

PARTIAL DECISION AND INTERIM RATE ORDER

EB-2019-0022

BRANTFORD POWER INC.

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

BEFORE: Lynne Anderson

Presiding Member

Michael Janigan

Member

January 2, 2020

1 INTRODUCTION AND SUMMARY

Through this Partial Decision and Interim Rate Order (Partial Decision), the Ontario Energy Board (OEB) approves aspects of an incentive rate-setting mechanism (IRM) application filed by Brantford Power Inc. (Brantford Power) for new rates effective January 1, 2020. The application included a request for an Incremental Capital Module (ICM), which is being heard together with the ICM included in Energy+ Inc.'s (Energy+) 2020 IRM Application¹ given the common issues between the two distributors ICM requests. The OEB's decisions on the Brantford Power and Energy+ ICMs will be issued separately.

Brantford Power serves approximately 47,000 mostly residential and commercial electricity customers in the City of Brantford. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of 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*.

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

As a result of the OEB's findings in this Partial Decision, there will be a monthly total bill increase before taxes of \$2.29 for a residential customer consuming 750 kWh, effective January 1, 2020.

¹ EB-2019-0031

2 THE PROCESS

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.² A distributor will then review and complete the Rate Generator Model, and include it with its application.

Brantford Power filed its application on August 12, 2019 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act) and in accordance with 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*. Notice of Brantford Power's application was issued on September 5, 2019. Consumers Council of Canada (CCC), School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) requested intervenor status. CCC, SEC and VECC requested cost eligibility. The OEB approved CCC, SEC and VECC as intervenors and approved cost eligibility, only in relation to the ICM elements, for CCC, SEC and VECC.

In Procedural Order No. 1 issued on October 4, 2019, the OEB decided that this application would be heard together with Energy+'s 2020 IRM application³ as part of a combined hearing given the common issues between the two utilities' ICM requests.

The OEB issued an Interim Rate Order on December 12, 2019 setting Brantford Power's and Energy+'s rates interim, effective January 1, 2020, until such time as final 2020 rates are established by the OEB.⁴ The Interim Rate Order further set out the OEB's expectations to issue a partial decision on the non-ICM portions in each of Brantford Power's and Energy+'s applications, with a decision on the ICM portions of the applications to follow afterwards. This Partial Decision is on the IRM (non-ICM) portions of Brantford Power's application. The OEB is issuing a separate Partial Decision and Interim Rate Order on the IRM (non-ICM) elements of Energy+'s 2020 IRM application.

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

Partial Decision and Interim Rate Order January 2, 2020

² 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.

³ EB-2019-0031

⁴ EB-2019-0022 / EB-2019-0031, Interim Rate Order, December 12, 2019

staff, CCC, SEC and VECC. The intevenors made submissions only in relation to Brantford Power's ICM request.

3 ORGANIZATION OF THE DECISION

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

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Variance Account for Lost Revenues

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

This Partial 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 charges⁵ and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

⁵ 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

Brantford Power 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 Brantford Power are set out in Table 4.1, below. Inserting these components into the formula results in a 1.70% increase to Brantford Power's rates: 1.70% = 2.00% - (0.00% + 0.30%).

Table 4.1: Price Cap IR Adjustment Formula

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.

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

⁶ For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage - October 31, 2019.

⁷ 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.

⁸ 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.

stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Brantford Power is 0.30%.

Findings

The OEB finds that Brantford Power's request for a 1.70% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Brantford Power's new rates shall be effective January 1, 2020.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.⁹

⁹ 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.

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.

Brantford Power is both transmission connected and partially embedded within Energy+'s distribution system. Brantford Power 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.

