



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

---

# **DECISION AND RATE ORDER**

## **EB-2019-0170**

### **PUC Distribution Inc.**

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

**BEFORE: Lynne Anderson  
Presiding Member**

**Michael Janigan  
Member**

---

**April 16, 2020**

# TABLE OF CONTENTS

1. INTRODUCTION AND SUMMARY .....	1
2. THE PROCESS .....	2
3. ORGANIZATION OF THE DECISION .....	2
4. PRICE CAP ADJUSTMENT.....	3
5. RETAIL TRANSMISSION SERVICE RATES.....	4
6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS.....	5
7. RESIDENTIAL RATE DESIGN .....	7
8. INCREMENTAL CAPITAL MODULE .....	8
9. IMPLEMENTATION AND ORDER.....	12
Schedule A.....	17

## 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 PUC Distribution Inc. (PUC Distribution) for new rates effective May 1, 2020.

PUC Distribution Inc. serves approximately 33,500 mostly residential and commercial electricity customers in the City of Sault Ste. Marie as well as parts of Prince Township, Dennis Township and the Rankin Reserve. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the [Handbook for Utility Rate Applications](#).

PUC Distribution'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 \$6.16 before taxes and the Ontario Electricity Rebate<sup>1</sup> for a residential customer consuming 750 kWh, effective May 1, 2020.

PUC Distribution has also applied to change the composition of its distribution service rates. Residential distribution service rates have historically included a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<sup>2</sup> PUC Distribution, however, required a transition period of greater than four years for mitigation purposes as PUC Distribution calculated the increase to its monthly fixed charge to be greater than \$4 per year as part of its 2016 IRM application.<sup>3</sup> This is the fifth, and final year of PUC Distribution's transition to fully fixed rates for residential customers. There is no longer a variable usage rate for this class of customer. This policy change does not affect the total revenue that distributors collect from residential customers.

---

<sup>1</sup> O. Reg 363/16, S. 3, effective November 1, 2019.

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

<sup>3</sup> EB-2015-0089, Decision and Rate Order, March 17, 2016

## 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.<sup>4</sup> A distributor will then review and complete the Rate Generator Model, and include it with its application.

PUC Distribution filed its application on October 15, 2019 under section 78 of the *Ontario Energy Board Act, 1998* (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](#). Notice of PUC Distribution's application was issued on November 8, 2019. The Vulnerable Energy Consumers Coalition (VECC) requested intervenor status and cost eligibility. The OEB approved VECC as an intervenor and approved cost eligibility.

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

## 3. ORGANIZATION OF THE DECISION

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

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Incremental Capital Module

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

---

<sup>4</sup> The Rate Generator Model is a Microsoft Excel workbook that is used to update base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges<sup>5</sup> and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

## 4. PRICE CAP ADJUSTMENT

PUC Distribution 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 PUC Distribution are set out in Table 4.1, below. Inserting these components into the formula results in a 1.55% increase to PUC Distribution's rates:  $1.55\% = 2.00\% - (0.00\% + 0.45\%)$ .

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

Components		Amount
Inflation Factor <sup>6</sup>		2.00%
X-Factor	Productivity <sup>7</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>8</sup>	0.45%

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

<sup>5</sup> Specific service charges have been amended by the OEB through: the Report of the OEB – “Wireline Pole Attachment Charges”, EB-2015-0304, Issued March 22, 2018; and, the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2019-0280 issued November 28, 2019 for energy retailer service charges, and the cover letter dated November 28, 2019 “Inflation Adjustment for Energy Retailer Service Charges (EB-2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors”, established the adjustments effective January 1, 2020.

<sup>6</sup> For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage – October 31, 2019.

<sup>7</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013.

<sup>8</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2018 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 15, 2019.

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 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 PUC Distribution is 0.45%.

## Findings

The OEB finds that PUC Distribution's request for a 1.55% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved and PUC Distribution's new rates shall be effective May 1, 2020.

