



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

DECISION AND RATE ORDER

EB-2018-0020

BRANTFORD POWER INC.

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

**BEFORE: Allison Duff
Presiding Member**

**Michael Janigan
Member**

December 20, 2018

1 INTRODUCTION AND SUMMARY

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

Brantford Power serves about 39,620 mostly residential and commercial electricity customers in the City of Brantford. 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](#) (Filing Requirements).

Brantford 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 decrease before taxes of \$0.93 for a residential customer consuming 750 kWh, effective January 1, 2019.

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, has been made as a result of this Decision and distribution rates have now 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.

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

2 THE PROCESS

The OEB follows a standardized and streamlined process for hearing 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.

Brantford Power filed its application on August 13, 2018 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act) and in accordance with the Filing Requirements. Notice of Brantford Power's application was issued on September 5, 2018. The School Energy Coalition (SEC) and the Vulnerable Energy Consumers Coalition (VECC) responded to the Notice and became parties to the proceeding. OEB staff also participated in the proceeding. Cost awards were allowed in relation to Brantford Power's proposal to correct balances previously approved by the OEB in the affected Retail Settlement Variance Accounts (RSVA).

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to interrogatories and, where required, updated and clarified the evidence. Final submissions on the application were filed by Brantford Power, OEB staff, SEC and VECC.

3 ORGANIZATION OF THE DECISION

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

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance
- 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

Brantford 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 Annual Index IR applications.

The components of the Annual IR Index adjustment formula applicable to Brantford Power are set out in Table 4.1, below. Inserting these components into the formula results in a 1.20% increase to Brantford 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, providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

² For 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.

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 Brantford Power is 0.30%.

Findings

The OEB finds that Brantford 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 Brantford 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.

Brantford Power is transmission connected, partially embedded within Energy+ Inc.'s distribution system, and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 5.1 and Table 5.2.

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.

Table 5.1: UTRs⁶

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

Table 5.2: Energy+ Inc. Sub-Transmission Host-RTSRs⁷

| Current Approved Sub-Transmission RTSRs (2018) | per kW |
|---|---------------|
| Network Service Rate | \$2.23 |
| <u>Connection Service Rates</u> | |
| Line and Transformation Connection Service Rate | \$1.18 |

Findings

Brantford Power's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs and the UTRs current at the time of the filing.

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

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 (DVA) 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

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

⁷ Decision and Rate Order, EB-2017-0030, March 22, 2018

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.

justifies why balances should not be disposed.⁹ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2017 actual year-end total balance for Brantford Power's Group 1 DVA accounts including interest projected to December 31, 2018 was initially a credit balance of \$3,109,431. This amount would represent a total credit claim of \$0.0033 per kWh, which would exceed the disposition threshold. Despite exceeding the threshold, Brantford Power did not apply for disposition. Brantford Power requested no disposition of Group 1 accounts to avoid an interim disposition and to enable the smoothing of bill impacts in 2019 and 2020.

Errors affecting 2015 and 2016 DVA balances

In the 2018 IRM decision, the OEB directed Brantford Power to complete an investigation of its 2016 balances in accounts 1588 and 1589.¹⁰ Upon completion of the investigation, Brantford Power identified errors in the data that it used to complete RPP settlements with the IESO. The errors affected both 2015 and 2016. The errors resulted from data provided by its third-party operational data store provider. Based on the erroneous data used for RPP settlements, Brantford Power overpaid \$279,884 to the IESO in July 2015 and underpaid \$375,315 to the IESO in July 2016.¹¹

The data errors also led to a misallocation error of the GA costs that were apportioned between accounts 1588 and 1589 in 2015 and 2016 that affected Regulated Price Plan (RPP) and Non-Regulated Price Plan (Non-RPP) customers.