Table 5.1: UTRs¹⁰

UTRs (2020)	per kW
Network Service Rate	\$3.92
Connection Service Rates	
Line Connection Service Rate	\$0.97
Transformation Connection Service Rate	\$2.33

Table 5.2: Energy+ Sub-Transmission Host-RTSRs¹¹

Sub-Transmission RTSRs (2019)	per kW
Network Service Rate	\$2.66
Connection Service Rates	
Line and Transformer Connection Service Rate	\$1.67

Findings

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

¹⁰ EB-2019-0296, Decision and Interim Rate Order, December 19, 2019

¹¹ EB-2018-0028, Decision and Final Rate Order, August 1, 2019

The differences resulting from the approval of final 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 balances should be disposed. DEB 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 can justify why balances should not be disposed. If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for Brantford Power Group 1 accounts including interest projected to December 31, 2019 is a credit of \$211,598. This amount represents a total credit claim of \$0.0002 per kWh, which does not exceed the disposition threshold, and the utility has not requested disposition.

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. ¹⁴ The OEB then issued accounting guidance ¹⁵ 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 have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

Brantford Power's 2016 and 2017 Group 1 accounts were approved for interim disposition in its 2019 IRM rate application. In the current application, Brantford Power confirmed it has implemented the new accounting guidance by August 31, 2019 and indicated it has reviewed its 2016 to 2018 balances in the context of the new accounting guidance and identified adjustments to the 2017 and 2018 balances. In its submission, OEB staff agreed that Brantford Power should not dispose its 2018 Group 1 accounts as the disposition threshold is not met.

¹² 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.

¹³ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

¹⁴ 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. ¹⁵ Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.

Findings

The OEB agrees that Brantford Power's 2018 Group 1 Deferral and Variance Accounts will not be disposed at this time. The balance did not exceed the preset disposition threshold, and Brantford Power did not seek disposition.

7 VARIANCE ACCOUNT FOR LOST REVENUES

On November 2, 2017, the OEB issued a Decision and Order¹⁶ to permanently prohibit distributors from disconnecting customers for reason of non-payment during the winter period (from November 15 to April 30).

On December 18, 2018, the OEB issued a Notice of Proposal to Amend Codes and a Rule (the December 2018 Notice of Proposal) as part of its Review of the Customer Service Rules and proposed to eliminate the OEB-approved Collection of Account charge that was previously applied by most distributors.¹⁷

On March 14, 2019, the OEB issued the Notice of Amendments to Codes and a Rule with a Rate Order to effect the amendments to the non-payment of account service charges for electricity and natural gas distributors (the March 2019 Notice of Amendments). Among other things, the March 2019 Notice of Amendments eliminated the Collection of Account charge effective July 1, 2019. He March 2019 Notice of Amendments confirmed that the OEB did not find it prudent to establish a generic deferral/variance account for all distributors to recover the lost revenues associated with the eliminated charges. The March 2019 Notice of Amendments indicated that the OEB would consider applications from distributors for an account to track the impact of eliminating the two charges relating to non-payment of accounts, with evidence demonstrating that such an account would meet the eligibility requirements set out in the Chapter 2 Filing Requirements.

Section 2.9.4 of the Chapter 2 Filing Requirements states that the following criteria must be met where an applicant seeks an accounting order to establish a new deferral/variance account:

- Materiality. The forecasted amounts must exceed the OEB-defined materiality threshold and have a significant influence on the operation of the distributor; otherwise, they must be expensed in the normal course and addressed through organizational productivity improvements.
- Causation. The forecasted expense must be clearly outside of the base upon which rates were derived.
- Prudence. The nature of the costs and forecasted quantum must be based on a
 plan that sets out how the costs will be reasonably incurred, although the final
 determination of prudence will be made at the time of disposition. In terms of the
 quantum, this means that the applicant must provide evidence demonstrating as

¹⁶ EB-2017-0318, Decision and Order, November 2, 2017

¹⁷ Notice of Proposal to Amend Codes and a Rule, EB-2017-0183, December 18, 2018, page 41

¹⁸ Notice of Amendments to Codes and a Rule, EB-2017-0183, March 14, 2019

¹⁹ EB-2017-0183, Rate Order, March 14, 2019

to why the option selected represents a cost-effective option (not necessarily least initial cost) for ratepayers.²⁰

In this application, Brantford Power requested an account for lost revenues due to the elimination of the Collection of Account charge. Brantford Power proposed that the account record lost revenues equal to the difference between i) its deemed revenue from its approved Collection of Account charge of \$440,889 from its 2017 cost of service rate application,²¹ and ii) actual revenues (applicable only in 2019 before the elimination of the charge). Brantford Power stated that, based on this methodology, it expects to record lost revenues of \$376,783 in 2019 and \$440,889 annually from 2020 onwards until Brantford Power's next rebasing application.

