



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2020-0049

OTTAWA RIVER POWER CORPORATION

Application for rates and other charges to be effective May 1, 2021

By Delegation, Before: Jane Scott

[date]

1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Ottawa River Power Corporation (Ottawa River Power) for new rates effective May 1, 2021.

Ottawa River Power serves approximately 11,300 mostly residential and commercial electricity customers in the City of Pembroke, the Township of Whitewater (Beachburg only), the Town of Mississippi Mills (Almonte Ward only) and the Township of Killaloe, Hagarty and Richards (Killaloe only). 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*](#).

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

As a result of this Decision, there will be a monthly total bill increase of \$1.61 for a residential customer consuming 750 kWh, effective May 1, 2021. The increase does not factor in applicable taxes or the Ontario Electricity Rebate.¹

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

2 THE PROCESS

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

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

Ottawa River Power filed its application on December 23, 2020 under section 78 of the OEB Act and in accordance with the OEB's [Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 - Incentive Rate-Setting Applications](#) (Filing Requirements).

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to OEB staff questions through emails and, where required, updated and clarified the evidence.

² The Rate Generator Model is a Microsoft Excel workbook that is used to update base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

3 ORGANIZATION OF THE DECISION

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

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

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges³ and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

³ Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2020-0285, issued December 3, 2020 established the adjustment for energy retailer service charges, effective January 1, 2021. The Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

4 PRICE CAP ADJUSTMENT

Ottawa River Power seeks to change its rates, effective May 1, 2021, 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 Ottawa River Power are set out in Table 4.1, below. Inserting these components into the formula results in a 2.05% increase to Ottawa River Power's rates: **2.05% = 2.20% - (0.00% + 0.15%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁴		2.20%
X-Factor	Productivity ⁵	0.00%
	Stretch (0.00% to 0.60%) ⁶	0.15%

A maximum inflation factor of 2.20% applies to all Price Cap IR applications for the 2021 rate year, provided that a utility does not elect a lower inflation factor to be used.

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 2021 rate year.

The stretch factor component of the X-factor is distributor-specific. The OEB has

⁴ For the 2021 Inflation Factor, see Ontario Energy Board 2021 Electricity Distribution Rate applications webpage – November 9, 2020

⁵ 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

⁶ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2019 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2020

established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Ottawa River Power is 0.15%.

In light of the continued uncertainty regarding the severity and duration of the COVID-19 emergency, and its impact on electricity utilities and customers alike, for 2021 rate adjustment applications, the OEB allowed utilities the discretion of applying either the calculated inflation factor in accordance with the OEB-approved methodology or a lower value. Utilities were also given the discretion to forego the inflationary increase entirely.⁷

The OEB required all utilities that filed (or were planning to file) 2021 rate adjustment applications to file a letter on the record of their rates proceedings, indicating the inflation factor that the utility has elected.

On February 5, 2021, Ottawa River Power filed a letter advising the OEB that it is electing an inflation factor of 2.2% for 2021 rates, resulting in a rate adjustment of 2.05%.⁸

Section 3.3.5 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 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.

As part of its 2020 rate application, Ottawa River Power was required to substantiate its request for a rate increase, as its 2018 regulatory ROE exceeded the 300 basis point dead band. In the OEB's Decision and Rate Order for that proceeding, the OEB stated that the smart meter distribution rate rider (SMDRR) revenues should be excluded from the calculation of the 2018 ROE for the purpose of the means test, as it is out of period in that relates to utility activities prior to 2016.⁹ When the SMDRR revenue was excluded, Ottawa River Power's normalized 2018 ROE only exceeded the 300 basis point dead band by 50 basis points. The OEB further stated that while the out of period SMDRR revenue would also affect Ottawa River Power's 2019 ROE (the rate rider has

⁷ [OEB Letter, 2021 Inflation Parameters, issued November 9, 2020](#)

⁸ EB-2020-0049, Letter re: Ottawa River Power Corporation's 2021 Inflation Factor, February 5, 2021

⁹ EB-2019-0063, Decision and Rate Order, April 16, 2020, p. 8

a sunset date of June 30, 2020), this would also be an out of period revenue that should be excluded from the distribution revenue for the purposes of the means test.

