



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

DECISION AND RATE ORDER

EB-2018-0045

INNPOWER CORPORATION

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

By Delegation, Before: Jane Scott

[date]

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves elements of the incentive rate-setting mechanism (IRM) application filed by InnPower Corporation (InnPower) on September 6, 2018, as amended during the course of this proceeding.

InnPower serves about 17,500 mostly residential and commercial electricity customers in the Towns of Alcona, Belle Ewart, Cookstown, Lefroy, Stroud and South Barrie. 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).

InnPower'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 decrease before taxes of \$3.45 for a residential customer consuming 750 kWh, effective January 1, 2019.

InnPower is one of eight electricity distributors for which the Distribution Rate Protection (DRP) program applies.¹ This program is a component of the Ontario government's Fair Hydro Plan and caps base distribution charges for residential customers. The current maximum monthly distribution charge for a distributor with DRP is \$36.86. The final bill impacts for InnPower's residential customers will be determined through the DRP program and approved in a subsequent OEB decision

InnPower 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 2016.² Accordingly, the fixed monthly charge for 2019 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately

¹ O Reg. 198/17, s.2.

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

lower. InnPower commenced the transition to a fully fixed rate structure in 2016 however because a 2018 IRM application was not filed, InnPower will complete its transition to fully fixed rates in 2020. 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.

InnPower filed its initial application under section 78 of the OEB Act on August 20, 2018, however it was deemed by the OEB to be incomplete. Subsequently, InnPower filed a revised application which was deemed to be complete and in accordance with the Filing Requirements on September 6, 2018. InnPower supported its application with written evidence and a completed Rate Generator Model. Questions were asked of, and answers were provided by, InnPower through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to InnPower on December 7, 2018. InnPower 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 InnPower'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

InnPower 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 InnPower are set out in Table 4.1, below. Inserting these components into the formula results in a 1.20% increase to InnPower's rates: **$1.20\% = 1.50\% - (0.00\% + 0.30\%)$** .

Table 4.1: Annual Index IR Adjustment Formula

Components		Amount
Inflation Factor ³		1.50%
X-Factor	Productivity ⁴	0.00%
	Stretch (0.00% – 0.60%) ⁵	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

³ For 2019 Inflation factor see Ontario Energy Board 2019 Electricity Distribution Rate applications - Updates November 23, 2018.

⁴ 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.

⁵ 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.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 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 InnPower is 0.30%.

Findings

The OEB finds that InnPower'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 InnPower's new rates shall be effective January 1, 2019.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.⁶

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.

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

⁶ 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.

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

Table 5.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs⁷

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

InnPower's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current UTRs and host-RTSRs.

The differences resulting from the approval of new 2019 RTSRs will be captured in Accounts 1584 and 1586 for future dispositions.

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.⁸ 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.⁹ If the balance does not exceed the threshold, a distributor may elect to request disposition.

InnPower has requested disposition of its updated 2017 actual year-end total balance for InnPower's Group 1 accounts including interest projected to December 31, 2018, which is a debit of \$1,874,556. This amount represents a total debit claim of \$0.0077

⁷ Decision and Order, EB-2016-0081, December 21, 2016

⁸ 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.

⁹ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

per kWh, which exceeds the disposition threshold. The balances of the Group 1 DVAs requested to be disposed are shown in the following Table 6.1:

Table 6.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Originally Filed Principal Balance (\$)	Originally Filed Interest Balance	Originally Filed Total Claim (\$)	Updated Principal Balance (\$)	Updated Interest Balance (\$)	Updated Total Claim (\$)
LV Variance Account	1550	1,331,817	37,654	1,369,470	1,028,337	27,965	1,056,302
Smart Meter Entity Variance Charge	1551	(15,292)	(429)	(15,721)	(9,835)	(256)	(10,091)
RSVA - Wholesale Market Service Charge	1580	(516,614)	(26,044)	(542,658)	10,236	(8,194)	2,042
Variance WMS - Sub-account CBR Class B	1580	(603,180)	(6,741)	(609,921)	(603,180)	(6,741)	(609,921)
RSVA - Retail Transmission Network Charge	1584	1,134,091	32,183	1,166,275	1,041,190	28,847	1,070,037
RSVA - Retail Transmission Connection Charge	1586	1,098,917	31,180	1,130,097	913,605	25,046	938,651
RSVA – Power	1588	(1,139,902)	(30,177)	(1,170,079)	(190,054)	(13,151)	(203,205)
RSVA - Global Adjustment	1589	1,066,559	31,044	1,097,603	15,610	12,206	27,816
Disposition and Recovery of Regulatory Balances (2012)	1595	6,615	255	6,870	0	0	0
Disposition and Recovery of Regulatory Balances (2013)	1595	117	(12)	105	0	0	0