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

## 5. RETAIL TRANSMISSION SERVICE RATES

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

---

<sup>9</sup> Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

OEB-approved.

PUC Distribution is transmission connected and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 5.1.

**Table 5.1: UTRs<sup>10</sup>**

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

## Findings

PUC Distribution's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the interim 2020 UTRs, which were incorporated into the rate model to adjust the RTSRs that PUC Distribution will charge its customers.

Any 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.<sup>11</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor can justify

<sup>10</sup> EB-2019-0296, Decision and Interim Rate Order, December 19, 2019.

<sup>11</sup> Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

why balances should not be disposed.<sup>12</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for PUC Distribution's Group 1 accounts including interest projected to April 30, 2020 is a debit of \$540,724. This amount represents a total debit claim of \$0.0009 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.<sup>13</sup> The OEB then issued accounting guidance<sup>14</sup> on the commodity accounts on February 21, 2019. In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

In the current application, in response to OEB staff interrogatories, PUC Distribution indicated its processes substantially conform to the new accounting guidance and implementation of the new accounting guidance will be retroactive to January 1, 2019 when implementation is completed in full. PUC Distribution also noted that it has completed a preliminary review of the Account 1588 and 1589 balances in the context of the new accounting guidance. PUC Distribution aims to complete the full review and update its processes in the upcoming year, prior to submitting any claims in future years.<sup>15</sup>

## Findings

The OEB finds that no disposition is required at this time, as the disposition threshold has not been exceeded and the utility did not request disposition. PUC Distribution is expected to complete its implementation of the OEB's February 21, 2019 accounting guidance, and present the results of its review with PUC Distribution's application for 2021 rates. The results of its review should include details of any adjustments being reflected in the years that relate to the end of 2019.

---

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

<sup>13</sup> OEB letter to all rate-regulated licensed electricity distributors – "Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts." July 20, 2018.

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

<sup>15</sup> EB-2019-0170, Interrogatory Response to Staff-4 and Staff-5, January 10, 2020.

## 7. RESIDENTIAL RATE DESIGN

Some residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.<sup>16</sup> Distributors, such as PUC Distribution, who are in a transition period that is greater than four years, are required to continue with this transition until the monthly service charge is fully fixed.

In PUC Distribution's 2016 IRM application, the OEB approved an extension to the standard four-year transition period to a fully fixed service charge for Residential customers to five years.<sup>17</sup> This was for mitigation purposes as PUC Distribution calculated the increase to its monthly fixed charge to be greater than \$4 per year.

The OEB expects an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10<sup>th</sup> percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

PUC Distribution submits that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.47. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

### Findings

The OEB finds that the proposed 2020 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers demonstrate that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model. The distributor has now completed its transition to a fully fixed rate structure for residential customers.

---

<sup>16</sup> As outlined in the Policy cited at footnote 1 above.

<sup>17</sup> EB-2015-0089, Decision and Rate Order, March 17, 2016

## 8. INCREMENTAL CAPITAL MODULE

The OEB's incremental capital module (ICM) policy<sup>18</sup> was established to address the treatment of a distributor's capital investment needs that arise during a Price Cap IR rate-setting plan and which are incremental to a calculated materiality threshold. An ICM is a means by which a distributor can collect additional revenue from customers to fund capital expenditures in the years between cost of service applications. The ICM is available for discretionary or non-discretionary projects, and is not limited to extraordinary or unanticipated investments. However, ICM funding is not available for typical annual capital programs, nor is it available for projects that do not have a significant influence on the operations of the distributor.