In this proceeding, Ottawa River Power states that it achieved a regulatory ROE of 14.48% in 2019, which is 229 basis point above the upper bound of the 300 basis point dead band (12.19%). Ottawa River Power further submits that, as reported in its 2019 *Reporting and Record-Keeping Requirements* 2.1.5.6 filing, the 2019 revenues included \$267,813 for the Historical Smart Meter Costs (collected through the SMDRR). If these revenues are excluded, the ROE would be 9.33%, which is well within the 300 basis point dead band compared to the OEB-approved ROE of 9.19%. Ottawa River Power submits that it is therefore reasonable to request an adjustment to its base rates. Table 4.2 below summarizes Ottawa River Power's earnings results for 2019.

Table 4.2: 2019 Earnings Results

Result	%
Achieved ROE	14.48
OEB-approved ROE	9.19
Dead Band Upper Bound	12.19
Adjusted ROE (excluding SMDRR revenues)	9.33

Findings

The OEB finds that, for the purposes of the means test, Ottawa River Power's achieved 2019 ROE has been appropriately adjusted to remove the effects of SMDRR revenues, consistent with the OEB's findings in Ottawa River Power's 2020 IRM proceeding. This results in an adjusted ROE of 9.33%, within the OEB's 300 basis point dead band. Accordingly, the OEB will grant Ottawa River Power's price cap adjustment as requested.

The OEB finds that Ottawa River Power's request for a 2.05% rate adjustment is in accordance with the annually updated parameters set by the OEB, as well as the process established for the implementation of the 2021 inflation factor. The adjustment is approved, and Ottawa River Power's new rates shall be effective May 1, 2021.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.¹⁰

¹⁰ 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

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 letter¹¹ 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 only of impacts for tax changes unrelated to CCA (such as changes in corporate income tax rates).

The application identifies a total tax decrease of \$9,359, resulting in a shared credit amount of \$4,679 to be refunded to ratepayers.

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

Findings

The OEB approves the tax refund of \$4,679.

The allocated tax sharing amount does not produce a rate rider in one or more rate classes. The OEB, therefore, directs Ottawa River Power to record the OEB-approved tax sharing credit amount of \$4,679 into Account 1595.

supply service – administrative charge, transformation and primary metering allowances, loss factors and microFIT charge.

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

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 is OEB-approved.

Ottawa River Power is fully embedded within the systems of Hydro One Networks Inc. and Brookfield Energy Management Inc. Ottawa River Power seeks 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 and Table 6.2.

Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs¹²

Sub-Transmission Host RTSRs (2021)	per kW
Network Service Rate	\$3.4778
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.8128
Transformation Connection Service Rate	\$2.0458

Table 6.2: Brookfield Energy Management Inc. Sub-Transmission Host-RTSRs¹³

Sub-Transmission RTSRs (2021)	per kW
Network Service Rate	\$1.74
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.41
Transformation Connection Service Rate	\$1.02

¹² EB-2020-0030, Decision and Order, December 17, 2020

¹³ This is 50% of the Hydro One Sub-Transmission Network, Line Connection and Transformation Connection charges, EB-2020-0237, Appendix A Power Purchase Agreement, p. 5

Findings

Ottawa River Power's proposed adjustment to its RTSRs is approved. The OEB notes that the current host-RTSRs were incorporated into the rate model used to adjust the RTSRs that Ottawa River Power 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 (DVA) in order to determine whether their total balance should be disposed.¹⁴ 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.¹⁵ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2019 actual year-end total balance for Ottawa River Power's Group 1 accounts, excluding Accounts 1588 and 1589, and including interest projected to April 30, 2021, is a debit of \$297,230. This amount represents a total debit claim of \$0.0016 per kWh, which exceeds the disposition threshold. Ottawa River Power has requested disposition of this debit amount (Group 1 accounts excluding Accounts 1588 and 1589) over a one-year period.