In its application, Brantford Power proposed to correct both 2015 and 2016 DVA balances. Although the 2015 balances were approved and disposed on a final basis,¹² Brantford Power proposed to adjust 2015 approved balances as it appeared to benefit the majority of its customers, who were RPP customers. Brantford Power's application indicated that it had over-collected \$925,092 in account 1588 based on:

- i) a credit of \$279,884 that Brantford Power recovered from the IESO to correct its settlement amount, and
- ii) a credit of \$645,208 to correct the misallocation of RPP/Non-RPP kWh proportions

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

¹⁰ Decision and Rate Order, EB-2017-0028, December 14, 2017

¹¹ Response to OEB staff's supplementary interrogatories, Staff-S1 c) and d)

¹² 2015 balances were approved in 2017 Cost of Service (COS) proceeding in EB-2016-0058

In response to OEB staff's interrogatories, Brantford Power revised the 2015 and 2016 adjustments and realized that it had in fact under-collected \$365,324 in account 1588 based on:

- i) a credit of \$279,884 that Brantford Power recovered from the IESO to correct its settlement amount, and
- ii) a debit of \$645,208 to correct the misallocation of RPP/Non-RPP kWh proportions

As there was no longer a refund to RPP customers, Brantford Power withdrew its request to adjust its 2015 DVA balances during the proceeding.¹³ However, Brantford Power proposed adjustments to the 2016 and 2017 DVA balances, which had yet to be approved for disposition. Brantford Power also requested the OEB's approval to return \$279,884, the amount it recovered from the IESO, consistent with the withdrawal of its proposed 2015 RPP settlement correction.

During the proceeding, Brantford Power clarified that the total account 1588 impact of the 2015 error (principal and interest) was a debit of \$421,065, where \$181,103 was under-recovered from RPP customers¹⁴ and \$239,962 was under-recovered from non-RPP customers.¹⁵ In addition, the total account 1589 impact of the 2015 error (principal and interest) was a credit of \$713,712 over-recovered from non-RPP customers. The total account 1588 and 1589 non-RPP customer bill impact of the 2015 error was an over-recovery of \$473,750¹⁶.

OEB staff supported Brantford Power's request to withdraw the proposed adjustments to 2015 DVA balances, which were disposed on a final basis. OEB staff submitted that Brantford Power should dispose its 2016 and 2017 DVA balances with the total credit balance of \$2,825,258 owing to customers, which is three times greater than the disposition threshold on a kWh basis.

SEC submitted that Brantford Power should pay for the correction and refund \$713,713 to non-RPP customers. SEC argued that the cost would not cause a material harm to the utility, being within 300 basis points (3%) of its return on equity.¹⁷

SEC argued that Brantford Power failed to have adequate controls and oversight to ensure accurate RPP settlements with the IESO, and would have been negligent for not

¹³ Response to OEB staff's interrogatory, Staff-1 c)

¹⁴ Bill impact of \$181,103 collectible from RPP customers: 43% of \$421,065. 43% is the allocation of non-WMP volumes to RPP customers per response to SEC-5, Table SEC-5A

¹⁵ Bill impact on (\$473,750) refundable from non-RPP customers: 57% of \$421,065 + (\$713,712). 57% is the allocation of non-WMP volumes to non-RPP customers per response to SEC-5, Table SEC-5A

¹⁶ \$473,750 = -\$713,712 + 239,962

¹⁷ SEC submission, p. 5

having a process to check its third-party data.¹⁸ As such, an asymmetric adjustment was appropriate, affecting only non-RPP customers that overpaid. VECC supported SEC's views.

SEC submitted that the OEB has the discretion to order a refund to customers who overpaid due to errors made by a utility. SEC referenced the OEB's Essex Powerlines Corporation decision, where the OEB contemplated some discretion in making retroactive adjustments.¹⁹

In its reply submission, Brantford Power maintained its request to withdraw the 2015 DVA adjustments proposed in its application, based on the following reasons:

- The data errors were inadvertent, immediately reported and investigated, with results disclosed and steps taken to avoid similar events from occurring
- There was no willful misconduct, nor will the utility be enriched by the error
- The amounts were disposed of, and adjustments would violate the "no retroactive ratemaking" principle
- Brantford Power has a reliance interest in the finality of prior Decision and Orders

