



Ontario
Energy
Board

Commission
de l'énergie
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Ontario

DECISION AND RATE ORDER

EB-2018-0070

TILLSONBURG HYDRO INC.

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

By Delegation, Before : Theodore Antonopoulos

[date]

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Tillsonburg Hydro Inc. (Tillsonburg Hydro) on November 1, 2018, as amended during the course of the proceeding.

Tillsonburg Hydro serves about 7,000 mostly residential and commercial electricity customers in the Town of Tillsonburg. 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).

Tillsonburg Hydro's application is based on the Annual IR Index option to set rates for 2019. The Annual IR Index is based on inflation less the OEB's highest stretch factor assessment of a distributor's efficiency. In accordance with the OEB-approved 2019 parameters for an Annual IR Index adjustment, Tillsonburg Hydro applied for an increase of 0.9% to distribution rates.

As a result of the OEB's findings in this Decision, there will be a monthly total bill decrease before taxes of \$0.13 for a residential customer consuming 750 kWh, effective May 1, 2019.

Tillsonburg Hydro has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.¹ Accordingly, the fixed monthly charge for 2019 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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

2 THE PROCESS

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

The OEB follows a standardized and streamlined process for IRM applications filed under the Annual IR Index option. In each adjustment year of an Annual IR Index 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.

Tillsonburg Hydro filed its application on November 1, 2018, under section 78 of the OEB Act and in accordance with the Filing Requirements. Tillsonburg Hydro supported its application with written evidence and a completed Rate Generator Model. Questions were asked of, and answers were provided by, Tillsonburg Hydro through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to Tillsonburg Hydro on March 15, 2019. Tillsonburg Hydro was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues and provides reasons for approving or denying Tillsonburg Hydro'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 charges² 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

Tillsonburg Hydro seeks to increase its rates, effective May 1, 2019, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Annual IR Index applications.

The components of the Annual Index IR adjustment formula applicable to Tillsonburg Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 0.90% increase to Tillsonburg Hydro's rates: **0.90% = 1.50% - (0.00% + 0.60%)**.

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	0.60%

The inflation factor of 1.50% applies to all Annual IR Index 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,

² The most recent proceedings where approval was granted to change specific service charges are the Report of the OEB – “Wireline Pole Attachment Charges” EB-2015-0304, Issued March 22, 2018 and the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019.

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.

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 Annual IR Index applications for the 2019 rate year.

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. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

Findings

The OEB finds that Tillsonburg Hydro's request for a 0.90% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Tillsonburg Hydro's new rates shall be effective May 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.

Tillsonburg Hydro is transmission connected and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission

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.

services included in Table 5.1.

Table 5.1: UTRs⁷

Current Approved UTRs (2019)	per kW
Network Service Rate	\$3.71
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.94
Transformation Connection Service Rate	\$2.25

Findings

Tillsonburg Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the UTRs current at the time of the filing. The OEB finds that the new 2019 UTRs are to be incorporated into the rate model to adjust the RTSRs that Tillsonburg Hydro will charge its customers accordingly.

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

The 2017 actual year-end total balance for Tillsonburg Hydro Group 1 accounts including interest projected to April 30, 2019 as amended during the course of the proceeding is a credit of \$132,072. This amount represents a total credit claim of \$0.0007 per kWh, which does not exceed the disposition threshold and the utility has not requested disposition.

In Tillsonburg Hydro's 2018 rate proceeding⁸, the OEB authorized Tillsonburg Hydro's request to defer the disposition of Group 1 account balances until the utility conducted an internal review of its settlement processes and the balances in account 1588 and

⁷ Decision and Interim Rate Order, EB-2018-0326, December 20, 2018.

⁸ Decision and Rate Order, EB, 2017-0076, March 22, 2018

1589. The OEB's decision in that proceeding noted that, among other concerns, there were uncertainties with respect to the GA allocation methodology that Tillsonburg Hydro used. The purpose of the deferral was to ensure that the balances, when eventually disposed, would be accurate.

In this proceeding, in response to OEB staff questions, Tillsonburg Hydro confirmed that it performed an internal review of the balances of accounts 1588 and 1589, as well as its settlement processes. Tillsonburg Hydro stated that the review did not result in any changes to Tillsonburg Hydro's systems or processes. Tillsonburg Hydro did not provide documentation relating to its internal review and therefore the OEB is not certain that Tillsonburg Hydro has sufficiently addressed the outstanding matters that the OEB identified in the 2018 decision.

For the 2017 transactions, Tillsonburg Hydro included a \$350,994 credit as a reconciling item in the 2017 GA Analysis Workform related to delayed billing to Class A customers. However, Tillsonburg Hydro did not include this amount as a principal adjustment in its deferral and variance account Continuity Schedule in Tab 3 of the 2019 IRM Rate Generator Model for account 1589. In its responses to OEB staff questions, Tillsonburg Hydro stated that there is no Class A related variance included in the balance of its account 1589. Based on the instructions provided to distributors regarding reconciling items in the GA Analysis Workform, a reconciling item would be needed for Class A customer GA only if the distributor's balance of account 1589 included amounts related to Class A customers' GA.⁹ Tillsonburg Hydro stated that there was no Class A related variance in account 1589; therefore, based on the GA Analysis Workform instructions, there should not be an adjustment for this item in the 2017 GA Analysis Workform or the DVA Continuity Schedule.

