Service 50-999 kW non-RPP customer with a monthly demand of 106kW.

Customer Class: GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION								
RPP / Non-RPP:		Non-RPP (Other)						
Consumption		38,217 kWh						
Demand		106 kW						
Current Loss Factor		1.0656						
Proposed/Approved Loss Factor		1.0656						
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 279.90	1	\$ 279.90	\$ 283.96	1	\$ 283.96	\$ 4.06	1.45%
Distribution Volumetric Rate	\$ 2.6697	106	\$ 282.99	\$ 2.7084	106	\$ 287.09	\$ 4.10	1.45%
Fixed Rate Riders	\$ -	1	\$ -	\$ 12.42	1	\$ 12.42	\$ 12.42	
Volumetric Rate Riders	\$ -	106	\$ -	\$ 0.1184	106	\$ 12.55	\$ 12.55	
Sub-Total A (excluding pass through)			\$ 562.89			\$ 596.02	\$ 33.13	5.89%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ -	106	\$ -	\$ -	106	\$ -	\$ -	
CBR Class B Rate Riders	\$ -	106	\$ -	\$ -	106	\$ -	\$ -	
GA Rate Riders	\$ -	38,217	\$ -	\$ -	38,217	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.9952	106	\$ 105.49	\$ 0.9952	106	\$ 105.49	\$ -	0.00%
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		106	\$ -	\$ -	106	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 668.38			\$ 701.51	\$ 33.13	4.96%
RTSR - Network	\$ 2.4881	106	\$ 263.74	\$ 2.5275	106	\$ 267.92	\$ 4.18	1.58%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.5576	106	\$ 165.11	\$ 1.5763	106	\$ 167.09	\$ 1.98	1.20%
Sub-Total C - Delivery (including Sub-Total B)			\$ 1,097.22			\$ 1,136.51	\$ 39.29	3.58%
Wholesale Market Service Charge (WMSMC)	\$ 0.0036	40,724	\$ 146.61	\$ 0.0036	40,724	\$ 146.61	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	40,724	\$ 12.22	\$ 0.0003	40,724	\$ 12.22	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	38,217	\$ 267.52	\$ 0.0070	38,217	\$ 267.52	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	40,724	\$ 4,483.72	\$ 0.1101	40,724	\$ 4,483.72	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 6,007.53			\$ 6,046.82	\$ 39.29	0.65%
HST	13%		\$ 780.98	13%		\$ 786.09	\$ 5.11	0.65%
Total Bill on Average IESO Wholesale Market Price			\$ 6,788.51			\$ 6,832.91	\$ 44.40	0.65%

Current vs Proposed Rates – General Service 1000 –4 999 kW Customer

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for a General Service 1000 – 4999 kW RPP customer with a monthly demand of 1,476kW.

Customer Class: GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION								
RPP / Non-RPP:	Non-RPP (Other)							
Consumption	746,695 kWh							
Demand	1,476 kW							
Current Loss Factor	1.0656							
Proposed/Approved Loss Factor	1.0656							
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2,287.64	1	\$ 2,287.64	\$ 2,320.81	1	\$ 2,320.81	\$ 33.17	1.45%
Distribution Volumetric Rate	\$ 3.0947	1476	\$ 4,567.78	\$ 3.1396	1476	\$ 4,634.05	\$ 66.27	1.45%
Fixed Rate Riders	\$ -	1	\$ -	\$ 101.48	1	\$ 101.48	\$ 101.48	
Volumetric Rate Riders	\$ -	1476	\$ -	\$ 0.1373	1476	\$ 202.65	\$ 202.65	
Sub-Total A (excluding pass through)			\$ 6,855.42			\$ 7,258.99	\$ 403.58	5.89%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ -	1,476	\$ -	\$ -	1,476	\$ -	\$ -	
CBR Class B Rate Riders	\$ -	1,476	\$ -	\$ -	1,476	\$ -	\$ -	
GA Rate Riders	\$ -	746,695	\$ -	\$ -	746,695	\$ -	\$ -	
Low Voltage Service Charge	\$ 1.0911	1,476	\$ 1,610.46	\$ 1.0911	1,476	\$ 1,610.46	\$ -	0.00%
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		1,476	\$ -	\$ -	1,476	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 8,465.88			\$ 8,869.46	\$ 403.58	4.77%
RTSR - Network	\$ 2.6426	1,476	\$ 3,900.48	\$ 2.6845	1,476	\$ 3,962.32	\$ 61.84	1.59%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.7076	1,476	\$ 2,520.42	\$ 1.7282	1,476	\$ 2,550.82	\$ 30.41	1.21%
Sub-Total C - Delivery (including Sub-Total B)			\$ 14,886.78			\$ 15,382.60	\$ 495.83	3.33%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	795,678	\$ 2,864.44	\$ 0.0036	795,678	\$ 2,864.44	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	795,678	\$ 238.70	\$ 0.0003	795,678	\$ 238.70	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	746,695	\$ 5,226.87	\$ 0.0070	746,695	\$ 5,226.87	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	795,678	\$ 87,604.17	\$ 0.1101	795,678	\$ 87,604.17	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 110,821.20			\$ 111,317.03	\$ 495.83	0.45%
HST	13%		\$ 14,406.76	13%		\$ 14,471.21	\$ 64.46	0.45%
Total Bill on Average IESO Wholesale Market Price			\$ 125,227.96			\$ 125,788.25	\$ 560.28	0.45%

Current vs Proposed Rates – Unmetered Scattered Load Connection

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for an Unmetered Scattered Load RPP Connection with a monthly consumption of 252 kWh.

Customer Class: UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	
RPP / Non-RPP: RPP	
Consumption	252 kWh
Demand	- kW
Current Loss Factor	1.0656
Proposed/Approved Loss Factor	1.0656

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 28.74	2	\$ 57.48	\$ 29.16	2	\$ 58.32	\$ 0.84	1.46%
Distribution Volumetric Rate	\$ 0.0158	252	\$ 3.98	\$ 0.0160	252	\$ 4.03	\$ 0.05	1.27%
Fixed Rate Riders	-	2	\$ -	\$ 1.28	2	\$ 2.56	\$ 2.56	
Volumetric Rate Riders	-	252	\$ -	\$ 0.0007	252	\$ 0.18	\$ 0.18	
Sub-Total A (excluding pass through)			\$ 61.46			\$ 65.09	\$ 3.63	5.90%
Line Losses on Cost of Power	\$ 0.0822	17	\$ 1.36	\$ 0.0822	17	\$ 1.36	\$ -	0.00%
Total Deferral/Variance Account Rate Riders	\$ -	252	\$ -	\$ -	252	\$ -	\$ -	
CBR Class B Rate Riders	\$ -	252	\$ -	\$ -	252	\$ -	\$ -	
GA Rate Riders	\$ -	252	\$ -	\$ -	252	\$ -	\$ -	
Low Voltage Service Charge	\$ 0.0025	252	\$ 0.63	\$ 0.0025	252	\$ 0.63	\$ -	0.00%
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders (Sheet 18)		252	\$ -	\$ -	252	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 63.45			\$ 67.08	\$ 3.63	5.72%
RTSR - Network	\$ 0.0060	269	\$ 1.61	\$ 0.0061	269	\$ 1.64	\$ 0.03	1.67%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0039	269	\$ 1.05	\$ 0.0039	269	\$ 1.05	\$ -	0.00%
Sub-Total C - Delivery (including Sub-Total B)			\$ 66.11			\$ 69.76	\$ 3.65	5.53%
Wholesale Market Service Charge (WMSC)	\$ 0.0036	269	\$ 0.97	\$ 0.0036	269	\$ 0.97	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	269	\$ 0.08	\$ 0.0003	269	\$ 0.08	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	252	\$ 1.76	\$ 0.0070	252	\$ 1.76	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	164	\$ 10.65	\$ 0.0650	164	\$ 10.65	\$ -	0.00%
TOU - Mid Peak	\$ 0.0950	43	\$ 4.07	\$ 0.0950	43	\$ 4.07	\$ -	0.00%
TOU - On Peak	\$ 0.1320	45	\$ 5.99	\$ 0.1320	45	\$ 5.99	\$ -	0.00%
Total Bill on TOU (before Taxes)			\$ 89.87			\$ 93.53	\$ 3.65	4.07%
HST	13%		\$ 11.68	13%		\$ 12.16	\$ 0.47	4.07%
Total Bill on TOU			\$ 101.56			\$ 105.69	\$ 4.13	4.07%

Current vs Proposed Rates – Sentinel Lighting Connection

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for a Sentinel Lighting RPP Connection with a monthly demand of 5 kW.

