



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

DECISION AND RATE ORDER

EB-2017-0029

BURLINGTON HYDRO INC.

Application for rates and other charges to be effective May 1, 2018

By Delegation, Before: Theodore Antonopoulos

March 22, 2018

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves elements of the incentive rate-setting mechanism (IRM) application filed by Burlington Hydro Inc. (Burlington Hydro) on October 16, 2017, as amended during the course of the proceeding.

Burlington Hydro serves about 67,000 mostly residential and commercial electricity customers in the City of Burlington. 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).

Burlington 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 \$2.08 for a residential customer consuming 750 kWh, effective May 1, 2018.

Burlington 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 2016.¹ 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.

¹ Board 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.

Burlington Hydro filed its application on October 16, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. Burlington Hydro supported its application with written evidence and a completed rate model. Questions were asked of, and answers were provided by, Burlington Hydro through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Burlington Hydro on March 13, 2018. Burlington 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 Burlington 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
- Request to Establish a New Deferral Account for Lost Revenue – Collection of Account Charges
- Other Matters

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

4 PRICE CAP ADJUSTMENT

Burlington 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 formula applicable to Burlington Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 1.05% increase to Burlington Hydro's rates: $1.05\% = 1.20\% - (0.00\% + 0.15\%)$.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ²		1.20%
X-Factor	Productivity ³	0.00%
	Stretch (0.00% – 0.60%) ⁴	0.15%

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 stretch factor assigned to any particular distributor is based on the distributor's total cost

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

³ Ibid.

⁴ 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 15, 2017

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 Burlington Hydro is 0.15%.

Findings

The OEB finds that Burlington Hydro's request for a 1.05% Price Cap IR adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Burlington 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.⁵

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 \$59,569 increase in the amount of taxes payable by Burlington Hydro in the 2018 rate year. Therefore, an amount of \$29,784 is to be collected from rate payers. Since the allocated tax change amount does not produce a rate rider in one or more rate classes, the Rate Generator Model does not compute rate riders and distributors are therefore required to transfer the entire OEB-approved tax changes amount into Account 1595 for disposition at a later date.

Findings

The OEB approves the tax charge of \$29,784.

⁵ 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.

The allocated tax sharing amount does not produce a rate rider in one or more rate classes, therefore the OEB directs Burlington Hydro to record the OEB-approved tax sharing amount into Account 1595 for disposition at a later date.

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.

Burlington Hydro is transmission connected 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: UTRs⁶

Current Approved UTRs (2018)	per kWh
Network Service Rate	\$3.61
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.95
Transformation Connection Service Rate	\$2.34

Findings

Burlington Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the UTRs current at the time of the filing. The OEB finds that the new 2018 UTRs are to be incorporated into the rate model to adjust the RTSRs that Burlington Hydro will charge its customers accordingly.

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.⁷ OEB policy requires that Group 1 accounts be disposed if they exceed (as a

⁶ Decision and Rate Order, EB-2017-0359, February 1, 2018

⁷ 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

debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁸ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2016 actual year-end total balance for Burlington Hydro's Group 1 accounts including interest projected to April 30, 2018 is a credit of \$2,157,475. This amount represents a total credit claim of \$0.0013 per kWh, which exceeds the disposition threshold. Burlington Hydro proposes the disposition of this credit amount over a one-year period which is consistent with EDDVAR.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account credit balance of \$135,161. 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.⁹

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 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.

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.

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

⁹ 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.

Burlington Hydro proposes the refund of its GA variance account balance of \$135,161 as at December 31, 2016, including interest to April 30, 2018, in accordance with the following table.

Table 7.1: Refund of GA Variance

Proposed Amounts	Proposed Method for Refund
\$135,161 refund to customers who were Class B for the entire period from January 2016 to December 2016	per kWh rate rider

The balance of the Group 1 accounts includes \$69,147 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 2016 to December 2016.

Burlington Hydro had Class A customers so the balance of this sub-account should be disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers. Since the balance in the sub-account CBR Class B does not produce a rate rider at the fourth decimal place in one or more rate classes, the Rate Generator Model does not compute rate riders and Burlington Hydro therefore applied to transfer the entire amount in this sub-account into Account 1595 for disposition at a later date.

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: 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 credit balance of \$2,091,461, which results in a refund to customers.