Tillsonburg Hydro agreed to remove this adjustment from the GA Analysis Workform. However, in doing so, the unresolved difference between the adjusted net change in the principal balance and the net change in the expected GA balance becomes a difference of 4.9%, which greatly exceeds the 1% materiality threshold set by the OEB. This threshold is used to assess the reasonableness of the GA balance in account 1589.

In addition, in response to OEB staff's questions, Tillsonburg Hydro provided data and explanations supporting the 1595 (2015) workform. The billed consumption was materially different than the consumption used to determine the GA rate riders in Tillsonburg Hydro's 2015 IRM application. Tillsonburg Hydro acknowledged the discrepancy but noted that it could not confirm what method and theory was used during

⁹ GA Analysis Workform Instructions issued with the GA Analysis Workform on July 12, 2018, page 9 section 4.

the 2015 IRM application process for determining billing determinants, due to staffing changes.¹⁰

Findings

The OEB finds that no disposition of the Group 1 accounts is required at this time, as the disposition threshold has not been exceeded and the utility did not request disposition. The OEB also finds that Tillsonburg Hydro has not fully demonstrated that the balances in account 1588, 1589 and 1595 (2015), as amended during the course of this proceeding, are reasonable.

The OEB finds that an audit of Tillsonburg Hydro's 2016 and 2017 year end balances in accounts 1588, 1589 and 1595 (2015) is necessary. The purpose of the audit is to confirm the accuracy of the commodity account balances through a more detailed review of the underlying transactions and processes. The audit will focus on the aforementioned account balances as at December 31, 2017 and is to include a review of the utility's processes regarding its monthly RPP wholesale settlements, the subsequent true-up of those settlements, and a review of the balance in the sub-accounts of account 1595.

The OEB expects Tillsonburg Hydro, in a subsequent rates proceeding, to support the balances proposed for disposition by addressing any outcomes of the audit, any concerns expressed by the OEB in its 2018 and 2019 rates decisions and to provide a summary of any adjustments made to the subject accounts with clear explanations for the nature of each adjustment.

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 2016.¹¹ Distributors, such as Tillsonburg Hydro, who are in a transition period that is greater than 4 years, are required to continue with this transition until the monthly service charge is fully fixed. 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,

¹⁰ OEB Staff Questions 1(c), March 13, 2019

¹¹ As outlined in the Policy cited at footnote 1 above.

and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Tillsonburg Hydro notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.48. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

In Tillsonburg Hydro's 2016 IRM proceeding, the OEB approved the Company's proposal to complete the transition to fully fixed rates over a five-year period.¹²

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 results of the monthly fixed charge and total bill impact for low consumption residential consumers demonstrate that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

8 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with Tillsonburg Hydro'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 Tillsonburg Hydro to the OEB.

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

¹² EB-2015-0104, Decision and Rate Order, March 17, 2016

Table 8.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
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, 2018.¹³

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, 2018.¹⁴

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2019 for electricity consumed or estimated to have been consumed on and after such date. Tillsonburg Hydro Inc. 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

Kirsten Walli
Board Secretary

¹³ Decision and Order, EB-2018-0294, December 20, 2018.

¹⁴ 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-2018-0070

DATED: March XX, 2019

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2019
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0070

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account in one of three categories of residential services: single-family or single-unit homes, multi-family buildings, and subdivision developments. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	24.68
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0051
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2019
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0070

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	26.76
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0187
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2019
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EB-2018-0070

GENERAL SERVICE 50 TO 499 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 500 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It 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 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	139.16
Distribution Volumetric Rate	\$/kW	2.1045
Retail Transmission Rate - Network Service Rate	\$/kW	2.2498
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0357

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2019
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EB-2018-0070

GENERAL SERVICE 500 TO 1,499 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, 500 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It 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 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,447.25
Distribution Volumetric Rate	\$/kW	1.0909
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.9481
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.7742

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
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EB-2018-0070

GENERAL SERVICE EQUAL TO OR GREATER THAN 1,500 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, 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2,037.49
Distribution Volumetric Rate	\$/kW	1.9251
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.9481
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.7742

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EB-2018-0070

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in Tillsonburg Hydro'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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.43
Distribution Volumetric Rate	\$/kWh	0.0130
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Tillsonburg Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2019
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0070

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.54
Distribution Volumetric Rate	\$/kW	22.2428
Retail Transmission Rate - Network Service Rate	\$/kW	1.8528
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6763

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	1,805.15
Distribution Volumetric Rate	\$/kW	8.6127
Retail Transmission Rate - Network Service Rate	\$/kW	1.8477
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6725

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in Tillsonburg Hydro'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	\$	5.40
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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

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Customer Administration

Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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
Install/remove load control device - after regular hours	\$	185.00

Other

Special meter reads	\$	30.00
Service call - after regular hours	\$	165.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	43.63

NOTE: Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019

Tillsonburg Hydro Inc.
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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	\$	40.00
Monthly variable charge, per customer, per retailer	\$/cust.	1.00
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.60
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.60)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.50
Processing fee, per request, applied to the requesting party	\$	1.00
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)	\$	4.00
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	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	1.0333
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0233