Customer Class: SENTINEL LIGHTING SERVICE CLASSIFICATION									
RPP / Non-RPP: Non-RPP (Other)									
Consumption: 1,927 kWh									
Demand: 5 kW									
Current Loss Factor: 1.0656									
Proposed/Approved Loss Factor: 1.0656									
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 7.49	23	\$ 172.27	\$ 7.60	23	\$ 174.80	\$ 2.53	1.47%	
Distribution Volumetric Rate	\$ 27.7000	5	\$ 138.50	\$ 28.1016	5	\$ 140.51	\$ 2.01	1.45%	
Fixed Rate Riders	\$ -	23	\$ -	\$ 0.33	23	\$ 7.59	\$ 7.59		
Volumetric Rate Riders	\$ -	5	\$ -	\$ 1.2288	5	\$ 6.14	\$ 6.14		
Sub-Total A (excluding pass through)			\$ 310.77			\$ 329.04	\$ 18.27	5.88%	
Line Losses on Cost of Power	\$ 0.1101	126	\$ 13.92	\$ 0.1101	126	\$ 13.92	\$ -	0.00%	
Total Deferral/Variance Account Rate Riders	\$ -	5	\$ -	\$ -	5	\$ -	\$ -		
CBR Class B Rate Riders	\$ -	5	\$ -	\$ -	5	\$ -	\$ -		
GA Rate Riders	\$ -	1,927	\$ -	\$ -	1,927	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.7856	5	\$ 3.93	\$ 0.7856	5	\$ 3.93	\$ -	0.00%	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Volumetric Rate Riders (Sheet 18)		5	\$ -	\$ -	5	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 328.62			\$ 346.89	\$ 18.27	5.56%	
RTSR - Network	\$ 1.8858	5	\$ 9.43	\$ 1.9157	5	\$ 9.58	\$ 0.15	1.59%	
RTSR - Connection and/or Line and Transformation Connection	\$ 1.2293	5	\$ 6.15	\$ 1.2442	5	\$ 6.22	\$ 0.07	1.21%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 344.19			\$ 362.69	\$ 18.50	5.37%	
Wholesale Market Service Charge (WVMS)	\$ 0.0036	2,053	\$ 7.39	\$ 0.0036	2,053	\$ 7.39	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	2,053	\$ 0.62	\$ 0.0003	2,053	\$ 0.62	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)	\$ 0.0070	1,927	\$ 13.49	\$ 0.0070	1,927	\$ 13.49	\$ -	0.00%	
Average IESO Wholesale Market Price	\$ 0.1101	1,927	\$ 212.16	\$ 0.1101	1,927	\$ 212.16	\$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			\$ 578.10			\$ 596.60	\$ 18.50	3.20%	
HST	13%		\$ 75.15	13%		\$ 77.56	\$ 2.40	3.20%	
Total Bill on Average IESO Wholesale Market Price			\$ 653.25			\$ 674.16	\$ 20.90	3.20%	

Current vs Proposed Rates – Streetlights Connection

The Rates and Charges in the table below are based on the output from the 2018 IRM Rate Generator model for a Streetlights Connection with a monthly demand of 165 kW.


Customer Class: STREET LIGHTING SERVICE CLASSIFICATION									
RPP / Non-RPP: Non-RPP (Other)									
Consumption: 64,297 kWh									
Demand: 165 kW									
Current Loss Factor: 1.0656									
Proposed/Approved Loss Factor: 1.0656									
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 1.62	910	\$ 1,474.20	\$ 1.64	910	\$ 1,492.40	\$ 18.20	1.23%	
Distribution Volumetric Rate	\$ 1.7920	165	\$ 295.68	\$ 1.8180	165	\$ 299.97	\$ 4.29	1.45%	
Fixed Rate Riders	\$ -	910	\$ -	\$ 0.07	910	\$ 63.70	\$ 63.70		
Volumetric Rate Riders	\$ -	165	\$ -	\$ 0.0795	165	\$ 13.12	\$ 13.12		
Sub-Total A (excluding pass through)			\$ 1,769.88			\$ 1,869.19	\$ 99.31	5.61%	
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -		
Total Deferral/Variance Account Rate Riders	\$ -	165	\$ -	\$ -	165	\$ -	\$ -		
CBR Class B Rate Riders	\$ -	165	\$ -	\$ -	165	\$ -	\$ -		
GA Rate Riders	\$ -	64,297	\$ -	\$ -	64,297	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.7695	165	\$ 126.97	\$ 0.7695	165	\$ 126.97	\$ -	0.00%	
Smart Meter Entity Charge (if applicable) and/or any fixed (\$) Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Volumetric Rate Riders (Sheet 18)		165	\$ -	\$ -	165	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 1,896.85			\$ 1,996.16	\$ 99.31	5.24%	
RTSR - Network	\$ 1.8763	165	\$ 309.59	\$ 1.9060	165	\$ 314.49	\$ 4.90	1.58%	
RTSR - Connection and/or Line and Transformation Connection	\$ 1.2043	165	\$ 198.71	\$ 1.2188	165	\$ 201.10	\$ 2.39	1.20%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 2,405.15			\$ 2,511.75	\$ 106.60	4.43%	
Wholesale Market Service Charge (WMSC)	\$ 0.0036	68,515	\$ 246.65	\$ 0.0036	68,515	\$ 246.65	\$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	68,515	\$ 20.55	\$ 0.0003	68,515	\$ 20.55	\$ -	0.00%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)	\$ 0.0070	64,297	\$ 450.08	\$ 0.0070	64,297	\$ 450.08	\$ -	0.00%	
Average IESO Wholesale Market Price	\$ 0.1101	68,515	\$ 7,543.49	\$ 0.1101	68,515	\$ 7,543.49	\$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			\$ 10,666.17			\$ 10,772.77	\$ 106.60	1.00%	
HST	13%		\$ 1,386.60	13%		\$ 1,400.46	\$ 13.86	1.00%	
Total Bill on Average IESO Wholesale Market Price			\$ 12,052.77			\$ 12,173.23	\$ 120.46	1.00%	

Appendix D: 2018 Rate Generator Model

In applying for 2018 electricity distribution rates, WNP has referred to the Ontario Energy Board's "Filing Requirements."²⁹ In its application, Wellington North Power Inc. has elected to use the Incentive Rate-setting ("IRM") as its rate-setting method for requesting its' 2018 electricity distribution rates.

WNP has completed the 2018 IRM Rate Generator model (version 1.1 updated September 8th 2017) as provided by the Board and below are details taken from this model:

Information Sheet

 Ontario Energy Board	Quick Link Ontario Energy Board's 2018 Electricity Distribution Rates Webpage
Incentive Regulation Model for 2018 Filers	
Version 1.0	
Utility Name	Wellington North Power Inc.
Assigned EB Number	EB-2017-0082
Name of Contact and Title	Raymond Petersen, Finance & Regulatory Supervisor
Phone Number	519-323-1710
Email Address	rpetersen@wellingtonnorthpower.com
We are applying for rates effective	Tuesday, May 01, 2018 +
Rate-Setting Method	Price Cap IR
Please indicate in which Rate Year the Group 1 accounts were last cleared ¹	2016
Please indicate the last Cost of Service Re-Basing Year	2016

²⁹ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017

1 **Continuity Schedule: 2015 Transactions**

2 The table below shows the transactions (principal and interest) recorded during 2015 in Wellington North Power Inc.'s Group 1 Accounts:

3

		2015									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan 1, 2015	Transactions Debit/ (Credit) during 2015	OEB-Approved Disposition during 2015	Principal Adjustments ¹ during 2015	Closing Principal Balance as of Dec 31, 2015	Opening Interest Amounts as of Jan 1, 2015	Interest Jan 1 to Dec 31, 2015	OEB-Approved Disposition during 2015	Interest Adjustments ¹ during 2015	Closing Interest Amounts as of Dec 31, 2015
Group 1 Accounts											
LV Variance Account	1550	0	109,980			109,980	0	1,275			1,275
Smart Metering Entity Charge Variance Account	1551	0	(401)			(401)	0	22			22
RSVA - Wholesale Market Service Charge ⁵	1580	0	(239,320)			(239,320)	0	(1,879)			(1,879)
Variance WMS – Sub-account CBR Class A ⁵	1580	0				0	0	0			0
Variance WMS – Sub-account CBR Class B ⁵	1580	0	29,389			29,389	0	96			96
RSVA - Retail Transmission Network Charge	1584	0	7,252			7,252	0	(653)			(653)
RSVA - Retail Transmission Connection Charge	1586	0	26,898			26,898	0	(382)			(382)
RSVA - Power ⁴	1588	0	(49,397)		425,150	375,753	0	3,291			3,291
RSVA - Global Adjustment ⁴	1589	0	129,781		(425,150)	(295,369)	0	(4,285)			(4,285)
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	(43,985)	87,178			43,193	(14,055)	150			(13,905)
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³											
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595	0				0	0				0
RSVA - Global Adjustment	1589	0	129,781	0	(425,150)	(295,369)	0	(4,285)	0	0	(4,285)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(43,985)	(28,421)	0	425,150	352,744	(14,055)	1,920	0	0	(12,135)
Total Group 1 Balance		(43,985)	101,361	0	0	57,375	(14,055)	(2,365)	0	0	(16,420)
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	0				0	0				0
Total including Account 1568		(43,985)	101,361	0	0	57,375	(14,055)	(2,365)	0	0	(16,420)