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

¹⁰ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

¹¹ As outlined in the Report cited at footnote 8 above.

Findings

The OEB approves the disposition of a credit balance of \$2,157,475 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
Smart Meter Entity Variance Charge	1551	(1,654)	807	(847)
RSVA - Wholesale Market Service Charge	1580	(1,409,173)	(24,670)	(1,433,843)
Variance WMS - Sub-account CBR Class B	1580	74,104	(4,957)	69,147
RSVA - Retail Transmission Network Charge	1584	(48,171)	4,880	(43,291)
RSVA - Retail Transmission Connection Charge	1586	(96,270)	2,880	(93,390)
RSVA – Power	1588	(325,935)	20,355	(305,580)
RSVA - Global Adjustment	1589	(146,533)	11,371	(135,161)
Disposition and Recovery of Regulatory Balances (2014)	1595	(390,894)	163,402	(227,492)
Disposition and Recovery of Regulatory Balances (2015)	1595	0	12,982	12,982
Totals for all Group 1 accounts		(2,344,526)	187,050	(2,157,475)

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.*¹² 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. Burlington 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, 2019.¹³

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 2016.¹⁴ 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 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Burlington Hydro notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.24. 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

¹² Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

¹³ 2018 IRM Rate Generator Model Tab 6.1 "GA", Tab 6.2 "CBR B", and Tab 7 "Calculation of Def-Var RR".

¹⁴ As outlined in the Policy cited at footnote 1 above.

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 REQUEST TO ESTABLISH A NEW DEFERRAL ACCOUNT FOR LOST REVENUE – COLLECTION OF ACCOUNT CHARGES

On February 23, 2017, the OEB issued its decision¹⁵ prohibiting the disconnection of residential customers by reason of non-payment for the balance of the 2016/2017 winter period (i.e. from February 23, 2017 to April 30, 2017). Distributors were also required to waive any Collection of Account charges that could otherwise be charged in relation to an occupied residential property during that period. Revisions were made to distributors' licences to incorporate the amendments identified in the decision. The OEB issued a subsequent decision¹⁶ to amend the licences of all electricity distributors in order to ensure that residential customers are not disconnected for non-payment from November 15 in one year to April 30 in the following year, known as the Disconnection Ban Period.

Burlington Hydro continued to issue collection notices during the 2016/2017 winter period as licence amendments did not preclude distributors from issuing collection notices. Burlington Hydro noted that collection notices are its most effective tool to collect past due amounts and make payment arrangements on customers' accounts. Burlington Hydro noted that the inability to charge for the issuance of collection notices from February 23, 2017 to April 30, 2017 represented approximately \$100,000 in lost revenue to Burlington Hydro. Burlington Hydro estimated that from November 1, 2016 to April 30, 2017 this amount would have been \$285,000.

In its October 2017 filing, Burlington Hydro requested that for going forward periods, it be allowed to track the lost revenues associated with the Collection of Account charges for future recovery from rate payers.

Burlington Hydro followed the eligibility criteria to establish a new deferral account from Chapter 2 of the OEB's [Filing Requirements for Cost of Service Rate Applications Based on a Forward Test Year](#) (Chapter 2 Filing Requirements), which sets out that in order to establish a new deferral account, the following eligibility criteria must be met: causation, materiality and prudence. In addition, applicants must include a draft

¹⁵ Decision and Order, EB-2017-0101, Amending Electricity Distributor Licences to Prohibit the Disconnection of Residential Customers and Related Matters, February 23, 2017

¹⁶ Decision and Order, EB-2017-0318, Amending Electricity Distributor Licences to Prohibit the Disconnection of Residential Customers and Related Matters, November 2, 2017

accounting order, and the manner in which the applicant proposes to dispose of the account at the appropriate time.

Burlington Hydro indicated that its base revenue requirement approved in its COS application¹⁷ was reduced by the revenue associated with Collection of Account charges being waived. Burlington Hydro estimated its materiality threshold to be \$144,178 based on 0.5% of its approved distribution revenue requirement of \$28,835,532. Burlington Hydro noted that its estimated lost revenue of \$285,000 exceeds this materiality threshold. A table provided in response to an OEB staff question identified a drop in annual actual revenues of approximately \$200,000 going forward.

