



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

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**DECISION AND RATE ORDER**

**EB-2017-0068**

**ORANGEVILLE HYDRO LIMITED**

**Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.**

**By Delegation, Before: Jane Scott**

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**[date]**

# 1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Orangeville Hydro Limited (Orangeville Hydro) on October 10, 2017, as amended during the course of the proceeding.

Orangeville Hydro serves about 12,000 mostly residential and commercial electricity customers in the Town of Orangeville and the Town of Grand Valley. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's [Chapter 3 Filing Requirements for Incentive Rate-Setting Applications](#) (the Filing Requirements).

Orangeville Hydro's application is based on a Price Cap Incentive Rate-setting option (Price Cap IR) with a five-year term. The Price Cap IR option involves the setting of rates through a cost of service (COS or rebasing) application in the first year. Mechanistic price cap adjustments, based on inflation and the OEB's assessment of the distributor's efficiency, are then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly bill increase of \$0.69 for a residential customer consuming 750 kWh, effective May 1, 2018.

Orangeville Hydro has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<sup>1</sup> Accordingly, the fixed monthly charge for 2018 has once again been adjusted upward in this Decision by more than the mechanistic price cap adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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<sup>1</sup> OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers" EB-2012-0410, April 2, 2015

## 2 THE PROCESS

This Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

The OEB follows a standardized and streamlined process for IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application. During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required.

The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

Orangeville Hydro filed its application on October 10, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. Orangeville Hydro supported its application with written evidence and a completed rate model. Questions were asked of, and answers were provided by, Orangeville Hydro through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Orangeville Hydro on March 8, 2018. Orangeville Hydro was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

## 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Orangeville Hydro's proposals relating to each of them:

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

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

## 4 PRICE CAP ADJUSTMENT

Orangeville Hydro seeks to increase its rates, effective May 1, 2018, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to Orangeville Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 0.90% increase to Orangeville Hydro's rates: **0.90% = 1.20% - (0.00% + 0.30%)**.

**Table 4.1: Price Cap IR Adjustment Formula**

Components		Amount
Inflation Factor <sup>2</sup>		1.20%
X-Factor	Productivity <sup>3</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>4</sup>	0.30%

The inflation factor of 1.20% applies to all Price Cap IR applications for the 2018 rate year.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2018 rate year.

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The

<sup>2</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

<sup>3</sup> Ibid.

<sup>4</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2017

stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Orangeville Hydro is 0.30%.

### Findings

The OEB finds that Orangeville Hydro's request for a 0.90% Price Cap IR adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Orangeville Hydro's new rates shall be effective May 1, 2018.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.<sup>5</sup>

## 5 SHARED TAX ADJUSTMENTS

In any adjustment year of a Price Cap IR term, a change in legislation may result in a change to the amount of taxes payable by a distributor. For IRM applications, the OEB has long held that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate in these situations. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from a distributor's last COS proceeding.

The application identifies a \$66,955 increase in the amount of taxes payable by Orangeville Hydro in the 2018 rate year. Therefore, an amount of \$33,478 is to be collected from rate payers.

### Findings

The OEB approves the tax charge of \$33,478.

The amount shall be disposed through a fixed monthly rate rider for residential

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<sup>5</sup> Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

customers, and through riders calculated on a volumetric basis for all other customers over a one-year period from May 1, 2018 to April 30, 2019.

## 6 RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

Orangeville Hydro is fully embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 6.1.

**Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>6</sup>**

<b>Current Approved Sub-Transmission RTSRs (2017)</b>	<b>per kWh</b>
Network Service Rate	\$3.19
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$1.75

### Findings

Orangeville Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs.

The differences resulting from the approval of new 2018 RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

<sup>6</sup> Decision and Rate Order, EB-2016-0081, December 21, 2016

## 7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.<sup>7</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.<sup>8</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

As filed in its current application, the 2016 actual year-end total balance for Orangeville Hydro's Group 1 accounts including interest projected to April 30, 2018 is a debit of \$466,858. This amount represents a total debit claim of \$0.0019 per kWh, which exceeds the disposition threshold. Orangeville Hydro proposes the disposition of this debit amount over a one-year period.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account debit balance of \$180,358. A customer's costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.<sup>9</sup>

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.
- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as Class A customers. These customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July

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<sup>7</sup> 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.

<sup>8</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)" EB-2008-0046, July 31, 2009

<sup>9</sup> The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.

- Class B non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on the IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Orangeville Hydro proposes the recovery of its GA variance account debit balance of \$180,358 as at December 31, 2016, including interest to April 30, 2018, in accordance with the following table.

**Table 7.1: Recovery of GA Variance**

Proposed Amounts	Proposed Method for Recovery
\$180,358 recovered from customers who were Class B for the entire period from January 1, 2016 to December 31, 2016	per kWh rate rider

The balance of the Group 1 accounts includes a credit of \$9,790 for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market Demand Response 3 program. Distributors paid CBR charges to the IESO in 2016 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 1, 2016 to December 31, 2016.

