



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

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## **DECISION AND RATE ORDER**

**EB-2017-0071**

### **PUC DISTRIBUTION INC.**

**Application for electricity distribution rates and other charges  
beginning May 1, 2018**

**BEFORE: Ken Quesnelle**  
Presiding Member

**Allison Duff**  
Member

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**September 27, 2018**

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SCHEDULE A – SETTLEMENT PROPOSAL

SCHEDULE B – TARIFF OF RATES AND CHARGES

## 1 INTRODUCTION AND SUMMARY

This is a decision of the Ontario Energy Board (OEB) on an application filed by PUC Distribution Inc. (PUC Distribution) to change its electricity distribution rates as of May 1, 2018. Under the *Ontario Energy Board Act, 1998*, distributors must apply to the OEB to change the rates they charge their customers.

PUC Distribution provides electricity distribution services to approximately 33,000 residential and commercial customers in the City of Sault Ste. Marie, Township of Prince, Rankin Reserve, and the Township of Dennis.

PUC Distribution asked the OEB to approve its rates for five years using the Price-Cap Incentive rate-setting (Price Cap IR) option available with the “*Renewed Regulatory Framework for Electricity Distributors: a Performance Based Approach*”<sup>1</sup> (RRFE, now referred to as the RRF), as most recently set out in the *Handbook for Utility Rate Applications (Handbook)*. Under the Price Cap IR option, rates are determined on a cost of service basis for 2018, and adjusted mechanistically for the next four years through a price cap adjustment based on inflation and the OEB’s assessment of PUC Distribution’s efficiency.

PUC Distribution and the intervenors in this proceeding participated in a settlement conference and filed a settlement proposal with the OEB on September 14, 2018, in which the parties reached settlement on all issues in the proceeding.

The OEB approves the rates that arise from the settlement proposal. For a typical residential customer with monthly consumption of 750 kWh, the total bill will increase by about \$2.39 per month, an increase of about 2.45%.

The revised approved Tariff of Rates and Charges is in Schedule B to this Decision and Rate Order.

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<sup>1</sup> Report of the Board: A Renewed Regulatory Framework for Electricity Distributors: a Performance Based Approach, October 18, 2012

## 2 THE PROCESS

PUC Distribution filed its application on April 2, 2018<sup>2</sup> for 2018 rates under the Price-Cap IR option of the RRF. As part of that application, PUC Distribution requested that its rates be declared interim as of May 1, 2018. In the Decision on Interim Rates issued by the OEB on May 1, 2018, PUC Distribution's rates were not made interim.

A Notice of Application was issued on May 5, 2018, inviting parties to apply for intervenor status. School Energy Coalition (SEC), Vulnerable Energy Consumers Coalition (VECC) and Consumers Council of Canada (CCC) applied for, and were granted, intervenor status and cost eligibility. OEB staff also participated in this proceeding.

A community meeting was held as part of the proceeding on June 19, 2018. OEB staff and PUC Distribution made presentations at the meeting. A summary of the community meeting was posted to the record of the proceeding.

The OEB issued Procedural Order No.1 on July 4, 2018 with a timetable for a written discovery process, the filing of a proposed issues list and a settlement conference. The OEB staff filed a proposed issues list for this proceeding on August 17, 2018. A settlement conference was held on August 21, 22 & 23, 2018.

PUC Distribution, CCC, SEC, and VECC (the parties) reached agreement on all issues raised in the application and set out in OEB staff's proposed issues list. Parties filed the settlement proposal with the OEB on September 14, 2018. OEB staff was not a party to the settlement proposal, but participated in the settlement conference in accordance with the role of OEB staff as set out in the OEB's *Practice Direction on Settlement Conferences*. OEB staff filed its submission regarding the settlement proposal on September 20, 2018.

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<sup>2</sup> The OEB's system logged the filing after the close of business on March 29, 2018 and therefore the OEB's acknowledgement letter stated that the application was received on April 2, 2018, the next business day.

### 3 DECISION ON THE SETTLEMENT PROPOSAL

The settlement proposal filed by the parties addressed all elements of the proposed issues list for this proceeding, and represented a complete settlement of all the issues. Through the settlement process, the parties agreed to certain reductions to PUC Distribution's proposed capital expenditures and operating, maintenance and administrative costs. These adjustments resulted in an overall reduction to the costs from those filed in PUC Distribution's Application.

OEB staff supported approval of the settlement proposal.

The settlement proposal includes an Embedded Generation Adjustment (EGA) rate rider for the 1580 RSVA Wholesale Market Service Charge Account. OEB staff characterized the over collection of the Wholesale Market Service Rate (WMS) and Rural or Remote Electricity Rate Protection charge (RRRP) as predictable in this instance.

The parties agreed to an effective date of October 1, 2018. In a letter filed concurrently with the settlement proposal, PUC Distribution requested that rates be declared interim as of October 1, 2018, depending on the timing of the OEB's decision.

#### Findings

The OEB approves the settlement proposal and the associated cost consequences, and finds that the resulting rates are just and reasonable. The OEB finds that the settlement proposal benefits consumers by mitigating the rate impact while allowing PUC Distribution the resources it needs to meet its system reliability and service quality objectives.

The OEB approves an implementation date of October 1, 2018. Given the timing of this Decision and Rate Order, the OEB finds that interim rates and a forgone revenue deferral account are not required.

The settlement proposal in Schedule A to this Decision and Rate Order is approved.

In its acceptance of the EGA rate rider, the OEB has considered the significance of the volume of embedded generation in PUC Distribution's service area as well as the predictable nature of the over collection as noted by OEB staff.

## 4 IMPLEMENTATION

PUC Distribution's new rates are to be effective and implemented on October 1, 2018. With the settlement proposal, PUC Distribution included tariff sheets and detailed supporting material, including all relevant calculations showing the impact of the implementation of the settlement on its approved revenue requirement, the allocation of the revenue requirement to its rate classes and the determination of the final rates and rate riders, including bill impacts.

The OEB made some edits to the Tariff of Rates and Charges filed with the settlement proposal to ensure consistency with other electricity distributors. The revised approved Tariff of Rates and Charges is in Schedule B to this Decision and Rate Order.

CCC, SEC and VECC are eligible for cost awards in this proceeding. The OEB has made provision in this Decision and Rate Order for these intervenors to file their cost claims. The OEB will issue its cost award decision after the following steps are completed.

## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule B of this Order is final effective October 1, 2018, and will apply to electricity consumed, or estimated to have been consumed, on and after October 1, 2018. PUC Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. CCC, SEC and VECC shall submit their cost claims no later than **October 4, 2018**.
3. PUC Distribution Inc. shall file with the OEB and forward to the intervenors any objections to the claimed costs no later than **October 11, 2018**.
4. The intervenors shall file with the OEB and forward to PUC Distribution Inc. any responses to any objections for cost claims no later than **October 18, 2018**.
5. PUC Distribution Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, EB-2017-0071, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB flash drive in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Andrew Frank at [Andrew.Frank@oeb.ca](mailto:Andrew.Frank@oeb.ca) and OEB Counsel, Ljuba Djurdjevic at [Ljuba.Djurdjevic@oeb.ca](mailto:Ljuba.Djurdjevic@oeb.ca).

**ADDRESS**

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P.O. Box 2319  
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Toronto ON M4P 1E4  
Attention: Board Secretary

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

**DATED** at Toronto, **September 27, 2018**

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**SCHEDULE A  
SETTLEMENT PROPOSAL  
FILED SEPTEMBER 14, 2018**

**DECISION AND RATE ORDER  
PUC DISTRIBUTION INC.  
EB-2017-0071  
SEPTEMBER 27, 2018**

**EB-2017-0071**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by PUC Distribution Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.

**PUC DISTRIBUTION INC.  
SETTLEMENT PROPOSAL**

**SEPTEMBER 14, 2018**

**PUC Distribution Inc.**

**EB-2017-0071**

**Settlement Proposal**

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- Appendix A – PUC Distribution Inc. Schedule of Draft Tariffs**
- Appendix B – Comparison of PUC Distribution Rates (with Tx) to Northern LDCs**
- Appendix C – Revenue Requirement Work Form Tracking Sheet**
- Appendix D – Chapter 2 Appendices Updated Appendix 2-BA Final Fixed Asset Continuity Schedule Reflecting Settlement**
- Appendix E – Rate Rider for Tax Loss Carry-Forward**
- Appendix F – Rate Rider for Embedded Generation Adjustment**
- Appendix G – Bill Impacts**

**LIVE EXCEL MODELS**

In addition to the Appendices listed above, the following live excel models have been filed together with and form an integral part of this Settlement Proposal:

PUC\_2018-Settlement\_Tariff-Schedule-and-Bill-Impact-Model  
PUC\_2018\_Settlement\_Cost\_Allocation\_FINAL  
PUC\_2018\_DVA\_Continuity\_Schedule\_Settlement\_FINAL  
2018 PUC Load Forecast Model Settlement  
PUC\_2018 Income Tax\_PILs\_Settlement\_WF Tab T4 – FINAL  
PUC\_2018\_Settlement\_RTSR\_Workform\_FINAL  
PUC\_2018\_Settlement\_Rev\_Reqt\_Work\_Form\_FINAL  
PUC\_2018\_Settlement\_Filing\_Requirements\_Chp2\_App

**PUC Distribution Inc.**

**EB-2017-0071**

**Settlement Proposal**

**Filed with OEB:** September 14, 2018

PUC Distribution Inc. (the “Applicant” or “PUC”) filed a complete cost of service application with the Ontario Energy Board (“OEB” or the “Board”) on March 29, 2018 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that PUC Distribution Inc. charges for electricity distribution and other charges, to be effective May 1, 2018. (Board Docket Number EB-2017-0071) (the “Application”). By Decision dated May 1, 2018, the Board determined that it would not make the Applicant’s rates interim.

The Board issued and PUC Distribution Inc. published a Notice of Hearing dated May 9, 2018, and Procedural Order No. 1 on July 4, 2018, the latter of which required the parties to the proceeding to develop a draft issues list and scheduled a Settlement Conference for August 21-23, 2018.

PUC filed its interrogatory responses with the Board on August 9, 2018, pursuant to which PUC updated several models and submitted them to the Board as Excel documents. PUC filed corrections to certain interrogatory responses on August 17, 2018. On August 17, 2018, OEB staff submitted a proposed issues list (the “Issues List”) as agreed to by the parties. This Settlement Proposal is filed with the Board in connection with the Application and is organized in accordance with the Issues List.

Further to the Board’s Procedural Order No. 1, a settlement conference was convened on August 21, 2018, and continued to August 23, 2018, in accordance with the Board’s *Rules of Practice and Procedure* (the “Rules”) and the Board’s *Practice Direction on Settlement Conferences* (the “Practice Direction”).

Andrew Pride acted as facilitator for the settlement conference which lasted three days.

PUC and the following intervenors (the “Intervenors”), participated in the settlement conference:

Consumers Council of Canada (CCC”);  
School Energy Coalition (“SEC”); and  
Vulnerable Energy Consumers Coalition (“VECC”).

PUC and the Intervenors are collectively referred to below as the “Parties”.

Ontario Energy Board staff (“OEB staff”) also participated in the settlement conference. The role adopted by OEB staff is set out in page 5 of the Practice Direction. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction, OEB staff who did participate

in the settlement conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding.

This document is called a “Settlement Proposal” because it is a proposal by the Parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the Parties and the Board. However, as between the Parties, and subject only to the Board’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the Board has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Practice Direction. The Parties acknowledge that this settlement proceeding is confidential in accordance with the OEB’s Practice Direction on settlement conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the Board’s Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this settlement conference, and in this Agreement, the Parties have interpreted “confidential” to mean that the documents and other information provided during the course of the settlement proceeding, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the settlement conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the settlement conference. However, the Parties agree that “attendees” is deemed to include, in this context, persons who were not physically in attendance at the settlement conference but were a) any persons or entities that the Parties engage to assist them with the settlement conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

This Settlement Proposal provides a brief description of each of the settled issues together with references to the evidence. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include (a) additional information included by the Parties in this Settlement Proposal, and (b) the Appendices to this document. The supporting Parties for settled issue agree that the evidence in respect of that settled issue is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the Board of this Settlement Proposal. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to interrogatories, responses to clarification questions and undertakings, and all other components of the record up to and including the date hereof, including additional information included by the Parties in this Settlement Proposal and the Attachments to this document.