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1 **Continuity Schedule: 2016 Transactions**

2 The table below shows the transactions (principal and interest) recorded during 2016 in Wellington North Power Inc.'s Group 1 Accounts:

3

		2016									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan 1, 2016	Transactions Debit/ (Credit) during 2016	OEB-Approved Disposition during 2016	Principal Adjustments ¹ during 2016	Closing Principal Balance as of Dec 31, 2016	Opening Interest Amounts as of Jan 1, 2016	Interest Jan 1 to Dec 31, 2016	OEB-Approved Disposition during 2016	Interest Adjustments ¹ during 2016	Closing Interest Amounts as of Dec 31, 2016
Group 1 Accounts											
LV Variance Account	1550	109,980	93,402			203,381	1,275	2,135	1,248		2,162
Smart Metering Entity Charge Variance Account	1551	(401)	(106)			(507)	22	5	32		(5)
RSVA - Wholesale Market Service Charge ⁵	1580	(239,320)	(109,388)			(348,708)	(1,879)	(3,643)	(1,254)		(4,268)
Variance WMS – Sub-account CBR Class A ⁵	1580	0				0	0				0
Variance WMS – Sub-account CBR Class B ⁵	1580	29,389	(5,565)			23,824	96	272			368
RSVA - Retail Transmission Network Charge	1584	7,252	27,396			34,648	(653)	(117)	(822)		51
RSVA - Retail Transmission Connection Charge	1586	26,898	29,649			56,547	(382)	235	(594)		447
RSVA - Power ⁴	1588	375,753	14,107			389,861	3,291	3,726			7,017
RSVA - Global Adjustment ⁴	1589	(295,369)	(156,755)			(452,123)	(4,285)	(3,118)			(7,403)
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595	43,193				43,193	(13,905)	337			(13,568)
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³	1595	0				0					0
<i>Not to be disposed of until a year after rate rider has expired and that balance has been audited</i>	1595	0	(146,927)	(238,749)		91,822	0	1,065			1,065
RSVA - Global Adjustment	1589	(295,369)	(156,755)	0	0	(452,123)	(4,285)	(3,118)	0	0	(7,403)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		352,744	(97,433)	(238,749)	0	494,060	(12,135)	4,014	(1,390)	0	(6,731)
Total Group 1 Balance		57,375	(254,188)	(238,749)	0	41,937	(16,420)	896	(1,390)	0	(14,134)
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568	0		0		0	0				0
Total including Account 1568		57,375	(254,188)	(238,749)	0	41,937	(16,420)	896	(1,390)	0	(14,134)

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1 **Continuity Schedule: 2017 Projections and RRR Reporting**

2 The table below shows the projected Interest amounts based upon 2016 year-end balances for (a) interest during 2017 and (b) interest for
3 the period of January to April of 2018. This table also illustrates the variances between 2016 balances and RRR balances filed with the OEB:
4

Account Descriptions	Account Number	2017				Projected Interest on Dec-31-16 Balances				2.1.7 RRR	Variance RRR vs. 2016 Balance (Principal + Interest)
		Principal Disposition during 2017 - instructed by OEB	Interest Disposition during 2017 - instructed by OEB	Closing Principal Balances as of Dec 31, 2016 Adjusted for Dispositions during 2017	Closing Interest Balances as of Dec 31, 2016 Adjusted for Disposition in 2017	Projected Interest from Jan 1, 2017 to December 31, 2017 on Dec 31, 2016 balance adjusted for disposition during 2017 ²	Projected Interest from January 1, 2018 to April 30, 2018 on Dec 31, 2016 balance adjusted for disposition during 2017 ²	Total Interest	Total Claim	As of Dec 31, 2016	
Group 1 Accounts											
LV Variance Account	1550			203,381	2,162	2,441	1,017	5,619	209,001	205,545	2
Smart Metering Entity Charge Variance Account	1551			(507)	(5)	(6)	(3)	(14)	(521)	(514)	(1)
RSVA - Wholesale Market Service Charge ³	1580			(348,708)	(4,268)	(4,184)	(1,744)	(10,196)	(358,904)	(328,783)	24,193
Variance WMS – Sub-account CBR Class A ⁵	1580			0	0			0	0	0	0
Variance WMS – Sub-account CBR Class B ⁵	1580			23,824	368	286	119	773	24,597	24,192	(40)
RSVA - Retail Transmission Network Charge	1584			34,648	51	416	173	640	35,288	34,699	(589)
RSVA - Retail Transmission Connection Charge	1586			56,547	447	679	283	1,408	57,955	56,995	(960)
RSVA - Power ⁴	1588			389,861	7,017	4,678	1,949	13,645	403,506	(203,465)	(600,343)
RSVA - Global Adjustment ⁴	1589			(452,123)	(7,403)	(5,425)	(2,261)	(15,089)	(467,213)	140,817	600,344
Disposition and Recovery/Refund of Regulatory Balances (2009) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2011) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2012) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2013) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2014) ³	1595			43,193	(13,568)	518	216	(12,833) <input checked="" type="checkbox"/> Check to Dispose of Account	30,359	29,626	733
Disposition and Recovery/Refund of Regulatory Balances (2015) ³	1595			0	0			<input type="checkbox"/> Check to Dispose of Account	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2016) ³								<input type="checkbox"/> Check to Dispose of Account			
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595			91,822	1,065	1,102		2,167	0	92,887	0
RSVA - Global Adjustment	1589	0	0	(452,123)	(7,403)	(5,425)	(2,261)	(15,089)	(467,213)	140,817	600,344
Total Group 1 Balance excluding Account 1589 - Global Adjustment		0	0	494,060	(6,731)	5,929	2,011	1,209	401,280	(113,011)	(600,340)
Total Group 1 Balance		0	0	41,937	(14,134)	503	(249)	(13,880)	(65,933)	27,807	4
LRAM Variance Account (only input amounts if applying for disposition of this account)	1568			0	0			0	0	2,938	2,938
Total including Account 1568		0	0	41,937	(14,134)	503	(249)	(13,880)	(65,933)	30,745	2,942

The table below reconciles the continuity schedule principal and interest with the year-end RRR filing. There is a difference in the Wholesale Market Service Charge which is equal to the “WMS – Sub-account CBR Class B” as would be expected. There is also a difference between Cost of Power and the GA principal amounts. To transition from the amounts in the continuity schedule to the RRR filing as explained in section (h) above, requires:

- 7 ○ GA Unbilled Principal Change = 2014 GA Unbilled Balance + 2015 and 2016 change
8 in GA unbilled.
9 ○ GA Change = \$425,150 + \$221,740 – \$58,474 = \$588,416


10 All these amounts are directly calculated from the 2015 and 2016 GA Analysis Workforms
11 which are filed with this application. The Interest calculation was completed on the month by
12 month balances of the GA. The net effect of this change on the deferral variance accounts is
13 zero dollars.

15 **2016 Continuity Schedule and 2016 Year-End RRR Filings Reconciliation**

				Finance Balance at 31-Dec-2016					
Item	Account	Account No.	RRR Filing at 31-Dec-2016	Principal	Interest	GA Unbilled Principal Chng	GA Unbilled Interest Chng	Principal + Interest + Unbilled Changes	Variance
			A	B	C	D	E	F = B + C + D + E	G = A - F
(a)	LV Variance Account	1550	\$205,545	\$203,381	\$2,162			\$205,543	\$2
(b)	Smart Metering Entity Charge	1551	(\$514)	(\$507)	(\$5)			(\$512)	(\$2)
(c)	RSVA - Wholesale Market Service	1580	(\$328,783)	(\$348,708)	(\$4,268)			(\$352,976)	\$24,193
(c)	RSVA - WMS CBR Class B	1580		\$23,824	\$368			\$24,192	(\$24,192)
(d)	RSVA - Retail Transmission Network Charge	1584	\$34,699	\$34,648	\$51			\$34,699	\$0
(e)	RSVA - Retail Transmission Connection Charge	1586	\$56,994	\$56,547	\$447			\$56,994	\$0
(f)	RSVA - Power (excluding Global Adjustment)	1588	(\$203,465)	\$389,861	\$7,017	(\$588,416)	(\$11,927)	(\$203,465)	\$0
(g)	RSVA - Global Adjustment	1589	\$140,817	(\$452,123)	(\$7,403)	\$588,416	\$11,927	\$140,817	\$0
(i)	Disposition and Recovery/Refund of Regulatory Bal (2014) ⁴	1595	\$29,626	\$43,193	(\$13,568)	\$0	\$0	\$29,625	\$1
(j)	Disposition and Recovery/Refund of Regulatory Bal (2015) ⁴	1595	\$0	\$0	\$0	\$0	\$0	\$0	\$0
								Total Variance	\$2

1 **Billing Determinant for Deferral- Variance Balances Allocation**

- 2 The worksheet below illustrates that when inputting the 2016 year-end Deferral and Variance Balances from WNP's Group 1 Accounts, the
3 Claim does not exceed the Threshold Test and therefore, there are no Disposition requirements required for WNP's 2018 IRM application.



