



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

Ontario

---

# **DECISION AND RATE ORDER**

**EB-2019-0042**

**HYDRO HAWKESBURY INC.**

**Application for rates and other charges to be effective January 1, 2020**

**By Delegation, Before: Jane Scott**

---

**December 12, 2019**

## 1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Hydro Hawkesbury Inc. (Hydro Hawkesbury) for new rates effective January 1, 2020.

Hydro Hawkesbury serves 5,575 mostly residential and commercial electricity customers in the Town of Hawkesbury. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licensed 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 [Handbook for Utility Rate Applications](#).

Hydro Hawkesbury'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 typically then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly total bill increase before taxes of \$0.82 for a residential customer consuming 750 kWh, effective January 1, 2020.

## 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 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, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.<sup>1</sup> A distributor will then review and complete the Rate Generator Model, and include it with its application.

---

<sup>1</sup> The Rate Generator Model is a Microsoft Excel workbook that is used to update 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. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

Hydro Hawkesbury filed its application on September 9, 2019, with an updated version on September 20, 2019, under section 78 of the OEB Act and in accordance with the Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements) and [Addendum to Filing Requirements for Electricity Distribution Rate Applications](#).

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 OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

### 3 ORGANIZATION OF THE DECISION

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

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

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<sup>2</sup> and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

---

<sup>2</sup> Specific service charges have been amended by the OEB through: 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. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2019-0280 issued November 28, 2019 for energy retailer service charges, and the cover letter dated November 28, 2019 "Inflation Adjustment for Energy Retailer Service Charges (EB-2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors", established the adjustments effective January 1, 2020.

## 4 PRICE CAP ADJUSTMENT

Hydro Hawkesbury seeks to increase its rates, effective January 1, 2020, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to Hydro Hawkesbury are set out in Table 4.1, below. Inserting these components into the formula results in a 2.00% increase to Hydro Hawkesbury's rates: **2.00% = 2.00% - (0.00% + 0.00%)**.

**Table 4.1: Price Cap IR Adjustment Formula**

Components		Amount
Inflation Factor <sup>3</sup>		2.00%
X-Factor	Productivity <sup>4</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>5</sup>	0.00%

The inflation factor of 2.00% applies to all Price Cap IR applications for the 2020 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.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR and Annual IR Index applications for the 2020 rate year.

<sup>3</sup> For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage – October 31, 2019.

<sup>4</sup> 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.

<sup>5</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2018 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 15, 2019.

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 Hydro Hawkesbury is 0.00%.

## Findings

The OEB finds that Hydro Hawkesbury's request for a 2.00% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Hydro Hawkesbury's new rates shall be effective January 1, 2020.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.<sup>6</sup>

## 5 RETAIL TRANSMISSION SERVICE RATES

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

Hydro Hawkesbury is partially embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 5.1 and Table 5.2.

---

<sup>6</sup> 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: UTRs<sup>7</sup>

UTRs (2019)	per kW
Network Service Rate	\$3.83
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.96
Transformation Connection Service Rate	\$2.30

Table 5.2: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>8</sup>

Sub-Transmission Host RTSRs (2019)	per kW
Network Service Rate	\$3.29
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.79
Transformation Connection Service Rate	\$1.98

## Findings

Hydro Hawkesbury's proposed adjustment to its RTSRs is approved. Hydro Hawkesbury RTSRs were adjusted to reflect the OEB-approved UTRs and host-RTSRs.

The differences resulting from the approval of new 2020 UTRs will be captured in Accounts RSVA – Retail Transmission Network Charge 1584 and Retail Transmission Connection Charge 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 in order to determine whether their total balance should be

<sup>7</sup> EB-2019-0164, Decision and Order, July 25, 2019.

<sup>8</sup> EB-2017-0049, Decision and Order, June 11, 2019.

disposed.<sup>9</sup> 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.<sup>10</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

Hydro Hawkesbury applied to dispose of its 2018 actual year-end total balance for Group 1 accounts, including interest projected to December 31, 2019, for a total credit amount of \$1,606,776. This amount represents a total credit claim of \$0.0111 per kWh, which exceeded the disposition threshold, and the utility has requested disposition over a 12-month period.