There are Appendices to this Settlement Proposal which provide further support for the proposed settlement. The Parties acknowledge that the Appendices were prepared by PUC, with the exception of Appendix B, which was prepared by SEC and updated by PUC to reflect this settlement proposal. While the Intervenors and OEB Staff have reviewed the Appendices, the Intervenors are relying on the accuracy of the underlying evidence in entering into this Settlement Proposal.

Outlined below are the final positions of the Parties following the settlement conference. For ease of reference, this Settlement Proposal follows the format of the Issues List dated August 17, 2018.

The Parties are pleased to advise the Board that they have reached a full agreement with respect to the settlement of all of the issues in this proceeding. Specifically:

<p><b>“Complete Settlement”</b> means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the Board, the Parties will not adduce any evidence or argument during the oral hearing in respect of these issues.</p>	<p># issues settled:  <b>All</b></p>
<p><b>“Partial Settlement”</b> means an issue for which there is partial settlement, as PUC Distribution Inc. and the Intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the Board, the Parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this Settlement Proposal.</p>	<p># issues partially settled:  <b>None</b></p>
<p><b>“No Settlement”</b> means an issue for which no settlement was reached. PUC Distribution Inc. and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.</p>	<p># issues not settled:  <b>None</b></p>

According to the Practice Direction (p. 3), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. These adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the Board does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the Board does accept may continue as a valid settlement without inclusion of any part(s) that the Board does not accept).

In the event that the Board directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party

will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its resubmission to the Board.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not PUC is a party to such proceeding.

Where in this Settlement Proposal, the Parties “Accept” the evidence of PUC, or the Parties or PUC “agree” to a revised term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement. For greater certainty, and without limiting the generality of the foregoing, where in this document those words appear, they should not be interpreted as having any meaning other than the meaning imposed by the deemed inclusion of those words elsewhere in the document.

## 1.0 Summary

In reaching this complete settlement, the Parties have been guided by the Filing Requirements for 2018 rates, the Issues List dated August 17, 2018, the Report of the Board titled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* dated October 18, 2012 (“RRFE”), and the Handbook for Utility Rate Applications (Handbook).

This Settlement Proposal reflects a complete settlement of the issues in this proceeding.

Between 2013-2017, PUC has found that its costs to deliver safe, reliable distribution service to its customers have exceeded the costs included in rates. Despite a concerted effort to control those costs, PUC’s cost structure remains higher than its rate structure. The Parties believe this is not sustainable in the long term. This settlement, if approved by the Board, when combined with a continued focus on cost control and productivity by PUC, will facilitate the alignment of rates and costs over the next five years, and thus will benefit customers.

PUC specifically advises the Board and the Parties that, based on its internal analysis, the revenue requirement and capital plan resulting from this Settlement Proposal would, if approved, provide sufficient resources to PUC to provide safe and reliable distribution service to its customers.

In this settlement, PUC has made changes to its Revenue Requirement as depicted below in Table 1.

**Table 1 - Revenue Requirement Summary**

Description		Application	Interrogatories	Variance	Settlement	Variance
		(A)	(B)	(C)=(B)-(A)	(D)	(E)=(D)-(B)
Cost of Capital	Regulated Return on Capital	\$5,975,027	\$5,993,155	\$18,128	\$5,978,287	-\$14,868
	Regulated Rate of Return	6.00%	6.00%	0.00%	6.00%	0.00%
Rate Base & Capital Expenditures	Rate Base	\$99,603,703	\$99,905,905	\$302,202	\$99,658,054	-\$247,851
	Net Fixed Assets	\$92,717,901	\$93,171,152	\$453,251	\$92,962,875	-\$208,277
	Working Capital Base	\$91,810,703	\$89,796,719	-\$2,013,984	\$89,269,060	-\$527,659
	Working Capital Allowance	\$6,885,803	\$6,734,754	-\$151,049	\$6,695,180	-\$39,574
Operating Expenses	Amortization	\$3,783,956	\$3,783,956	\$0	\$3,780,329	-\$3,627
	Taxes/PILs (Grossed Up)*	\$366,429	\$333,286	-\$33,143	\$586,716	\$253,430
	OM&A	\$11,886,833	\$11,974,633	\$87,800	\$11,474,633	-\$500,000
Revenue Requirement	Service Revenue Requirement	\$22,081,245	\$22,154,030	\$72,785	\$21,888,965	-\$265,065
	Other Revenue	\$2,389,661	\$2,800,114	\$410,453	\$2,698,600	-\$101,514
	Base Revenue Requirement	\$19,691,584	\$19,353,916	-\$337,668	\$19,190,365	-\$163,551
	Grossed Up Revenue Deficiency	\$3,679,687	\$3,511,067	-\$168,620	\$3,354,750	-\$156,317

\* The Taxes/PILs Grossed Up of \$586,716 is offset through the PILs rate rider discussed in Appendix E.

The Bill Impacts as a result of this settlement agreement are summarized below in Table 2.

**Table 2 - Summary of Bill Impacts**

Customer Class	kWh	kW	September 30, 2018 Bill Amount	October 1, 2018 Bill Amount	Difference	Total Bill Impact %	Distribution Bill Impact %
Residential	750	0	\$102.50	\$105.01	\$2.51	2.45%	20.62%
Residential (10th percentile)	308	0	\$52.99	\$57.90	\$4.91	9.27%	28.90%
General Service Less Than 50 kW	2,000	0	\$263.18	\$269.29	\$6.11	2.32%	22.30%
General Service 50 to 4,999 kW	57,220	145	\$9,119.96	\$9,106.90	-\$13.06	-0.14%	16.97%
Unmetered Scattered Load	3,600	0	\$650.63	\$654.13	\$3.51	0.54%	12.90%
Sentinel Lighting	50	1	\$43.18	\$46.09	\$2.91	6.73%	12.22%
Street Lighting	199,852	585	\$67,608.49	\$49,234.43	-\$18,374.06	-27.16%	-44.81%

The impact of the settlement agreement in regards to Capital Expenditures and OM&A is summarized below in Table 3.

**Table 3 - Summary of Capital Expenditures and OM&A**

Description	Application	Interrogatories	Variance	Settlement	Variance	
	(A)	(B)	(C)=(B)-(A)	(D)	(E)=(D)-(B)	
Capital Expenditures	Gross Fixed Assets (Average)	\$108,487,326	\$108,943,319	\$455,993	\$108,733,229	-\$210,090
	Accumulated Depreciation (Average)	-\$15,769,425	-\$15,772,167	-\$2,742	-\$15,770,354	\$1,813
OM&A		\$11,886,833	\$11,974,633	\$87,800	\$11,474,633	-\$500,000

As part of the settlement, the Parties have agreed to implement two new rate riders. First, the Parties have agreed to the creation of a Rate Rider for Embedded Generation Adjustment applicable to Account 1580, which returns to customers, on a per kWh basis, the amount collected for the Wholesale Market Service Charge and the Rural and Remote Electricity Rate Protection charge on a forecast of embedded generation. The rate rider accounts for embedded generation, subject to a true-up, and is further described in Section 4.2 and at Appendix F. Second, the Parties have agreed to a rate rider to credit customers the full benefits of the tax loss carry-forward amount of \$3,493,253. This rate rider is further described in Section 2.1(f) and at Appendix E.

In addition for the purposes of settling all issues in this proceeding, PUC has agreed to file the Shareholder Agreement between the City of Sault Ste. Marie and PUC Inc. dated July 25, 2000, as amended and to provide the publically available 2017 Audited Financial Statements of PUC Services and PUC Inc.

This Settlement Proposal reflects the Parties' agreement on an effective date for new rates of October 1, 2018.

Finally, the Parties agree that the OEB's policy as set out in the Report of the Ontario Energy Board titled *Wireline Pole Attachment Charges* dated March 22, 2018 (EB-2015-0304) regarding changes to the province-wide pole wireline pole attachment charge as well as the OEB's letter dated July 20, 2018 to all rate-regulated licensed electricity distributors regarding accounting guidance on wireline pole attachment charges should apply to PUC. Since PUC does not have an OEB-approved LDC-specific charge in place, it is required as a term of its distribution license to use this province-wide charge. This will result in a pole attachment charge (for non-wireless

attachments) of \$28.09 (per attacher per year) until December 31, 2018 and \$43.63 effective January 1, 2019.

The Parties believe that, since there are no areas of disagreement among the Parties, if this Settlement Proposal is accepted by the Board there are no issues which would require the Board to hold an oral hearing.

Based on the foregoing, and the evidence and rationale provided below, the Parties agree that this Settlement Proposal is appropriate in that overall rate impacts are minimal while allowing PUC to provide value to customers in the areas of reliability, customer service and communication, and asset maintenance and replacement. The Parties recommend its acceptance by the Board. Please refer to Appendix A for the schedule of draft tariffs resulting if this settlement is accepted by the Board.

## 2.0 Planning

### 2.1 Capital

*Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences*
- *productivity*
- *benchmarking of costs*
- *reliability and service quality*
- *impact on distribution rates*
- *trade-offs with OM&A spending*
- *government-mandated obligations*
- *the objectives of the Applicant and its customers*
- *the distribution system plan, and*
- *the business plan.*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, PUC agrees to adjust its 2018 rate base and Test Year capital plan to reflect the following changes:

- PUC agrees to reduce its Test Year capital additions by \$420,179. This would result in a 2018 Capital Additions of \$5,388,176.

This reduction in capital additions results from the removal of the costs associated with *Project #7 – Substation 16 Rebuild* in the Test Year given that Substation 16 will not be in service in 2018, as further described in response to interrogatories 2-CCC-42 and 2-Staff-28b and Exhibit 2/App. G/Project #7.

With the above adjustment, the Parties accept that the level of planned capital additions and capital expenditures, and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.1.6.1, Appendix 10 and Exhibit 2 Appendix 2-H;
- The past and planned productivity initiatives of PUC as more fully detailed in Exhibit 1 at Section 2.1.6.2;
- PUC's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.1.7.1 and Appendix 1-4. In this regard, the Parties also considered PUC's performance relative to comparable northern LDCs based on a total cost of delivery, including transmission and distribution, as shown in Appendix B;

- PUC’s past reliability and service quality performance as well as PUC’s targets for performance in the Test Year as more fully detailed in Exhibit 1, Section 2.1.7.1 and Exhibit 2, Section 2.2.2.7 and Appendix 2-H;
- The total impact on distribution rates, as more fully detailed in Appendix I of this settlement agreement;
- The settlement on OM&A as described under issue 1.2 of this Settlement Proposal;
- PUC’s performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.1.7.1 and Appendix 4;
- PUC’s targets and objectives as more fully detailed in Exhibit 1 at Section 2.1.7.1, Appendix 12 and Exhibit 2 Appendix 2;

The Parties further agree that, subject to the adjustment noted above, the Distribution System Plan filed in this proceeding, combined with the resources made available to PUC in the Test Year under the terms of this Settlement Proposal, provide a foundation to PUC in the Test Year to continue to: (a) pursue continuous improvement in productivity; (b) maintain system reliability and service quality; and (c) maintain reliable and safe operation of its distribution system.

Appendix D of this Settlement Proposal provides a final Fixed Asset Continuity Schedule to reflect this settlement.