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Data on this worksheet has been populated using your most recent RRR filing.

Click on the checkbox to confirm the accuracy of the data below: ☒

If you have identified any issues, please [contact](#) the OEB.

Rate Class	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption (if applicable)	Total Metered kW less WMP consumption (if applicable)
RESIDENTIAL SERVICE CLASSIFICATION	kWh	24,523,575	0	1,085,996	0	0	0	24,523,575	0
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	11,967,605	0	2,626,258	0	0	0	11,967,605	0
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	kW	19,893,744	55,436	18,783,197	50,921	0	0	19,893,744	55,436
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kW	45,496,516	96,818	45,496,516	96,818	0	0	45,496,516	96,818
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	5,184	0	0	0	0	0	5,184	0
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	22,057	61	2,408	7	0	0	22,057	61
STREET LIGHTING SERVICE CLASSIFICATION	kW	723,427	1,984	723,427	1,984	0	0	723,427	1,984
Total		102,632,108	154,299	68,717,802	149,730	0	0	102,632,108	154,299

Threshold Test

Total Claim (including Account 1568)	(\$65,933)
Total Claim for Threshold Test (All Group 1 Accounts)	(\$65,933)
Threshold Test (Total claim per kWh) ²	(\$0.0006) Claim does not meet the threshold test.

As per Section 3.2.5 of the 2018 Filing Requirements for Electricity Distribution Rate Applications, an applicant may elect to dispose of the Group 1 account balances below the threshold. If doing so, please select YES from the adjacent drop-down cell and also indicate so in the Manager's Summary. If not, please select NO.

NO

Global Adjustment Calculation.

As summarized above, when inputting the 2016 year-end Deferral and Variance Balances from WNP's Group 1 Accounts, the Claim does not exceed the Threshold Test and therefore, there are no Disposition requirements required for WNP's 2018 IRM application. The table below shows WNP's Global Adjustment (GA) Balance as at December 31st 2016:


<p>The purpose of this tab is to calculate the GA rate riders for all current Class B customers who did not transition between Class A and B in the period since the Account 1689 GA was last disposed. Calculations in this tab will be modified upon completion of tab 6.1a, which allocates a portion of the GA balance to transition customers, if applicable.</p> <p>Effective January 2017, the billing determinant and all rate riders for the disposition of GA balances will be calculated on an energy basis (kWhs) regardless of the billing determinant used for distribution rates for the particular class (see Chapter 3, Filing Requirements, section 3.2.5.2)</p>				Default Rate Rider Recovery Period (in months)	12		
				Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below	
	Total Metered Non-RPP 2016 Consumption excluding WMP	Non-RPP Metered Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption)	% of total kWh	Total GA \$ allocated to Current Class B Customers	GA Rate Rider		
	kWh	kWh					
RESIDENTIAL SERVICE CLASSIFICATION	kWh 1,085,996	1,085,996	1.6%	(\$7,384)	\$0.0000	kWh	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh 2,626,258	2,626,258	3.8%	(\$17,856)	\$0.0000	kWh	
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	kWh 18,783,197	18,783,197	27.3%	(\$127,707)	\$0.0000	kWh	
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kWh 45,496,516	45,496,516	66.2%	(\$309,331)	\$0.0000	kWh	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh 0	0	0.0%	\$0	\$0.0000		
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh 2,408	2,408	0.0%	(\$16)	\$0.0000	kWh	
STREET LIGHTING SERVICE CLASSIFICATION	kWh 723,427	723,427	1.1%	(\$4,919)	\$0.0000	kWh	
Total	68,717,802	68,717,802	100.0%	(\$467,213)			

WNP are not requesting disposition of its Global Adjustment account balance as at December 31st 2016 and have included the table above for information purposes only.

In Appendix F, WNP has included an overview of its settlement process with the Independent Electricity System Operator (IESO) for information purposes only.

Calculation of Deferral – Variance Balances

WNP's Group 1 account balances that have accumulated in 2016 did not exceed the \$0.001 per kWh pre-set disposition threshold as determined in Chapter 3 of the Filing Requirements, section 3.2.5 *"Review and Disposition of Group 1 Deferral and Variance Account Balances"* (page 10). As a consequence, there are no "new" Rate Riders required to be incorporated into 2018 distribution rates as illustrated in the copy of the 2018 Rate Generator worksheet 7. "Calculation of Def-Var RR" shown below:


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Incentive Regulation Model for 2018 Filers

Input required at cell C13 only. This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and rate riders for Account 1568. Rate Riders will not be generated for the microFIT class.

Default Rate Rider Recovery Period (in months)	12	
Proposed Rate Rider Recovery Period (in months)	12	Rate Rider Recovery to be used below


Rate Class	Unit	Total Metered kWh	Metered kW or kVA	Total Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Allocation of Group 1 Account Balances to All Classes ²	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) ²	Deferral/Variance Account Rate Rider ²	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) ²	Account 1568 Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	kWh	24,523,575	0	24,523,575	0	0	0	0.0000		0.0000
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	11,967,605	0	11,967,605	0	0	0	0.0000		0.0000
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	kW	19,893,744	55,436	19,893,744	55,436	0	0	0.0000		0.0000
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kW	45,496,516	96,818	45,496,516	96,818	0	0	0.0000		0.0000
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	5,184	0	5,184	0	0	0	0.0000		0.0000
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	22,057	61	22,057	61	0	0	0.0000		0.0000
STREET LIGHTING SERVICE CLASSIFICATION	kW	723,427	1,984	723,427	1,984	0	0	0.0000		0.0000

Note:

The kWh and kW values provided on worksheet 7 of WNP's 2018 Rate Generator Model reflect the billed kW forecast (including the CDM adjustments) that were approved in WNP's 2016 Cost of Service application (EB-2015-0110).

1 **Summary of Tax Savings**

- 2 The table below shows the tax-sharing amount with data inputted from WNP's most recent
3 Cost of Service application (EB-2016-0110):

 Ontario Energy Board		
<h2 style="text-align: center;">Incentive Regulation Model for 2018 Filers</h2>		
Summary - Sharing of Tax Change Forecast Amounts		
For the 2016 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)		0
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2016	2018
Taxable Capital (if you are not claiming capital tax, please enter your OEB-Approved Rate Base)	8,265,840	\$ 8,265,840
Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
Net Taxable Capital	-\$ 6,734,160	-\$ 6,734,160
Rate	0.00%	0.00%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -
2. Tax Related Amounts Forecast from Income Tax Rate Changes		
Regulatory Taxable Income	-\$ 20,341	-\$ 20,341
Corporate Tax Rate	15.00%	15.00%
Tax Impact	\$ -	\$ -
Grossed-up Tax Amount	\$ -	\$ -
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ -	\$ -
Total Tax Related Amounts	\$ -	\$ -
Incremental Tax Savings		\$ -
Sharing of Tax Amount (50%)		\$ -

4

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1 **Tax Sharing: Shared Tax Rate Rider**

2 The table below has been updated with

- 3 • The Customer numbers / connections and re-based kWh / kW) from WNP's 2016 Cost of Service application (EB-2015-0110);
- 4 • The monthly Service Charge and Distribution Volumetric rates for WNP as per Board Approved WNP's 2016 Cost of Service
- 5 application (EB-2015-0110)

6 As there are no tax changes that would cause a need for tax sharing at this time, there are no Shared Tax Rate Riders required in this

7 application.

 Ontario Energy Board						
Incentive Regulation Model for 2018 Filers						
Calculation of Rebased Revenue Requirement and Allocation of Tax Sharing Amount. Enter data from the last OEB-Approved Cost of Service application in col As per Chapter 3 Filing Requirements, shared tax rate riders are based on a 1 year disposition.						
Rate Class		Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Re-based Service Charge D	Re-based Distribution Volumetric Rate kWh E
RESIDENTIAL SERVICE CLASSIFICATION	kWh	3,251	27,408,200		23.97	0.0153
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	476	12,494,682		41.71	0.0179
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	kW	38	14,065,279	43,362	275.90	
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kW	5	50,613,209	108,301	2254.94	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	1	3,024		28.33	0.0156
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	29	23,128	65	7.38	
STREET LIGHTING SERVICE CLASSIFICATION	kW	905	725,392	1,995	1.60	
Total		4,705	105,332,914	153,723		
Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	24,523,575		0	0.00	\$/customer
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	11,967,605		0	0.0000	kWh
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	kW	19,893,744	55,436	0	0.0000	kW
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	kW	45,496,516	96,818	0	0.0000	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	5,184		0	0.0000	kWh
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	22,057	61	0	0.0000	kW
STREET LIGHTING SERVICE CLASSIFICATION	kW	723,427	1,984	0	0.0000	kW
Total		102,632,108	154,299	\$0		

RTSR: Information:

WNP has updated the Retail Transmission Service Rates (RTSR) worksheet within the 2018 IRM Rate Generator model. The Applicant has calculated the adjustments to the current Retail Transmission Service Rates as approved in EB-2015-0110. The adjusted RTSR's, shown in worksheet 25. "RTSR Rates to Forecast" of the 2018 Rate Generator Model have been incorporated in the proposed 2018 rates as per worksheet 19. "Final Tariff Schedule" also within the 2018 Rate Generator Model.