Brantford Power submitted that the OEB's Essex Powerlines Corporation decision was not relevant to this proceeding, yet the OEB's Kitchener-Wilmot Hydro decision was relevant given the similar circumstances, and the OEB did not approve retroactive DVA adjustments after final disposition in that proceeding.²⁰

OEB staff submitted that the Brantford Power's proposal to defer the disposition of Group 1 DVA balances is not appropriate, as the credit balance of \$2,825,258 owing to customers was three times greater than the disposition threshold on a kWh basis.²¹ Brantford Power also submitted that disposition of 2016 and 2017 Group 1 accounts was acceptable, if the OEB agreed with OEB staff's submissions.²²

Findings

The OEB directs Brantford Power to credit the \$279,884 to account 1588 in 2017 when the money was received and refund the money to all customers who were overcharged as a result of the settlement error with the IESO. The OEB finds that it is not appropriate for Brantford Power to return the \$279,884 to the IESO.

¹⁸ SEC submission, p. 4

¹⁹ SEC submission, p. 4; Decision and Order, EB-2017-0039, August 23, 2018

²⁰ Decision and Order, EB-2017-0056, March 1, 2018

²³ *Ontario Energy Board Act, 1988*, 2014, c. 7, Sched. 23, s. 5

²³ *Ontario Energy Board Act, 1988*, 2014, c. 7, Sched. 23, s. 5

In its application, Brantford Power proposed an adjustment to correct the 2015 DVA balances and reverse the customer bill impacts. At that time, Brantford Power also adjusted its settlement with the IESO.

Given the withdrawal of its proposal to adjust the 2015 DVA balances, Brantford Power proposed to maintain its 2015 DVA balances, adjust the 2016 DVA balances and refund \$279,884 to the IESO.

The OEB notes that, despite the origin of the proposed IESO refund, settlement with the IESO is independent of Brantford Power's internal recording of transactions, clearance of DVA accounts and customer allocations of its accounts 1588 and 1589. As a condition of a distribution licence, the OEB Act indicates that settlement with the IESO must be based on the most accurate information available to the distributor.

Every licence, other than a licence issued to the IESO, is deemed to contain a condition that the licensee is required to provide such reasonable information to the IESO as the IESO may require, in the manner and form specified by the IESO.²³

The OEB finds that given the correct entries to Brantford Power's 2015 DVAs, based on the corrected data, \$279,884 should not be returned to the IESO. The current, existing settlement with the IESO is correct, based on the corrected information.

The OEB finds that the \$279,884 should be credited to Account 1588 in 2017 and refunded to customers who were overcharged and burdened with financial consequences of the misallocation between accounts 1588 and 1589. The OEB approves the refund of \$279,884 to both RPP and non-RPP customers as both were affected by account 1588.

SEC and VECC submitted that given financial consequences of the error, customers who were overcharged should be refunded money. In their view, as the error was the responsibility of Brantford Power and its third-party service provider, Brantford Power should pay or refund the cost of the overcharge.

The OEB does not agree. The OEB will not order corrections to the relevant 2015 DVA accounts, nor the accompanying full compensation to the customers affected by the misallocation between accounts 1588 and 1589.

The OEB finds that while Brantford Power's operations were responsible for the error, the error arose in circumstances that do not demonstrate a lack of care or imprudence by Brantford Power. In particular, there was no negligence in the retention of its third-party service provider or in the acceptance of its data for accounting purposes.

²³ *Ontario Energy Board Act, 1988, 2014, c. 7, Sched. 23, s. 5*

Brantford Power's internal investigation and retention of KPMG to avoid future accounting errors were responsible and prudent actions. The OEB will not impose a financial penalty by requiring Brantford Power to absorb the costs to customers affected by the debit adjustment to the 2015 balance in account 1588.

In approving the credit of \$279,884 to account 1588 and the refund to customers, the OEB is neither enriching nor penalizing Brantford Power for the error to the 2015 DVA balances.

