



Ontario  
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# **DECISION AND RATE ORDER**

**EB-2019-0029**

**E.L.K. ENERGY INC.**

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

**BEFORE: Lynne Anderson  
Presiding Member**

**Michael Janigan  
Member**

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**April 16, 2020**

## 1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves elements of the incentive rate-setting mechanism (IRM) application filed by E.L.K. Energy Inc. (E.L.K. Energy) for new rates effective May 1, 2020.

E.L.K. Energy serves approximately 11,800 mostly residential and commercial electricity customers in the Towns of Essex, Lakeshore and Kingsville. 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](#).

E.L.K. Energy's application is based on the Annual IR Index option to set rates for 2020. The Annual IR Index is based on inflation less the OEB's highest stretch factor assessment of a distributor's efficiency. In accordance with the OEB-approved 2020 parameters for an Annual IR Index adjustment, E.L.K. Energy applied for an increase of 1.40% to distribution rates. The OEB denies this request on the basis of E.L.K. Energy's return on equity (ROE) for 2018 of 16.17%, which is 739 basis points above E.L.K. Energy's approved ROE of 8.78%. All other aspects of E.L.K. Energy's application are approved.

As a result of the OEB's findings in this Decision, there will be a monthly total bill increase of \$2.92 before taxes and the Ontario Electricity Rebate<sup>1</sup> for a residential customer consuming 750 kWh, effective May 1, 2020.

## 2 THE PROCESS

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

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

<sup>2</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.

E.L.K. Energy filed its application on November 4, 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 E.L.K. Energy's application was issued on November 28, 2019. Vulnerable Energy Consumers Coalition (VECC) requested intervenor status and cost eligibility. The OEB approved VECC as an intervenor, and granted 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, the applicant and VECC.

### 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying E.L.K. Energy's proposals relating to each of them:

- Annual IR Index Adjustment
- Return on Equity
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges<sup>3</sup> and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

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<sup>3</sup> Specific service charges have been amended by the OEB through: the Report of the OEB – "Wireline Pole Attachment Charges", EB-2015-0304, Issued March 22, 2018; and, the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2019-0280 issued November 28, 2019 for energy retailer service charges, and the cover letter dated November 28, 2019 "Inflation Adjustment for Energy Retailer Service Charges (EB-2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors", established the adjustments effective January 1, 2020.

## 4 ANNUAL IR INDEX ADJUSTMENT

E.L.K. Energy 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 Annual IR Index applications.

The components of the Annual IR Index adjustment formula applicable to E.L.K. Energy are set out in Table 4.1, below. Inserting these components into the formula results in a 1.40% increase to E.L.K. Energy's rates: **1.40% = 2.00% - (0.00% + 0.60%)**.

**Table 4.1: Annual IR Index Adjustment Formula**

Components		Amount
Inflation Factor <sup>4</sup>		2.00%
X-Factor	Productivity <sup>5</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>6</sup>	0.60%

The inflation factor of 2.00% applies to all Annual IR Index 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 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

<sup>4</sup> For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage – October 31, 2019.

<sup>5</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>6</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.

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. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

Section 3.3.5 of Chapter 3 of the 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 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.

On September 29, 2019, the OEB published E.L.K. Energy's Scorecard. For the 2018 year, the scorecard indicates that E.L.K. Energy achieved an ROE of 16.17% and that its approved ROE was 8.78%. The achieved ROE represents 739 basis points above the approved ROE that was the basis upon which rates were established.<sup>7</sup> Furthermore, in E.L.K. Energy's filing under the OEB's reporting and record-keeping requirements<sup>8</sup>, E.L.K. Energy submitted that it had achieved an ROE of \$743,531 for 2018. This is \$321,967 or 7.39% greater than E.L.K. Energy's ROE as approved in its most recent cost of service proceeding.

E.L.K. Energy filed its last cost of service application for 2017 rates, on November 4, 2016. As part of the settlement agreement accepted by the OEB in that proceeding, E.L.K. Energy agreed to withdraw its application and instead use an Annual IR Index methodology to set base rates. E.L.K. Energy also agreed to undertake a regulatory audit, an operational review, and an asset condition assessment prior to its next cost of service application.<sup>9</sup> The settlement proposal, accepted by the OEB, highlighted a number of concerns by intervenors that needed to be addressed before E.L.K. Energy should be provided significant additional funding, one of which was that it had consistently over-earned.<sup>10</sup>

In its submission, OEB staff noted that E.L.K. Energy did not raise the issue of over-earning in the 2018 fiscal year. In response to OEB staff interrogatories E.L.K. Energy stated that it believes its over-earning to be a one-time scenario, which will not persist.