The Applicant requests the opportunity to update the RTSR's included in this IRM application should the RTSR's charged to WNP change before the rates applied for in this application are approved and in effect.

The rate model reflects the most recent uniform transmission rates ("UTRs") approved by the OEB (EB-2015-0311) issued on January 14, 2016. Wellington North Power Inc. acknowledges that OEB staff will adjust Wellington North Power Inc.'s 2018 RTSRs when the 2017-2018 UTRs have been determined and approved³⁰ as per the "Filing Requirements"³¹

³⁰ 2017-18 Transmission Cost of Service Application by Hydro One Networks Inc. – EB-2016-0160

³¹ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017, Section 3.2.4 pages 8 - 9


RTSR: Rate Classes and Current RTS Network and Connection Rates

Below are the rate classes relevant for Wellington North Power Inc. and their current corresponding RTSR-Network and RTSR-Connection rates that were approved in the Applicants 2017 IRM application (EB-2016-0111):

Rate Class	Rate Description	Unit	Rate
Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.4881
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5576
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.6426
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7076
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8858
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2293
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8763
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2043


RTSR: Reported RRR Billing Determinants

Below are WNP's Billing Determinants for each rate classes that were reported to the OEB through RRR filing (2.1.5 Performance Based – Supply and Delivery Information, filed April 30th 2017):

 Incentive Regulation Model for 2018 Filers						
Columns E and F have been populated with data from the most recent RRR filing. Rate classes that have more than one Network or Connection charge will notice that the cells are highlighted in green and unlocked. If the data needs to be modified, please make the necessary adjustments and note the changes in your manager's summary. As well, the Loss Factor has been imported from Tab 2.						
Rate Class	Rate Description	Unit	Rate	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor
Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065	24,523,575	0	1.0656
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046	24,523,575	0	1.0656
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060	11,967,605	0	1.0656
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	11,967,605	0	1.0656
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.4881	19,893,744	55,436	
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5576	19,893,744	55,436	
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.6426	45,496,516	96,818	
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7076	45,496,516	96,818	
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060	5,184	0	1.0656
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	5,184	0	1.0656
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8858	22,057	61	
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2293	22,057	61	
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8763	723,427	1,984	
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2043	723,427	1,984	

RTSR: Transmission Rates

Below are the published Uniform Transmission rates (UTRs) and Hydro One Sub Transmission Rates Billing Determinants for each rate classes that were reported to the OEB:

 Ontario Energy Board				
Incentive Regulation Model for 2018 Filers				
Uniform Transmission Rates		Unit	2016	2017
Rate Description			Rate	Rate
Network Service Rate	kW	\$	3.66	\$ 3.66
Line Connection Service Rate	kW	\$	0.87	\$ 0.87
Transformation Connection Service Rate	kW	\$	2.02	\$ 2.02
Hydro One Sub-Transmission Rates		Unit	2016	2017
			January - 2016	February - December 2016
Rate Description			Rate	Rate
Network Service Rate	kW	\$	3.4121	\$ 3.3396
Line Connection Service Rate	kW	\$	0.7879	\$ 0.7710
Transformation Connection Service Rate	kW	\$	1.8018	\$ 1.7493
Both Line and Transformation Connection Service Rate	kW	\$	2.5897	\$ 2.5203

1 **RTSR: Adjustment to Recover Current Wholesale Network Costs**

2 The table below shows the realignment of RTS Network Rates to recover forecast wholesale Network costs

The purpose of this table is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Rate Description	Unit	Current RTSR- Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065	26,132,322	0	169,860	26.4%	172,552	0.0066
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060	12,752,680	0	76,516	11.9%	77,729	0.0061
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.4881		55,436	137,930	21.4%	140,116	2.5275
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.6426		96,818	255,851	39.7%	259,906	2.6845
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060	5,524	0	33	0.0%	34	0.0061
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8858		61	116	0.0%	117	1.9157
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.8763		1,984	3,723	0.6%	3,782	1.9060

6 **RTSR: Adjustment to Recover Current Wholesale Connection Costs**

7 The table below shows the realignment of RTS Network Rates to recover forecast wholesale Connection costs

The purpose of this table is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Rate Description	Unit	Current RTSR- Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR- Connection
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046	26,132,322	0	120,209	28.3%	121,655	0.0047
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	12,752,680	0	49,735	11.7%	50,334	0.0039
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5576		55,436	86,347	20.4%	87,386	1.5763
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7076		96,818	165,326	39.0%	167,316	1.7282
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	5,524	0	22	0.0%	22	0.0039
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2293		61	75	0.0%	76	1.2442
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2043		1,984	2,389	0.6%	2,418	1.2188

RTSR: Proposed 2017 RTS Rates

Below are the calculated Retails Transmission Service Rates that have been calculated using the RTSR model embedded within the 2018 IRM Rate Generator Model. These 2018 RTSR Network and Connection rates have been incorporated in the proposed 2018 rates as per worksheet 19. “Final Tariff Schedule” also within the 2018 Rate Generator Model.

The purpose of this table is to update the re-aligned RTS Network Rates to recover future wholesale network costs.									
Rate Class	Rate Description	Unit	Adjusted RTSR- Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR- Network
Residential Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066	26,132,322	0	172,552	26.4%	172,552	0.0066
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061	12,752,680	0	77,729	11.9%	77,729	0.0061
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.5275		55,436	140,116	21.4%	140,116	2.5275
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	2.6845		96,818	259,906	39.7%	259,906	2.6845
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061	5,524	0	34	0.0%	34	0.0061
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.9157		61	117	0.0%	117	1.9157
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	\$/kW	1.9060		1,984	3,782	0.6%	3,782	1.9060
The purpose of this table is to update the re-aligned RTS Connection Rates to recover future wholesale connection costs.									
Rate Class	Rate Description	Unit	Adjusted RTSR- Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR- Connection
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047	26,132,322	0	121,655	28.3%	121,655	0.0047
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	12,752,680	0	50,334	11.7%	50,334	0.0039
General Service 50 To 999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5763		55,436	87,386	20.4%	87,386	1.5763
General Service 1,000 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7282		96,818	167,316	39.0%	167,316	1.7282
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039	5,524	0	22	0.0%	22	0.0039
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2442		61	76	0.0%	76	1.2442
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2188		1,984	2,418	0.6%	2,418	1.2188

The rate model reflects the most recent uniform transmission rates (“UTRs”) approved by the OEB (EB-2015-0311) issued on January 14, 2016. The Applicant acknowledges that OEB staff will adjust Wellington North Power Inc.’s 2018 RTSRs when the 2017-2018 UTRs have been determined and approved³² as per the “Filing Requirements”³³

³² 2017-18 Transmission Cost of Service Application by Hydro One Networks Inc. – EB-2016-0160

³³ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.2.4 pages 8 - 9

Revenue to Cost – GDP Implicit Price Index (IPI)

For the purposes of preparing the 2018 rate application, the Board expects WNP to use a proxy for the price cap adjustment. In the 2018 Rate Generator model worksheet 16. “Rev2Cost_GDPIPI” the Price Cap Index is calculated. In this model, for Wellington North Power Inc., the default Price Cap Index of 1.45% and this has been calculated by the following variables:

- A Price Escalator of 1.90%;
- A Productivity factor of 0.00%;
- A Stretch Factor of 0.45%.

WNP has selected Stretch Factor Group “IV” which produces an Associated Stretch Factor Value of 0.45%. WNP is in Group IV as per table 5: “Stretch Factor Assignments by Group” on page 26 of the PEG Benchmarking Report, “Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update – July 2017”)


The Applicant acknowledges that:

- Board staff will update WNP’s 2018 Rate Generator model with the 2018 Price Cap parameters once they are available (as noted on pages 5 and 6 of the *“Filing Requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications- Chapter 3 Incentive Rate-Setting Application”* (the “Filing Requirements”) issued July 20th 2017; and
- The annual adjustment mechanism will apply to distribution rates (fixed and variable charges) uniformly across all customer rate classes.

Revenue to Cost and Rate Design Transition

The extract below, taken from the Rate Generator model worksheet 16. “Rev2Cost_GDPIPI” shows:

- The Stretch Factor Group selected by WNP and the resulting Price Cap Index; and
- The required information for the “Rate Design Transition” for Residential customers as per Board’s policy, “A New Distribution Rate Design for Residential Electricity Customers” (EB-2014-0210).



