



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2019-0020

ATIKOKAN HYDRO INC.

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

BEFORE: Lynne Anderson
Presiding Member

Michael Janigan
Member

April 16, 2020

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

Atikokan Hydro serves approximately 1,600 mostly residential and commercial electricity customers in the Town of Atikokan. 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](#).

Atikokan 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 \$3.56 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. Atikokan 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

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

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

² O. Reg. 198/17, s. 2.

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.

Atikokan Hydro 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 Atikokan Hydro's application was issued on November 8, 2019. The OEB did not receive any requests for intervenor status.

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 and the applicant.

3 ORGANIZATION OF THE DECISION

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

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

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service 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-2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors", established the adjustments effective January 1, 2020.

4 PRICE CAP ADJUSTMENT

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

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	0.45%

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 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

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.

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 Atikokan Hydro is 0.45%.

Section 3.3.5 of Chapter 3 of the Filing Requirements⁸ (Filing Requirements) states that, for each of the OEB's three rate-setting options, a regulatory review may be triggered if a distributor's earnings are outside of a dead band of +/- 300 basis points from the OEB-approved return on equity (ROE). A distributor whose earnings are in excess of the dead band is expected to refrain from seeking an adjustment to its base rates through a Price Cap IR plan. If a distributor applies for an increase to its base rates while earning in excess of the dead band, the OEB expects the distributor to substantiate its reasons for doing so.

Atikokan Hydro 2018 RRR filing 2.1.5.6 showed an achieved a 2018 ROE of 11.86% versus its OEB-approved ROE of 8.78%. This represents overearnings of 308 basis points, which is 8 basis points above the +/- 300 basis points dead band.

Atikokan stated that its 2018 ROE is based on the following two drivers:

1. Exceeded OEB-approved volumetric distribution revenue by \$47,045 due to higher demand by the GS>50 customer class.
2. Exceeded other revenues, mainly due to one-time revenue from the IESO's mid-term incentive target fund for meeting its mid-term CDM target (\$10,507).

In its submission, OEB staff noted that when filing its RRR data, Atikokan Hydro did not exclude CDM related revenue of \$10,507 related to incentive target funding for meeting its mid-term CDM target. OEB staff submitted that CDM target funding from the IESO was an infrequent transaction for Atikokan Hydro that was outside its normal business activities. OEB staff submitted that this revenue should have been excluded from Atikokan Hydro's regulated ROE calculation for the 2018 rate year in accordance with the OEB's regulated ROE calculation.

OEB staff provided a revised achieved ROE calculation adjusting for this one-time CDM related revenue amount. Based on that calculation, OEB staff submitted that Atikokan Hydro's achieved ROE of 11.11% falls within the +/-300 basis point as shown in table 4.2 below:

⁸ Filing Requirements for Electricity Distribution Rate Applications, 2018 Edition for 2019 Rate Applications, Chapter 3, issued July 12, 2018. This of the filing requirements also applied to 2020 rate applications.

Table 4.2: Revised ROE Calculation

Regulated Income as per 2.1.5.6	\$166,970
Remove: One-time IESO incentive payment	\$10,507
Adjusted Regulated Income	\$156,462
Regulated Deemed Equity as per 2.1.5.6	\$1,408,241
Achieved ROE	11.11%
Deemed ROE	8.78%
Difference	2.33%

OEB staff was of the view that Atikokan Hydro did not over-earn in 2018 and supported its request for a price cap adjustment.

In its reply submission, Atikokan Hydro agreed with OEB staff and noted that it has submitted a RRR Data Revision request on January 27, 2020.

Findings

The OEB agrees that the revenue received from the IESO for meeting a mid-term CDM target is a non-rate regulated revenue that should not have been part of Atikokan Hydro's regulated ROE. With this corrected, Atikokan Hydro's regulated ROE is within 300 basis points of the OEB-approved ROE. Atikokan Hydro is therefore eligible for the price cap adjustment for the 2020 rate year.

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

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

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

5 RETAIL TRANSMISSION SERVICE RATES

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

Atikokan Hydro 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: UTRs¹⁰

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

Atikokan Hydro'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 Atikokan Hydro 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 total balance should be

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

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 Atikokan Hydro's Group 1 accounts including interest projected to April 30, 2020 is a credit of \$18,343. This amount represents a total credit claim of \$0.0006 per kWh, which does not exceed the disposition threshold. However, Atikokan Hydro is still requesting to dispose of its Group 1 account balances on an interim basis, including the Global Adjustment, because it believes that this will lessen future impacts to both the utility and its customers.

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.

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.

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.

Atikokan Hydro proposes the refund of its GA variance account balance of \$44,195 as at December 31, 2018, including interest to April 30, 2020, in accordance with the following table.

Table 6.1: Refund of GA Variance

Proposed Amounts	Proposed Method for Refund
\$44,195 refunded to customers who were Class B for the entire period from January 2018 to December 2018	per kWh rate rider

a) Capacity Based Recovery Class B Sub-account

The balance of the Group 1 accounts includes the Capacity Based Recovery (CBR) sub-account for Class B customers of \$873, relating to the IESO's wholesale energy market for the CBR program. Atikokan Hydro had no Class A customers during the period from January 2018 to December 2018 so it applied to have the balance of this account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

b) Group 1 Accounts

The Group 1 accounts being sought for disposition (excluding global adjustment) include the following flow through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total debit balance of \$25,851, 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 \$18,343.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.¹⁴ Atikokan Hydro further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁵

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

¹⁴ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

¹⁵ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

variance accounts.¹⁶ The OEB issued accounting guidance¹⁷ 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, Atikokan Hydro received approval to dispose 2017 Group 1 balances on an interim basis. Atikokan Hydro has not completed its review of the 2017 and 2018 balances in the context of this new accounting guidance. As a result, Atikokan Hydro has requested interim disposition of its 2018 balances.