During the course of this proceeding, Hydro Hawkesbury revised its Account 1588 and 1589 balances to reflect a \$1.4 million reclassification adjustment in 2018.<sup>11</sup> This reclassification resulted in a significant credit balance of \$1,336,690 in Account 1588 as of December 31, 2018.<sup>12</sup> OEB staff asked for clarification on the magnitude of the balance, as the Account 1588 balance appeared to be unusually large for a distributor the size of Hydro Hawkesbury.

In response to OEB staff questions, Hydro Hawkesbury explained that the vast majority of the \$1.4 million adjustment came from a one-time revision to the way it journalized accounting entries.<sup>13</sup>

Although Hydro Hawkesbury provided an explanation on the large credit balance in Account 1588, Hydro Hawkesbury subsequently withdrew its request to dispose of Accounts 1588 and 1589 in the current application.<sup>14</sup> Hydro Hawkesbury indicated that in light of the significant balance in Account 1588, it would be prudent for them to conduct a further review of the balances in Accounts 1588 and 1589 in the context of the OEB's February 21, 2019 accounting guidance. It also stated that it would seek disposition of these accounts in its 2021 IRM application upon completion of its review.

---

<sup>9</sup> 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.

<sup>10</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

<sup>11</sup> In the original application as filed, the Account 1588 and 1589 balances were \$112,772 and (\$1,559,521) respectively. The reclassification resulted in a credit adjustment of \$1.4 million to Account 1588 and a corresponding debit of the same amount to Account 1589. The adjusted Account 1588 and 1589 balances are (\$1,336,690) and (\$110,060) respectively in the IRM model dated November 12, 2019.

<sup>12</sup> IRM Rate Generator Model, refiled November 12, 2019.

<sup>13</sup> Response to OEB staff question on p. 15, received November 12, 2019.

<sup>14</sup> Letter dated November 18, 2019.

The revised Group 1 account balances requested for disposition, excluding Accounts 1588 and 1589, is a credit balance of \$160,026, or \$0.0011 per kWh, which exceeds the disposition threshold. Hydro Hawkesbury seeks to dispose of its remaining accounts over a 12-month period.

*a) Capacity Based Recovery Class B Sub-account*

The balance of the Group 1 accounts includes the credit balance from the Capacity Based Recovery (CBR) sub-account for Class B customers of \$2,928, relating to the IESO's wholesale energy market for the CBR program. Hydro Hawkesbury had Class A customers during the period from July to December 2018 but the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the entire Account 1580 sub-account CBR Class B is added to the Account 1580 – Wholesale Market Service Charge control account to be disposed through the general purpose Group 1 Deferral and Variance Account.

*b) Group 1 Accounts*

The Group 1 accounts being sought for disposition (excluding global adjustment), include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges and Retail Transmission Service Charges. These Group 1 accounts have a total credit balance of \$160,026, 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*.<sup>15</sup> Hydro Hawkesbury further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>16</sup>

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.<sup>17</sup> The OEB issued accounting guidance<sup>18</sup> on the commodity accounts on February 21, 2019. In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that

---

<sup>15</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

<sup>16</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

<sup>17</sup> 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.

<sup>18</sup> Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.



have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

In its 2019 rate application, Hydro Hawkesbury received approval to dispose of its 2017 Group 1 balances on an interim basis. In the current proceeding, Hydro Hawkesbury did not complete its review of its 2017 and 2018 Group 1 account balances in the context of the OEB's new accounting guidance and therefore Hydro Hawkesbury is proposing to keep the disposition of its 2017 Group 1 balances as interim. Furthermore, in light of the significant credit balance in Account 1588 as of December 31, 2018, Hydro Hawkesbury withdrew its request to dispose of Accounts 1588 and 1589 as part of the current application.

### **Findings**

The OEB accepts Hydro Hawkesbury's request to keep the disposition of its 2017 Group 1 balances interim and not to dispose of the 2018 balances in Accounts 1588 and 1589 at this time. The OEB agrees that Hydro Hawkesbury would benefit from having more time to review the accuracy of the Account 1588 balance, especially in the context of the OEB's new accounting guidance, to determine whether further adjustments would be required. The OEB expects that Hydro Hawkesbury will report back on the findings of its analysis as part of its next IRM application.