In order to qualify for ICM funding, a distributor must satisfy the OEB's well-established eligibility criteria of materiality, need and prudence.<sup>19</sup>

The ICM addresses the question of materiality in two steps. The first is by applying the ICM "materiality threshold formula"<sup>20</sup>, which serves to define the level of capital expenditures that a distributor should be able to manage within current rates. This test provides that any incremental capital amounts approved for recovery must fit within the total eligible incremental capital amount and must clearly have a significant influence on the operation of the distributor.<sup>21</sup> A second, project-specific, materiality test provides that minor expenditures, in comparison to the overall capital budget, should be considered ineligible for ICM treatment. Moreover, a certain degree of project expenditure over and above the OEB-defined threshold calculation is expected to be absorbed within the total capital budget.<sup>22</sup>

With regard to need, a distributor must satisfy the OEB that any incremental capital amount being requested is (i) based on one or more discrete project(s), (ii) directly related to the claimed driver, and (iii) clearly outside of the base upon which the distributor's rates were derived.<sup>23</sup> Additionally, a distributor must also pass the "means test." Under the means test, if a distributor's most recently available regulated return on

---

<sup>18</sup> The OEB's policy for the funding of incremental capital is set out in the *Report of the Board New Policy Options for the Funding of Capital Investments: The Advanced Capital Module*, September 18, 2014 (Funding of Capital Report) and the subsequent *Report of the OEB New Policy Options for the Funding of Capital Investments: Supplemental Report* (Supplemental Report) (collectively referred to as the ICM policy).

<sup>19</sup> Funding of Capital Report, p. 16.

<sup>20</sup> The ICM materiality threshold formula refers to the updated multi-year materiality threshold formula as defined on p. 19 of the Supplemental Report.

<sup>21</sup> Funding of Capital Report, p. 17.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

equity (ROE) exceeds 300 basis points above the deemed ROE embedded in the distributor's rates, then funding for any incremental capital project would not be allowed.

Finally, a distributor needs to establish that the incremental capital amount it proposes to incur is prudent. To satisfy the "prudence test", a distributor must demonstrate that its decision to incur the incremental capital represents the most cost-effective option for its customers (though, not necessarily the least initial cost option).

### *The Half-Year Rule*

The OEB's policy allows for a full-year's depreciation and return on capital for all years of a Price Cap IR plan *except* the final year prior to rebasing.<sup>24</sup> In the final year prior to rebasing, the standard half-year rule is used for calculation of the depreciation and return on capital.<sup>25</sup>

### **The ICM Project**

PUC Distribution is seeking ICM funding to support its Substation 16 renewal (Sub-16) project. PUC Distribution proposes to rebuild the existing Sub-16 as the station has been in service for over 50 years, is in very poor condition and has reached end-of-life. The total capital cost of the project is approximately \$4.7M.

PUC Distribution also requested approval for a deferral and variance account to track the costs and recovery of the Sub-16 renewal for the purposes of truing-up the variance at its next rebasing application. In response to interrogatory Staff-22, PUC Distribution clarified that it will use Account 1508 – Other Regulatory Assets as set out in Chapter 3 Filing Requirements, and is not requesting additional accounts beyond what the OEB has already established.

In its original application, PUC Distribution calculated its maximum eligible incremental capital amount for the renewal of Sub-16 to be \$3,435,125 based on its calculated materiality threshold of \$5,665,251 and the forecasted 2020 capital spending in its Distribution System Plan filed with its 2018 cost of service rate application.<sup>26</sup> As part of its interrogatory responses, PUC Distribution updated the capital module applicable to

---

<sup>24</sup> Supplemental Report, pp. 7-11. When the half-year rule is applied, only half of the annual depreciation is allowed for depreciation purposes. This ensures that the distributor recovers only a half-year of return on depreciation and capital as per the intent of the half-year rule.

<sup>25</sup> See note 26.

<sup>26</sup> PUC Distribution is forecasting a total capital budget of \$9,100,376 for 2020.