Disposition and Recovery of Regulatory Balances (2015)	1595	26,175	56,808	82,983	0	0	0
Disposition and Recovery of Regulatory Balances (2016)	1595	(313,195)	(83,881)	(397,076)	(313,195)	(83,881)	(397,076)
Totals for all Group 1 accounts		2,076,107	41,840	2,117,947	1,892,714	(18,158)	1,874,556

In its communications with the applicant during the course of the proceeding, OEB staff sought additional information from InnPower to better support the application.¹⁰ Among other things:

- OEB staff asked questions regarding the Group 1 Deferral and Variance Account (DVA) account balances and the Global Adjustment (GA) Analysis Workform. In addition, a number of teleconferences were held by OEB staff with InnPower regarding the validity of the reconciling items in the GA Analysis Workform and the resulting principal adjustments that InnPower is required to make to its DVA Continuity Schedule in the Rate Generator Model.
- OEB staff asked questions regarding the internal review InnPower performed with respect to Account 1588 Retail Settlement Variance Account (RSVA) power and Account 1589 RSVA GA. InnPower did not submit any evidence on the record in its initial application that provided details regarding the scope of its internal review, explanations of its Regulated Price Plan (RPP) settlement claims process and its methodology for allocating and truing-up the GA charges from the Independent Electricity System Operator (IESO), charge type (CT) 148, between its RPP and Non-RPP customers.
- OEB staff questioned the accuracy of a number of accounts, specifically the balances of Accounts 1580 Wholesale Market Service Charge (WMSC), including Account 1580 Sub-account Capacity Based Recovery (CBR) Class B, the commodity pass-through Accounts 1588 RSVA power and 1589 RSVA GA.

¹⁰ InnPower filed responses to questions from OEB staff on September 17, 2018 and November 12, 2018 in addition to filing several updates to the Rate Generator Model and GA Analysis form.

- OEB staff questioned the Account 1595 sub-accounts (2012), (2013) and (2015) that were being requested for disposition in this application, as the residual balances of these accounts were previously disposed on a final basis.
- OEB staff questioned InnPower as to why it did not record the OEB-approved disposition amounts from its last proceeding¹¹ in its Rate Generator Model.

InnPower exchanged information with OEB staff through the course of the proceeding in an attempt to respond to each of the aforementioned concerns. As a result of InnPower not recording the OEB-approved disposition amounts from its last proceeding in its Rate Generator Model the requested claim amounts were incorrect. Through OEB staff questions, InnPower made corrections and submitted an updated Rate Generator Model.

Account 1580 RSVA - WMSC

The balance being requested for disposition in the Rate Generator Model for Account 1580 RSVA - WMSC is a debit of \$2,042. Moreover, there were no transactions recorded in the DVA continuity schedule for 2017.

Also the updated balance of Account 1580 RSVA WMS - Sub-account CBR Class B is a credit of \$609,921. It appears that the transactions for Account 1580 RSVA WMSC were recorded in the incorrect account, i.e. Account 1580 RSVA WMSC - Sub-account CBR Class B. The Accounting Guidance relating to the CBR¹² requires utilities to report Account 1580 Variance – WMS, Sub-account CBR Class A and Class B on their continuity schedules.

In response to OEB staff question 6¹³, when OEB staff asked InnPower to reconcile the differences between the balances in the DVA continuity schedule and the balances reported in the Reporting and Record-Keeping Requirements filing. InnPower was unable to do so, stating that the transactions had been recorded correctly in the Account 1580 WMSC and Account 1580 WMS - Sub-account CBR Class B.

Accounts 1588 RSVA power and 1589 GA

In InnPower's 2017 cost of service application¹⁴, OEB staff had expressed concerns over the accuracy of InnPower's commodity pass-through Accounts 1588 RSVA power and 1589 RSVA GA, which ultimately resulted in the utility withdrawing its request to

¹¹ Decision and Order EB-2016-0085, March 8, 2018

¹² Accounting Guidance on Capacity Based Recovery (previously called Capacity Based Demand Response) July 25, 2016

¹³ Filed November 12, 2018

¹⁴ *Ibid* footnote 10

dispose of these accounts and voluntarily committing to undertake a review of its processes regarding the accumulation of balances in the two accounts. The current IRM application is the first time that InnPower is bringing forward Accounts 1588 RSVA Power and 1589 RSVA GA for disposition since InnPower's last cost of service proceeding.