Orangeville Hydro had no Class A customers during the period from January 1, 2016 to December 31, 2016, so it applied to have the balance of this account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total debit balance of \$286,500, which results in a charge to customers.



The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>10</sup> Orangeville Hydro further notes that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>11</sup>

#### Adjustments to Account 1588 and Account 1589

As per a letter issued by the OEB to electricity distributors on May 23, 2017, the OEB requires distributors to complete RPP settlement true-up claims and to reflect these true-ups in the account balances being requested for disposition, before filing for disposition of the Retail Settlement Variance Account (RSVA) Power (Account 1588) and GA (Account 1589) variance accounts. The letter requires that the RPP settlement true-up claims for a given fiscal year that have not been reflected in the audited financial statements are to be identified separately as an adjustment to the balance requested for disposition in the Deferral and Variance Account (DVA) continuity schedule submitted in rate applications.

In response to OEB staff questions,<sup>12</sup> Orangeville Hydro indicated that due to an oversight, the December 2016 GA rate was not trued up to the actual GA rate in fiscal year 2016. As a result, Orangeville Hydro recorded a credit amount of \$68,409 in the principal adjustment for Account 1589 GA for 2016 in the DVA continuity schedule. OEB staff asked Orangeville Hydro to provide further clarifications in the follow-up questions in order to assess the impact of the oversight on Account 1588 Power. In its responses to OEB staff 2<sup>nd</sup> round follow-up questions,<sup>13</sup> Orangeville Hydro noted that the RPP settlement true-up with the IESO was recorded on an accrual basis in December 2016 and was based on actual GA costs, but the quantum dollar expense in Account 1588 was reflected in 2017. As part of its responses, Orangeville Hydro updated the continuity schedule by moving the credit principal adjustment of \$68,409 from Account 1589 to Account 1588. Following a teleconference with OEB staff, Orangeville Hydro filed revised responses to OEB staff 2<sup>nd</sup> round follow-up questions.<sup>14</sup> In these responses, Orangeville Hydro changed the principal adjustment to Account 1588 to a credit of \$11,084 (for non-RPP charge type 148 with respect to RPP/non-RPP pro-ration percentages based on consumption data) and included a principal adjustment in a debit

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<sup>10</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

<sup>11</sup> As outlined in the Report cited at footnote 8 above.

<sup>12</sup> Orangeville Hydro's responses to OEB staff preliminary GA questions 5 and 6, dated November 9, 2018; Orangeville Hydro's response to OEB staff question 1, dated January 12, 2018

<sup>13</sup> Orangeville Hydro's responses to OEB staff 2<sup>nd</sup> round follow-up question 1, dated February 23, 2018

<sup>14</sup> Orangeville Hydro's response to OEB staff 2<sup>nd</sup> round follow-up questions, dated February 26, 2018

amount of \$53,210 to Account 1589 (due to the year-end reconciliation amount of GA charged by the IESO and the GA billed to non-RPP customers).

OEB staff notes that Orangeville Hydro has reported various true-up adjustment amounts for Account 1588 and Account 1589 during the course of this proceeding and the explanations for these adjustments are not consistent and sufficient.

## Findings

The OEB is concerned that various true-up adjustment amounts that Orangeville Hydro provided may not be accurate and is in the opinion that it is not appropriate to include account 1588 and account 1589 in its disposition of Group 1 accounts. Therefore, the OEB does not approve Orangeville Hydro's request to dispose of Account 1588 Power and Account 1589 GA in the 2018 rate year.

The OEB requires Orangeville Hydro to conduct an internal review of its RPP settlement true-up processes and ensure that these true-ups are reflected correctly in the account balances being requested for disposition. In its next rate application, Orangeville Hydro should provide details on its RPP settlement true-up processes and confirm that the balances in Accounts 1588 and 1589 that are being requested for disposition have been adjusted correctly. Orangeville Hydro should quantify each element of the RPP settlement true-ups, provide supporting calculations for each, and explain the methodology and approach it used. In addition, when Orangeville Hydro submits its GA Analysis Workform and DVA continuity schedule as part of its next rate application, Orangeville Hydro should explain any changes made as a result of the required internal review.

While the OEB's normal practice is to dispose of all Group 1 accounts contemporaneously, in this case, the OEB approves Orangeville Hydro's request to dispose of its Group 1 accounts excluding Account 1588 Power and Account 1589 GA in a debit amount of \$262,582, which represents a total debit claim of \$0.0011 per kWh and exceeds the disposition threshold.

The OEB approves the disposition of a debit balance of \$262,582 as of December 31, 2016, including interest projected to April 30, 2018 for Group 1 accounts.

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

Table 7.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	411,871	8,273	420,143
Smart Meter Entity Variance Charge	1551	(4,081)	22	(4,059)
RSVA - Wholesale Market Service Charge	1580	(216,488)	(3,371)	(219,860)
Variance WMS - Sub-account CBR Class B	1580	(9,474)	(316)	(9,790)
RSVA - Retail Transmission Network Charge	1584	34,481	524	35,005
RSVA - Retail Transmission Connection Charge	1586	28,669	538	29,207
Disposition and Recovery of Regulatory Balances (2015)	1595	10,320	1,615	11,935
<b>Totals for all Group 1 accounts</b>		255,298	7,284	262,582

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.<sup>15</sup> The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Orangeville Hydro shall ensure these adjustments are included in the reporting period ending June 30, 2018 (Quarter 2).