**Evidence:**

*Application:* Exhibit 1 Sections 2.1.2, 2.1.3, 2.1.4, 2.1.5.4, 2.1.6; Exhibit 2 in its entirety, in particular Section 2.2.2 and Exhibit 2 Appendix 2-A

*IRRs:* 1-Staff-7, 1-CCC-6, 1-SEC-15, 1-SEC-17, 1-SEC-20, 1-SEC-21, 1-VECC-4, 2-Staff-8, 2-Staff-9, 2-Staff-10, 2-Staff-11, 2-Staff-12, 2-Staff-13, 2-Staff-14, 2-Staff-15, 2-Staff-16, 2-Staff-17, 2-Staff-18, 2-Staff-19, 2-Staff-20, 2-Staff-22, 2-Staff-23, 2-Staff-28, 2-Staff-30, 2-Staff-31, 2-Staff-32, 2-Staff-33, 2-Staff-35, 2-Staff-36, 2-Staff-38, 2-Staff-39, 2-Staff-41, 2-Staff-42, 2-Staff-43, 2-CCC-19, 2-CCC-20, 2-CCC-22, 2-CCC-23, 2-CCC-24, 2-CCC-25, 2-CCC-26, 2-CCC-27, 2-CCC-28, 2-CCC-29, 2-CCC-30, 2-CCC-31, 2-CCC-32, 2-CCC-33, 2-CCC-34, 2-CCC-35, 2-CCC-36, 2-CCC-37, 2-CCC-38, 2-CCC-39, 2-CCC-40, 2-CCC-41, 2-CCC-42, 2-CCC-43, 2-CCC-44, 2-CCC-46, 2-VECC-9, 2-VECC-10, 2-VECC-11, 2-VECC-12, 2-VECC-13, 2-VECC-14, 2-VECC-15,

*Appendices to this Settlement Proposal:*

Appendix D – Appendix 2-BA Fixed Asset Continuity Schedule

*Models:* PUC\_2018\_Settlement\_Filing\_Requirements\_Chp2\_App

**Supporting Parties:** All

## 2.2 OM&A

*Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences*
- *productivity*
- *benchmarking of costs*
- *reliability and service quality*
- *impact on distribution rates*
- *trade-offs with capital spending*
- *government-mandated obligations*
- *the objectives of the Applicant and its customers*
- *the distribution system plan, and*
- *the business plan.*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, PUC agrees to reduce its proposed OM&A expenses in the Test Year by \$500,000 (\$10,926 of which represents a reduction in transfer pricing as a result of a correction noted in the settlement of issue 2.1(d) below) to \$11,543,633.

Based on the foregoing, and the evidence filed by PUC, the Parties agree that the level of planned OM&A expenditures and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.1.6.1, Appendix 10 and Exhibit 2 Appendix 2-H ;
- The past and planned productivity initiatives of PUC as more fully detailed in Exhibit 1 at Section 2.1.6.2 ;
- PUC's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.1.7.1 and Appendix 1-4. In this regard, the Parties also considered PUC's performance relative to comparable northern LDCs based on a total cost of delivery, including transmission and distribution, as shown in Appendix B;
- PUC's past reliability and service quality performance as well as PUC's targets for performance in the Test Year as more fully detailed in Exhibit 1, Section 2.1.7.1 and Exhibit 2, Section 2.2.2.7 and Appendix 2-H ;
- The total impact on distribution rates, as more fully detailed in Appendix I of this settlement agreement;
- The changes in capital spending as described under Issue 1.1 of this Settlement Proposal;

- PUC's performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.1.7.1 and Appendix 4;
- PUC's targets and objectives as more fully detailed in Exhibit 1 at Section 2.1.7.1, Appendix 12 and Exhibit 2 Appendix 2

**Evidence:**

*Application:* Exhibit 1 Sections 2.1.2, 2.1.3, 2.1.4, 2.1.5.5, 2.1.6; Exhibit 2 Appendix 12; Exhibit 4 Sections 2.4.1 to 2.4.3.7

*IRRs:* 1CCC-7, 1-CCC-8, 1-CCC-10, 1-CCC-13, 1-CCC-14, 1-CCC-17, 1-SEC-1, 1-SEC-2, 1-SEC-10, 1-SEC-11, 1SEC-19, 1SEC-20, 1-SEC-21, 1SEC-22, 1-SEC-23, 1-SEC-24, 1-SEC-32, 1-SEC-33, 1SEC-35, 1VECC-2, 1-VECC-4, 1-VECC-8, 2-STAFF-13, 2-STAFF-18, 2-STAFF-22, 2-STAFF-24, 2-STAFF-25, 2-STAFF-34, 2-STAFF-37, 2-STAFF-40, 2-CCC-21, 2-CCC-23, 2-CCC-31, 4-STAFF-50, 4-STAFF-51, 4-STAFF-53, 4-STAFF-54, 4-STAFF-55, 4-STAFF-56, 4-STAFF-57, 4-STAFF-58, 4-STAFF-59, 4-STAFF-61, 4-STAFF-62, 4-STAFF-69, 4-CCC-48, 4-CCC-50, 4-CCC-51, 4-CCC-53, 4-CCC-54, 4-SEC-36, 4-SEC-38, 4-SEC-39, 4-SEC-40, 4-VECC-31, 4-VECC-32, 4-VECC-33, 4-VECC-34, 4-VECC-35

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018\_Settlement\_Filing\_Requirements\_Ch2\_App

**Supporting Parties:** All

### 3.0 REVENUE REQUIREMENT

#### 3.1 Revenue Requirement Components

*Are all elements of the Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?*

**Complete Settlement:** The Parties agree that all elements of the Base Revenue Requirement are reasonable, and have been correctly determined in accordance with Board policies and practices. Specifically:

- a) *Rate Base:* The Parties agree that the rate base calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- b) *Working Capital:* The Parties agree that the working capital calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- c) *Cost of Capital:* The Parties agree that the cost of capital calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- d) *Other Revenue:* In response to interrogatory 4-VECC-31(e) PUC explained that when calculating its transfer pricing between PUC and its affiliates it had grossed up the entire cost of capital in respect of building-related charges (which affects PUC’s forecast of Other Revenues) and vehicle and other asset charges (which affects PUC’s forecasts of OM&A). The Parties have agreed that for the purposes of transfer pricing the 7.98% Cost of Capital grossed up for PILs should be revised to gross up the ROE portion only, consistent with the RDI Full Absorption Cost Allocation report at Exhibit 4 Appendix 9. This correction results in a revised Cost of Capital used for the purposes of transfer pricing, grossed up for PILs, of 7.16%. With that adjustment, shared service charges - which affect Other Revenue and OM&A - are adjusted to reflect a gross up on the ROE portion only, not the entire cost of capital as outlined in response to interrogatory 4-VECC-31(e). This revision to transfer pricing lowers Other Revenue by \$101,515 and lowers OM&A operating costs by \$10,926, as outlined in Table 4 below.

**Table 4 – Cost of Capital for Purposes of Transfer Pricing**

	%	Deemed Rate	Return	Tax Gross Up	Final Rates
Short Term Debt	4.0%	2.07%	0.08%		0.08%
Long Term Debt	56.0%	3.91%	2.19%		2.19%
Equity	40.0%	8.98%	3.59%	26.50%	4.89%
					<b>7.16%</b>

**Table 5 – Impact of Cost of Capital Change to Building Charges**

Cost of Capital Original Application		7.98%
Cost of Capital Settlement		7.16%
Reduction		0.819%
Capital Cost of Facilities		\$23,137,285
Cost of Capital - Facilities		\$189,564
PUC Distribution portion	46.45%	\$88,049.33
Other Revenue Reduction		<b>\$101,515</b>

**Table 6 – Impact of Cost of Capital Change to OM&A**

NBV	\$5,682,605
ROE @ 7.98%	\$453,472
ROE @ 7.16%	\$406,875
Operating Costs @ 7.98%	\$106,257
Operating Costs @ 7.16%	<u>\$95,331</u>
Reduction	-\$10,926

Subject to these adjustments, the Parties agree that the other revenue calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.

- e) *Depreciation:* The Parties agree that the depreciation calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- f) *Taxes:* PUC will adjust its PILs calculation to eliminate the impact of its tax loss carry-forwards (i.e. PILs will be calculated assuming no loss carry-forward is available). Instead, PUC will implement a new standalone rate rider to credit customers the full benefits of grossed-up tax loss carry-forward amounts of \$3,493,253 as set out in IRR 4-STAFF-70, 2017 PILs Return, and Schedule 4. This rate rider is further described at Appendix E. The rate rider will remain in place for a 19-month period commencing October 1, 2018 and ending April 30, 2020 to align with a rate year. The Parties intend that the timing of the rate rider will match the period of time over which PUC will receive tax reductions from those same loss carry-forwards, while ensuring that PUC recovers in rates an appropriate amount of PILs once the loss carry-forward reductions are no longer available to PUC.

Subject to these adjustments, the Parties agree that the PILs calculations, as updated to reflect this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices. The PILs workflow reflecting this Settlement Proposal is provided as part of the supporting material in file named PUC\_2018 Income Tax\_PILs\_Settlement\_WF Tab T4 - FINAL.

**Evidence:**

*Application:* Exhibit 1 Section 2.1.5.1, Section 2.1.5.4, Section 2.1.5.6; Exhibit 2 Section 2.2.1.1 to 2.2.2.4; Exhibit 3 Section 2.3.3; Exhibit 4 Section 2.4.4, Section 2.4.5; Exhibit 5; Exhibit 6

*IRRs:* 1-STAFF-7, 1-CCC-2, 1-CCC-4, 1-CCC-8, 2-STAFF-8, 2-STAFF-10, 2-STAFF-11, 2-STAFF-13, 2-STAFF-17, 2-STAFF-22, 2-CCC-19, 2-CCC-29, 2-CCC-31, 2-CCC-41, 2-CCC-42, 2-VECC-10, 2-VECC-12, 3-STAFF-48, 3-VECC-28, 4-STAFF-50, 4-STAFF-57, 4-STAFF-58, 4-STAFF-59, 4-STAFF-60, 4-STAFF-61, 4-SEC-41, 4-VECC-32, 5-VECC-38

*Appendices to this Settlement Proposal:* Appendix E

*Models:* PUC\_2018\_Settlement\_Rev\_Reqt\_Work\_Form\_FINAL;  
PUC\_2018\_Settlement\_Filing\_Requirements\_Ch2\_App; PUC\_2018 Income  
Tax\_PILs\_Settlement\_WF Tab T4 – FINAL

**Supporting Parties:** All

### 3.2 Revenue Requirement Settlement

*Has the Revenue Requirement been accurately determined based on these elements?*

**Complete Settlement:** Subject to the adjustments expressly noted in this Settlement Proposal, the Parties agree that the proposed Revenue Requirement has been accurately determined as set forth in more detail in the Appendices.

**Evidence:**

*Application:* Exhibit 1 Section 2.1.5.1, Section 2.1.5.4, Section 2.1.5.6; Exhibit 2 Section 2.2.1.1 to 2.2.2.4; Exhibit 3 Section 2.3.3; Exhibit 4 Section 2.4.4, Section 2.4.5; Exhibit 5; Exhibit 6

*IRRs:* 1-STAFF-7, 1-CCC-2, 1-CCC-4, 1-CCC-8, 2-STAFF-8, 2-STAFF-10, 2-STAFF-11, 2-STAFF-13, 2-STAFF-17, 2-STAFF-22, 2-CCC-19, 2-CCC-29, 2-CCC-31, 2-CCC-41, 2-CCC-42, 2-VECC-10, 2-VECC-12, 3-STAFF-48, 3-VECC-28, 4-STAFF-50, 4-STAFF-57, 4-STAFF-58, 4-STAFF-59, 4-STAFF-60, 4-STAFF-61, 4-SEC-41, 4-VECC-32, 5-VECC-38

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018\_Settlement\_Rev\_Reqt\_Work\_Form\_FINAL;  
PUC\_2018\_Settlement\_Filing\_Requirements\_Ch2\_App

**Supporting Parties:** All

## 4.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

### 4.1 Load Forecast

*Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the number and energy and demand requirements of the applicant's customers?*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, PUC agrees to the following adjustment:

- PUC will adopt a revised load forecast of 628.9 GWh billed, calculated in accordance with the methodology set out in response to interrogatory VECC-47c, where the Purchased Power regression model is estimated using actual data for 2017 CDM historical data, and includes a trend variable.