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<sup>7</sup> EB-2011-0099, Decision and Rate Order, May 2, 2013 (2013 rate year).

<sup>8</sup> Form 2.1.5.6.

<sup>9</sup> EB-2016-0066, Settlement Proposal, November 2, 2017.

<sup>10</sup> Ibid.

E.L.K. Energy noted that it is scheduled to rebase in 2022 which will adjust any variances from the minimal inflationary increase being requested.

In its submission, OEB staff identified that \$160,000 was allocated as one-time costs in 2017 by E.L.K. Energy to fund both its operational review and asset management assessment. As identified by E.L.K. Energy in its interrogatory responses, both projects are not completed annually and data for the 2019 fiscal year is unavailable due to an outstanding audit. OEB staff submitted that there was no rebasing for 2017 rates and did not understand E.L.K. Energy's explanations nor the significance of the one time costs identified for 2017 in terms of explaining the over-earnings for the 2018 year.

In the absence of any further justification from E.L.K. Energy, OEB staff submitted that E.L.K. Energy has not substantiated why it should receive the inflationary increase of 1.4% given the OEB's policy regarding over-earning during an IRM period.

VECC noted in its submission that E.L.K. Energy estimates its ROE for 2019 and 2020 at approximately 9%. VECC submitted that the OEB cannot reasonably rely on this information given that E.L.K. Energy did not file any underlying calculations to support these projections and assess whether or not the 2018 over-earnings would persist. Furthermore, VECC noted that the Annual IR is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements. VECC indicated that since E.L.K. Energy is over-earning while on an Annual IR where the highest stretch factor of 0.6% is applied to its base rates, a base rates increase in 2020 is not needed.

In its reply submission, E.L.K. Energy noted that the operational review and asset management assessment was underway in 2018 but that the third party service providers had not yet billed E.L.K. Energy for these services by December 31, 2018. E.L.K. Energy further noted that it scaled back other expenditures in 2018 to accommodate the operational review and asset management assessment. E.L.K. Energy submitted that if the inflationary increase is denied, E.L.K. Energy would not have sufficient funds available to pay for the completion of the operational review, asset management assessment, prepare for the upcoming cost of service application and continue to maintain a safe and reliable distribution system.

## Findings

The request for an Annual IR Index adjustment for 2020 is denied. E.L.K. Energy was 739 basis points over the OEB-approved ROE for 2018. The OEB concludes that an increase in distribution rates at this time would not be just and reasonable.

While E.L.K. Energy stated that overearning is not expected to occur again in either 2019 or 2020, no details were provided to support this assertion. E.L.K. Energy filed its interrogatory responses on January 30, 2020 and its reply submission on February 28, 2020. While the OEB accepts that E.L.K. Energy's audit was not yet complete at that time, E.L.K. Energy should have been able to provide a reasonable forecast of its 2019 financial results to provide a credible explanation for why it expects the overearning will not continue.

E.L.K. Energy argued that it scaled back other expenditures in 2018 to accommodate the operational review and asset management assessment. The OEB does not find that sufficient justification for an ROE that is 7.39% higher than the approved ROE. The OEB commends E.L.K. Energy for being a low cost distributor, as demonstrated through the OEB's benchmarking. However, customers are not seeing the benefit from these low costs if the current rates are generating an ROE for the utility of 16.17%.

## 5 SHARED TAX ADJUSTMENTS

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

On July 25, 2019, the OEB issued a letter<sup>11</sup> providing accounting guidance with respect to recent changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM applications, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor's next cost-base rate application. A distributor's request for disposition of shared tax adjustment amounts in an IRM application should, therefore, be comprised

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<sup>11</sup> OEB Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance, July 25, 2019.

only of impacts for tax changes unrelated to CCA (such as changes in corporate income tax rates).

The application identifies a total tax increase of \$23,319, resulting in a shared debit amount of \$11,660 to be collected from ratepayers.

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

### **Findings**

The OEB approves the tax charge of \$11,660.

The allocated tax sharing debit amount does not produce a rate rider in one or more rate classes. The OEB therefore directs E.L.K. Energy to record the OEB-approved tax sharing debit amount of \$11,660 into Account 1595 "Sub-account Principal Balances Approved for Disposition in 2020", by June 30, 2020, for disposition at a later date.

## **6 RETAIL TRANSMISSION SERVICE RATES**

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

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

**Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>12</sup>**

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

## Findings

E.L.K. Energy's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs.

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

## 7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.<sup>13</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.<sup>14</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total Group 1 account balances requested for disposition by E.L.K. Energy including interest projected to April 30, 2020 is a debit of \$247,594. This amount represents a total debit claim of \$0.0010 per kWh, which exceeds the disposition threshold. E.L.K. Energy has requested disposition of this debit amount.