The OEB approves the credit to recognize that customers overpaid as a result of the 2015 DVA error and disposition. This refund is not the result of restating or correcting the 2015 DVA balances, which were approved and disposed on a final basis. The approval of this refund to customers is a reasonable result, given the circumstances of this proceeding. Customers that underpaid as a result of the 2015 DVA error and disposition will not be affected this Decision.

Other Group 1 DVA Issues

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account balance of (\$1,222,542). 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.²⁴

The GA is paid by consumers in several different ways:

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

²⁴ 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.

- “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 an 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.

Brantford Power proposes the recovery of its GA variance account balance of (\$1,222,542) as at December 31, 2017, including interest to December 31, 2018, in accordance with the following table.

Table 6.1: Recovery of GA Variance

| Proposed Amounts | Proposed Method for Recovery |
|---|-------------------------------------|
| (\$944,755) recovered from customers who were Class B for the entire period from January 2016 to December 2017 | per kWh rate rider |
| (\$202,998) from customers formerly in Class B during the period January 2016 to December 2017 who were reclassified to Class A | 12 equal installments ²⁵ |
| (\$74,789) from customers formerly in Class A during the period January 2016 to June 2016 who were reclassified to Class B | 12 equal installments ²⁶ |

The balance of the Group 1 accounts includes (\$131,766) for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market for Capacity Based Recovery program. Distributors paid CBR charges to the IESO in 2016 and 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 2016 to December 2017. The disposition is also impacted by whether or not the Class B CBR rate riders in the 2019 IRM Rate Generator Model²⁷ round to zero at the fourth decimal place in one or more rate classes.

Brantford Power had Class A customers during the period from January 2016 to December 2017 so it applied to have the balance of this account disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

²⁵ 2018 IRM Rate Generator Model, Tab 6.1a “GA Allocation”

²⁶ Ibid.

²⁷ 2019 IRM Rate Generator Model, Tab 6.2 “CBR B”

As some customers were reclassified between Class A and Class B during the period from January 2016 to December 2017, Brantford Power requested refunding of a portion of CBR Class B costs by way of 12 equal installments.²⁸

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total credit balance of \$1,756,047, which results in a refund to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.²⁹

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.³⁰

Findings

The OEB approves the 2016 and 2017 Group 1 account balances, as amended during the course of this proceeding, for disposition. The OEB approves the disposition of a credit balance of \$3,110,355 as of December 31, 2017, including interest projected to December 31, 2018 for Group 1 accounts on an interim basis.

Table 6.2 identifies the principal and interest amounts approved for disposition.

²⁸ 2019 IRM Rate Generator Model Tab 6.2a "CBR_Allocation"

²⁹ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

³⁰ 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.

Table 6.2: Group 1 Deferral and Variance Account Balances

| Account Name | Account Number | Principal Balance (\$) A | Interest Balance (\$) B | Total Claim (\$) C=A+B |
|--|-----------------------|---------------------------------|--------------------------------|-------------------------------|
| Smart Meter Entity Variance Charge | 1551 | (9,339) | (239) | (9,578) |
| RSVA - Wholesale Market Service Charge | 1580 | (1,887,082) | (58,169) | (1,945,252) |
| Variance WMS - Sub-account CBR Class B | 1580 | (130,936) | (830) | (131,766) |
| RSVA - Retail Transmission Network Charge | 1584 | 493,804 | 19,231 | 513,035 |
| RSVA - Retail Transmission Connection Charge | 1586 | 122,526 | 6,684 | 129,210 |
| RSVA - Power | 1588 | (441,904) | 8,469 | (433,435) |
| RSVA - Global Adjustment | 1589 | (1,176,858) | (45,683) | (1,222,542) |
| Disposition and Recovery of Regulatory Balances (2016) | 1595 | 193,173 | (203,200) | (10,027) |
| Totals for all Group 1 accounts | | (2,836,618) | (273,737) | (3,110,355) |

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*.³¹ 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. Brantford 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 interim rate riders, and payments as calculated in the Rate Generator Model. The interim rate riders, and

³¹ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

payments will be in effect over a one-year period from January 1, 2019 to December 31, 2019.³²

7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

Distributors have an OEB licence requirement to ensure conservation and demand management (CDM) programs are available to their customers. These programs result in reduced total energy consumption. To address the impact of the reduced consumption, OEB Policy established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual load and the last OEB-approved load forecast.³³ These differences are recorded by distributors at the rate class level.

