

DECISION AND RATE ORDER

EB-2019-0067

SIOUX LOOKOUT HYDRO INC.

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

By Delegation, Before: Pascale Duguay

[date]

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 Sioux Lookout Hydro Inc. (Sioux Lookout Hydro) for new rates effective May 1, 2020.

Sioux Lookout Hydro serves approximately 2,800 mostly residential and commercial electricity customers in the Municipality of Sioux Lookout. 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](#).

Sioux Lookout Hydro'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 of \$7.96 before taxes and the Ontario Electricity Rebate¹ for a residential customer consuming 750 kWh, effective May 1, 2020.

The estimated monthly total bill continues to include the effect of the Distribution Rate Protection (DRP) program. The DRP program caps the base distribution charge for certain residential customers in the province of Ontario. Sioux Lookout Hydro is one of eight electricity distributors in Ontario to which the DRP applies.² This tax-funded program has been in effect since July 2017 and the current monthly distribution charge is capped at \$36.86. If there is a change to the DRP cap as of July 1, 2020, there could be a further bill impact for residential customers.

2 THE PROCESS

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

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB

¹ O. Reg. 363/16, s. 3, effective November 1, 2019

² O. Reg. 198/17, s. 2

prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.³ A distributor will then review and complete the Rate Generator Model, and include it with its application.

Sioux Lookout Hydro filed its application on November 8, 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 Sioux Lookout Hydro's proposals relating to each of them:

- Price Cap Adjustment
- Shared Tax Adjustments
- 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 charges⁴ and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

³ 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.

⁴ 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-

4 PRICE CAP ADJUSTMENT

Sioux Lookout Hydro seeks to increase its rates, effective May 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 Sioux Lookout Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 1.70% increase to Sioux Lookout Hydro's rates: **1.70% = 2.00% - (0.00% + 0.30%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁵		2.00%
X-Factor	Productivity ⁶	0.00%
	Stretch (0.00% – 0.60%) ⁷	0.30%

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.

2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors", established the adjustments effective January 1, 2020.

⁵ For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage - October 31, 2019.

⁶ 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

⁷ 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 Sioux Lookout Hydro is 0.30%.

Findings

The OEB finds that Sioux Lookout Hydro'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 Sioux Lookout Hydro's new rates shall be effective May 1, 2020.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.⁸

5 SHARED TAX ADJUSTMENTS

In any adjustment year of a Price Cap IR term, a change in legislation may result in a change to the amount of taxes payable by a distributor. With regard to IRM applications, the OEB has long held that the impact of such legislated tax changes be shared 50/50 between shareholders and ratepayers. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from the distributor's last cost of service proceeding.

On July 25, 2019, the OEB issued a letter⁹ providing accounting guidance with respect to recent changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM applications, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor's next cost-base rate application. A distributor's request for disposition of

⁸ 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.

⁹ OEB Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance, July 25, 2019

shared tax adjustment amounts in an IRM application should, therefore, be comprised only of impacts for tax changes unrelated to CCA (such as changes in corporate income tax rates).

The application identifies a total tax decrease of \$4,387, resulting in a shared credit amount of \$2,194 to be refunded to ratepayers.

This allocated tax sharing amount does not produce a rate rider in one or more rate classes. In such situations, where the Rate Generator Model does not compute rate riders, distributors typically are required to transfer the entire OEB-approved tax sharing amount into the Disposition and Recovery of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

Findings

The OEB approves the tax refund of \$2,194.

The allocated tax sharing credit amount of \$2,194 does not produce a rate rider in one or more rate classes. The OEB therefore directs Sioux Lookout Hydro to record the OEB-approved tax sharing credit amount of \$2,194 into Account 1595 "Sub-account Principal Balances Approved for Disposition in 2020", by June 30, 2020, for disposition at a later date.

6 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.

Sioux Lookout Hydro is fully embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 6.1.

Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs¹⁰

Sub-Transmission Host RTSRs (2020)	per kW
Network Service Rate	\$3.40
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80
Transformation Connection Service Rate	\$2.02

Findings

Sioux Lookout Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs.

The OEB finds that Hydro One Networks Inc.'s 2020 sub-transmission host RTSRs were incorporated into the rate model to adjust the RTSRs that Sioux Lookout Hydro will charge its customers accordingly.