<sup>12</sup> EB-2019-0043, Decision and Order, December 17, 2019.

<sup>13</sup> Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

<sup>14</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

*a) Global Adjustment Variance Account*

One of the components of the commodity costs billed by the Independent Electricity System Operator (IESO), which is included in Group 1 accounts, is the Global Adjustment (GA).<sup>15</sup>

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.

In E.L.K. Energy's 2017 rate proceeding, the OEB accepted a settlement proposal<sup>16</sup> between participating parties, which formed a part of the OEB's Decision and Order.<sup>17</sup> Among other things, the settlement provided that Group 1 accounts would be disposed as at December 31, 2015, with the exception of Accounts 1588 and 1589. Accounts 1588 and 1589 were to be included as part of a regulatory audit to be completed before E.L.K. Energy files its next cost of service rebasing application for 2022 rates.<sup>18</sup> Since the regulatory audit has not been conducted yet, E.L.K. Energy is not requesting to dispose of these accounts in this proceeding. In its submission, OEB staff concurred with E.L.K. Energy and further noted that the audit should be completed during the 2020 calendar year, which would be the last historical year leading up to E.L.K. Energy's cost of service application for the 2022 test year. VECC was silent on this matter.

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<sup>15</sup> 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.

<sup>16</sup> EB-2016-0066, Settlement Proposal, November 2, 2017.

<sup>17</sup> Decision and Order, EB-2016-0066, November 2, 2017.

<sup>18</sup> Ibid.

b) *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 \$21,777, relating to the IESO's wholesale energy market for the CBR program. E.L.K. Energy had Class A customers during the period from January 2018 to December 2018 so it applied to have the balance of this account disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

c) *Group 1 Accounts*

The Group 1 accounts being sought for disposition (excluding global adjustment) include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, and Retail Transmission Service Charges. These Group 1 accounts have a total debit balance of \$247,594, which results in a charge to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>19</sup> E.L.K. Energy further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>20</sup>

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.<sup>21</sup> The OEB issued accounting guidance<sup>22</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 its 2019 rate proceeding, E.L.K. Energy received approval to dispose of 2017 Group 1 balances, excluding Accounts 1588 and 1589, on an interim basis. E.L.K. Energy has not completed its review of the 2017 and 2018 balances in the context of the new accounting guidance, as the audit is still outstanding. As a result, E.L.K. Energy has not requested final disposition of its 2017 and 2018 balances.

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<sup>19</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

<sup>20</sup> Report of the OEB – “Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR).” EB-2008-0046, July 31, 2009.

<sup>21</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>22</sup> Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.

## Findings

The OEB approves the disposition of a debit balance of \$247,594 as of December 31, 2018, including interest projected to April 30, 2020 for Group 1 accounts, excluding accounts 1588, 1589 and 1595, on an interim basis. The OEB agrees with OEB staff that E.L.K. Energy should complete its audit of Accounts 1588 and 1589 in 2020.

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

**Table 7.1: Group 1 Deferral and Variance Account Balances**

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance (\$) A</b>	<b>Interest Balance (\$) B</b>	<b>Total Claim (\$) C=A+B</b>
LV Variance Account	1550	378,491	16,986	395,477
Smart Meter Entity Variance Charge	1551	(12,220)	(444)	(12,664)
RSVA - Wholesale Market Service Charge	1580	(31,115)	(2,902)	(34,017)
Variance WMS - Sub-account CBR Class B	1580	(21,421)	(356)	(21,777)
RSVA - Retail Transmission Network Charge	1584	(1,126)	3,816	2,690
RSVA - Retail Transmission Connection Charge	1586	(83,194)	1,078	(82,116)
<b>Totals for all Group 1 accounts</b>		229,415	18,179	247,594

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.<sup>23</sup> The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. E.L.K. Energy shall

<sup>23</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

ensure these adjustments are included in the reporting period ending June 30, 2020 (Quarter 2).

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.<sup>24</sup>

## 8 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 E.L.K. Energy'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 E.L.K. Energy to the OEB.

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

**Table 8.1: Regulatory Charges**

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

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 17, 2019.<sup>25</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

<sup>24</sup> 2020 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B Allocation and Tab 7 Calculation of Def-Var RR.

<sup>25</sup> EB-2019-0278, Decision and Order, December 17, 2019.

Entity Charge was set by the OEB on March 1, 2018.<sup>26</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>27</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>28</sup> 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. E.L.K. Energy 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 E.L.K. Energy 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 E.L.K. Energy 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

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<sup>26</sup> EB-2017-0290, Decision and Order, March 1, 2018.