The OEB approves these balances to be disposed through rate riders as calculated in the Rate Generator Model. The rate riders will be in effect over a one-year period from May 1, 2018 to April 30, 2019.<sup>16</sup>

<sup>15</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>16</sup> 2018 IRM Rate Generator Model Tab 6.1 "GA", and Tab 7 "Calculation of Def-Var RR"

## 8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.<sup>17</sup> The OEB requires that distributors filing IRM applications affecting 2018 rates 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 an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10<sup>th</sup> percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Orangeville Hydro notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.51. 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 2018 increase to the monthly fixed charge is calculated 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 Generator Model.

## 9 OTHER MATTERS

In addition to the matters discussed previously, Orangeville Hydro sought approval for the following rates and charges<sup>18</sup> in its application:

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<sup>17</sup> As outlined in the Policy cited at footnote 1 above.

<sup>18</sup> Orangeville Hydro's 2018 IRM Application, EB-2017-0068, October 10, 2017, page 4

- Continuance of Rate Riders and Adders for which the sunset date has not yet been reached
- Continuance of the Specific Services charges and Loss Factors
- Continuance of the micro-FIT monthly Charge

These rates and charges were approved by the OEB in previous proceedings. No further approval is required in this Decision to include these on Orangeville Hydro's Tariff of Rates and Charges.

## 10 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, applicable supporting model, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Orangeville Hydro's last COS decision, the 2017 OEB-approved Tariff of Rates and Charges, as well as to ensure that the cost, revenue and consumption results from 2016, are as reported by Orangeville Hydro to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

**Table 10.1: Regulatory Charges**

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0003
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0032
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2017.<sup>19</sup>

<sup>19</sup> Decision and Order, EB-2017-0333, December 20, 2017

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set at \$0.57 by the OEB on March 1, 2018, effective January 1, 2018 to December 31, 2022.<sup>20</sup> The Rate Generator Model has been adjusted to incorporate this rate.

#### **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, 2018 for electricity consumed or estimated to have been consumed on and after such date. Orangeville Hydro Limited shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

**DATED** at Toronto, [date]

**ONTARIO ENERGY BOARD**

Kirsten Walli  
Board Secretary

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<sup>20</sup> Decision and Order, EB-2017-0290, March 1, 2018

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2017-0068**

**DATED: [date]**

**Orangeville Hydro Limited**  
**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-2017-0068

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Basic connection is defined as 100 amp 120/240 volt overhead service. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.72
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$	0.17
Distribution Volumetric Rate	\$/kWh	0.0035
Low Voltage Service Rate	\$/kWh	0.0017
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	0.0010
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kWh	(0.0014)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0037

## 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



**Orangeville Hydro Limited**  
**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-2017-0068

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	33.00
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0101
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	0.0011
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kWh	(0.0008)
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

### 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

**Orangeville Hydro Limited**  
**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-2017-0068

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than, 50 kW but less than 5000 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.

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	169.15
Distribution Volumetric Rate	\$/kW	2.2710
Low Voltage Service Rate	\$/kW	0.6049
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3775)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	0.8101
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kW	(0.1100)
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$/kW	0.0193
Retail Transmission Rate - Network Service Rate	\$/kW	2.5407
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 1)	\$/kW	1.3712

### 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

**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
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## SENTINEL LIGHTING SERVICE CLASSIFICATION

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

### APPLICATION

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.30
Distribution Volumetric Rate	\$/kW	12.8674
Low Voltage Service Rate	\$/kW	0.4774
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	0.3315
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kW	(0.6901)
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$/kW	0.1534
Retail Transmission Rate - Network Service Rate	\$/kW	1.9256
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0825

### 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 concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as 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

Service Charge (per connection)	\$	1.50
Distribution Volumetric Rate	\$/kW	8.2871
Low Voltage Service Rate	\$/kW	0.4675
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	0.4350
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kW	(0.3648)
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$/kW	0.2529
Retail Transmission Rate - Network Service Rate	\$/kW	1.9161
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0599

### 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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## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, 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

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	6.30
Distribution Volumetric Rate	\$/kWh	0.0088
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	0.0011
Rate Rider for Disposition of Account 1576 (2014) - effective until April 30, 2019	\$/kWh	(0.0015)
Rate Rider for Application of Tax Change (2018) - effective until April 30, 2019	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

### 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**

Service Charge	\$	5.40
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**ALLOWANCES**

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

**SPECIFIC SERVICE CHARGES**

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**Customer Administration**

Arrears certificate	\$	15.00
Pulling post dated cheques	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00

**Non-Payment of Account**

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/reconnect at meter - during regular hours	\$	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

**Other**

Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35

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## RETAIL SERVICE CHARGES (if applicable)

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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	1.0481
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0376



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## NOTES

1) The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 1998, which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

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