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor. A request for the inclusion of lost revenues from demand response programs as part of the LRAMVA, must be addressed through a cost of service application.³⁴

Brantford Power has applied to dispose its LRAMVA debit balance of \$339,536. The balance consists of lost revenues in 2016 from CDM programs delivered during the period from 2011 to 2016, as well as lost revenues in 2017 from CDM programs delivered from 2016 to 2017, and carrying charges. In response to OEB staff interrogatories, Brantford Power revised its LRAMVA balance to incorporate an update to the Q4 2018 prescribed interest rate. This update resulted in an increase of \$229 and a revised LRAMVA balance of \$339,766.

The actual conservation savings claimed by Brantford Power were determined by the IESO³⁵ and were compared against two LRAMVA thresholds established in the 2013 and 2017 cost of service proceedings. Actual conservation savings in 2016 were compared against Brantford Power's forecasted conservation savings of 14,809,175

³² 2019 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR_Allocation and Tab 7 Calculation of Def-Var RR.

³³ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and, "Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014.

³⁴ Report of the Ontario Energy Board – "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs." EB-2016-0182, May 19, 2016

³⁵ The Ontario Power Authority was responsible for CDM program evaluation prior to 2015.

kWh included in the 2013 load forecast.³⁶ As well, actual conservation savings in 2017 were compared against forecasted conservation savings of 23,341,747 kWh included in the 2017 load forecast.³⁷

Findings

The OEB finds that Brantford Power's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Brantford Power's LRAMVA debit balance of \$339,766, as set out in Table 7.1 below.

Table 7.1 LRAMVA Balance for Disposition

| Account Name | Account Number | Actual CDM Savings (\$) A | Forecasted CDM Savings (\$) B | Carrying Charges (\$) C | Total Claim (\$) D=(A-B)+C |
|--------------|----------------|------------------------------|----------------------------------|----------------------------|-------------------------------|
| LRAMVA | 1568 | \$629,730 | \$301,414 | \$11,451 | \$339,766 |

8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.³⁸ This is the last year of Brantford Power's transition period and, accordingly, 2019 is the final year in which Brantford Power's rates will be adjusted upwards by more than the mechanistic adjustment alone. Brantford 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 \$4.00. 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

³⁶ Decision and Rate Order, EB-2012-0109, February 27, 2014

³⁷ Decision and Order, EB-2016-0058, November 24, 2016

³⁸ As outlined in the Policy cited at footnote 1 above.

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.

Brantford Power submits that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.62. 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 distributor has now completed its transition to a fully fixed rate structure.

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 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.

9 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 Brantford 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 Brantford 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 9.1: 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, 2017.³⁹

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, 2018.⁴⁰

³⁹ Decision and Order, EB-2017-0333, December 20, 2017.

⁴⁰ Decision and Order, EB-2017-0290, March 1, 2018.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Brantford Power Inc.'s new final and interim distribution rates shall be effective January 1, 2019.
2. The Tariff of Rates and Charges set out in Schedule A shall be deemed *draft* until the parties have complied with the subsequent procedural steps.
3. Brantford Power Inc. shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by **December 28, 2018**.
4. This Decision and Rate Order will be considered final if Brantford Power Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3.
5. If the OEB receives a submission from Brantford Power Inc. to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to revising and issuing a final Tariff of Rates and Charges.
6. Brantford Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

COST AWARDS

The OEB will issue a separate decision on cost awards once the following steps are completed:

1. SEC and VECC shall submit to the OEB and copy Brantford Power Inc. their cost claims no later than **January 10, 2019**.
2. Brantford Power Inc. shall file with the OEB and forward to SEC and VECC any objections to the claimed costs within **January 17, 2019**.
3. SEC and VECC shall file with the OEB and forward to Brantford Power Inc. any responses to any objections for cost claims within **January 24, 2019**.
4. Brantford Power Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, EB-2018-0020 and be made electronically through the OEB's web portal at <http://www.pes.ontarioenergyboard.ca/eservice/> in searchable/unrestricted PDF format. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at https://www.oeb.ca/oeb/Documents/e-Filing/RESS_Document_Guidelines_final.pdf. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB flash drive in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies.