Ontario Energy Board

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If applicable, please enter any adjustments related to the revenue to cost ratio model into columns C and E. The Price Escalator and Stretch Factor have been set at the 2017 values and will be updated by OEB staff at a later date.

Price Escalator	1.90%	Productivity Factor	0.00%	# of Residential Customers (approved in the last CoS)	3,251	Effective Year of Residential Rate Design Transition (yyyy)	2016
Choose Stretch Factor Group	IV	Price Cap Index	1.45%	Billed kWh for Residential Class (approved in the last CoS)	27,408,200	OEB-approved # of Transition Years	4
Associated Stretch Factor Value	0.45%			Rate Design Transition Years Left	2		

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	27.95		0.0103		1.45%	32.03	0.0053
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	42.31		0.0182		1.45%	42.92	0.0185
GENERAL SERVICE 50 TO 999 kW SERVICE CLASSIFICATION	279.9		2.6697		1.45%	283.96	2.7084
GENERAL SERVICE 1,000 TO 4,999 kW SERVICE CLASSIFICATION	2287.64		3.0947		1.45%	2,320.81	3.1396
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	28.74		0.0158		1.45%	29.16	0.0160
SENTINEL LIGHTING SERVICE CLASSIFICATION	7.49		27.7		1.45%	7.60	28.1017
STREET LIGHTING SERVICE CLASSIFICATION	1.62		1.792		1.45%	1.64	1.8180
microFIT SERVICE CLASSIFICATION	15.69					15.69	

	Revenue from Rates	Current F/V Split	Decoupling MFC Split	Incremental Fixed Charge (\$/month/year)	New F/V Split	Adjusted Rates ¹	Revenue at New F/V Split
Current Residential Fixed Rate (inclusive of R/C adj.)	27.9500	1,090,385	79.4%	3.62	89.7%	31.57	1,231,609
Current Residential Variable Rate (inclusive of R/C adj.)	0.0103	282,304	20.6%		10.3%	0.0052	142,523
		1,372,690					1,374,131


Rate Design Transition

WNP commenced transitioning its Residential customers to a fully fixed monthly distribution service charge in its 2016 Cost of Service rate application (EB-2015-0110). Through this 2018 rate application, the Applicant continues to progress to meet this objective over the four year period.

As per above, if this application is approved by the OEB, the fixed /variable ratio for Residential customers will shift from 79.4% / 20.6% to 89.7% / 10.3%.

Regulatory Charges

The extract below summarizes the Regulatory Charges that have been included in WNP's 2018 rate application with these charges being incorporated in the Applicant's proposed 2018 Tariff of Rates and Charges


Ontario Energy Board

Incentive Regulation Model for 2018 Filers

Update the following rates if an OEB Decision has been issued at the time of completing this application

Regulatory Charges	Proposed
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 0.0003
Standard Supply Service - Administrative Charge (if applicable) \$	0.25

Time-of-Use RPP Prices

As of	July 1, 2017
Off-Peak	\$ / kWh 0.0650
Mid-Peak	\$ / kWh 0.0950
On-Peak	\$ / kWh 0.1320

Debt Retirement Charge (DRC)

Debt Retirement Charge (DRC)	\$ / kWh	0.0070
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If your utility's DRC differs from the value in Cell D29, please update this value.

WNP confirms the Debt Retirement Charge shown above and as pre-populated in the 218 IRM Rate Generator model is the amount charged and recovered by the LDC.

Additional Charges

In the 2018 Capital Module model, in worksheet “12. Opt 1-Rate Rider Calc F &V”, WNP has elected “Fixed and Variable Rate Riders” for all customer rate classes, except Residential. For Residential customers, the Rate-Rider is set at “Fixed” as per sections 3.2.3 and 3.3.2.1 of the “Filing Requirements.”³⁴ The resulting Rate Riders for each customer rate class as calculated in the ACM are:

2018 ACM Rate Riders

	Incremental Revenue Requirement by Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Service Charge Rate Rider	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
Residential	\$60,895	3,251	27,408,200		\$1.56		
General Service <50kW	\$20,809	476	12,494,682		\$1.88	\$0.0008	\$0.0000
General Service 50-999kW	\$10,798	38	14,065,279	43,362	\$12.42		\$0.1184
General Service 1000-4999kW	\$20,957	5	50,613,209	108,301	\$101.48		\$0.1373
Unmetered Scattered Load	\$17	1	3,024		\$1.28	\$0.0007	
Sentinel Lighting	\$196	29	23,128	65	\$0.33		\$1.2288
Street Lighting	\$939	905	725,392	1,995	\$0.07		\$0.0795
Total	\$114,612	4,705	105,332,914	153,723			

The above Rate Riders have been added into the 2018 Rate Generator model in worksheet “18. Additional Rates” so they are included in the proposed Tariff of Rates and Charges. WNP is proposing the Rate Riders are effective from May 1, 2018 and are in effect until the effective date of the next cost of service-based rate order (May 1, 2021). WNP proposes the Rate Rider is named as “Rate Rider for Recovery of Advanced Capital Module (2018) – in effect until the effective date of the next cost of service-based rate order.”

³⁴ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.2.3 pages 7-8 and Section 3.3.2.1 page 21

1 Allowances and Specific Service Charges

2 WNP is not requesting any changes to Allowances or Specific Service Charges to those
3 approved in the Applicant's 2016 Cost of Service rate application (EB-2015-0110):

Wellington North Power Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2018 This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors		
		EB-2017-0082
ALLOWANCES		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)
SPECIFIC SERVICE CHARGES		
APPLICATION		
The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.		
No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.		
It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.		
Customer Administration		
Notification charge	\$	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 - during regular business hours	\$	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
Other		
Interval meter load management tool charge \$/month	\$	50.00
Service call - customer owned equipment	\$	30.00
Service call - customer-owned equipment - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35

4

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Allowances and Specific Service Charges / continued

<p align="center">Wellington North Power Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2018 This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors</p>		
		EB-2017-0082
RETAIL SERVICE CHARGES (if applicable)		
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.</p>		
One-time charge, per retailer, to establish the service agreement between the distributor and the	\$	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		
<p>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.</p>		
Total Loss Factor - Secondary Metered Customer < 5,000 kW		1.0656
Total Loss Factor - Primary Metered Customer < 5,000 kW		1.0549

Appendix E: 2018 Advanced Capital Module (ACM) Model

WNP has submitted an ACM (Advanced Capital Module) model with this IRM application. The ACM relates to 2018 capital expenditure to replace one of WNP's existing municipal substations (MS3) with a new 44kV 5MVA substation.

WNP filed its 5-year Distribution System Plan (DSP) as a component of its 2016 Cost of Service rate application (EB-2015-0110)³⁵. The DSP plan included capital investments planned for the 5-years of 2016 through to 2020 inclusive with 2018 seeing the replacement of MS3 substation³⁶. In its Decision and Rate Order for WNP's 2016 Cost of Service application (EB-2015-0110), the Board approved the ACM and noted that *"the review and approval process of the costs and for the establishment of the rate riders intended to recover approved project costs will be part of the Price Cap IR application process"*.

WNP is planning to replace MS3 substation in 2018, hence the inclusion of the 2018 ACM model filed with this IRM application.

The Applicant has completed the ACM model as issued by the OEB (August 3, 2017, version 4.0) adhering to the Ontario Energy Board's "Filing Requirements"³⁷ and below are details taken from this model.

³⁵ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Appendix 2A

³⁶ Wellington North Power Inc. 2016 Cost of Service application (EB-2015-0110), Exhibit 2, Appendix 2A, section 5.4.5.3.2 MS3 Substation re-build (2018) – Advanced Capital Module, page 216-226

³⁷ "OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications", July 20, 2017

1 **2018 ACM Information Sheet**

- 2 The Applicant has completed the ACM model as issued by the OEB and has updated the
3 required cells in the “1. Information Sheet” as per below:


Ontario Energy Board	
Capital Module	
Applicable to ACM and ICM	
Note: Depending on the selections made below, certain worksheets in this workbook will be hidden.	
Version 4.00	
Utility Name	Wellington North Power Inc.
Assigned EB Number	EB-2017-0082
Name of Contact and Title	Raymond Petersen
Phone Number	519-323-1710
Email Address	rpetersen@wellingtonnorthpower.com
Is this Capital Module being filed in a CoS or Price-Cap IR Application?	Price-Cap IR
Rate Year	2018
Indicate the Price-Cap IR Year (1, 2, 3, 4, etc) in which Wellington North Power Inc. is applying:	2
Wellington North Power Inc. is applying for:	ACM and ICM Approval
Last Rebasing Year:	2016
The most recent complete year for which actual billing and load data exists	2016
Current IPI	1.90%
Stretch Factor Assigned to Middle Cohort	III
Stretch Factor Value	0.30%
Price Cap Index	1.60%
Based on the inputs above, the growth factor utilized in the Materiality Threshold Calculation will be determined by:	2016 Board-Approved Distribution Revenues 2015 Actual Distribution Revenues