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.¹¹ 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.¹² If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for Sioux Lookout Hydro's Group 1 accounts including interest projected to April 30, 2020 is a credit of \$293,905. This amount represents a total credit claim of \$0.0037 per kWh, which exceeds the disposition threshold. Sioux Lookout Hydro has requested disposition of the credit amount over a one-year period.

¹⁰ EB-2019-0043, Decision and Order, December 17, 2019

¹¹ 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.

¹² Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

a) Global Adjustment Variance Account

One of the components of the commodity costs billed by the Independent Electricity System Operator (IESO), which is included in Group 1 accounts, is the Global Adjustment (GA).¹³

Different customer groups pay the GA in different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates customers pay. Therefore, there is no separate variance account for the GA.
- "Class A" customers are allocated GA costs based on the percentage their demand contributes to the top five Ontario system peaks. As distributors settle with Class A customers based on actual GA costs, there is no resulting variance.
- "Class B" non-RPP customers are billed GA based on the electricity they consume in a month at the IESO published GA price. Distributors track any difference between the billed amounts and actual costs for these customers in the GA Variance Account for disposal, once audited.

Sioux Lookout Hydro proposes the refund of its GA variance account balance of \$374,823 as at December 31, 2018, including interest to April 30, 2020, in accordance with the following table.

Table 7.1: Refund of GA Variance

Proposed Amounts	Proposed Method for Refund
\$374,823 refunded to customers who were Class B for the entire period from January 2018 to December 2018	per kWh rate rider

b) Capacity Based Recovery Class B Sub-account

¹³ The GA is established monthly by the IESO to reflect the difference between the wholesale market price for electricity and regulated rates for:

- Ontario Power Generation's nuclear and hydroelectric generating stations
- payments for building or refurbishing infrastructure such as gas-fired and renewable facilities and other nuclear
- contracted rates paid to a number of generators across the province
- the cost of delivering conservation programs

Sioux Lookout Hydro noted in the application that it is an embedded distributor and is not charged Capacity Based Recovery (CBR), and does not have any Class A customers; therefore there is no balance in sub-account CBR Class B.¹⁴

c) 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, Retail Transmission Service Charges and Commodity Power Charges. These Group 1 accounts have a total debit balance of \$80,917, which results in a charge to customers. This balance combined with the balance for the global adjustment account results in the total credit balance for Group 1 accounts of \$293,905.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.¹⁵ Sioux Lookout Hydro further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁶

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.¹⁷ The OEB issued accounting guidance¹⁸ 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.

In its 2019 rate application, Sioux Lookout Hydro received approval to dispose of 2017 Group 1 balances on an interim basis, which included the annual transactions for 2016 and 2017 pertaining to Accounts 1588 and 1589.¹⁹ Sioux Lookout Hydro confirms that the accounting guidance was implemented in April 2019. For January, February and March 2019, Sioux Lookout Hydro adjusted the RPP settlements based on the new

¹⁴ Sioux Lookout Hydro's 2020 IRM application, EB-2019-0067, page 14

¹⁵ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

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

¹⁷ 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

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

¹⁹ In its 2018 IRM application, Sioux Lookout Hydro received approval to dispose of its audited Group 1 DVA balances as at December 31, 2016, except for Accounts 1588 and 1589. Therefore as part of its 2019 IRM application, when Sioux Lookout Hydro received approval for interim disposition of its audited 2017 Group 1 DVA balances, it included the accumulation of the 2016 and 2017 annual transactions related to Accounts 1588 and 1589.

accounting guidance.²⁰ Sioux Lookout Hydro has reviewed the 2016, 2017 and 2018 transactions in the context of the new accounting guidance and has determined that debit adjustments of \$130,653, \$103,369, and \$297,675 are needed for Account 1588 for 2016, 2017, and 2018 respectively, and credit adjustments of \$69,897, \$101,579, and \$90,056 are needed for Account 1589 for 2016, 2017, and 2018 respectively. Sioux Lookout Hydro has requested final disposition of its adjusted 2016, 2017 and 2018 balances.

Findings

The OEB approves the disposition of a credit balance of \$293,905 as of December 31, 2018, including interest projected to April 30, 2020 for Group 1 accounts on a final basis.

The following table identifies the principal and interest amounts, which the OEB approves for disposition.