ACM and ICM for the 2020 inflation rate of 2.00%.<sup>27</sup> The recalculated materiality threshold for PUC Distribution is \$6,497,525.<sup>28</sup>

PUC Distribution is only eligible to recover a maximum amount of \$2,602,851, given a materiality threshold of \$6,497,525 and its forecast capital expenditures of \$9,100,376. In its application, PUC Distribution stated that it is only seeking recovery of the maximum eligible incremental capital amount.<sup>29</sup> The associated incremental revenue requirement is \$195,553.

PUC Distribution submitted that its ROE for the past four years did not exceed 300 basis points above the deemed ROE and therefore it has satisfied the means test.

In their respective submissions, OEB staff and VECC agreed that PUC Distribution meets the three components of the needs test set out in the Funding of Capital Report. OEB staff and VECC also submitted that the amount requested for approval is based on a discrete project that is directly related to a claimed driver and is not part of a typical annual capital program. Furthermore, OEB staff and VECC submitted that the costs are outside the base upon which PUC Distribution's current rates were derived.

OEB staff and VECC submitted that the capital required for the Sub-16 renewal has a significant influence on the operation of PUC Distribution, and that the project cost is material as the requested ICM cost is more than 51% of the 2020 capital budget.<sup>30</sup>

In relation to the prudence criteria, OEB staff and VECC supported the choices made by PUC Distribution regarding the new station design. The new station design is different from the existing station in the following ways:

- The existing station has two 7.5MVA transformers with a single 34.5kV supply, while the new station will have two 10MVA transformers with dual 34.5kV supply
- The existing station does not have an On-Load Tap Changer, while the new station will
- The existing station structure is a lattice open air design, while the new station will be enclosed in a building
- The existing station uses air insulated switchgear, while the new station uses gas insulated switchgear

---

<sup>27</sup> EB-2019-0170, Interrogatory Response to Staff-9, January 10, 2020.

<sup>28</sup> The OEB-defined materiality threshold is the product of depreciation expense included in rates and the materiality threshold percentage ( $\$6,497,525 = \$3,780,329 \times 172\%$ ). The materiality threshold is based on an updated price cap index of 1.70% (inflation rate of 2.0% minus a stretch factor of 0.3%)

<sup>29</sup> EB-2019-0170, Application, Appendix 7, Page 9.

<sup>30</sup> Based on a revenue requirement of approximately \$19.1 million as per PUC Distribution's 2018 cost of service rate application, PUC Distribution's materiality threshold as defined in Chapter 2 of the Filing Requirements is approximately \$110k.

VECC further submitted that the renewal of Sub-16 appropriately responds to the capacity issues the utility is facing. OEB staff further submitted that PUC Distribution used a prudent process to be as cost-effective as possible for the construction of Sub-16.

### Accelerated Capital Cost Allowance for ICM

Bill C-97, the *Budget Implementation Act, 2019, No. 1* received Royal Assent on June 21, 2019. Bill C-97 introduced the Accelerated Investment Incentive program, which provides for a first-year increase in capital cost allowance (CCA) deductions on eligible capital assets acquired after November 20, 2018.

In the letter *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance*<sup>31</sup>, the OEB provided accounting guidance on the impacts from accelerated CCA (CCA Guidance). The OEB established a separate sub-account of Account 1592 - PILs and Tax Variances – CCA Changes to track the impact of any differences that result from the CCA change to the tax rates or rules that were used to determine the tax amount that underpins rates.

In the current ICM proposal, PUC Distribution has incorporated accelerated CCA into the PILS calculation used to determine revenue requirement.

OEB staff submitted that accelerated CCA should not be reflected in PUC Distribution's PILS and therefore, in the ICM revenue requirement. It should be included in the Account 1592 sub-account for CCA changes as per the OEB's CCA Guidance. OEB staff noted that if the ICM is approved, the appropriate revenue requirement excluding the impacts of accelerated CCA would be \$237,816.

In its reply, PUC Distribution submitted that it is not opposed to utilizing the appropriate sub-account of Account 1592 regarding the treatment of the accelerated CCA in its calculation of PILs.

