



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

DECISION AND RATE ORDER

EB-2018-0078

WESTARIO POWER INC.

Application for rates and other charges to be effective January 1, 2019

By Delegation, Before: Theodore Antonopoulos

[date]

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Westario Power Inc. (Westario Power) on August 13, 2018, as amended during the course of the proceeding.

Westario Power serves about 23,000 mostly residential and commercial electricity customers in the Township of Huron-Kinloss (Villages of Ripley and Lucknow), the Municipality of Kincardine (Kincardine Ward 1), the Municipality of South Bruce (Villages of Mildmay and Teeswater), the Town of Saugeen Shores (Towns of Port Elgin and Southampton), the Township of North Huron (Town of Wingham), the Municipality of Brockton (Town of Walkerton and Village of Elmwood), the Town of Hanover, the Town of Minto (Towns of Harriston and Palmerston, Village of Clifford) and the Township of West Grey (Village of Neustadt). The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

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

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

As a result of the OEB's findings in this Decision, there will be a monthly total bill increase before taxes of \$1.20 for a residential customer consuming 750 kWh, effective January 1, 2019.

Westario Power has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.¹ Accordingly, in 2019 the final upward adjustment, exceeding the mechanistic adjustment alone, in this decision

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

has been made and now the distribution rates have transitioned to a fully fixed structure. There is no longer a variable usage rate for this class of customer. This policy change does not affect the total revenue that distributors collect from residential customers.

2 THE PROCESS

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

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

During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required. The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

Westario Power filed its application on August 13, 2018, under section 78 of the OEB Act and in accordance with the Filing Requirements. Westario Power supported its application with written evidence and a completed Rate Generator Model. Questions were asked of, and answers were provided by, Westario Power through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Westario Power on November 26, 2018. Westario Power was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

3 ORGANIZATION OF THE DECISION

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

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

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

This Decision does not address rates and charges approved by the OEB in previous proceedings which are not part of the scope of an IRM proceeding (such as specific service charges and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

4 PRICE CAP ADJUSTMENT

Westario Power seeks to increase its rates, effective January 1, 2019, based on a mechanistic rate adjustment using the OEB-approved ***inflation minus X-factor*** formula applicable to Price Cap IR applications.

The components of the Price Cap IR formula applicable to Westario Power are set out in Table 4.1, below. Inserting these components into the formula results in a 1.20% increase to Westario Power's rates: $1.20\% = 1.50\% - (0.00\% + 0.30\%)$.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ²		1.50%
X-Factor	Productivity ³	0.00%
	Stretch (0.00% – 0.60%) ⁴	0.30%

The inflation factor of 1.50% applies to all Price Cap IR applications for the 2019 rate year.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms,

²For 2019 Inflation factor see Ontario Energy Board 2019 Electricity Distribution Rate applications - Updates November 23, 2018.

³ Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013.

⁴ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2017 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2018.

providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2019 rate year.

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Westario Power is 0.30%.

Findings

The OEB finds that Westario Power's request for a 1.20% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Westario Power's new rates shall be effective January 1, 2019.

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

5 RETAIL TRANSMISSION SERVICE RATES

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

Westario Power is fully embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect

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

the rates that it pays for transmission services included in Table 5.1.

Table 5.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs⁶

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

Findings

Westario Power's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs. The differences resulting from the approval of the 2019 RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

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

As per Westario Power's application as originally filed and amended, the 2017 actual year-end total balance for Westario Power's Group 1 accounts including interest projected to December 31, 2018 is a debit of \$2,787,166. This amount represents a total debit claim of \$0.0067 per kWh, which exceeds the disposition threshold. Westario Power proposes the disposition of this debit amount over a one-year period.

⁶ Decision and Order, EB-2016-0081, December 21, 2016

⁷ Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

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

Table 6.1: Proposed Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	747,255	31,170	778,425
Smart Meter Entity Variance Charge	1551	(4,923)	(388)	(5,311)
RSVA - Wholesale Market Service Charge	1580	(492,480)	(24,940)	(517,420)
Variance WMS - Sub-account CBR Class B	1580	15,240	3,332	18,572
RSVA - Retail Transmission Network Charge	1584	11,531	2,399	13,931
RSVA - Retail Transmission Connection Charge	1586	244,791	10,830	255,621
RSVA – Power	1588	1,079,728	87,660	1,167,388
RSVA – Global Adjustment	1589	991,488	(11,789)	979,699
Disposition and Recovery of Regulatory Balances (2016)	1595	(142,994)	239,255	96,261
Totals for all Group 1 accounts		2,449,637	337,530	2,787,166

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account balance of \$979,699. Costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.⁹

The GA is paid by consumers in several different ways:

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

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.
- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as “Class A” customers. These customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- “Class B” non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on the IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Westario Power proposes the recovery of its GA variance account balance of \$979,699 as at December 31, 2017, including interest to December 31, 2018, in accordance with the following table.