The OEB approves the interim disposition of the remaining 2018 Group 1 account balances, exclusive of Accounts 1588 and 1589, which totals a credit balance of \$160,026 with interest projected to December 31, 2019. Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition.

Table 6.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	\$ 11,986	\$ (65)	\$ 11,921
Smart Meter Entity Variance Charge	1551	\$ (2,445)	\$ (80)	\$ (2,525)
RSVA - Wholesale Market Service Charge	1580	\$ (18,010)	\$ 1,139	\$ (16,870)
Variance WMS - Sub-account CBR Class B	1580	\$ (2,028)	\$ (900)	\$ (2,928)
RSVA - Retail Transmission Network Charge	1584	\$ (89,305)	\$ (2,758)	\$ (92,063)
RSVA - Retail Transmission Connection Charge	1586	\$ (55,620)	\$ (1,940)	\$ (57,560)
<b>Totals for all Group 1 accounts</b>		<b>\$ (155,423)</b>	<b>\$ (4,603)</b>	<b>\$ (160,026)</b>

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*.<sup>19</sup> 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. Hydro Hawkesbury shall ensure these adjustments are included in the reporting period ending March 31, 2020 (Quarter 1).

The OEB approves these balances to be disposed through interim rate riders as calculated in the Rate Generator Model. The interim rate riders will be in effect over a one-year period from January 1, 2020 to December 31, 2020.<sup>20</sup>

<sup>19</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

<sup>20</sup> 2020 IRM Rate Generator Model Tab 6.2 CBR B, Tab 6.2a CBR B\_Allocation and Tab 7 Calculation of Def-Var RR.

## 7 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 Hydro Hawkesbury's last cost of service decision, and to ensure that the 2019 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2018, are as reported by Hydro Hawkesbury 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 7.1: 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.<sup>21</sup>

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.<sup>22</sup>

<sup>21</sup> EB-2018-0294, Decision and Order, December 20, 2018.

<sup>22</sup> EB-2017-0290, Decision and Order, March 1, 2018.

**THE ONTARIO ENERGY BOARD ORDERS THAT**

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2020 for electricity consumed or estimated to have been consumed on and after such date. Hydro Hawkesbury Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim rates.

**DATED** at Toronto, December 12, 2019

**ONTARIO ENERGY BOARD**

*Original Signed By*

Christine E. Long  
Registrar and Board Secretary

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2019-0042**

**DATED: December 12, 2019**

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2019-0042

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.12
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0014
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0011)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0039

## 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

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2020

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

EB-2019-0042

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.01
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0073
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0011)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

### 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

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2020

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

EB-2019-0042

## 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. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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 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	\$	104.55
Distribution Volumetric Rate	\$/kW	2.1765
Low Voltage Service Rate	\$/kW	0.5184



**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2020**

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

EB-2019-0042

Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kW	(0.4262)
Retail Transmission Rate - Network Service Rate	\$/kW	2.6428
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3939

**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

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2020

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

EB-2019-0042

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less 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 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	7.37
Distribution Volumetric Rate	\$/kWh	0.0044
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0011)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

### 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

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2020

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

EB-2019-0042

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.71
Distribution Volumetric Rate	\$/kW	4.0336
Low Voltage Service Rate	\$/kW	0.8183
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kW	(0.3739)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9938
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2001

### 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

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2020

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

EB-2019-0042

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per Ontario Energy Board street lighting load shape. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.61
Distribution Volumetric Rate	\$/kW	6.6280
Low Voltage Service Rate	\$/kW	0.4007
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kW	(0.3938)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9933
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0775

### 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

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2019-0042

### **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. 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	\$	10.00
----------------	----	-------

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2019-0042

**ALLOWANCES**

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

**SPECIFIC SERVICE CHARGES**

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

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

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

**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	20.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	40.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-payment of account**

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	30.00
Reconnection at meter - after regular hours	\$	165.00
Reconnection at pole - during regular hours	\$	100.00
Reconnection at pole - after regular hours	\$	300.00

**Other**

Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	44.50

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2019-0042

## 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 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	\$	102.00
Monthly Fixed Charge, per retailer	\$	40.80
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.02
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	<b>(0.61)</b>
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.51
Processing fee, per request, applied to the requesting party	\$	1.02
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)	\$	4.08
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)	\$	2.04

## 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	1.0509
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0410