Burlington Hydro acknowledged that if the deferral account is approved, the amounts recorded in the deferral account must be reasonably incurred and the final determination of prudence will be made by the OEB at the time of disposition. Burlington Hydro also included a draft accounting order in its pre-filed evidence.

Findings

The OEB does not authorize the establishment of the requested deferral account. The issues raised by the request are not unique to Burlington Hydro as the OEB's November 2, 2017 decision¹⁸ applies to all licenced electricity distributors. The OEB's November 2, 2017 decision required distributors to waive any Collection of Account charges that could otherwise be charged in relation to an occupied residential property during the Disconnection Ban Period.

The OEB is currently reviewing non-payment of account service charges, including the Collection of Account charge, as part of its customer service rules review for electricity and gas.¹⁹ As such, the OEB will likely deal with this charge on a sector-wide basis.

In addition, the Filing Requirements notes that the dispositon of Group 2 accounts is an example of an excluded item from the IRM process. However, the tests applied in approving the establishment of a new Group 2 account are the same as those used to dispose of such an account. As Burlington Hydro noted, the tests for dispositon are set out in the Chapter 2 Filing Requirements which relate to cost of service applications. A request for a new Group 2 deferral or variance account is generally out of scope of an IRM proceeding unless it is based on OEB direction or approval arising from a previous OEB decision, code, rule or policy framework that established the availability of such an

¹⁷ Decision and Order, EB-2013-0115, May 15, 2014

¹⁸ Decision and Order, EB-2017-0318, Amending Electricity Distributor Licences to Prohibit the Disconnection of Residential Customers and Related Matters, November 2, 2017

¹⁹ OEB Review of Customer Service Rules for Electricity and Gas - Reporting on Arrears, Disconnections and Arrears Management, EB-2017-0183, commenced March 2, 2018

account. This is currently not the case for costs associated with Collection of Account activities.

In addition, while the amount of revenue forecasted by Burlington Hydro appears to be dropping by more than its materiality threshold, it is not clear from the record whether the amount reflected in revenue offsets that underpins the current base rates is material. The OEB notes that Burlington Hydro's 2014 rebasing application included just over \$800,000 in revenues from forecasted specific service charge activities. There is no information in the rebasing application, nor on the record of this proceeding, as to how much revenue from the Collection of Account charge was forecasted by Burlington Hydro.

In response to OEB staff questions on the current proceeding, Burlington Hydro identified \$500,000 in actual revenues from this charge for the 2014 and 2015 years. It is not clear why or how the amount from this one charge is so high relative to the total amount forecasted for specific service charges. If Burlington Hydro pursues the establishment of this account in future, the OEB expects that the company will address these matters.

10 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, an 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 Burlington 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 Burlington 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, 2017.²⁰

In addition to the matters discussed previously, Burlington Hydro sought approval, if applicable, to update the Rate Rider for the Smart Meter Entity Charge for which the IESO has applied for.

The Smart Meter 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, 2022.²¹ 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. Burlington Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, March 22, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

²⁰ Decision and Order, EB-2017-0333, December 20, 2017

²¹ 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-2017-0029

DATED: March 22, 2018

Burlington Hydro 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-2017-0029

RESIDENTIAL SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or 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	\$	22.44
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0042
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019		
Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0069

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

Burlington Hydro 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-2017-0029

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by BHI 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	\$	26.22
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0140
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0062

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

Burlington Hydro 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-2017-0029

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to general service customers with a monthly average peak demand during a calendar year equal to or greater than, or is forecast by Burlington Hydro Inc. to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or 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 WMS - Sub-account CBR Class B is not applicable to wholesale market participants (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 Class B customers.

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	61.46
Distribution Volumetric Rate	\$/kW	3.0256
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019		
Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(0.4820)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8418
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.6964

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

Burlington Hydro 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-2017-0029

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by Burlington Hydro Inc. to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or 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	\$	9.42
Distribution Volumetric Rate	\$/kWh	0.0164
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0062

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

Burlington Hydro Inc.
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STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or 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	\$	0.63
Distribution Volumetric Rate	\$/kW	4.5568
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(0.4579)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0768
Retail Transmission Rate - Line Connection Service Rate	\$/kW	1.9189

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

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

Arrears certificate	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Statement of account	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00

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

Other

Temporary service - install & remove - overhead - no transformer	\$	500.00
Specific charge for wireline 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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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	1.0373
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0270