Ottawa River Power states that it is currently undergoing an audit by the OEB's compliance division of Accounts 1588 and 1589. Ottawa River Power expects that principal adjustments will be required to the 2015 to 2019 account balances, but the adjustments have not been quantified at this time. Due to the ongoing nature of the audit, Ottawa River Power believes that it is not appropriate at this time to request final disposition of its 2017 balances in Accounts 1588 and 1589¹⁶ nor is it appropriate to request disposition of its 2019 balances in these two accounts.¹⁷

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, relating to the Independent Electricity System Operator's wholesale energy market for the CBR program. Ottawa River Power notes in the application that it is a fully embedded distributor and is not charged CBR for its Class B customers.¹⁸

¹⁴ Group 1 accounts track the differences between the costs that a distributor is billed for certain Independent Electricity System Operator 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.

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

¹⁶ Ottawa River Power's 2017 year-end balances of the Group 1 accounts (including Accounts 1588 and 1589) were approved for interim disposition in its 2019 IRM Decision and Rate Order, EB-2018-0063.

¹⁷ Manager's Summary, EB-2020-0049, filed December 23, 2020, p. 14

¹⁸ Manager's Summary, EB-2020-0049, filed December 23, 2020, p. 19

b) Group 1 Accounts

The Group 1 accounts being sought for disposition (excluding Accounts 1588 and 1589) 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 \$297,230, 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*.¹⁹ Ottawa River Power further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.²⁰

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.²¹ The OEB issued accounting guidance²² (Accounting Guidance) 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 2020, the OEB approved Ottawa River Power's request that it not dispose of the 2018 DVA balances at this time. The OEB policy would have normally required disposition of Ottawa River Power's Group 1 accounts, as they exceeded the pre-set disposition threshold. However, the OEB accepted Ottawa River Power's explanation that it needed to correct the error associated with its settlement with Hydro One before Group 1 account balances are disposed.

In this proceeding, Ottawa River Power has advised that it is undergoing a review with the OEB of Accounts 1588 and 1589 and therefore cannot, as of yet, confirm its compliance with the Accounting Guidance issued on February 21, 2019. Ottawa River Power notes that prior to the audit, it believed that it had fully implemented the guidance. In regards to 2017 historical balances yet to be disposed of on a final basis, Ottawa River Power has considered the impact of this guidance on the balances. Ottawa River Power is anticipating adjustments to Accounts 1588 and 1589 once the OEB review is finalized. However, Ottawa River Power confirms that no adjustments are

¹⁹ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

²⁰ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)," EB-2008-0046, July 31, 2009

²¹ 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.

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

required to the remaining Group 1 accounts. Ottawa River Power is therefore requesting that the balances disposed up to December 31, 2017 for Accounts 1588 and 1589 remain on an interim basis at this time, and that the approved disposition for Accounts 1550, 1551, 1580, 1584, 1586 and 1595 (2013) be deemed final in this application.²³

Findings

The OEB approves the disposition of a debit balance of \$297,230 as of December 31, 2019, including interest projected to April 30, 2021, for Group 1 accounts (excluding Accounts 1588 and 1589) on a final basis. The OEB also approves on a final basis the 2017 balances (excluding Accounts 1588 and 1589) that were previously disposed on an interim basis in Ottawa River Power's IRM proceeding for 2019 rates. The OEB finds that, given the ongoing compliance review of Ottawa River Power's Account 1588 and 1589 balances, those accounts shall not be disposed of in this proceeding.

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

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	744,012	31,249	775,261
Smart Meter Entity Variance Charge	1551	(11,536)	(538)	(12,074)
RSVA - Wholesale Market Service Charge	1580	(198,538)	(8,822)	(207,360)
RSVA - Retail Transmission Network Charge	1584	(189,088)	(1,929)	(191,017)
RSVA - Retail Transmission Connection Charge	1586	(69,091)	1,511	(67,580)
Totals for Group 1 accounts (excluding Accounts 1588 and 1589)		275,759	21,471	297,230

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*

²³ Manager's Summary, EB-2020-0049, filed December 23, 2020, pp. 15-16

*Distributors.*²⁴ 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.