Table 6.2: Recovery of GA Variance

Proposed Amounts	Proposed Method for Recovery
\$882,072 recovered from customers who were Class B for the entire period from January 2017 to December 2017	per kWh rate rider
\$97,627 from customers formerly in Class B during the period January 2017 to June 2017 who were reclassified to Class A	12 equal installments ¹⁰

The balance of the Group 1 accounts includes \$18,572 for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market Demand Response 3 program. Westario Power paid CBR charges to the

¹⁰ 2019 IRM Rate Generator Model, Tab 6.1a “GA Allocation”

IESO in 2017 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2017 to December 2017. The disposition is also impacted by whether or not the Class B CBR rate riders in the 2019 IRM Rate Generator Model¹¹ rounds to zero at the fourth decimal place in one or more rate classes.

Westario Power had Class A customers during the period from January, 2017 to December, 2017 but the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the entire Account 1580 sub-account CBR Class B is added to the Account 1580 WMS control account to be disposed through the general purpose Group 1 Deferral and Variance Account.

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total debit balance of \$1,807,467, which results in a charge to customers.

As part of the Settlement Agreement reached for its 2018 cost of service application¹², Westario Power agreed to exclude the balances in Accounts 1588 and 1589 as at December 31, 2016 from the disposition of its Group 1 accounts. It further committed to undertake an internal review of its commodity accounts to assess the processes that underpin the accumulation of these balances and to report on the results of such a review at its next rates application. While the utility did not formally report on the results of this internal review as part its current proceeding, it did provide a summary of its findings in response to OEB staff queries. As a result of its internal review, Westario Power indicates that it had implemented a change in the methodology used to prorate its IESO CT 148 invoice between RPP and Non-RPP consumption. OEB staff further probed the utility on the validity of the balances in Accounts 1588 and 1589 as at December 31, 2017 through both written and verbal correspondence, which resulted in a number of changes to the utility's GA Analysis Workforms. However, this testing also resulted in unreconciled differences that Westario Power has been unable to provide explanations for at this time. The utility has since indicated that it requires more time to better analyze the nature and cause of these discrepancies. It is therefore proposing to exclude Accounts 1588 and 1589 from the disposition of its December 31, 2017 Group 1 account balances.

¹¹ 2019 IRM Rate Generator Model, Tab 6.2 "CBR B"

¹² Decision and Rate Order EB-2017-0084, May 17, 2018

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.¹³ Westario Power further notes that its proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁴

Earlier this year, the OEB suspended its approvals of Group 1 rate riders on a final basis. As stated in its letter to the sector dated July 20, 2018, the OEB will determine whether the riders will be approved on an interim basis or not approved at all (i.e. no disposition of account balances) on a case by case basis until further notice.¹⁵

Findings

The OEB accepts Westario Power's withdrawal of its Accounts 1588 and 1589 from the disposition of its December 31, 2017 Group 1 account balances.

The OEB approves the disposition of a debit balance of \$640,080 as of December 31, 2017, including interest projected to December 31, 2018 for Group 1 accounts, which represents a total debit claim of \$0.0015 per kWh and exceeds the disposition threshold. This balance excludes the amounts recorded in Accounts 1588 and 1589 as at December 31, 2017.

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

Table 6.3: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	747,255	31,170	778,425
Smart Meter Entity Variance Charge	1551	(4,923)	(388)	(5,311)
RSVA - Wholesale Market Service Charge	1580	(492,480)	(24,940)	(517,420)
Variance WMS - Sub-account CBR Class B	1580	15,240	3,332	18,572

¹³ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

¹⁴ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

¹⁵ OEB letter to all rate-regulated licensed electricity distributors, Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts, July 20, 2018.

RSVA - Retail Transmission Network Charge	1584	11,531	2,399	13,931
RSVA - Retail Transmission Connection Charge	1586	244,791	10,830	255,621
Disposition and Recovery of Regulatory Balances (2016)	1595	(142,994)	239,255	96,261
Totals for all Group 1 accounts		378,421	261,659	640,080

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.¹⁶ The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Westario Power shall ensure these adjustments are included in the reporting period ending March 31, 2019 (Quarter 1).