Subject to the adjustment above, the Parties agree that the customer forecast, load forecast, loss factors, CDM adjustments and the resulting billing determinates are appropriate and are reflective of the energy and demand requirements of the applicant's customers. The adjusted load forecast is presented below as Table 7:

**Table 7 – Load Forecast**

Customer Class	Application	Interrogatories	Variance	Settlement	Variance
<b>Residential</b>					
Customers	29,789	29,816	27	29,816	-
kWh	296,393,596	287,663,507	(8,730,089)	288,323,799	660,292
<b>General Service &lt; 50 kW</b>					
Customers	3,443	3,431	(12)	3,431	-
kWh	94,320,130	92,683,979	(1,636,151)	92,411,463	(272,516)
<b>General Service 50 to 4,999 kW</b>					
Customers	353	357	4	357	-
kWh	248,349,153	245,243,826	(3,105,327)	244,620,598	(623,228)
kW	624,500	616,309	(8,191)	614,743	(1,566)
<b>Streetlights</b>					
Connections	8,070	8,070	-	8,070	-
kWh	2,415,793	2,398,221	(17,572)	2,398,221	-
kW	7,076	7,030	(46)	7,030	-
<b>Sentinel Lights</b>					
Connections	348	354	6	354	-
kWh	218,403	209,800	(8,603)	209,800	-
kW	616	593	(23)	593	-
<b>Unmetered Scattered Load</b>					
Connections	23	22	(1)	22	-
kWh	1,176,822	944,731	(232,091)	944,731	-
<b>Totals</b>					
Customer/Connections	42,026	42,050	24	42,050	-
kWh	642,873,897	629,144,064	(13,729,833)	628,908,612	(235,452)
kW	632,192	623,932	(8,260)	622,366	(1,566)

A revised load forecast model in working Microsoft Excel format reflecting this Settlement Proposal is filed with this Settlement Proposal under file named 2018 PUC Load Forecast Model Settlement.

Table 8 below provides the kWh and kW values to be used as the threshold in LRAM Variance Account calculation from 2018 and onwards until the next rebasing cost of service rate application occurs. The values reflect the annualized impact of CDM programs implemented in 2017 and 2018.

**Table 8 – 2018 Expected CDM Savings by Rate Class for LRAM Variance Account**

<b>2018 Expected CDM Savings by Rate Class for LRAM Variance Account</b>				
<b>Year</b>	<b>Residential</b>	<b>General Service &lt; 50 kW</b>	<b>General Service 50 to 4,999 kW</b>	<b>Total</b>
2018 Test - kWh	3,951,456	2,665,994	6,382,284	12,999,734
2018 Test - kW Annual			16,039	16,039
2018 Test - kW Monthly			1,337	1,337

**Evidence:**

*Application:* Exhibit 1 Section 2.1.5.3, Exhibit 3 Sections 2.3.1 to 2.3.2, Appendix 1 and Appendix 2, Exhibit 4 Section 2.4.6.1, Exhibit 7: Exhibit 8

*IRRs:* 1-CCC-5, 3-STAFF-44, 3-STAFF-45, 3-STAFF-46, 3-STAFF-49, 3-VECC-16, 3-VECC-17, 3-VECC-24, Pre-ADR VECC clarification questions 44, 45, 46, 47

*Appendices to this Settlement Proposal:* Appendix G

*Models:* 2018 PUC Load Forecast Model Settlement

**Supporting Parties:** All

## 4.2 Cost Allocation

*Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?*

**Complete Settlement:** Subject to the adjustments expressly noted in this Settlement Proposal, the Parties agree that the cost allocation methodology is appropriate and results in revenue-to-cost ratios that are within the Board’s permitted ranges. These revenue-to-cost ratios are reproduced below in Table 9.

**Table 9 – Revenue-to-Cost Ratios**

Customer Class	Cost Ratios 2018 Cost Allocation Model Line 75 Tab - O1	Proposed Revenue to Cost Ratio	Board Target Low	Board Target High
Residential	90.39%	92.62%	85.00%	115.00%
General Service < 50 kWh	116.08%	116.08%	80.00%	120.00%
General Service 50 to 4,999 kWh	111.07%	111.07%	80.00%	120.00%
Street Lights	274.47%	120.00%	70.00%	120.00%
Sentinel Lights	97.22%	97.22%	80.00%	120.00%
Unmetered Scattered Load	112.71%	112.71%	80.00%	120.00%

### Evidence:

*Application:* Exhibit 1 Section 2.1.5.7; Exhibit 4 Section 2.4.3.2; Exhibit 7 including Appendix 1

*IRRs:* 7-STAFF-75, 7-VECC-40, 7-VECC-41

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018\_Settlement\_Cost\_Allocation\_Model - FINAL

**Supporting Parties:** All

### 4.3 Rate Design

*Are the applicant's proposals for rate design appropriate?*

**Complete Settlement:** For the purposes of settlement of the issues in this proceeding, PUC has agreed to set the fixed charges for the General Service 50 to 4,999 kW and USL rate classes, which are above the ceiling, at current levels. The difference will be made up through a corresponding increase in volumetric charges.

This results in a fixed rate of \$114.46 for General Service 50 to 4,999 kW and \$12.69 for USL, and a variable rate of \$6.7259 per kW for General Service 50 4,999 kW and \$0.0383 per kWh for USL.

Subject to the above, the Parties agree that PUC's proposals, including the proposed fixed/variable splits, for rate design are appropriate. The distribution charges resulting from this Settlement Proposal are produced below as Table 10.

**Table 10: Distribution Charges**

Customer Class	2017 Distribution Rates	2018 Distribution Rates Original Application	Adjustments	2018 Distribution Rates Settlement	2018 Fixed/Variable Split
<b>Residential</b>					
Monthly Service Charge	\$16.79	\$24.87	-\$0.46	\$24.41	77.80%
Distribution Volumetric per kWh	\$0.0104	\$0.0088	-\$0.0002	\$0.0086	22.20%
<b>General Service &lt; 50 kW</b>					
Monthly Service Charge	\$17.11	\$21.04	-\$0.31	\$20.73	27.11%
Distribution Volumetric per kWh	\$0.0205	\$0.0252	-\$0.0004	\$0.0248	72.89%
<b>General Service 50 to 4,999 kW</b>					
Monthly Service Charge	\$114.46	\$140.76	-\$26.30	\$114.46	10.79%
Distribution Volumetric per kW	\$5.4372	\$6.6563	\$0.0732	\$6.7295	89.21%
<b>Street Lights</b>					
Monthly Service Charge	\$2.94	\$1.42	-\$0.05	\$1.37	67.87%
Distribution Volumetric per kW	\$19.1736	\$9.2724	-\$0.3440	\$8.9284	32.13%
<b>Sentinel Lights</b>					
Monthly Service Charge	\$2.93	\$3.60	-\$0.05	\$3.55	43.42%
Distribution Volumetric per kW	\$27.3551	\$33.6416	-\$0.4914	\$33.1502	56.58%
<b>Unmetered Scattered Load</b>					
Monthly Service Charge	\$12.69	\$15.06	-\$2.37	\$12.69	8.47%
Distribution Volumetric per kWh	\$0.0310	\$0.0368	\$0.0015	\$0.0383	91.53%

**Evidence:**

*Application:* Exhibit 1 Appendix 3; Exhibit 8 Sections 2.8 to 2.8.2, Appendix 2, Appendix 3

*IRRs:* 1-CCC-9, 8-STAFF-77

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018\_Settlement\_Rev\_Reqt\_Work\_Form\_FINAL (Tabs 12, 13)

**Supporting Parties:** All

#### 4.4 Residential Rate Design

*Has the applicant appropriately applied the OEB's policy on residential rate design?*

**Complete Settlement:** The Parties agree that the Applicant appropriately applied the OEB's policy on residential rate design. The rate impacts have been reproduced below as Table 11. The monthly fixed charge is proposed to increase by \$7.62, of which, \$3.48 is as a result of the residential rate design policy.

**Table 11: Rate Impacts**

<b>Residential Rate Class</b>	<b>September 30, 2018 Rate</b>	<b>October 1, 2018 Rate</b>	<b>Difference \$</b>	<b>Difference %</b>
Monthly Service Charge	\$16.79	\$24.41	\$7.62	45.38%
Distribution Volumetric Rate	\$0.0104	\$0.0086	-\$0.0018	-17.31%

**Evidence:**

*Application:* Exhibit 1 Appendix 3; Exhibit 8 Sections 2.8 to 2.8.2, Appendix 2, Appendix 3

*IRRs:* 1-CCC-9

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018-Settlement\_Tariff-Schedule-and-Bill-Impact-Model

**Supporting Parties:** All

#### 4.5 Retail Transmission Service Rates

*Are the proposed Retail Transmission Service Rates appropriate?*

**Complete Settlement:** The Parties agree that the proposed Retail Transmission Service Rates are appropriate. Retail Transmission Service Rates have been reproduced below at Table 12 below.

**Table12: Retail Transmission Service Rates**

Customer Class	2017 RTSR Rates	2018 RTSR Rates Settlement
<b>Residential</b>		
Retail Transmission Rate - Network Service Rate per kWh	\$0.0059	\$0.0060
<b>General Service &lt; 50 kW</b>		
Retail Transmission Rate - Network Service Rate per kWh	\$0.0055	\$0.0056
<b>General Service 50 to 4,999 kW</b>		
Retail Transmission Rate - Network Service Rate per kW	\$2.2455	\$2.2694
Retail Transmission Rate - Network Service Rate per kW - Interval Metered	\$2.8240	\$2.8541
<b>Street Lights</b>		
Retail Transmission Rate - Network Service Rate per kW	\$1.6935	\$1.7116
<b>Sentinel Lights</b>		
Retail Transmission Rate - Network Service Rate per kW	\$1.7021	\$1.7202
<b>Unmetered Scattered Load</b>		
Retail Transmission Rate - Network Service Rate per kWh	\$0.0055	\$0.0056

**Evidence:**

*Application:* Exhibit 8 Section 2.8.3 and Appendix 1

*IRRs:* 8-STAFF-78, 8-VECC-42

*Appendices to this Settlement Proposal:* None

*Models:* PUC\_2018\_Settlement\_RTSM\_Workform\_FINAL

**Supporting Parties:** All

## 5.0 ACCOUNTING

### 5.1 Impacts of Changes

*Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?*

**Complete Settlement:** The Parties accept the evidence of PUC that the impacts of any changes in accounting standards, policies, estimates and adjustments have been properly identified, and the treatment of each of these impacts is appropriate.

**Evidence:**

*Application:* Exhibit 1 Sections 2.1.3.10, 2.1.3.15, 2.1.5.2 and 2.1.8, Appendix 6, Appendix 7; Exhibit 2 Sections 2.2.1.1 and 2.2.2; Exhibit 3 Section 2.3.1.1; Exhibit 4 Sections 2.4.3.2, and 2.4.4, Appendix 11

*IRRs:* 4-STAFF-69, 4-SEC-41

*Appendices to this Settlement Proposal:* None

*Models:* None

**Supporting Parties:** All

## 5.2 Deferral and Variance Accounts

*Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts appropriate?*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, the Parties agree to the following:

- i) The current balance of \$2.6 million in the deferral and variance accounts, including the \$2.4 million in the Wholesale Market Service Charge variance account (Account 1580) is to be refunded to customers over a 19-month period ending April 30, 2020.

In addition, PUC will create a Rate Rider for Embedded Generation Adjustment for Account 1580 RSVA Wholesale Market Service Charge Account which returns to customers, on a per kWh basis, the amount collected for the Wholesale Market Service Charge and the Rural and Remote Electricity Rate Protection charge (RRRP) related to embedded generation, the calculation and purpose of which is further described at Appendix F. This credit will better align payment with the energy use, in that the credit is applied in the current year rather than refunded as a variance rate rider at a future time.

By way of background, due to embedded generation PUC was historically over-collecting the Wholesale Market Service Charge and the RRRP (which is set by the OEB) and then rebating these amounts to customers in the future. The Parties have agreed that, instead, PUC will create a forecast of average embedded generation over a calendar year. Based on the average annual embedded kWh generation, retail Wholesale Market Service Charge rates, and RRRP rates, PUC will determine an annual credit to be returned to all customers. Once the annual credit is determined, a per kWh credit rate will be determined based on the approved load forecast. Any under or over-forecasts on embedded generation in a given month would be booked to Account 1580 to ensure PUC is held whole regardless of any over or under-forecasted embedded generation. Table 11 at Appendix F sets out the embedded generation forecast for a 12-month period and the calculation of the per kWh rate rider applicable to all rate classes.

- ii) Clearance of the debit balance in account 1508 (Other Regulatory Assets) and credit balance in account 2425 (Other Deferred Credits) associated with the Accounting Order set out in the PUC Settlement Agreement approved by the Board in its Decision in EB-2012-0162. Accounts 1508 and 2425 will be closed upon approval of this settlement agreement by the Board. Included in PUC's 2013 rates was an amount of \$100,000 per year that was

to be used to further PUC's productivity and efficiency. As per the Accounting Order, accounts 1508 and 2425 were utilized to record revenues and expenditures related to the productivity items.