Brantford Power stated that the amount of lost revenue it expects to record (\$376,783 in 2019 and \$440,889 annually thereafter until Brantford Power's next rebasing application) exceeds its materiality threshold of \$92,070. With regards to causation, Brantford Power noted the OEB's amendments to eliminate the Collection of Account charge occurred after its 2017 cost of service application, where its expected revenues from the Collection Account charges were approved. With regard to prudence, Brantford Power noted that the Collection of Account charge annual revenue of \$440,889 was included as a revenue offset in its 2017 cost of service application. Therefore, Brantford Power argued, if the Collection of Account of charges had not been included in revenue offsets, while its service revenue requirement would have remained the same, its base revenue requirement would have been higher by \$440,889.

OEB staff supported Brantford Power's request for a new account but proposed that the account record lost revenues based on the number of notices issued, capped at \$440,889. OEB staff submitted that the approved Collection of Account charge amount was a forecasted number, and Brantford Power in reality may or may not have actually received that amount of revenue had the charge not been eliminated. OEB staff submitted that, in the case where Brantford Power received less revenues than approved, Brantford Power would not have had an opportunity to request additional recovery up to the approved amount.

Findings

The OEB approves the establishment of a new variance account to record revenue lost by the elimination of Brantford Power's Collection of Account Charge. The OEB accepts that the amount is material to Brantford Power and that the elimination of the charge

²⁰ Chapter 2 Filing Requirements for Electricity Distribution Rate Applications – 2018 Edition for 2019 Rate Applications, July 12, 2018, section 2.9.4. Note that the Addendum to Filing Requirements for Electricity Distribution Rate Applications – 2020 Rate Applications did not affect section 2.9.4.
²¹ EB-2016-0058

was not within Brantford Power's control. The OEB issued a rate order that eliminated the Collection of Account charge for all distributors. The variance account will be effective July 1, 2019.

The amount to be recorded in the account each year shall be \$440,889, the revenue offset amount approved in Brantford Power's last cost of service application. For 2019, the amount to be recorded will be net of any revenue collected in 2019 for the charge before it was eliminated. The OEB recognizes that this amount was a forecast and the actual revenue may have been different. However, the OEB has considered the regulatory efficiency of recording a known amount, and the OEB acknowledges that the number of times the charge was applied may have been affected by the requirement to change customer service collection practices mandated by the OEB. For Brantford Power, this effect is evident from the significant decline in revenue from the charge in 2017 and 2018.

The OEB approves the accounting order set out in Schedule B.

8 IMPLEMENTATION AND ORDER

This Partial Decision is accompanied by a Rate Generator Model and applicable supporting models.

Model entries were reviewed in order to ensure that they are in accordance with Brantford Power's last cost of service decision, and to ensure that the 2019 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2018, are as reported by Brantford Power to the OEB.

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

Table 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 17, 2019.²²

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, 2018.²³

²² EB-2019-0278, Decision and Order, December 17, 2019

²³ EB-2017-0290, Decision and Order, March 1, 2018

THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. Brantford Power Inc.'s new interim distribution rates shall be effective January 1, 2020.
- 2. The Tariff of Rates and Charges set out in Schedule A shall be deemed *draft* until the parties have complied with the subsequent procedural steps.
- 3. Brantford Power Inc. shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Partial Decision and Interim Rate Order.
- 4. This Partial Decision and Interim Rate Order will be considered final if Brantford Power Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3.
- If the OEB receives a submission from Brantford Power Inc. to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to revising and issuing a final Partial Decision and Interim Rate Order.
- 6. Brantford Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
- 7. The Accounting Order set out in Schedule B of this Decision and Rate Order is approved effective July 1, 2019, to establish a variance account under Account 1508 Other Regulatory Assets, Sub-Account Lost Revenue from Collection of Account Charge.