OEB staff submitted that it had no concerns with the December 31, 2018 Group 1 DVA balances as presented in Table 6.2 below, including the proposed disposition period of one-year.

OEB staff further submitted that disposition of the Group 1 DVA balances is appropriate irrespective of whether the OEB's disposition threshold has been met because the disposition results in a refund to Atikokan Hydro's customers.

Finally, OEB staff supported Atikokan Hydro's proposal for interim disposition of its December 31, 2018 Group 1 DVA balances because Atikokan Hydro has confirmed that it has yet to implement the OEB's February 21, 2019 guidance related to the accounting for Accounts 1588 and 1589, including an assessment of this guidance in the context of its 2018 Group 1 DVA balances (and 2017 Group 1 DVA balances, which the OEB had previously approved on an interim basis). The OEB expects that distributors will assess all historical Group 1 DVA balances that have not been approved by the OEB on a final basis in the context on the new accounting guidance prior to seeking final disposition of those balances.

Findings

The OEB approves the disposition of a credit balance of \$18,343 as of December 31, 2018, including interest projected to April 30, 2020 for Group 1 accounts on an interim basis.

Atikokan Hydro is expected to complete its implementation of the OEB's February 21, 2019 accounting guidance, including a review of this guidance in the context of its 2017 and 2018 Group 1 DVA balances for consideration by the OEB in Atikokan Hydro's application for 2021 rates.

¹⁶ 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.

¹⁷ Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.

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

Table 6.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Meter Entity Variance Charge	1551	(1,055)	0	(1,055)
RSVA - Wholesale Market Service Charge	1580	(8,673)	(\$594)	(9,267)
Variance WMS - Sub-account CBR Class B	1580	(797)	(76)	(873)
RSVA - Retail Transmission Network Charge	1584	23,380	1,273	24,654
RSVA - Retail Transmission Connection Charge	1586	27,313	1,008	28,321
RSVA - Power	1588	(34,653)	(3,399)	(38,052)
RSVA - Global Adjustment	1589	(42,356)	(1,838)	(44,194)
Disposition and Recovery of Regulatory Balances (2017)	1595	20,862	1,261	22,123
Totals for all Group 1 accounts		(15,979)	(2,364)	(18,343)

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*.¹⁸ 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. Atikokan Hydro shall ensure these adjustments are included in the reporting period ending June 30, 2020 (Quarter 2).

¹⁸ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

The OEB approves these balances to be disposed through interim rate riders, as calculated in the Rate Generator Model. The interim rate riders, will be in effect over a one-year period from May 1, 2020 to April 30, 2021.¹⁹

7 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with Atikokan 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 Atikokan 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 7.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 17, 2019.²⁰

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, 2018.²¹

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²² the

¹⁹ 2020 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation and Tab 7 Calculation of Def-Var RR.

²⁰ EB-2019-0278, Decision and Order, December 17, 2019.

²¹ EB-2017-0290, Decision and Order, March 1, 2018.

²² EB-2010-0219, Report of the Board "Review of Electricity Distribution Cost Allocation Policy", March 31, 2011.

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 month²³ 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 shall be deemed *draft* until the procedural steps in paragraphs 2 and 3 have been completed.
2. Atikokan Hydro 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 Atikokan Hydro 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 Atikokan Hydro 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 Atikokan Hydro 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.

²³ OEB letter, issued February 24, 2020.

8. Atikokan Hydro 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 Atikokan Hydro 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 Atikokan Hydro 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. Atikokan Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim rates.

All materials filed with the OEB must quote the file number, **EB-2019-0020**, 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.

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.

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-2019-0020

DATED: April 16, 2020

Atikokan 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-2019-0020

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.

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

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	\$	48.33
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021		
Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	(0.0027)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021		
- Approved on an Interim Basis	\$/kWh	0.0008
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Transformation Connection Service Rate	\$/kWh	0.0045

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

Atikokan 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-2019-0020

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. 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

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	\$	78.93
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0048
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	(0.0027)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Transformation Connection Service Rate	\$/kWh	0.0038

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

Atikokan 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-2019-0020

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, 50kW but less than 5,000kW. 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

Energy Board, or as specified herein.

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	583.64
Distribution Volumetric Rate	\$/kW	3.8794
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	(0.0027)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kW	0.2619
Retail Transmission Rate - Network Service Rate	\$/kW	2.3774
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5514
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.5222
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.7147

Atikokan 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-2019-0020

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

Atikokan 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-2019-0020

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. 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

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)	\$	14.95
Distribution Volumetric Rate	\$/kW	10.5784
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	(0.0027)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kW	0.2986
Retail Transmission Rate - Network Service Rate	\$/kW	1.7931
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1992

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

Atikokan 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-2019-0020

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

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
----------------	----	------

Atikokan 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-2019-0020

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.29)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be 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

Returned cheque (plus bank charges)	\$	25.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	25.00
Special meter reads	\$	25.00

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	\$	28.00
Reconnection at meter - after regular hours	\$	315.00
Reconnection at pole - during regular hours	\$	28.00
Reconnection at pole - after regular hours	\$	315.00

Other

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	44.50
--	----	-------

Atikokan 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-2019-0020

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

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	1.0945
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0836