For the purposes of the settlement of the issues in this proceeding, and subject to the above, the Parties accept PUC's evidence that its proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition and the continuation of existing accounts, are appropriate.

Finally, consistent with the OEB's letter dated July 20, 2018 to all rate-regulated licensed electricity distributors regarding the OEB's plan to standardize processes to improve accuracy of commodity pass-through variance accounts, the Parties agree that the Global Adjustment and other Group 1 account dispositions should be approved on an interim basis only, until such time as the OEB has finalized the new standardized requirements for regulatory accounting and RPP settlements.

**Evidence:**

*Application:* Exhibit 1 Section 2.1.5.8; Exhibit 9 in its entirety

*IRRs:* 1-SEC-5, 2-STAFF-26, 4-STAFF-65, 4-STAFF-67, 4-VECC-37, 9-STAFF-82, 9-STAFF-83, 9-STAFF-85, 9-STAFF-86, 9-STAFF-87, 9-STAFF-88, 9-STAFF-90, 9-STAFF-91, 9-VECC-43

*Appendices to this Settlement Proposal:* Appendix F

Models: None

Decision in EB-2012-0162, Appendix O

**Supporting Parties:** All

## **6.0 OTHER**

### **6.1 Effective Date**

*Is the proposed effective date for 2018 rates appropriate?*

**Complete Settlement:** Subject to the above, the Parties agree to an effective date of October 1, 2018, for 2018 rates.

#### **Evidence:**

*Application:* None.

*IRRs:* None.

*Appendices to this Settlement Proposal:* None.

*Models:* None.

**Supporting Parties:** All

**APPENDIX A**  
**PUC DISTRIBUTION INC.**  
**SCHEDULE OF DRAFT TARIFFS**

**PUC Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date October 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0071

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. 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	\$	24.41
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(1.30)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$	(0.05)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0086
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - effective until April 30, 2020	\$/kWh	(0.0032)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kWh	0.0002
Rate Rider for Embedded Generation Adjustment - effective until	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060

**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

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.73
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.86)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0248
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - effective until April 30, 2020	\$/kWh	(0.0032)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$/kWh	(0.0001)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kWh	0.0019
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$/kWh	(0.0010)
Rate Rider for Embedded Generation Adjustment - effective until	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0056

### 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

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

This classification applies to a non residential account whose average monthly peak demand used for billing purposes over the past 12 months is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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	\$	114.46
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(4.74)
Distribution Volumetric Rate	\$/kW	6.7295
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - approved on an interim basis effective until April 30, 2020	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - approved on an interim basis effective until April 30, 2020	\$/kW	(1.2817)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$/kW	(0.0258)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kW	0.0962
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(0.2734)
Retail Transmission Rate - Network Service Rate	\$/kW	2.2694
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8541

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information documentation with regard to electrical demand/consumption of the proposed unmetered load. 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	\$	12.69
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.53)
Distribution Volumetric Rate	\$/kWh	0.0383
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - approved on an interim basis effective until April 30, 2020	\$/kWh	(0.0032)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$/kWh	(0.0001)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kWh	(0.0010)
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$/kWh	(0.0016)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0056

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.55
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.15)
Distribution Volumetric Rate	\$/kW	33.1502
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - approved on an interim basis effective until April 30, 2020	\$/kW	(1.1433)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$/kW	(0.0229)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kW	(1.1660)
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(1.3742)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7202

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

## STREET LIGHTING SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.37
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.06)
Distribution Volumetric Rate	\$/kW	8.9284
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - approved on an interim basis effective until April 30, 2020	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts - Group 1 (2018) - approved on an interim basis effective until April 30, 2020	\$/kW	(1.1380)
Rate Rider for Disposition of Deferral/Variance Accounts - Group 2 (2018) - effective until April 30, 2020	\$/kW	(0.0221)
Rate Rider for Disposition of LRAMVA - effective until April 30, 2020	\$/kW	5.5286
Rate Rider for Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(0.3701)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7116

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

## **microFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

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

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

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

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

### **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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## ALLOWANCES

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

## SPECIFIC SERVICE CHARGES

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

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

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

### Customer Administration

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

### Non-Payment of Account

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/reconnect charge - at meter - during regular hours	\$	65.00
Disconnect/reconnect charge - at meter - after hours	\$	185.00
Disconnect/reconnect charge - at pole - during regular hours	\$	185.00
Disconnect/reconnect charge - at pole - after hours	\$	415.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

### Other

Special meter reads	\$	30.00
Service call - customer-owned equipment		Time & Materials
Service call - after regular hours		Time & Materials
Temporary service - install & remove - overhead - no transformer		Time & Materials
Temporary service - install & remove - underground - no transformer		Time & Materials
Temporary service - install & remove - overhead - with transformer		Time & Materials
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - in effect until December 31, 2018	\$	28.09
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - in effect from January 1, 2019	\$	43.63
Removal of overhead lines - during regular hours		Time & Materials
Removal of overhead lines - after hours		Time & Materials
Roadway escort - after regular hours		Time & Materials

## RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

## LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0481
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0385

**APPENDIX B**

**COMPARISON OF PUC DISTRIBUTION RATES (WITH TX) TO NORTHERN LDCS**

Annual Bill		Residential					PUC Proposed Settlement
kWh	700	Greater Sudbury	North Bay	Thunder Bay	Average		
	Monthly	\$288.84	\$304.32	\$266.76		\$292.92	
	Smart Meter	\$6.84	\$6.84	\$6.84		\$6.84	
	Volumetric	\$26.88	\$31.08	\$31.08		\$72.24	
	LV Rate	\$1.68	\$0.59	\$0.00		\$0.00	
	LRAMVA	\$0.00	\$0.00	\$0.00		\$0.84	
	Group 2 Rate Riders	\$0.00	\$0.00	\$0.00		-\$0.60	
	WMS Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	PILs Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	Tx - Connection	\$45.15	\$59.81	\$52.39		\$0.00	
	Tx - Network	\$52.24	\$59.81	\$46.27		\$52.82	
	<b>Total</b>	<b>\$421.63</b>	<b>\$462.45</b>	<b>\$403.34</b>	<b>\$429.14</b>	<b>\$425.06</b>	
						<b>99.05%</b>	

  

Annual Bill		General Service < 50 kW					PUC Proposed Settlement
kWh	2000	Sudbury	North Bay	Thunder Bay	Average		
	Monthly	\$265.80	\$291.48	\$328.56		\$248.76	
	Smart Meter	\$6.84	\$6.84	\$6.84		\$6.84	
	Volumetric	\$458.40	\$448.80	\$427.20		\$595.20	
	LV Rate	\$2.40	\$1.68	\$0.00		\$0.00	
	LRAMVA	\$0.00	\$0.00	\$0.00		\$43.20	
	Group 2 Rate Riders	\$0.00	\$0.00	\$0.00		-\$2.40	
	WMS Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	PILs Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	Tx - Connection	\$91.07	\$146.40	\$117.60		\$0.00	
	Tx - Network	\$111.30	\$163.35	\$142.19		\$140.86	
	<b>Total</b>	<b>\$935.81</b>	<b>\$1,058.55</b>	<b>\$1,022.39</b>	<b>\$1,005.58</b>	<b>\$1,032.46</b>	
						<b>102.67%</b>	

  

Annual Bill		General Service > 50 kW					PUC Proposed Settlement
kWh	100	Greater Sudbury	North Bay	Thunder Bay	Average		
	Monthly	\$2,027.88	\$3,681.48	\$2,472.96		\$1,373.52	
	Smart Meter	\$0.00	\$0.00	\$0.00		\$0.00	
	Volumetric	\$5,268.84	\$3,073.32	\$4,020.60		\$8,075.40	
	LV Rate	\$123.24	\$30.60	\$0.00		\$0.00	
	LRAMVA	\$0.00	\$0.00	\$0.00		\$104.04	
	Group 2 Rate Riders	\$0.00	\$0.00	\$0.00		-\$30.96	
	WMS Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	PILs Rate Rider	\$0.00	\$0.00	\$0.00		\$0.00	
	Tx - Connection	\$3,489.08	\$2,998.06	\$2,564.03		\$0.00	
	Tx - Network	\$4,155.50	\$3,241.07	\$2,968.40		\$2,854.27	
	<b>Total</b>	<b>\$15,064.54</b>	<b>\$13,024.52</b>	<b>\$12,026.00</b>	<b>\$13,371.69</b>	<b>\$12,376.27</b>	
						<b>92.56%</b>	

APPENDIX C

REVENUE REQUIREMENT WORK FORM TRACKING SHEET

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	<b>Original Application</b>	\$ 5,975,027	6.00%	\$ 99,603,703	\$ 91,810,703	\$ 6,885,803	\$ 3,783,956	\$ 366,429	\$ 11,886,833	\$ 22,081,245	\$ 2,389,661	\$ 19,691,584	\$ 3,679,687
Interrogatory	Update to 2017 Actuals	\$ 6,002,217	6.00%	\$ 100,056,955	\$ 91,810,703	\$ 6,885,803	\$ 3,783,956	\$ 335,246	\$ 11,886,833	\$ 22,077,252	\$ 2,389,661	\$ 19,687,591	\$ 3,844,741
	Change	\$ 27,190	0.00%	\$ 453,252	\$ -	\$ 0	\$ -	-\$ 31,183	\$ -	-\$ 3,993	\$ -	-\$ 3,993	\$ 165,054
Interrogatory	Update to Cost of Power	\$ 5,992,760	6.00%	\$ 99,899,321	\$ 89,708,918	\$ 6,728,169	\$ 3,783,956	\$ 333,200	\$ 11,886,833	\$ 22,065,750	\$ 2,389,661	\$ 19,676,089	\$ 3,833,239
	Change	-\$ 9,457	0.00%	-\$ 157,634	-\$ 2,101,785	-\$ 157,634	\$ -	-\$ 2,046	\$ -	-\$ 11,502	\$ -	-\$ 11,502	-\$ 11,502
Interrogatory	Update to Operating Revenue	\$ 5,992,760	6.00%	\$ 99,899,321	\$ 89,708,918	\$ 6,728,169	\$ 3,783,956	\$ 333,200	\$ 11,886,833	\$ 22,065,750	\$ 2,800,114	\$ 19,265,636	\$ 3,422,786
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,453	-\$ 410,453	-\$ 410,453
Interrogatory	Update to Operating Expense	\$ 5,993,155	6.00%	\$ 99,905,906	\$ 89,796,718	\$ 6,734,754	\$ 3,783,956	\$ 333,286	\$ 11,974,633	\$ 22,154,030	\$ 2,800,114	\$ 19,353,916	\$ 3,511,066
	Change	\$ 395	0.00%	\$ 6,585	\$ 87,800	\$ 6,585	\$ -	\$ 86	\$ 87,800	\$ 88,280	\$ -	\$ 88,280	\$ 88,280
Settlement	Update to Other Revenue - Transfer Pricing	\$ 5,993,155	6.00%	\$ 99,905,906	\$ 89,796,718	\$ 6,734,754	\$ 3,783,956	\$ 333,286	\$ 11,974,633	\$ 22,154,030	\$ 2,698,599	\$ 19,455,431	\$ 3,612,581
	Change	-\$ 0	0.00%	\$ 0	-\$ 0	\$ 0	\$ -	\$ 0	\$ -	-\$ 0	-\$ 101,515	\$ 101,515	\$ 101,515
Settlement	Update to OM&A - Reduction of \$500k	\$ 5,990,906	6.00%	\$ 99,868,406	\$ 89,296,718	\$ 6,697,254	\$ 3,783,956	\$ 332,799	\$ 11,474,633	\$ 21,651,294	\$ 2,698,599	\$ 18,952,694	\$ 3,109,844
	Change	-\$ 2,249	0.00%	-\$ 37,500	-\$ 500,000	-\$ 37,500	\$ -	-\$ 487	-\$ 500,000	-\$ 502,736	\$ -	-\$ 502,737	-\$ 502,737
Settlement	Update to Capital Assets - Moving Sub 16 to WIP	\$ 5,978,412	6.00%	\$ 99,660,130	\$ 89,296,718	\$ 6,697,254	\$ 3,780,329	\$ 334,848	\$ 11,474,633	\$ 21,637,222	\$ 2,698,599	\$ 18,938,622	\$ 3,095,772
	Change	-\$ 12,494	0.00%	-\$ 208,276	\$ -	\$ -	-\$ 3,627	\$ 2,049	\$ -	-\$ 14,072	\$ -	-\$ 14,072	-\$ 14,072
Settlement	Update to Remove PILs Carryforward in RRWF	\$ 5,978,412	6.00%	\$ 99,660,130	\$ 89,296,718	\$ 6,697,254	\$ 3,780,329	\$ 586,742	\$ 11,474,633	\$ 21,889,116	\$ 2,698,599	\$ 19,190,517	\$ 3,347,667
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 251,894	\$ -	\$ 251,894	\$ -	\$ 251,895	\$ 251,895
Settlement	Update to Load Forecast - 628.9 GWh	\$ 5,978,287	6.00%	\$ 99,658,055	\$ 89,269,059	\$ 6,695,179	\$ 3,780,329	\$ 586,715	\$ 11,474,633	\$ 21,888,965	\$ 2,698,599	\$ 19,190,365	\$ 3,354,750
	Change	-\$ 125	0.00%	-\$ 2,075	-\$ 27,659	-\$ 2,075	\$ -	-\$ 27	\$ -	-\$ 151	\$ -	-\$ 152	\$ 7,083