4

5


1 Threshold Test

2 The extract below, taken from the ACM model worksheet “9. Threshold Test”, shows the
3 Threshold Capital Expenditure for each Price Cap IR Year using the Rate Base, Price Cap Index,
4 2016 Board-Approved Distribution Revenues and 2015 Actual Distribution Revenue inputs
5 derived from earlier worksheets in this model:

 Ontario Energy Board			
<h3>Capital Module</h3> <h3>Applicable to ACM and ICM</h3> <p>Wellington North Power Inc.</p>			
No Input Required.			
Final Threshold Calculation			
$\text{Threshold Value (\%)} = 1 + \left[\left(\frac{RB}{d} \right) \times (g + PCI \times (1 + g)) \right] \times ((1 + g) \times (1 + PCI))^{n-1} + 10\%$			
Year	2016		
Year in which Applicant is applying	2	<i>n</i>	
Price Cap Index	1.60%	<i>PCI</i>	
Growth Factor Calculation			
2016 Board-Approved Distribution Revenues	\$2,547,582		
2015 Actual Distribution Revenues	\$2,508,772		
Growth Factor	1.55%	<i>g (Note 1)</i>	
Dead Band	10%		
Average Net Fixed Assets			
Gross Fixed Assets Opening	\$ 8,551,948		
Add: CWIP Opening	\$ -		
Capital Additions	\$ 1,593,911		
Capital Disposals	-\$ 27,635		
Capital Retirements	\$ -		
Deduct: CWIP Closing	\$ -		
Gross Fixed Assets - Closing	\$ 10,118,224		
Average Gross Fixed Assets	\$ 9,335,086		
Average Net Fixed Assets			
Accumulated Depreciation - Opening	\$ 868,137		
Depreciation Expense	\$ 413,418		
Disposals	-\$ 11,200		
Retirements	\$ -		
Accumulated Depreciation - Closing	\$ 1,270,355		
Average Accumulated Depreciation	\$ 1,069,246		
Average Net Fixed Assets	\$ 8,265,840		
Working Capital Allowance			
Working Capital Allowance Base	\$ 15,818,423		
Working Capital Allowance Rate	8%		
Working Capital Allowance	\$ 1,186,382		
Rate Base	\$ 9,452,222	<i>RB</i>	
Depreciation	\$ 413,418	<i>d</i>	
Threshold Value (varies by Price Cap IR Year subsequent to CoS rebasing)			
Price Cap IR Year 2017	183%		
Price Cap IR Year 2018	185%		
Price Cap IR Year 2019	187%		
Price Cap IR Year 2020	190%		
Threshold CAPEX			
Price Cap IR Year 2017	\$ 754,558	<i>Threshold Value × d</i>	
Price Cap IR Year 2018	\$ 764,067		
Price Cap IR Year 2019	\$ 773,877		
Price Cap IR Year 2020	\$ 783,999		

1 Incremental Capital Adjustment

2 The extract below, taken from the ACM model worksheet “11. Incremental Capital Adj”
3 calculates the incremental revenue required (i.e. the revenue required to finance the project
4 that is not being recovered Board-Approved distribution revenues):

 Ontario Energy Board			
<h3>Capital Module</h3> <h4>Applicable to ACM and ICM</h4> <p>Wellington North Power Inc.</p>			
Incremental Capital Adjustment			
Current Revenue Requirement			
Current Revenue Requirement - Total		\$ 2,546,787	A
Return on Rate Base			
Incremental Capital		\$ 1,432,403	B
Depreciation Expense		\$ 40,400	C
Incremental Capital to be included in Rate Base		\$ 1,392,003	D = B - C
Deemed ShortTerm Debt %	4.0%	E \$ 55,680	G = D * E
Deemed Long Term Debt %	56.0%	F \$ 779,522	H = D * F
Short Term Interest	1.65%	I \$ 919	K = G * I
Long Term Interest	4.02%	J \$ 31,337	L = H * J
Return on Rate Base - Interest		\$ 32,255	M = K + L
Deemed Equity %	40.00%	N \$ 556,801	P = D * N
Return on Rate Base -Equity	9.19%	O \$ 51,170	Q = P * O
Return on Rate Base - Total		\$ 83,426	R = M + Q
Amortization Expense			
Amortization Expense - Incremental	C	\$ 40,400	S
Grossed up PIL's			
Regulatory Taxable Income	O	\$ 51,170	T
Add Back Amortization Expense	S	\$ 40,400	U
Deduct CCA		\$ 141,800	V
Incremental Taxable Income		-\$ 50,230	W = T + U - V
Current Tax Rate	15.5%	X	
PIL's Before Gross Up		-\$ 7,786	Y = W * X
Incremental Grossed Up PIL's		-\$ 9,214	Z = Y / (1 - X)
Incremental Revenue Requirement			
Return on Rate Base - Total	Q	\$ 83,426	AA
Amortization Expense - Total	S	\$ 40,400	AB
Incremental Grossed Up PIL's	Z	-\$ 9,214	AC
Incremental Revenue Requirement		\$ 114,612	AD = AA + AB + AC

5

6

ACM Rate Riders

WNP has elected Fixed and Variable Rate Riders for all customer rate classes, except Residential. For Residential customers, the Rate-Rider is set at Fixed as per sections 3.2.3 and 3.3.2.1 of the “Filing Requirements.”³⁸ The resulting Rate Riders for each customer rate class as calculated in the ACM worksheet “12.Opt 1-Rate Rider Calc F&V” as summarized below:

	Incremental Revenue Requirement by Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Service Charge Rate Rider	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
Residential	\$60,895	3,251	27,408,200		\$1.56		
General Service <50kW	\$20,809	476	12,494,682		\$1.88	\$0.0008	
General Service 50-999kW	\$10,798	38	14,065,279	43,362	\$12.42		\$0.1184
General Service 1000-4999kW	\$20,957	5	50,613,209	108,301	\$101.48		\$0.1373
Unmetered Scattered Load	\$17	1	3,024		\$1.28	\$0.0007	
Sentinel Lighting	\$196	29	23,128	65	\$0.33		\$1.2288
Street Lighting	\$939	905	725,392	1,995	\$0.07		\$0.0795
Total	\$114,612	4,705	105,332,914	153,723			

³⁸ “OEB Filing requirements for Electricity Distribution Rate Applications – 2017 Edition for 2018 Rate Applications – Chapter 3 Rate-Setting Applications”, July 20, 2017, Section 3.2.3 pages 7-8 and Section 3.3.2.1 page 21

Appendix F: Settlement Process with IESO

Below is an overview of Wellington North Power Inc.'s (WNP) settlement process demonstrating the methodology used in calculating data that is submitted to the Independent Electricity System Operator (IESO):

Timeline

IESO monthly settlement is to be submitted by the 4th business day after the calendar month-end for the month prior (i.e. January settlement reflecting January's consumption is submitted by the 4th business day in February).

Global Adjustment (GA)

WNP uses the 1st estimate for billing customers for all rate classes. Timely billing and cash-flow is the driver for using 1st estimate.

Consumption Submission

WNP uses a spreadsheet model that incorporates wholesale consumption and customer billing statistics consumption to estimate monthly splits for Regulated Price Plan (RPP) and non-RPP categories.

Below is a summary of the methodology applied:

Wholesale kWh consumption – from 3rd party settlement service provider
Less: Non-RPP kWh – Retailer customers (using monthly billing stats)
Less: Street Lights (due to being billed on Spot pricing – i.e. non RPP)
Add: MicroFIT and FIT generation consumption
= Net System Load Shape (NSLS) – this represents the RPP kWh consumption

IESO Settlement of RPP kWh – market price

The NSLS (estimated RPP kWh) are split between:

- a) Time of Use billed (On-, Off- and Mid-Peak rates) and
- b) Tier 1 and Tier 2 block rates

The split is based on the most current month RPP billing stats split as a proxy.

For each RPP category the associated RPP pricing less a monthly weighted average price is used to derive RPP settlement amounts with the IESO.

True-Up Process

Once the IESO publishes the Final GA rate for the month (typically the 14th day after the consumption month), WNP updates the spreadsheet model with this rate. The model

1 calculates the monetary variance between the billed 1st GA Estimate and the Actual GA rate
2 on the kWh consumption submitted to the IESO on/before 4th business day. Any monetary
3 variance is applied to next month's IESO submission.
4

5 When the IESO invoice is received, based on the division of the RPP consumption from non-
6 RPP consumption, the GA invoice amount is either allocated to the cost of power or GA.