### **Findings**

The OEB approves \$2,602,851 in ICM funding for this project. The OEB finds that the Sub-16 Renewal Project satisfies the OEB's requirements for approval of ICM funding. Neither OEB staff nor VECC submitted that PUC Distribution did not meet those requirements.

---

<sup>31</sup> Issued July 25, 2019.

The OEB finds that the Sub-16 project has been shown to be a needed and prudent capital expenditure by the evidence provided by PUC Distribution. The replacement of the substation that is in poor condition and at the end-of-life is fully justified.

The OEB finds that PUC Distribution has passed the required ICM means test in that its ROE for the last four years has not exceeded its approved ROE by more than 300 basis points. The OEB also accepts that the project is both discrete and outside of the rate base on which rates were set. The ICM funding requested is also significant and material given the capital expenditure budget of PUC Distribution.

The OEB accepts the recalculated materiality threshold for ICM funding for this project based on the updated interrogatory responses of PUC Distribution to be \$6,497,525.

PUC Distribution's 2020 application is for the second year of Price Cap IR adjustments. PUC Distribution is next scheduled to apply to rebase rates through a cost of service application, or similar approach, for 2023. Since PUC Distribution is not scheduled to rebase in 2021, the OEB agrees that consistent with policy the half-year rule does not apply.

The OEB has determined that changes to CCA as a result of Bill C-97 should be included in the Account 1592 sub-account for CCA changes, as per the OEB's CCA Guidance. The OEB concludes that in this case all impacts of Bill C-97 should be considered at the same time when Account 1592 is disposed to minimize any complexities of having the CCA used to determine some rates based on different tax rules than other rates. The OEB therefore finds that the accelerated CCA associated with the capital investment for the Sub-16 project should not be reflected in the PILs component of PUC Distribution's ICM revenue requirement. The ICM revenue requirement is therefore \$237,816.

## **9. IMPLEMENTATION AND ORDER**

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

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

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

table.

**Table 9.1: Regulatory Charges**

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
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.<sup>32</sup>

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.<sup>33</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>34</sup> 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 month<sup>35</sup> for the 2020 rate year. The Tariff of Rates and Charges attached as Schedule A reflects this updated charge.

<sup>32</sup> EB-2019-0278, Decision and Order, December 17, 2019.

<sup>33</sup> EB-2017-0290, Decision and Order, March 1, 2018.

<sup>34</sup> EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011.

<sup>35</sup> OEB letter, issued February 24, 2020.

**THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order shall be deemed *draft* until the procedural steps in paragraphs 2 and 3 have been completed.
2. PUC Distribution Inc. may review the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order and 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 Decision and Rate Order.
3. If the OEB receives a submission from PUC Distribution Inc. to the effect that inaccuracies were found or information was missing pursuant to paragraph 2, the OEB will consider the submission prior to revising and issuing a final Tariff of Rates and Charges.
4. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order will be considered final if PUC Distribution Inc. does not provide a submission to the OEB establishing that inaccuracies were found or information was missing pursuant to paragraph 2.
5. Subject to paragraph 6, the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order will be considered approved effective May 1, 2020 for electricity consumed or estimated to have been consumed on and after such date.
6. In light of the COVID-19 emergency, the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved to be implemented November 1, 2020 if PUC Distribution Inc. notifies the OEB under paragraph 8 that it is electing to postpone the implementation of its new rates until November 1, 2020.
7. Any temporarily forgone distribution revenue associated with the postponement referred to in paragraph 6 may be tracked in Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues.
8. PUC Distribution Inc. shall, on or before April 23, 2020, file a letter with the OEB indicating whether it intends to postpone the implementation of the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order.
9. If PUC Distribution Inc. elects not to postpone the implementation of the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order, and if PUC Distribution Inc. did not provide a submission to the OEB that inaccuracies

were found, the Tariff of Rates and Charges is considered final effective May 1, 2020.