**APPENDIX D**

**CHAPTER 2 APPENDICES APPENDIX 2-BA**

**FINAL FIXED ASSET CONTINUITY SCHEDULE REFLECTING SETTLEMENT**

Settlement Proposal

Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard MFRS  
Year 2018

CCA Class <sup>2</sup>	OEB Account <sup>1</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	Net Book Value
N/A	1706	Land Rights	\$ 602,307			\$ 602,307	\$ -			\$ -	\$ 602,307
47	1725	Poles and Fixtures	\$ 1,604,340			\$ 1,604,340	-\$ 156,520	-\$ 39,130		-\$ 195,650	\$ 1,408,690
47	1730	Overhead Conductors & Devices	\$ 63,894			\$ 63,894	-\$ 7,988	-\$ 1,997		-\$ 9,985	\$ 53,909
47	1735	Underground Conduit	\$ 870,021			\$ 870,021	-\$ 99,432	-\$ 24,858		-\$ 124,290	\$ 745,731
47	1740	Underground Conductors & Devices	\$ 215,252			\$ 215,252	-\$ 39,136	-\$ 9,784		-\$ 48,920	\$ 166,332
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1905	Land	\$ 89,160			\$ 89,160	\$ -			\$ -	\$ 89,160
CEC	1906	Land Rights	\$ 178,951	\$ 1,621		\$ 180,572	\$ -			\$ -	\$ 180,572
47	1908	Buildings	\$ 25,027,092	\$ 63,099		\$ 25,090,191	-\$ 2,717,414	-\$ 683,596		-\$ 3,401,010	\$ 21,689,181
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1915	Transformer Station Equipment >50 kV	\$ 7,662,606	\$ 122,779		\$ 7,785,385	-\$ 1,000,670	-\$ 266,269		-\$ 1,266,939	\$ 6,518,446
47	1920	Distribution Station Equipment <50 kV	\$ 10,510,642	\$ 404,970		\$ 10,915,612	-\$ 1,597,764	-\$ 435,782		-\$ 2,033,546	\$ 8,882,066
47	1925	Storage Battery Equipment	\$ 13,722			\$ 13,722	\$ 2,612	-\$ 653		\$ 3,265	\$ 10,457
47	1930	Poles, Towers & Fixtures	\$ 17,808,104	\$ 1,586,992		\$ 19,395,096	-\$ 1,301,616	-\$ 413,255		-\$ 1,714,871	\$ 17,680,225
47	1935	Overhead Conductors & Devices	\$ 12,985,478	\$ 1,003,237		\$ 13,988,715	-\$ 1,073,637	-\$ 311,231		-\$ 1,384,868	\$ 12,603,847
47	1940	Underground Conduit	\$ 3,862,059	\$ 214,630		\$ 4,076,689	-\$ 897,888	-\$ 239,532		-\$ 1,137,420	\$ 2,939,269
47	1945	Underground Conductors & Devices	\$ 13,447,277	\$ 352,285		\$ 13,799,562	-\$ 2,105,522	-\$ 553,859		-\$ 2,659,381	\$ 11,140,181
47	1950	Line Transformers	\$ 13,256,634	\$ 1,005,278		\$ 14,261,912	-\$ 1,130,181	-\$ 351,146		-\$ 1,481,327	\$ 12,780,585
47	1955	Services (Overhead & Underground)	\$ 6,076,632	\$ 457,483		\$ 6,534,115	-\$ 583,072	-\$ 171,479		-\$ 754,551	\$ 5,779,564
47	1960	Meters	\$ 4,838,567	\$ 146,036		\$ 4,984,603	-\$ 1,678,254	-\$ 443,908		-\$ 2,122,162	\$ 2,862,441
47	1960	Meters (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -	\$ -
12	1925	Computer Software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 1,600,674	\$ 29,766		\$ 1,630,440	\$ 952,647	-\$ 241,432		-\$ 1,194,079	\$ 436,361
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	-\$ 11,161,740	\$ -		-\$ 11,161,740	\$ 1,313,144	\$ 328,286		\$ 1,641,430	-\$ 9,520,310
47	2440	Deferred Revenue <sup>5</sup>	-\$ 3,087,531	-\$ 450,000		-\$ 3,537,531	\$ 151,022	\$ 79,297		\$ 230,319	-\$ 3,307,212
		<b>Sub-Total</b>	<b>\$ 106,264,141</b>	<b>\$ 4,938,176</b>	<b>\$ -</b>	<b>\$ 111,202,317</b>	<b>-\$ 13,880,187</b>	<b>-\$ 3,780,328</b>	<b>\$ -</b>	<b>-\$ 17,660,515</b>	<b>\$ 93,541,802</b>
	2055	Work in Progress	\$ 37,675	\$ 420,179		\$ 457,854				\$ -	\$ 457,854
		<i>Less Other Non Rate-Regulated Utility Assets (input as negative)</i>								\$ -	\$ -
		<b>Total PP&amp;E</b>	<b>\$ 106,301,816</b>	<b>\$ 5,358,355</b>	<b>\$ -</b>	<b>\$ 111,660,171</b>	<b>-\$ 13,880,187</b>	<b>-\$ 3,780,328</b>	<b>\$ -</b>	<b>-\$ 17,660,515</b>	<b>\$ 93,999,656</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>					<b>-\$ 3,780,328</b>				

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation  
Transportation  
Stores Equipment  
Net Depreciation **-\$ 3,780,328**

**APPENDIX E**

**RATE RIDER FOR TAX LOSS CARRY-FORWARD**

The Parties have agreed that PUC will implement a new standalone Rate Rider, as follows:

- Rate Rider to credit customers the full benefits of grossed-up tax loss carry-forward amounts of \$3,493,253 over a 19-month period ending April 30, 2020, offsetting PILs that are otherwise included in rates for the duration of the 19-month period. The effect of this rate rider is that the loss carry-forward amount of \$3,493,253 is to be effectively removed from the Revenue Requirement and PILs balances and the Total Amount to be refunded (as calculated and set out in the Table 10 below) is to be allocated to rate classes based on the approved test year distribution revenue using both a fixed and volumetric billing determinant for the 19-month period.

The Table below illustrates the calculation of the rate rider.

**Table 10 – Calculation of Total Amount to be refunded**

Calculation of PILS Rate Rider

PILs credit to customers	
Total Loss Carry Forward	\$3,493,253
Rate	26.50%
Reduction in tax payable	\$925,712
Benefit to customers (grossed up)	\$1,259,472

Allocation to Customer Classes (from revenue requirement)

Settlement Proposal

	Base Revenue	Class %	Class PILs Credit
Residential	\$11,226,807	58.50%	(\$736,820)
General Service Less than 50 kW	\$3,149,458	16.41%	(\$206,700)
General Service 50 to 4,999 kW	\$4,544,464	23.68%	(\$298,255)
Unmetered Scattered Load	\$39,551	0.21%	(\$2,596)
Sentinel Lighting	\$34,742	0.18%	(\$2,280)
Street Lighting	\$195,345	1.02%	(\$12,821)
	\$19,190,366	100.00%	(\$1,259,472)

Calculation of Customer Class Rate Rider

These rate riders are to be in effect for 19 months commencing October 1, 2018 (up to and including April 30, 2020). The residential class credit is a fixed monthly while the remainder of the rate classes will have both a fixed monthly credit and a volumetric credit as per the table below.

Rate Rider Recovery Period (in months)

19

Rate Class (Enter Rate Classes in cells below)	Units	# Cust	Annual kWh	annual kW	kWh 19 months	kW 19 months	Allocated PILs Credit	Fixed %	Var %	Total	Fixed \$	Var \$	Fixed + Var	Fixed Rate Rider for PILs	Var Rate Rider for PILs Credit
RESIDENTIAL	kWh	29,816	288,323,799		456,511,721		(\$736,820)	100%	0%	100%	(\$736,819.89)	\$0	(\$736,820)	(\$1.30)	\$0.0000
GENERAL SERVICE LESS THAN 50 KW	kWh	3,431	92,411,463		146,317,842		(\$206,700)	27.1%	72.9%	100%	(\$56,089.31)	(\$150,611)	(\$206,700)	(\$0.86)	(\$0.0010)
GENERAL SERVICE 50 TO 4,999 KW	kW	357	244,620,598	614,743	387,315,132	973,341	(\$298,255)	10.8%	89.2%	100%	(\$32,181.68)	(\$266,073)	(\$298,255)	(\$4.74)	(\$0.2734)
UNMETERED SCATTERED LOAD	kWh	22	944,731		1,495,822		(\$2,596)	8.5%	91.5%	100%	(\$219.97)	(\$2,376)	(\$2,596)	(\$0.53)	(\$0.0016)
SENTINEL LIGHTING	kW	354	209,800	593	332,183	939	(\$2,280)	43.4%	56.6%	100%	(\$989.82)	(\$1,290)	(\$2,280)	(\$0.15)	(\$1.3742)
STREET LIGHTING	kW	8,070	2,398,221	7,030	3,797,176	11,131	(\$12,821)	67.9%	32.1%	100%	(\$8,701.07)	(\$4,119)	(\$12,821)	(\$0.06)	(\$0.3701)
		42,050	628,908,614	622,366	995,769,876	985,411	(1,259,472)				(\$835,002)	(\$424,470)	(\$1,259,472)		

## APPENDIX F

### RATE RIDER FOR EMBEDDED GENERATION ADJUSTMENT

The Parties have agreed that PUC will implement a new standalone Rate Rider, as follows:

As can be seen in the chart below, commencing in 2011 PUC connected a large amount of embedded generation to its distribution system. The embedded generation is mostly the result of two large solar farms which were operational for a full year commencing in 2012. Due to this embedded generation PUC has historically over-collected the Wholesale Market Service Charge (which is set by the OEB) and then rebated these amounts to customers in the future. The Parties have agreed that, going forward, PUC will implement a rate rider credit that will serve to return a reasonable forecast of the over-collection of Wholesale Market Service Charges, and Rural and Remote Electricity Rate Protection charges (RRRP) to customers in a proactive manner. PUC has determined a forecast of average expected embedded generation over a calendar year. Based on this average annual embedded kWh generation, retail Wholesale Market Service Charge rates and RRRP rates, PUC has determined an annual credit to be returned to all customers. Once the annual credit is determined, a per kWh credit rate will be determined based on the approved kWh load forecast.

Any under or over-forecasts on embedded generation in a given month will be booked to Account 1580 to ensure PUC is held whole regardless of any over or under-forecasted embedded generation. That is to say, in all instances PUC will be held whole for all WMSC and RRRP as if this rate rider did not exist. The table below sets out the embedded generation forecast for a 12-month period and the calculation of the per kWh rate rider applicable to all rate classes.

In IRR 9-Staff-83, PUC indicated that the large balance in Account 1580 - RSVA - Wholesale Market Service charge is attributable to two main factors, embedded generation and Transmission Rights Clearing Account Credits. The Transmission Rights Clearing Account Credits are a provincial issue and it is unknown to PUC if the Transmission Rights Clearing Account Credits will continue. PUC, therefore, has estimated the Whole Market Service Charge credit based on the average embedded generation from 2012 (first full year of solar farms generation) to 2017.