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

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

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

DATED at Toronto, December 20, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2018-0020

DATED: December 20, 2018

Brantford 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-2018-0020

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|----------|
| Service Charge | \$ | 23.50 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019 | \$/kWh | 0.0005 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kWh | (0.0020) |
| Rate Rider for Disposition of Global Adjustment Account (2019 Applicable only for Non-RPP Customers - effective until December 31, 2019 - Approved on an Interim Basis | \$/kWh | (0.0030) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) Applicable only for Class B Customers - effective until December 31, 2019 - Approved on an Interim Basis | \$/kWh | (0.0002) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0077 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0063 |

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 |

Brantford 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-2018-0020

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 average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge | \$ | 30.77 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Distribution Volumetric Rate | \$/kWh | 0.0081 |
| Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis | \$/kWh | (0.0030) |
| Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019 | \$/kWh | 0.0009 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kWh | (0.0020) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis | \$/kWh | (0.0002) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0069 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0056 |

MONTHLY RATES AND CHARGES - Regulatory Component

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

Brantford 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-2018-0020

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account 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. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|----------|
| Service Charge | \$ | 236.93 |
| Distribution Volumetric Rate | \$/kW | 2.8643 |
| Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis | \$/kWh | (0.0030) |
| Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019 | \$/kW | 0.0766 |
| 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 | (0.9771) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kW | 0.2402 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis | \$/kWh | (0.0557) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.3468 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.8828 |

Brantford 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-2018-0020

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 |

Brantford 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-2018-0020

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Approved on an Interim Basis

| | | |
|---|-------|--------|
| Service Charge | \$ | 362.56 |
| Distribution Volumetric Rate | \$/kW | 2.0121 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kW | 0.2755 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.3468 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.8828 |

Brantford 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-2018-0020

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|----------------|----|------|
| Service Charge | \$ | 5.40 |
|----------------|----|------|

Brantford 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-2018-0020

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.

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 4.24 |
| Distribution Volumetric Rate | \$/kW | 20.3000 |
| Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis | \$/kWh | (0.0031) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kW | (0.6492) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis | \$/kWh | (0.0544) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.1914 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.7585 |

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 |

Brantford 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-2018-0020

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 load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 1.45 |
| Distribution Volumetric Rate | \$/kW | 6.0789 |
| Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis | \$/kWh | (0.0030) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kW | (0.6505) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis | \$/kWh | (0.0551) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.2579 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.7382 |

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 |

Brantford 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-2018-0020

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 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 boots, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge (per connection) | \$ | 13.12 |
| Distribution Volumetric Rate | \$/kWh | 0.0091 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis | \$/kWh | (0.0002) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis | \$/kWh | (0.0022) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0041 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0056 |

MONTHLY RATES AND CHARGES - Regulatory Component

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

Brantford Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
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EB-2018-0020

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component - Approved on an Interim Basis

Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount

(e.g. nameplate rating of the generation facility).

\$/kW

1.7389

Brantford 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-2018-0020

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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 charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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

Customer Administration

| | | |
|---|----|-------|
| Easement letter | \$ | 15.00 |
| Credit reference/credit check (plus credit agency costs) | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 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 |

Non-Payment of Account

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

Other

| | | |
|---|----|--------|
| Temporary service install & remove - overhead - no transformer | \$ | 500.00 |
| Temporary service - install & remove - underground - no transformer | \$ | 300.00 |
| Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) | \$ | 43.63 |
| Meter removal without authorization | \$ | 60.00 |

Brantford 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-2018-0020

RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

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

LOSS FACTORS

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

| | |
|---|--------|
| Total Loss Factor - Secondary Metered Customer < 5,000 kW | 1.0320 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0218 |