7 Having the final GA values on the IESO invoice also enables the calculation of variances from
8 the information submitted in the 1598 filing. This information is then submitted as part of the
9 1598 filing to the IESO the following month.
10

11 WNP does not serve any Class A customers. Therefore no custom allocation for recovery of
12 the GA variance balance is required
13
14

15 **Embedded Generation**

16 The settlement with the IESO relating to embedded generation (FIT and MicroFIT) is
17 performed on the contract price versus TOU On- and Off-Peak rate on a monthly basis.
18

Appendix G: 2017 Board Approved Rates - Decision and Rate Order (EB-2016-0111)



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

**DECISION AND RATE ORDER
EB-2016-0111**

WELLINGTON NORTH POWER 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: Lynne Anderson

March 30, 2017

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

1 INTRODUCTION AND SUMMARY

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

Wellington North Power Inc. (Wellington North Power) serves about 3,700 mostly residential and commercial electricity customers in the former town of Mount Forest, village of Arthur and the village of Holstein. 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. Wellington North Power has selected the Price Cap Incentive Rate-setting (Price Cap IR) option that has a five-year term. Rates are set through a cost of service rebasing application for the first year and are adjusted mechanistically through 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.

Wellington North Power filed an IRM application with the OEB on October 14, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Wellington North Power last appeared before the OEB with a cost of service rebasing application for 2016 rates in the EB-2015-0110 proceeding.

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

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

Wellington North Power applied for a rate increase of 1.45% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.45% 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.

Wellington North Power also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

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 Wellington North Power's IRM application will result in a monthly bill decrease of \$0.53 for a residential customer consuming 750 kWh.

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

2 THE PROCESS

Wellington North Power filed an application with the OEB on October 14, 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.

Wellington North Power's IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Wellington North Power through emails and phone calls. Based on this information, a decision was drafted and provided to Wellington North Power on February 16, 2017. Wellington North Power 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

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

3 ORGANIZATION OF THE DECISION

The OEB has organized this Decision into sections to reflect the issues that were considered in making its findings.² Each section outlines the OEB's reasons for approving or denying the proposals included in the application and affecting 2017 rates. The last section addresses the steps to implement the final rates that flow from this Decision.

4 PRICE CAP ADJUSTMENT

The price cap adjustment follows an OEB-approved formula that includes annually updated components for inflation and the OEB's expectations of efficiency and productivity gains.³ The formula is an *inflation minus X-factor* rate adjustment, which is intended to incent innovation and efficiency. The OEB has set the inflation factor for 2017 rates at 1.9% based on its established formula.⁴

The X-factors for individual distributors have two parts: a productivity element established from a historical analysis of industry cost performance; and a stretch factor based on a distributor's efficiency relative to its expected costs. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors an incentive to improve efficiency or else experience declining net income.

Based on industry conditions over the historical study period, the productivity factor has been set at 0.0%. A stretch factor is assigned to each distributor based on the individual distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, there are five stretch factor groupings that have each been assigned a stretch factor in the range from 0.0% to 0.6%.⁵ The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Higher stretch factors are applied to distributors in accordance with their cost performance relative to expected levels, to reflect the incremental productivity gains that distributors are expected to achieve.

Findings

The OEB assigned Wellington North Power a stretch factor of 0.45% based on the

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

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

updated benchmarking study for use for rates effective in 2017.⁶ The resulting net price cap adjustment for Wellington North Power is 1.45% (i.e. 1.9% - (0% + 0.45%)).

The 1.45% 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.⁷

⁶ As outlined in the Report cited at footnote 5 above

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

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

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 Wellington North Power, 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 Wellington North Power 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) to adjust the RTSRs that Wellington North Power will charge its customers.¹¹ The Sub-Transmission Class RTSRs for Hydro One Networks Inc. are shown in the following

⁸ Ibid

⁹ EB-2017-0135

¹⁰ EB-2016-0376

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

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

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 account balances 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.

Wellington North Power's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a debit of \$42,428. This amount results in a total debit claim of \$0.0004 per kWh, which does not exceed the preset disposition threshold. Wellington North Power did not seek disposition of balances in its application.

Findings

The OEB finds that no disposition is required at this time as the disposition threshold has not been exceeded.

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

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy¹³ 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.

Wellington North Power's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.58. 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.

9 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 model were reviewed to ensure that they are in accordance with Wellington North Power's 2016 cost

¹³ Ibid page 2

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Ontario Energy Board

EB-2016-0111
Wellington North Power Inc.

of service¹⁴ 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 Wellington North Power to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2017 for electricity consumed or estimated to have been consumed on and after such date. Wellington North Power Inc. 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
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

¹⁴ EB-2015-0110

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**Appendix H: ACM Approval - 2016 Cost of Service Decision &
Rate Order (EB-2015-0110)**



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

**DECISION AND RATE ORDER
EB-2015-0110**

WELLINGTON NORTH POWER INC.

**Application for electricity distribution rates and other charges
beginning May 1, 2016**

BEFORE: Christine Long
Presiding Member

March 31, 2016

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Ontario Energy Board

EB-2015-0110
Wellington North Power Inc.

1 INTRODUCTION AND SUMMARY

Wellington North Power Inc. (Wellington North) is the electricity distributor that serves approximately 3,700 customers in the urban areas of the former town of Mount Forest, the former village of Arthur and the former village of Holstein. Wellington North filed an application with the Ontario Energy Board (OEB) to change the rates it charges to its customers for electricity distribution, to be effective May 1, 2016 (the Application). Under the OEB Act, distributors must apply to the OEB to change the rates that they charge customers. In early March, Wellington North filed a settlement proposal which represents a full settlement on all issues.

The OEB accepts the settlement proposal as filed, for the reasons provided in this Decision.

The bill impacts arising from this Decision for Wellington North result in a monthly increase of \$2.94 or 1.8% for a residential customer consuming 800 kWh.

Decision and Rate Order March 31, 2016

Decision and Rate Order
March 31, 2016

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Ontario Energy Board

EB-2015-0110
Wellington North Power Inc.

3 DECISION ON THE ISSUES

This Decision and Rate Order determines Wellington North's rates for 2016.

3.1 Settlement Proposal

The parties in the proceeding met on February 11, 2016 to determine whether they could agree on the revenue requirement and the rates for Wellington North for 2016. The parties to the settlement proposal were able to settle all issues.

Pursuant to the OEB's Procedural Order No. 2, in early March, Wellington North filed a settlement proposal agreed to by the parties.

OEB staff filed a submission indicating its overall support of the settlement proposal. OEB staff indicated that it reviewed the settlement proposal in the context of the objectives of the Renewed Regulatory Framework for Electricity (RRFE), other applicable OEB policies, relevant OEB decisions, and the OEB's statutory obligations. The RRFE is a rate-setting option developed for distributors in the Report of the Board - Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach, issued on October 18, 2012. OEB staff submitted that the outcomes arising from the OEB's approval of the settlement proposal would adequately reflect the public interest and would result in just and reasonable rates for Wellington North's customers.

Findings

The OEB accepts the cost consequences of the settlement agreement and OEB staff's analysis in support of its submission that the settlement proposal reflects the public interest. The OEB has also reviewed the information provided in the proposed Tariff of Rates and Charges, and is satisfied that the Tariff of Rates and Charges filed by Wellington North accurately reflects the settlement proposal.

3.1.1 Advanced Capital Module

As part of the settlement proposal, the parties agreed to Wellington North's request for approval of an Advanced Capital Module (ACM) to replace a municipal substation (MS) in 2018. An ACM is available to distributors for material projects forecasted for the Price Cap Incentive Rate-Setting (Price Cap IR) years between cost of service applications. The review and approval process for the incremental capital is done during the preceding cost of service application.

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Ontario Energy Board

EB-2015-0110
Wellington North Power Inc.

OEB staff submitted that Wellington North's 2018 MS replacement project meets the requirements for an ACM and the need for the rebuilding of MS3 has been justified. OEB staff also submitted that Wellington North had properly calculated the Maximum Eligible Incremental Capital as per the OEB's revised policy.¹

Findings

As part of the overall settlement, the OEB approves the ACM and notes that the review and approval process of the costs and for the establishment of the rate riders intended to recover approved project costs will be part of the Price Cap IR application process.

As outlined in the OEB's Report², if the cost of the project is 30% or more above what was documented Wellington North's Distribution System Plan (DSP), i.e. \$1.7M³, the distributor should treat the project as a new Incremental Capital Module and re-file the business case in the applicable IR year. If costs exceed the amounts documented in Wellington North's DSP by less than 30%, Wellington North should provide evidence on the need for the increased costs. If the in-service date is delayed, Wellington North should inform the OEB in the earliest possible IR application and confirm which IR application it expects to seek to commence funding for the project.

¹ EB-2014-0219, Report of the OEB: New Policy Options for the Funding of Capital Investments: Supplementary Report, January 22, 2016

² EB-2014-0219, Report of the Board: New Policy Options for the Funding of Capital Investments: The Advanced Capital Module, September 18, 2014

³ EB-2015-0110 Settlement Proposal, March 4, 2016, p.18

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