All materials filed with the OEB must quote the file number, **EB-2019-0022**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at https://pes.ontarioenergyboard.ca/eservice. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at https://www.oeb.ca/industry. If the web portal is not available parties may email their documents to the address below. Those who do not have computer access are required to file seven paper copies.

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

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Jerry Wang at Jerry.Wang@oeb.ca and OEB Counsel, Ljuba Djurdjevic at Ljuba.Djurdjevic@oeb.ca.

ADDRESS

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

Email: boardsec@oeb.ca

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

DATED at Toronto, January 2, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long Registrar and Board Secretary

Schedule A

To Partial Decision and Interim Rate Order

Tariff of Rates and Charges

OEB File No: EB-2019-0022

DATED: January 2, 2020

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

RESIDENTIAL SERVICE CLASSIFICATION

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

APPLICATION

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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.

Service Charge	\$	23.90
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0085
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0063
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
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

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Service Charge

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.

Octivide Official	\$	31.29
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0082
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0075
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0056
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
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

Effective and Implementation Date January 1, 2020

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

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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 egual to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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 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.

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.

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	\$	240.96
Distribution Volumetric Rate	\$/kW	2.9130
Retail Transmission Rate - Network Service Rate	\$/kW	2.5799
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9020
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

0.25

\$

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Approved on an Interim Basis

Service Charge	\$	368.72
Distribution Volumetric Rate	\$/kW	2.0463
Retail Transmission Rate - Network Service Rate	\$/kW	2.5799
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9020

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge \$ 5.40

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

Service Charge (per connection)	\$	4.31
Distribution Volumetric Rate	\$/kW	20.6451
Retail Transmission Rate - Network Service Rate	\$/kW	2.4090
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7765
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

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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Service Charge (per connection)	\$	1.47
Distribution Volumetric Rate	\$/kW	6.1822
Retail Transmission Rate - Network Service Rate	\$/kW	2.4821
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7560
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

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone boots, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Camilas Charge (nor connection)

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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Service Charge (per connection)	\$	13.34
Distribution Volumetric Rate	\$/kWh	0.0093
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0056
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
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

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

STANDBY POWER SERVICE CLASSIFICATION

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

APPLICATION

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

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

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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 - Approved on an Interim Basis

Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of the generation facility). \$/kW 1.7685

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)

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration

Meter removal without authorization

Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00
Other		
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	\$	44.50

60.00

\$

Effective and Implementation Date January 1, 2020

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

EB-2019-0022

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.

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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	\$	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.	(0.61)
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 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

1.032

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

1.0218

Schedule B

To Partial Decision and Interim Rate Order Accounting Order

OEB File No: EB-2019-0022

DATED: January 2, 2020

Brantford Power Inc. Accounting Order Account 1508 Other Regulatory Assets, Sub-account Lost Revenue from Collection of Account Charge

Brantford Power shall establish variance account: Account 1508 Other Regulatory Assets, Sub-account Lost Revenue from Collection of Account Charge, effective July 1, 2019. This account will record the lost revenue associated with elimination of the **Collection of Account** Charge until Brantford Power's next rebasing application.

The account will be disposed at Brantford Power's next rebasing application. The account will be discontinued after Brantford Power's next rebasing application.

Carrying charges at the OEB's prescribed interest rates will be applied to this subaccount.

The amount to be recorded in the account each year shall be \$440,889, the revenue offset amount approved for the charge in Brantford Power's last cost of service application for 2017 rates. For 2019, the amount to be recorded will be net of any revenue collected in 2019 for the charge before it was eliminated.

Sample journal entries to be recorded in the account are:

DR Account 1508 Other Regulatory Assets, Sub-account Lost Revenue from Collection of Account Charge - Principal

CR Account 4235 Miscellaneous Services Revenue

To record the lost revenue associated with the elimination of the Collection of Account Charge.

DR Account 1508 Other Regulatory Assets, Sub-Account Lost Revenue from Collection of Account Charge – Carrying Charges

CR Account 4405 Interest Income

To record carrying charges on the principal balance in the sub-account Lost Revenue from Collection of Account Charge.