Based on the results of its internal review, InnPower indicated that it has implemented changes to its monthly RPP settlement true-up process, and in particular, its methodology for allocating and truing-up the GA charges from the IESO, specifically charge type (CT) 148, between its RPP and Non-RPP customers. As a result of the update to its allocation methodology and other changes to its RPP settlement true-up process, InnPower prepared calculations presenting adjustments to the balances of Accounts 1588 RSVA Power and 1589 RSVA GA.¹⁵

In support of its GA Analysis Workform, InnPower submitted a spreadsheet which calculated its proposed GA true-up adjustments by month for each year from 2015 to 2017. OEB staff held a number of conference calls to obtain further clarity on these calculations, resulting in many different versions of the GA Analysis Workform,¹⁶ all of which ultimately contained further error and unreconciled differences that could not be explained by the utility with certainty.

For example, in the earlier versions¹⁷ of the GA Analysis Workform, the utility's reconciling items (in Note 5) did not agree with the DVA continuity schedule on record and the initial explanations provided for reconciling adjustments pertained to transactions that would not have been recorded in Account 1589.

In the most recent version of the GA Analysis Workform, InnPower was still unable to justify and support the calculations (and data) used to prepare the proposed reconciling adjustments presented in the GA Analysis Workform (in Note 5). In particular:

- i. In InnPower's 2015 to 2017 GA Analysis Workforms,¹⁸ it had reconciling items 2a and 2b, which should relate to adjustments pertaining to unbilled revenue timing differences. InnPower explained that these adjustments related to IESO cost of power timing differences, described as "post month IESO billing" rather than unbilled revenue related. Also, it would be expected that timing differences at the end of one year would be shown as a reversing adjustments in the following year. InnPower presented a credit reconciling item of \$255,054 (item 2b) in 2015 but InnPower did not reverse the reconciling item in 2016; but rather, it restated

¹⁵ Filed on October 31, 2018.

¹⁶ Filed on September 6, 2018, October 22, 2018, November 20, 2018, November 22, 2018 and November 26, 2018.

¹⁷ Filed on September 6, 2018 and October 22, 2018.

¹⁸ Filed November 26, 2018

the credit timing difference of \$255,054 again in its 2016 GA Analysis Workform. Correcting this puts InnPower well over the established threshold of 1% in the GA Analysis Workform. In addition, reconciling item 2b in 2017 was very large, a debit of \$548,480, and it was not adequately supported. Overall there is disconnect and inconsistency between the numbers InnPower has presented in their supporting calculations and the numbers presented in the actual GA Analysis Workforms for all years.

- ii. InnPower included reconciling item 5, prior period adjustments in its 2016 and 2017 GA Analysis Workforms; a debit of \$158,781 and a credit of \$221,982, respectively. InnPower was unable to adequately support or explain such adjustments in its evidence and through further discussion with OEB staff.
- iii. InnPower also made significant RPP settlement true-up adjustments in its 2015, 2016, and 2017 GA Analysis Workforms. InnPower presented reconciling item 8, for each year from 2015 to 2017 pertaining to the review of Accounts 1588 RSVA power and 1589 RSVA GA that InnPower undertook, as part of its 2017 cost of service proceeding. InnPower was unable to adequately explain or support the adjustments that it made; a credit of \$26,296 in 2015, a credit of 414,246 in 2016, and a credit of \$509,306 in 2017 to Account 1589 RSVA GA, with offsetting adjustments to Account 1588 RSVA power.

Findings

Although InnPower's 2017 actual year-end total balance of \$1,874,556 for Group 1 deferral and variance account balances exceeded the disposition threshold the OEB is not satisfied that the balances are correct even after numerous rounds of staff questions and teleconferences.

The OEB is concerned with InnPower's ability to complete the GA Analysis Workform and to support the true-up adjustments to Accounts 1588 and 1589 that it has proposed. Therefore, the OEB questions the validity and accuracy of the balances being brought forward for disposition in Accounts 1588 RSVA-Power and 1589 RSVA-Global Adjustment, even after OEB staff made its best efforts to assist the utility in resolving the issues. The OEB is also concerned that no explanation was provided for why the account 1595 sub-account (2016) balance in the 1595 Analysis Workform does not reconcile to the amount being requested for disposition of \$397,076 from the Rate Generator Model.