The OEB approves these balances to be disposed through an interim rate riders as calculated in the Rate Generator Model. The interim rate riders will be in effect over a one-year period from January 1, 2019 to December 31, 2019.¹⁷

In regards to the balances in Accounts 1588 and 1589 as at December 31, 2017, Westario Power had committed to undertaking a review of these account balances and their underlying processes, as part of the Settlement Agreement that was reached in its last cost of service application. It appears that even after the completion of such a review, there is still uncertainty as to the validity and accuracy of the balances within these accounts as well as the processes that are in place to accumulate them. The OEB plans to conduct an audit of balances in Westario Power's Accounts 1588 and 1589 for the period following when balances were last disposed¹⁸. The results of this audit would be expected to be available for consideration in the applicant's next rate application.

¹⁶ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁷ 2019 IRM Rate Generator Model Tab 7 Calculation of Def-Var RR.

¹⁸ Balances at December 31, 2015 were disposed on a final basis as part of proceeding EB-2016-0113.

7 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.¹⁹ This is the last year of Westario Power's transition period and, accordingly, 2019 is the final year in which Westario Power's rates will be adjusted upwards by more than the mechanistic adjustment alone. Westario Power has transitioned to a fully fixed structure.

The OEB expects an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Westario Power notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.36. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB finds that the proposed 2019 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The distributor has now completed its transition to a fully fixed rate structure. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers demonstrate that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

8 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with

¹⁹ As outlined in the Policy cited at footnote 1 above.

Westario Power's last cost of service decision, and to ensure that the 2018 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2017, are as reported by Westario Power to the OEB.

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

Table 8.1: Regulatory Charges

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

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2017.²⁰

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.²¹

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2019 for electricity consumed or estimated to have been consumed on and after such date. Westario Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim rates.

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

²¹ Decision and Order, EB-2017-0290, March 1, 2018.

DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

DRAFT

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2018-0078

DATED: December XX, 2018

Westario Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2018-0078

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to customers residing in residential dwelling units taking energy at 600 volts or less, with energy generally supplied as single phase, 3-wire, 60 Hertz, having a nominal voltage of 120/240 volts. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	28.42
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$	0.04
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kWh	0.0010
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0015
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

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

Westario Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2018-0078

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to general service buildings, defined as buildings that are used for purposes other than single-family dwellings, taking energy at 600 volts or less, requiring a connection with a connected load of less than 50 kW, and including Town Houses and Condominiums that require centralized bulk metering, whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	27.59
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0123
Low Voltage Service Rate	\$/kWh	0.0028
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kWh	0.0011
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0015
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0041

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

Westario Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2018-0078

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to general service buildings, defined as buildings that are used for purposes other than single-family dwellings, requiring a connection with a connected load greater than 50 kW but less than 5,000 kW, whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	234.80
Distribution Volumetric Rate	\$/kW	2.4780
Low Voltage Service Rate	\$/kW	1.0438
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.0261
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.6551
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kW	(0.2562)
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	1.0540
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Applicable only for Non-Wholesale Market Participants - Approved on an Interim Basis	\$/kW	(0.4647)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kW	(0.0051)
Retail Transmission Rate - Network Service Rate	\$/kW	2.3573
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6249

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

Westario Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

EB-2018-0078

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 600 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	5.12
Distribution Volumetric Rate	\$/kWh	0.0191
Low Voltage Service Rate	\$/kWh	0.0028
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kWh	0.0007
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kWh	0.0013
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0041

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

Westario Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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EB-2018-0078

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	5.80
Distribution Volumetric Rate	\$/kW	30.0250
Low Voltage Service Rate	\$/kW	0.8245
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.0566
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.5837
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.6424
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kW	(0.1029)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7888
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2831

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

Westario Power Inc.

TARIFF OF RATES AND CHARGES

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EB-2018-0078

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	5.79
Distribution Volumetric Rate	\$/kW	4.8385
Low Voltage Service Rate	\$/kW	0.8056
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.0227
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until May 31, 2020	\$/kW	0.4457
Rate Rider for the Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	\$/kW	0.7457
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2018) - effective until May 31, 2020	\$/kW	(0.0430)
Retail Transmission Rate - Network Service Rate	\$/kW	1.7752
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2540

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

Westario Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2018-0078

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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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)

Westario Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2018-0078

SPECIFIC SERVICE CHARGES

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Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00

Non-Payment of Account

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

Other

Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	43.63

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TARIFF OF RATES AND CHARGES
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RETAIL SERVICE CHARGES (if applicable)

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

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

LOSS FACTORS

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

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0713
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0607