**Table 11 – Average Embedded Generation Forecast for 12-Month Period**

Year	Embedded Generation
2010	2,018,204
2011	38,285,285
2012	78,154,102
2013	70,733,589
2014	67,412,356
2015	76,318,882
2016	68,431,934
2017	74,074,630

Average 2012 to 2017      72,520,916

Calculation of WMS credit to customers

Embedded kWh	72,520,915.5
WMS + RRRP	-\$0.0035
WMS credit to customers	-\$253,823

The rate rider has been set to credit customers for the estimated amount of \$253,823 on an annual basis.

Please indicate the Rate Rider Recovery Period (in years)				1	
Rate Class (Enter Rate Classes in cells below)	Units	kWh	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts	Actual Credit due to Rounding
RESIDENTIAL	kWh	288,323,799	(\$116,365.51)	(\$0.0004)	(\$115,329.52)
GENERAL SERVICE LESS THAN 50 KW	kWh	92,411,463	(\$37,296.63)	(\$0.0004)	(\$36,964.59)
GENERAL SERVICE 50 TO 4,999 KW	kWh	244,620,598	(\$98,727.20)	(\$0.0004)	(\$97,848.24)
UNMETERED SCATTERED LOAD	kWh	944,731	(\$381.29)	(\$0.0004)	(\$377.89)
SENTINEL LIGHTING	kWh	209,800	(\$84.67)	(\$0.0004)	(\$83.92)
STREET LIGHTING	kWh	2,398,221	(\$967.91)	(\$0.0004)	(\$959.29)
		628,908,614	(\$253,823.20)		(\$251,563.45)

**APPENDIX G**

**BILL IMPACTS**

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	750	kWh
Demand	-	kW
Current Loss Factor	1.0489	
Proposed/Approved Loss Factor	1.0481	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 16.79	1	\$ 16.79	\$ 24.41	1	\$ 24.41	\$ 7.62	45.38%
Distribution Volumetric Rate	\$ 0.0104	750	\$ 7.80	\$ 0.0086	750	\$ 6.45	\$ (1.35)	-17.31%
Fixed Rate Riders	\$ -	1	\$ -	\$ (1.35)	1	\$ (1.35)	\$ (1.35)	
Volumetric Rate Riders	\$ -	750	\$ -	\$ 0.0002	750	\$ 0.15	\$ 0.15	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 24.59</b>			<b>\$ 29.66</b>	<b>\$ 5.07</b>	<b>20.62%</b>
Line Losses on Cost of Power	\$ 0.0820	37	\$ 3.01	\$ 0.0820	36	\$ 2.96	\$ (0.05)	-1.64%
Total Deferral/Variance Account Rate Riders	\$ -	750	\$ -	\$ 0.0032	750	\$ (2.40)	\$ (2.40)	
CBR Class B Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Low Voltage Service Charge	\$ -	750	\$ -	\$ -	750	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.57	1	\$ 0.57	\$ 0.57	1	\$ 0.57	\$ -	0.00%
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	750	\$ -	\$ 0.0004	750	\$ (0.30)	\$ (0.30)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 28.17</b>			<b>\$ 30.49</b>	<b>\$ 2.32</b>	<b>8.24%</b>
RTSR - Network	\$ 0.0059	787	\$ 4.64	\$ 0.0060	786	\$ 4.72	\$ 0.08	1.62%
RTSR - Connection and/or Line and Transformation Connection	\$ -	787	\$ -	\$ -	786	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 32.81</b>			<b>\$ 35.20</b>	<b>\$ 2.40</b>	<b>7.30%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	787	\$ 2.83	\$ 0.0036	786	\$ 2.83	\$ (0.00)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	787	\$ 0.24	\$ 0.0003	786	\$ 0.24	\$ (0.00)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	488	\$ 31.69	\$ 0.0650	488	\$ 31.69	\$ -	0.00%
TOU - Mid Peak	\$ 0.0940	128	\$ 11.99	\$ 0.0940	128	\$ 11.99	\$ -	0.00%
TOU - On Peak	\$ 0.1320	135	\$ 17.82	\$ 0.1320	135	\$ 17.82	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			<b>\$ 97.62</b>			<b>\$ 100.01</b>	<b>\$ 2.39</b>	<b>2.45%</b>
HST	13%		\$ 12.69	13%		\$ 13.00	\$ 0.31	2.45%
8% Rebate	8%		\$ (7.81)	8%		\$ (8.00)	\$ (0.19)	
<b>Total Bill on TOU</b>			<b>\$ 102.50</b>			<b>\$ 105.01</b>	<b>\$ 2.51</b>	<b>2.45%</b>

PUC Distribution Inc.  
 EB-2017-0071  
 Settlement Proposal

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	308	kWh
Demand	-	kW
Current Loss Factor	1.0489	
Proposed/Approved Loss Factor	1.0481	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 16.79	1	\$ 16.79	\$ 24.41	1	\$ 24.41	\$ 7.62	45.38%
Distribution Volumetric Rate	\$ 0.0104	308	\$ 3.20	\$ 0.0086	308	\$ 2.65	\$ (0.55)	-17.31%
Fixed Rate Riders	\$ -	1	\$ -	\$ (1.35)	1	\$ (1.35)	\$ (1.35)	
Volumetric Rate Riders	\$ -	308	\$ -	\$ 0.0002	308	\$ 0.06	\$ 0.06	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 19.99</b>			<b>\$ 25.77</b>	<b>\$ 5.78</b>	<b>28.90%</b>
Line Losses on Cost of Power	\$ 0.0820	15	\$ 1.23	\$ 0.0820	15	\$ 1.21	\$ (0.02)	-1.64%
Total Deferral/Variance Account Rate Riders	\$ -	308	\$ -	\$ 0.0032	308	\$ (0.99)	\$ (0.99)	
CBR Class B Rate Riders	\$ -	308	\$ -	\$ -	308	\$ -	\$ -	
GA Rate Riders	\$ -	308	\$ -	\$ -	308	\$ -	\$ -	
Low Voltage Service Charge	\$ -	308	\$ -	\$ -	308	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.57	1	\$ 0.57	\$ 0.57	1	\$ 0.57	\$ -	0.00%
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	308	\$ -	\$ 0.0004	308	\$ (0.12)	\$ (0.12)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 21.80</b>			<b>\$ 26.45</b>	<b>\$ 4.65</b>	<b>21.32%</b>
RTSR - Network	\$ 0.0059	323	\$ 1.91	\$ 0.0060	323	\$ 1.94	\$ 0.03	1.62%
RTSR - Connection and/or Line and Transformation Connection	\$ -	323	\$ -	\$ -	323	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 23.70</b>			<b>\$ 28.38</b>	<b>\$ 4.68</b>	<b>19.74%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	323	\$ 1.16	\$ 0.0036	323	\$ 1.16	\$ (0.00)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	323	\$ 0.10	\$ 0.0003	323	\$ 0.10	\$ (0.00)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	200	\$ 13.01	\$ 0.0650	200	\$ 13.01	\$ -	0.00%
TOU - Mid Peak	\$ 0.0940	52	\$ 4.92	\$ 0.0940	52	\$ 4.92	\$ -	0.00%
TOU - On Peak	\$ 0.1320	55	\$ 7.32	\$ 0.1320	55	\$ 7.32	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			<b>\$ 50.47</b>			<b>\$ 55.15</b>	<b>\$ 4.68</b>	<b>9.27%</b>
HST	13%		\$ 6.56	13%		\$ 7.17	\$ 0.61	9.27%
8% Rebate	8%		\$ (4.04)	8%		\$ (4.41)	\$ (0.37)	
<b>Total Bill on TOU</b>			<b>\$ 52.99</b>			<b>\$ 57.90</b>	<b>\$ 4.91</b>	<b>9.27%</b>

PUC Distribution Inc.  
 EB-2017-0071  
 Settlement Proposal

Customer Class:	GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption:	2,000	kWh
Demand:	-	kW
Current Loss Factor:	1.0489	
Proposed/Approved Loss Factor:	1.0481	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 17.11	1	\$ 17.11	\$ 20.73	1	\$ 20.73	\$ 3.62	21.16%
Distribution Volumetric Rate	\$ 0.0205	2000	\$ 41.00	\$ 0.0248	2000	\$ 49.60	\$ 8.60	20.98%
Fixed Rate Riders	\$ -	1	\$ -	\$ (0.86)	1	\$ (0.86)	\$ (0.86)	
Volumetric Rate Riders	\$ -	2000	\$ -	\$ 0.0008	2000	\$ 1.60	\$ 1.60	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 58.11</b>			<b>\$ 71.07</b>	<b>\$ 12.96</b>	<b>22.30%</b>
Line Losses on Cost of Power	\$ 0.0820	98	\$ 8.02	\$ 0.0820	96	\$ 7.89	\$ (0.13)	-1.64%
Total Deferral/Variance Account Rate Riders	\$ -	2,000	\$ -	\$ 0.0032	2,000	\$ (6.40)	\$ (6.40)	
CBR Class B Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Low Voltage Service Charge	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ 0.57	1	\$ 0.57	\$ 0.57	1	\$ 0.57	\$ -	0.00%
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	2,000	\$ -	\$ 0.0004	2,000	\$ (0.80)	\$ (0.80)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 66.70</b>			<b>\$ 72.33</b>	<b>\$ 5.63</b>	<b>8.44%</b>
RTSR - Network	\$ 0.0055	2,098	\$ 11.54	\$ 0.0056	2,096	\$ 11.74	\$ 0.20	1.74%
RTSR - Connection and/or Line and Transformation Connection	\$ -	2,098	\$ -	\$ -	2,096	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 78.24</b>			<b>\$ 84.07</b>	<b>\$ 5.83</b>	<b>7.45%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	2,098	\$ 7.55	\$ 0.0036	2,096	\$ 7.55	\$ (0.01)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	2,098	\$ 0.63	\$ 0.0003	2,096	\$ 0.63	\$ (0.00)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
TOU - Off Peak	\$ 0.0650	1,300	\$ 84.50	\$ 0.0650	1,300	\$ 84.50	\$ -	0.00%
TOU - Mid Peak	\$ 0.0940	340	\$ 31.96	\$ 0.0940	340	\$ 31.96	\$ -	0.00%
TOU - On Peak	\$ 0.1320	360	\$ 47.52	\$ 0.1320	360	\$ 47.52	\$ -	0.00%
<b>Total Bill on TOU (before Taxes)</b>			<b>\$ 250.65</b>			<b>\$ 256.47</b>	<b>\$ 5.82</b>	<b>2.32%</b>
HST	13%		\$ 32.58	13%		\$ 33.34	\$ 0.76	2.32%
8% Rebate	8%		\$ (20.05)	8%		\$ (20.52)	\$ (0.47)	
<b>Total Bill on TOU</b>			<b>\$ 263.18</b>			<b>\$ 269.29</b>	<b>\$ 6.11</b>	<b>2.32%</b>

PUC Distribution Inc.  
 EB-2017-0071  
 Settlement Proposal

Customer Class:	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	57,220 kWh
Demand	145 kW
Current Loss Factor	1.0489
Proposed/Approved Loss Factor	1.0481

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 114.46	1	\$ 114.46	\$ 114.46	1	\$ 114.46	\$ -	0.00%
Distribution Volumetric Rate	\$ 5.4372	145	\$ 788.39	\$ 6.7295	145	\$ 975.78	\$ 187.38	23.77%
Fixed Rate Riders	\$ -	1	\$ -	\$ (4.74)	1	\$ (4.74)	\$ (4.74)	
Volumetric Rate Riders	\$ -	145	\$ -	\$ 0.2030	145	\$ (29.44)	\$ (29.44)	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 902.85</b>			<b>\$ 1,056.06</b>	<b>\$ 153.21</b>	<b>16.97%</b>
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ -	145	\$ -	\$ 1.2817	145	\$ (185.85)	\$ (185.85)	
CBR Class B Rate Riders	\$ -	145	\$ -	\$ -	145	\$ -	\$ -	
GA Rate Riders	\$ -	57,220	\$ -	\$ 0.0004	57,220	\$ 22.89	\$ 22.89	
Low Voltage Service Charge	\$ -	145	\$ -	\$ -	145	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	145	\$ -	\$ 0.0004	145	\$ (0.06)	\$ (0.06)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 902.85</b>			<b>\$ 893.05</b>	<b>\$ (9.81)</b>	<b>-1.09%</b>
RTSR - Network	\$ 2.2455	145	\$ 325.60	\$ 2.2694	145	\$ 329.06	\$ 3.47	1.06%
RTSR - Connection and/or Line and Transformation Connection	\$ -	145	\$ -	\$ -	145	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 1,228.45</b>			<b>\$ 1,222.11</b>	<b>\$ (6.34)</b>	<b>-0.52%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	60,018	\$ 216.07	\$ 0.0036	59,972	\$ 215.90	\$ (0.16)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	60,018	\$ 18.01	\$ 0.0003	59,972	\$ 17.99	\$ (0.01)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	60,018	\$ 6,607.99	\$ 0.1101	59,972	\$ 6,602.95	\$ (5.04)	-0.08%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 8,070.76</b>			<b>\$ 8,059.20</b>	<b>\$ (11.56)</b>	<b>-0.14%</b>
HST	13%		\$ 1,049.20	13%		\$ 1,047.70	\$ (1.50)	-0.14%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 9,119.96</b>			<b>\$ 9,106.90</b>	<b>\$ (13.06)</b>	<b>-0.14%</b>