The OEB approves these balances to be disposed through final rate riders as calculated in the Rate Generator Model. The final rate riders will be in effect over a one-year period from May 1, 2021 to April 30, 2022.²⁵

²⁴ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²⁵ 2021 IRM Rate Generator Model Tab 6.1 GA and Tab 7 Calculation of Def-Var RR

8 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with Ottawa River Power's last cost of service decision and to ensure that the 2020 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2019, are as reported by Ottawa River Power to the OEB.

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

Table 8.1: Regulatory Charges

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

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.²⁶

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, 2018.²⁷

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁸ 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. On February 25, 2021, the OEB announced that the microFIT charge for the 2021 rate year will remain at \$4.55 per month.²⁹

²⁶ EB-2020-0276, Decision and Order, December 10, 2020

²⁷ EB-2017-0290, Decision and Order, March 1, 2018

²⁸ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

²⁹ OEB letter: Review of Fixed Monthly Charge for microFIT Generator Service Classification, issued February 25, 2021

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2021 for electricity consumed or estimated to have been consumed on and after such date. Ottawa River Power Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, Month Day, 2021

ONTARIO ENERGY BOARD

Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2020-0049

DATED: [Date]

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-049

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	24.63
Rate Rider for Recovery of Incremental Capital Module - in effect until the effective date of the next cost of service-based rate order	\$	0.67
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0008
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-049

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.74
Rate Rider for Recovery of Incremental Capital Module - in effect until the effective date of the next cost of service-based rate order	\$	1.34
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0135
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-049

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load equal to or greater than 50 kW but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon the location of the building, primary supplies to transformers and customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 wire

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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

EB-2020-049

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	89.34
Rate Rider for Recovery of Incremental Capital Module - in effect until the effective date of the next cost of service-based rate order	\$	14.76
Distribution Volumetric Rate	\$/kW	3.7003
Low Voltage Service Rate	\$/kW	0.2787
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	0.5127
Retail Transmission Rate - Network Service Rate	\$/kW	2.1773
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7860

MONTHLY RATES AND CHARGES - Regulatory Component

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

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Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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EB-2020-049

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.11
Rate Rider for Recovery of Incremental Capital Module - in effect until the effective date of the next cost of service-based rate order	\$	0.14
Distribution Volumetric Rate	\$/kW	9.6026
Low Voltage Service Rate	\$/kW	0.2200
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	0.6603
Retail Transmission Rate - Network Service Rate	\$/kW	1.6502
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4099

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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EB-2020-049

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. The consumption for these customers will be based on the calculated connected load multiplied by the required lighting times, established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.51
Rate Rider for Recovery of Incremental Capital Module - in effect until the effective date of the next cost of service-based rate order	\$	0.11
Distribution Volumetric Rate	\$/kW	13.7739
Low Voltage Service Rate	\$/kW	0.2155
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	0.5812
Retail Transmission Rate - Network Service Rate	\$/kW	1.6420
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3808

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

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EB-2020-049

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an 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 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. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	10.91
Rate Rider for Recovery of Incremental Capital Module - effective until the effective date of the next cost of service-based rate order	\$	0.36
Distribution Volumetric Rate	\$/kWh	0.0037
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	0.0017
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044

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

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

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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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

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EB-2020-049

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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Customer Administration

Arrears certificate	\$	15.00
Account history	\$	15.00
Returned Cheque (plus bank charges)	\$	20.00
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)	\$	45.00

Non-Payment of Account (see Note below)

Late Payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Reconnection at meter - during regular hours	\$	65.00
Reconnection charge at meter - after hours	\$	185.00

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EB-2020-049

RETAIL SERVICE CHARGES (if applicable)

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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	\$	104.24
Monthly Fixed Charge, per retailer	\$	41.70
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.52
Processing fee, per request, applied to the requesting party	\$	1.04
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)	\$	4.17
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)	\$	2.08

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	1.0457
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0396