Generally, the OEB is concerned about the regulatory accounting controls in place. The submission of the original Rate Generator Model excluding the disposition of previous

OEB-approved amounts, the incorrect use of Account 1580 RSVA –WMSC and Account 1580 RSVA WMS – Sub-account CBR class B and numerous 1595 account balances that have been previously disposed, is very concerning. It is the OEB's expectation that all distributors closely follow the OEB's APH and accounting guidance, irrespective of the size of the distributor (in terms of customer numbers). It is the OEB's expectation that InnPower should ensure all accounting practices and internal controls have been implemented with sufficient review and oversight. Regardless of size, all Ontario distributors must establish controls to mitigate the risk of error or omission. These controls include the record keeping for Group 1 deferral and variance account balances. InnPower has the ultimate control of their books and therefore are responsible for ensuring the accuracy of their filings with the OEB. Distributors are entrusted by ratepayers to ensure its calculations of these costs are correct.

As a result of these concerns, the OEB requires that a complete audit of all Group 1 deferral and variance account balances, procedures and controls be undertaken. The audit will be undertaken by the OEB's Audit & Investigations unit and will ensure that all Group 1 deferral and variance account entries and balances are accurate for 2016 and 2017, 2018 for the commodity accounts, 2015, 2016, 2017, and 2018 for all other Group 1 deferral and variance account and on a go forward basis.

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 InnPower commenced the transition to a fully fixed rate structure in 2016 but due to not filing a 2018 IRM, InnPower will complete its transition to fully fixed rates in 2020.

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 \$4.00. 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.

¹⁹ As outlined in the Policy cited at footnote 1 above

The implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$4.38. 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 increase in the fixed charge does exceed \$4.00, however InnPower's residential customers are part of the DRP program under the Fair Hydro Act, so there is already mitigation related to the bill impact for InnPower's residential customers, therefore the OEB finds that a further extension of the implementation to fully fixed rates is not required.

The 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 InnPower'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 InnPower 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. InnPower Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

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

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

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2018-0045

DATED: December XX, 2018

InnPower Corporation
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-2018-0045

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. 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	\$	39.29
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$	0.17
Distribution Volumetric Rate	\$/kWh	0.0057
Low Voltage Service Rate	\$/kWh	0.0025
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0040

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

InnPower Corporation

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-2018-0045

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. 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	\$	42.03
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0101
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

InnPower Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
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approved schedules of Rates, Charges and Loss Factors

EB-2018-0045

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or expected 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	\$	214.93
Distribution Volumetric Rate	\$/kW	4.3555
Low Voltage Service Rate	\$/kW	1.3285
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.5644
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kW	(0.4027)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.0766
Retail Transmission Rate - Network Service Rate	\$/kW	2.0227
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0940
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.0227
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9620

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

InnPower Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
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EB-2018-0045

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than, or expected to be less than, 50kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. 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 connection)	\$	13.01
Distribution Volumetric Rate	\$/kWh	0.0218
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kWh	0.0019
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.0011)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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 connection)	\$	13.71
Distribution Volumetric Rate	\$/kW	62.4624
Low Voltage Service Rate	\$/kW	1.0383
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.4703
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kW	(0.4019)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.0764
Retail Transmission Rate - Network Service Rate	\$/kW	1.5830
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6365

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved Ontario Energy Board Street Lighting Load Shape Template. 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)	\$	4.19
Distribution Volumetric Rate	\$/kW	28.9614
Low Voltage Service Rate	\$/kW	0.7003
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.5991
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2020 - Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3919)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2017) - effective until April 30, 2020	\$/kW	0.0745
Retail Transmission Rate - Network Service Rate	\$/kW	1.5750
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1038

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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ALLOWANCES

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

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Customer Administration

Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
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	\$	15.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/reconnect charge - 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	\$	40.00
Install/remove load control device - after regular hours	\$	185.00

Other

Special meter reads	\$	30.00
Temporary service - install & remove - overhead - no transformer	\$	632.00
Temporary service - installation and removal - underground - no transformer	\$	468.00
Temporary service - installation and removal - overhead - with transformer	\$	2,525.00
Specific charge for access to the power poles - per pole/year	\$	43.63

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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	1.0604
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0498