Table 8.2: 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	30,315	1,726	32,040
Smart Meter Entity Variance Charge	1551	(1,966)	(78)	(2,044)
RSVA - Wholesale Market Service Charge	1580	(11,849)	(541)	(12,389)
RSVA - Retail Transmission Network Charge	1584	13,897	622	14,519
RSVA - Retail Transmission Connection Charge	1586	767	143	910
RSVA - Power	1588	34,161	13,720	47,881
RSVA - Global Adjustment	1589	(359,334)	(15,488)	(374,823)
Totals for all Group 1 accounts		(294,010)	105	(293,905)

²⁰ Sioux Lookout Hydro's 2020 IRM application, EB-2019-0067, page 12

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*.²¹ 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. Sioux Lookout Hydro shall ensure these adjustments are included in the reporting period ending June 30, 2020 (Quarter 2).

The OEB approves these balances to be disposed through final rate riders as calculated in the Rate Generator Model. The final rate riders will be in effect over a one-year period from May 1, 2020 to April 30, 2021.²²

8 IMPLEMENTATION AND ORDER

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

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

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

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

²¹ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²² 2020 IRM Rate Generator Model Tab 6.1 GA and Tab 7 Calculation of Def-Var RR

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, 2019.²³

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, 2018.²⁴

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁵ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs. In accordance with the established methodology, the OEB has calculated an updated value of \$4.55 per month²⁶ for the 2020 rate year. The Tariff of Rates and Charges attached as Schedule A reflects this updated charge.

THE ONTARIO ENERGY BOARD ORDERS THAT:

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

DATED at Toronto, Month Day, 2020

ONTARIO ENERGY BOARD

Christine E. Long
Registrar and Board Secretary

²³ EB-2019-0278, Decision and Order, December 17, 2019

²⁴ EB-2017-0290, Decision and Order, March 1, 2018

²⁵ EB-2010-0219, Report of the Board “Review of Electricity Distributor Cost Allocation Policy”, March 31, 2011

²⁶ OEB letter, issued February 24, 2020

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2019-0067

DATED: [Date]

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

EB-2019-0067

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate 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. All customers are single-phase. 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	\$	48.69
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Account 1575 - effective until September 30, 2023	\$	0.22
Low Voltage Service Rate	\$/kWh	0.0050
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers	\$/kWh	(0.0151)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021	\$/kWh	0.0010
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0018

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

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

EB-2019-0067

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential 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. 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	\$	47.15
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Account 1575 - effective until September 30, 2023	\$	0.47
Distribution Volumetric Rate	\$/kWh	0.0104
Low Voltage Service Rate	\$/kWh	0.0035
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers	\$/kWh	(0.0151)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021	\$/kWh	0.0010
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0013

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

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

EB-2019-0067

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 1,000 kW non-interval metered
 General Service 50 to 1,000 kW interval metered
 General Service >1,000 to 4,999 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 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	\$	383.62
Rate Rider for Disposition of Account 1575 - effective until September 30, 2023	\$	8.15
Distribution Volumetric Rate	\$/kW	1.3389
Low Voltage Service Rate	\$/kW	1.5996
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers	\$/kWh	(0.0151)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021	\$/kW	0.4588
Retail Transmission Rate - Network Service Rate	\$/kW	2.5669
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5710
Retail Transmission Rate - Network Service Rate - Interval Metered > 1,000 kW	\$/kW	2.7231
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered > 1,000 kW	\$/kW	0.6311

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

Sioux Lookout Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2020
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EB-2019-0067

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in 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)	\$	4.00
Distribution Volumetric Rate	\$/kW	11.1790
Low Voltage Service Rate	\$/kW	1.2342
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers	\$/kWh	(0.0151)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021	\$/kW	0.3767
Retail Transmission Rate - Network Service Rate	\$/kW	1.9360
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.4416

MONTHLY RATES AND CHARGES - Regulatory Component

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

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microFIT SERVICE CLASSIFICATION

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

Service Charge	\$	4.55
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.37)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

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SPECIFIC SERVICE CHARGES

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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

Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned items (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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 (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	110.00
Reconnection at meter - after regular hours	\$	245.00
Reconnection at pole - during regular hours	\$	245.00
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
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

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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.	(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 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	1.0565
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0460