PUC Distribution Inc.  
 EB-2017-0071  
 Settlement Proposal

Customer Class:	UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption:	3,600	kWh
Demand:	-	kW
Current Loss Factor:	1.0489	
Proposed/Approved Loss Factor:	1.0481	

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 12.69	1	\$ 12.69	\$ 12.69	1	\$ 12.69	\$ -	0.00%
Distribution Volumetric Rate	\$ 0.0310	3600	\$ 111.60	\$ 0.0383	3600	\$ 137.88	\$ 26.28	23.55%
Fixed Rate Riders	\$ -	1	\$ -	\$ (0.53)	1	\$ (0.53)	\$ (0.53)	
Volumetric Rate Riders	\$ -	3600	\$ -	\$ 0.0027	3600	\$ (9.72)	\$ (9.72)	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 124.29</b>			<b>\$ 140.32</b>	<b>\$ 16.03</b>	<b>12.90%</b>
Line Losses on Cost of Power	\$ 0.1101	176	\$ 19.38	\$ 0.1101	173	\$ 19.06	\$ (0.32)	-1.64%
Total Deferral/Variance Account Rate Riders	\$ -	3,600	\$ -	\$ 0.0032	3,600	\$ (11.52)	\$ (11.52)	
CBR Class B Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
GA Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Low Voltage Service Charge	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	3,600	\$ -	\$ 0.0004	3,600	\$ (1.44)	\$ (1.44)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 143.67</b>			<b>\$ 146.42</b>	<b>\$ 2.75</b>	<b>1.92%</b>
RTSR - Network	\$ 0.0055	3,776	\$ 20.77	\$ 0.0056	3,773	\$ 21.13	\$ 0.36	1.74%
RTSR - Connection and/or Line and Transformation Connection	\$ -	3,776	\$ -	\$ -	3,773	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 164.44</b>			<b>\$ 167.55</b>	<b>\$ 3.11</b>	<b>1.89%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	3,776	\$ 13.59	\$ 0.0036	3,773	\$ 13.58	\$ (0.01)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	3,776	\$ 1.13	\$ 0.0003	3,773	\$ 1.13	\$ (0.00)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	3,600	\$ 396.36	\$ 0.1101	3,600	\$ 396.36	\$ -	0.00%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 575.78</b>			<b>\$ 578.88</b>	<b>\$ 3.10</b>	<b>0.54%</b>
HST	13%		\$ 74.85	13%		\$ 75.25	\$ 0.40	0.54%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 650.63</b>			<b>\$ 654.13</b>	<b>\$ 3.51</b>	<b>0.54%</b>

PUC Distribution Inc.  
EB-2017-0071  
Settlement Proposal

Customer Class:	<b>SENTINEL LIGHTING SERVICE CLASSIFICATION</b>
RPP / Non-RPP:	Non-RPP (Other)
Consumption	50 kWh
Demand	1 kW
Current Loss Factor	1.0489
Proposed/Approved Loss Factor	1.0481

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2.93	1	\$ 2.93	\$ 3.55	1	\$ 3.55	\$ 0.62	21.16%
Distribution Volumetric Rate	\$ 27.3551	1	\$ 27.36	\$ 33.1502	1	\$ 33.15	\$ 5.80	21.18%
Fixed Rate Riders	\$ -	1	\$ -	\$ (0.15)	1	\$ (0.15)	\$ (0.15)	
Volumetric Rate Riders	\$ -	1	\$ -	\$ 2.5631	1	\$ (2.56)	\$ (2.56)	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 30.29</b>			<b>\$ 33.99</b>	<b>\$ 3.70</b>	<b>12.22%</b>
Line Losses on Cost of Power	\$ 0.1101	2	\$ 0.27	\$ 0.1101	2	\$ 0.26	\$ (0.00)	-1.64%
Total Deferral/Variance Account Rate Riders	\$ -	1	\$ -	\$ 1.1433	1	\$ (1.14)	\$ (1.14)	
CBR Class B Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
GA Rate Riders	\$ -	50	\$ -	\$ -	50	\$ -	\$ -	
Low Voltage Service Charge	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	1	\$ -	\$ 0.0004	1	\$ (0.00)	\$ (0.00)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 30.55</b>			<b>\$ 33.11</b>	<b>\$ 2.55</b>	<b>8.36%</b>
RTSR - Network	\$ 1.7021	1	\$ 1.70	\$ 1.7202	1	\$ 1.72	\$ 0.02	1.06%
RTSR - Connection and/or Line and Transformation Connection	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 32.26</b>			<b>\$ 34.83</b>	<b>\$ 2.57</b>	<b>7.97%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	52	\$ 0.19	\$ 0.0036	52	\$ 0.19	\$ (0.00)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	52	\$ 0.02	\$ 0.0003	52	\$ 0.02	\$ (0.00)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	50	\$ 5.51	\$ 0.1101	50	\$ 5.51	\$ -	0.00%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 38.22</b>			<b>\$ 40.79</b>	<b>\$ 2.57</b>	<b>6.73%</b>
HST		13%	\$ 4.97		13%	\$ 5.30	\$ 0.33	6.73%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 43.18</b>			<b>\$ 46.09</b>	<b>\$ 2.91</b>	<b>6.73%</b>

Customer Class:	<b>STREET LIGHTING SERVICE CLASSIFICATION</b>
RPP / Non-RPP:	Non-RPP (Other)
Consumption	199,852 kWh
Demand	585 kW
Current Loss Factor	1.0489
Proposed/Approved Loss Factor	1.0481

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2.94	8070	\$ 23,725.80	\$ 1.37	8070	\$ 11,055.90	\$ (12,669.90)	-53.40%
Distribution Volumetric Rate	\$ 19.1736	585	\$ 11,216.56	\$ 8.9284	585	\$ 5,223.11	\$ (5,993.44)	-53.43%
Fixed Rate Riders	\$ -	1	\$ -	\$ (0.06)	1	\$ (0.06)	\$ (0.06)	
Volumetric Rate Riders	\$ -	585	\$ -	\$ 5.1364	585	\$ 3,004.79	\$ 3,004.79	
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 34,942.36</b>			<b>\$ 19,283.75</b>	<b>\$ (15,658.61)</b>	<b>-44.81%</b>
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ -	585	\$ -	\$ 1.1380	585	\$ (665.73)	\$ (665.73)	
CBR Class B Rate Riders	\$ -	585	\$ -	\$ -	585	\$ -	\$ -	
GA Rate Riders	\$ -	199,852	\$ -	\$ 0.0004	199,852	\$ 79.94	\$ 79.94	
Low Voltage Service Charge	\$ -	585	\$ -	\$ -	585	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	585	\$ -	\$ 0.0004	585	\$ (0.23)	\$ (0.23)	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 34,942.36</b>			<b>\$ 18,697.72</b>	<b>\$ (16,244.63)</b>	<b>-46.49%</b>
RTSR - Network	\$ 1.6935	585	\$ 990.70	\$ 1.7116	585	\$ 1,001.29	\$ 10.59	1.07%
RTSR - Connection and/or Line and Transformation Connection	\$ -	585	\$ -	\$ -	585	\$ -	\$ -	
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 35,933.05</b>			<b>\$ 19,699.01</b>	<b>\$ (16,234.04)</b>	<b>-45.18%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0036	209,625	\$ 754.65	\$ 0.0036	209,465	\$ 754.07	\$ (0.58)	-0.08%
Rural and Remote Rate Protection (RRRP)	\$ 0.0003	209,625	\$ 62.89	\$ 0.0003	209,465	\$ 62.84	\$ (0.05)	-0.08%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	209,625	\$ 23,079.69	\$ 0.1101	209,465	\$ 23,062.08	\$ (17.60)	-0.08%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 59,830.53</b>			<b>\$ 43,578.26</b>	<b>\$ (16,252.27)</b>	<b>-27.16%</b>
HST		13%	\$ 7,777.97		13%	\$ 5,665.17	\$ (2,112.79)	-27.16%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 67,608.49</b>			<b>\$ 49,243.43</b>	<b>\$ (18,365.06)</b>	<b>-27.16%</b>

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**SCHEDULE B  
TARIFF OF RATES AND CHARGES**

**DECISION AND RATE ORDER  
PUC DISTRIBUTION INC.  
EB-2017-0071  
SEPTEMBER 27, 2018**

**PUC Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date October 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0071

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. Class B consumers are defined on 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	\$	24.41
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(1.30)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0086
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0004
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0032)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060

**MONTHLY RATES AND CHARGES - Regulatory Component**

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date October 1, 2018**  
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EB-2017-0071

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.73
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.86)
Distribution Volumetric Rate	\$/kWh	0.0248
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0004
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0032)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$/kWh	(0.0001)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kWh	0.0019
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$/kWh	(0.0010)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0056

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
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### GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly peak demand used for billing purposes over the past 12 months is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

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

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

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

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

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	114.46
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(4.74)
Distribution Volumetric Rate	\$/kW	6.7295
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0004
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(1.2817)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$/kW	(0.0258)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kW	0.0962
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(0.2734)
Retail Transmission Rate - Network Service Rate	\$/kW	2.2694
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8541

#### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
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## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined on 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	\$	12.69
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.53)
Distribution Volumetric Rate	\$/kWh	0.0383
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0032)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$/kWh	(0.0001)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kWh	(0.0010)
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$/kWh	(0.0016)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0056

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
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### SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

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

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

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

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.55
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.15)
Distribution Volumetric Rate	\$/kW	33.1502
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(1.1433)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$/kW	(0.0229)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kW	(1.1660)
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(1.3742)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7202

#### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
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**STREET LIGHTING SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge (per connection)	\$	1.37
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$	(0.06)
Distribution Volumetric Rate	\$/kW	8.9284
Rate Rider for Disposition of Global Adjustment Account (2018) - Applicable only for Non-RPP Customers - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0004
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2018) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(1.1380)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until April 30, 2020	\$/kW	(0.0221)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until April 30, 2020	\$/kW	5.5286
Rate Rider for Disposition of Tax Loss Carry-forward - effective until April 30, 2020	\$/kW	(0.3701)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7116

**MONTHLY RATES AND CHARGES - Regulatory Component**

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution Inc.**  
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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**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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**ALLOWANCES**

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

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**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**

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-Payment of Account**

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/reconnect charge - at meter - during regular hours	\$	65.00
Disconnect/reconnect charge - at meter - after hours	\$	185.00
Disconnect/reconnect charge - at pole - during regular hours	\$	185.00
Disconnect/reconnect charge - at pole - after hours	\$	415.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

**Other**

Special meter reads	\$	30.00
Service call - customer-owned equipment		Time & Materials
Service call - after regular hours		Time & Materials
Temporary service - install & remove - overhead - no transformer		Time & Materials
Temporary service - install & remove - underground - no transformer		Time & Materials
Temporary service - install & remove - overhead - with transformer		Time & Materials
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - in effect until December 31, 2018	\$	28.09
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - in effect from January 1, 2019	\$	43.63
Removal of overhead lines - during regular hours		Time & Materials
Removal of overhead lines - after hours		Time & Materials
Roadway escort - after regular hours		Time & Materials

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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.

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.

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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.	<b>(0.30)</b>
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	1.0385