<sup>27</sup> EB-2010-0219, Report of the Board "Review of Electricity Distribution cost Allocation Policy", March 31, 2011.

<sup>28</sup> OEB letter, issued February 24, 2020.

November 1, 2020 if E.L.K. Energy 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. E.L.K. Energy 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 E.L.K. Energy 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 E.L.K. Energy 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. E.L.K. Energy 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.

## **COST AWARDS**

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

1. Vulnerable Energy Consumers Coalition shall submit to the OEB and copy E.L.K. Energy Inc. its cost claims no later than **7 days** from the date of issuance of this Decision and Rate Order.
2. E.L.K. Energy Inc. shall file with the OEB and forward to Vulnerable Energy Consumers Coalition any objections to the claimed costs within **17 days** from the date of issuance of this Decision and Rate Order.
3. Vulnerable Energy Consumers Coalition shall file with the OEB and forward to E.L.K. Energy Inc. any responses to any objections for cost claims within **24 days** from the date of issuance of this Decision and Rate Order.
4. E.L.K. Energy 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-2019-0029**, 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.

### **ADDRESS**

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

E-mail: [boardsec@oeb.ca](mailto:boardsec@oeb.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**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-2019-0029**

**DATED: April 16, 2020**

**E.L.K. Energy 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-2019-0029

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to a service which is less than 50 kW supplied to a single family dwelling unit that is for domestic or household purposes, including seasonal occupancy. At E.L.K.'s discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate or by blocking the residential rate by the number of units. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.80
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0012
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kWh	0.0010
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

## 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

**E.L.K. Energy Inc.**  
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## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to premises other than those designated as residential and do not exceed 50 kW in any month of the year. This includes multi-unit residential establishments such as apartment buildings supplied through one service (bulk-metered). Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.22
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0051
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kWh	0.0011
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

### 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

**E.L.K. Energy Inc.**  
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## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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 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	\$	192.36
Distribution Volumetric Rate	\$/kW	1.6274
Low Voltage Service Rate	\$/kW	0.4332
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kW	(0.0344)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kW	0.3937
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers excluding Wholesale Market Participant customers, and those customers who paid a Rate Rider for the Disposition of Global Adjustment for a minimum of 12 months - effective until April 30, 2022	\$/kWh	0.0056
Retail Transmission Rate - Network Service Rate	\$/kW	2.8445
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1364

Issued - April 16, 2020

**E.L.K. Energy Inc.**  
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**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

**E.L.K. Energy Inc.**  
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## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. E.L.K. is not in the practice of connecting new unmetered scattered load services. 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)	\$	6.59
Distribution Volumetric Rate	\$/kWh	0.0019
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kWh	0.0011
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

### 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

**E.L.K. Energy Inc.**  
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## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. E.L.K. is not in the practice of connecting new unmetered scattered load services. 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)	\$	3.22
Distribution Volumetric Rate	\$/kW	6.0562
Low Voltage Service Rate	\$/kW	0.3421
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kW	(0.0361)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kW	0.4412
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	\$/kW	2.1559
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6874

### 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

**E.L.K. Energy Inc.**  
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## STREET LIGHTING SERVICE CLASSIFICATION

### 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)	\$	1.21
Distribution Volumetric Rate	\$/kW	11.7612
Low Voltage Service Rate	\$/kW	0.3351
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kW	(0.0327)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kW	0.3940
Rate Rider for Disposition of Account 1595 (2017) Applicable only for Non-RPP Customers - effective until April 30, 2022	\$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	\$/kW	2.1455
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6526

### 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

**E.L.K. Energy Inc.**  
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## EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board, and provided electricity by means of E.L.K. Energy Inc.'s distribution facilities. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. 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	\$	1,901.92
Distribution Volumetric Rate	\$/kW	0.2829
Low Voltage Service Rate	\$/kW	0.4332
Rate Rider for Disposition of Capacity Based Recovery Account (2020) - effective until April 30, 2021 Applicable only for Class B Customers - approved on an interim basis	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - approved on an interim basis	\$/kWh	0.0011
Retail Transmission Rate - Network Service Rate	\$/kW	2.8445
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1364

### 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

**E.L.K. Energy Inc.**  
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**microFIT SERVICE CLASSIFICATION**

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

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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	4.55
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**ALLOWANCES**

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

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## SPECIFIC SERVICE CHARGES

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### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

### Non-Payment of Account

Late Payment – per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

### Other

Special meter reads	\$	30.00
Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	44.50

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## RETAIL SERVICE CHARGES (if applicable)

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

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	102.00
Monthly Fixed Charge, per retailer	\$	40.80
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.02
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.61)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.51
Processing fee, per request, applied to the requesting party	\$	1.02
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.08
Notice of switch 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	1.0810
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0703