10. PUC Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

## **COST AWARDS**

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

1. VECC shall submit to the OEB and copy PUC Distribution Inc. its cost claims within **7 days** of the date of issuance of this Decision and Rate Order.
2. PUC Distribution Inc. shall file with the OEB and forward to VECC any objections to the claimed costs within **17 days** from the date of issuance of this Decision and Rate Order.
3. VECC shall file with the OEB and forward to PUC Distribution Inc. any responses to any objections for cost claims within **24 days** from the date of issuance of this Decision and Rate Order.
4. PUC Distribution Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All materials filed with the OEB must quote the file number, **EB-2019-0170**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. 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 [boardsec@oeb.ca](mailto:boardsec@oeb.ca).

NOTE: The OEB is temporarily waiving the paper copy filing requirement until further notice. All communications should be directed to the attention of the Board Secretary 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, Georgette Vlahos at [georgette.vlahos@oeb.ca](mailto:georgette.vlahos@oeb.ca) and OEB Counsel, Ljuba Djurdjevic at [ljuba.djurdjevic@oeb.ca](mailto:ljuba.djurdjevic@oeb.ca).

**DATED** at Toronto, April 16, 2020

**ONTARIO ENERGY BOARD**

*Original Signed By*

Christine E. Long  
Registrar and Board Secretary

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2019-0170**

**DATED: April 16, 2020**

**PUC Distribution 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-2019-0170

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. Class B consumers are defined on 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	\$	32.13
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	0.39
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064

**MONTHLY RATES AND CHARGES - Regulatory Component**

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

## 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 peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined on 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	\$	21.27
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	0.26
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0255
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly peak demand used for billing purposes over the past 12 months is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	117.45
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	1.41
Distribution Volumetric Rate	\$/kW	6.9056
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$/kW	0.0832
Retail Transmission Rate - Network Service Rate	\$/kW	2.4136
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.0355

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly 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 booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined on 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	\$	13.02
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	0.16
Distribution Volumetric Rate	\$/kWh	0.0393
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$/kWh	0.0005
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0060

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

**SENTINEL LIGHTING SERVICE CLASSIFICATION**

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Class B consumers are defined on 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)	\$	3.65
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	0.04
Distribution Volumetric Rate	\$/kW	34.0175
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$/kW	0.4096
Retail Transmission Rate - Network Service Rate	\$/kW	1.8295

**MONTHLY RATES AND CHARGES - Regulatory Component**

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

## 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 operation, 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 on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.40
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$	0.02
Distribution Volumetric Rate	\$/kW	9.1619
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2022	\$/kW	5.7106
Rate Rider for Recovery of Incremental Capital (2020) - effective until the next cost of service based rate order	\$/kW	0.1103
Retail Transmission Rate - Network Service Rate	\$/kW	1.8205

### MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until	\$/kWh	(0.0004)
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

**PUC Distribution 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-2019-0170

**microFIT SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	4.55
----------------	----	------

**PUC Distribution 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-2019-0170

**ALLOWANCES**

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

**SPECIFIC SERVICE CHARGES**

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

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

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

**Customer Administration**

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
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 charge - at meter - during regular hours	\$	65.00
Reconnection charge - at meter - after hours	\$	185.00
Reconnection charge - at pole - during regular hours	\$	185.00
Reconnection charge - at pole - after hours	\$	415.00

**Other**

Special meter reads	\$	30.00
Service call - customer-owned equipment		Time & Materials
Service call - after regular hours		Time & Materials
Temporary service - install & remove - overhead - no transformer		Time & Materials
Temporary service - install & remove - underground - no transformer		Time & Materials
Temporary service - install & remove - overhead - with transformer		Time & Materials
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	44.50
Removal of overhead lines - during regular hours		Time & Materials
Removal of overhead lines - after hours		Time & Materials
Roadway escort - after regular hours		Time & Materials

**PUC Distribution 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-2019-0170

## 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	1.0481
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0385