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# **DECISION AND RATE ORDER**

## **EB-2020-0046**

### **ORANGEVILLE HYDRO LIMITED**

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

**By Delegation, Before: Jane Scott**

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**[ 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 Orangeville Hydro Limited (Orangeville Hydro) for new rates effective May 1, 2021.

Orangeville Hydro serves approximately 12,000 mostly residential and commercial electricity customers in the Town of Orangeville and the Town of Grand Valley. 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](#).

Orangeville Hydro's application is based on the Annual IR Index option to set rates for 2021. 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 2021 parameters for an Annual IR Index adjustment, Orangeville Hydro applied for an increase of 1.60% to distribution rates.

As a result of this Decision, there will be a monthly total bill increase of \$2.38 for a residential customer consuming 750 kWh, effective May 1, 2021. The increase does not factor in applicable taxes or the Ontario Electricity Rebate.<sup>1</sup>

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<sup>1</sup> 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 the Annual IR Index option. In each adjustment year of an Annual IR Index term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.<sup>2</sup> A distributor will then review and complete the Rate Generator Model, and include it with its application.

Orangeville Hydro filed its application on November 2, 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 phone calls and, where required, updated and clarified the evidence.

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<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.

### 3 ORGANIZATION OF THE DECISION

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

- Annual IR Index Adjustment
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance

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.

<sup>3</sup> 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 ANNUAL IR INDEX ADJUSTMENT

Orangeville Hydro 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 Annual Index IR applications.

The components of the Annual IR Index adjustment formula applicable to Orangeville Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 1.60% increase to Orangeville Hydro's rates: **1.60% = 2.20% - (0.00% + 0.60%)**.

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

Components		Amount
Inflation Factor <sup>4</sup>		2.20%
X-Factor	Productivity <sup>5</sup>	0.00%
	Stretch (0.00% to 0.60%) <sup>6</sup>	0.60%

A maximum inflation factor of 2.20% applies to all Annual IR Index 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 OEB has established five stretch factor groupings, each within a range from 0.00%

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

<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: 2019 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2020

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

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.<sup>7</sup>

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 December 4, 2020, Orangeville Hydro filed a letter advising the OEB that it is electing an inflation factor of 2.20% for 2021 rates, resulting in a rate adjustment of 1.60%.<sup>8</sup>

## Findings

The OEB finds that Orangeville Hydro's request for a 1.60% 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 Orangeville Hydro's new rates shall be effective May 1, 2021.

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

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

<sup>8</sup> EB-2020-0046, Letter re: Orangeville Hydro's 2021 Inflation Factor, December 4, 2020

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

## 5 SHARED TAX ADJUSTMENTS

In any adjustment year of an Annual IR Index, 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>10</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 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 \$66,955, resulting in a shared debit amount of \$33,477 to be collected from ratepayers.

### Findings

The OEB approves the tax charge of \$33,477.

The amount shall be collected through a fixed monthly rate rider for residential customers, and through riders calculated on a volumetric basis for all other customers over a one-year period from May 1, 2021, to April 30, 2022.

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<sup>10</sup> 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.

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

**Table 6.1: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>11</sup>**

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

### Findings

Orangeville Hydro's proposed adjustment to its RTSRs is approved. The OEB notes that Hydro One Networks Inc.'s 2021 host-RTSRs were incorporated into the rate model to adjust the RTSRs that Orangeville Hydro will charge its customers.

<sup>11</sup> EB-2020-0030, Decision and Order, December 17, 2020



## 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>12</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>13</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2019 actual year-end total balance for Orangeville Hydro's Group 1 accounts including interest projected to April 30, 2021 is a debit of \$1,087,217. This amount represents a total debit claim of \$0.0043 per kWh, which exceeds the disposition threshold. Orangeville Hydro has requested disposition of this debit amount over a one-year period.

### *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>14</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.

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<sup>12</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>13</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

<sup>14</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

- "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.

Under the general principle of cost causality, customer groups that cause variances which are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. A customer's movement from one group to another should not prevent that customer from paying/receiving a debit/credit balance.

Orangeville Hydro proposes the recovery of its GA variance account balance of \$456,161 as of December 31, 2019, including projected interest to April 30, 2021, in accordance with the following table.

**Table 7.1: Recovery of GA Variance**

Proposed Amounts	Proposed Method for Recovery
\$374,741 recovered from customers who were Class B for the entire period from January 2017 to December 2019	per kWh rate rider
\$41,397 recovered from customers formerly in Class B during the period January 2017 to June 2017 who were reclassified to Class A	12 equal installments <sup>15</sup>
\$40,023 recovered from customers formerly in Class B during the period January 2019 to June 2019 who were reclassified to Class A	12 equal installments <sup>16</sup>

*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 in a credit amount of \$19,003, relating to the IESO's wholesale energy market for the CBR program. Orangeville Hydro had Class A customers during the period from January 2017 to December 2019, 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.

<sup>15</sup> 2021 IRM Rate Generator Model, Tab 6.1a "GA Allocation"

<sup>16</sup> Ibid

As some customers were reclassified between Class A and Class B during the period from January 2017 to December 2019, Orangeville Hydro requested to recover a portion of CBR Class B costs by way of 12 equal installments.<sup>17</sup>

*c) Group 1 Accounts*

The Group 1 accounts being sought for disposition (excluding GA) include the following flow-through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges and Commodity Power Charges. These Group 1 accounts have a total debit balance of \$631,057, which results in a charge to customers. This balance combined with the balance for the GA account results in the total debit balance for Group 1 accounts of \$1,087,217.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>18</sup> Orangeville Hydro further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>19</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>20</sup> The OEB issued accounting guidance<sup>21</sup> on the commodity accounts on February 21, 2019 (Accounting Guidance). 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 this proceeding, Orangeville Hydro is also seeking to dispose Account 1588 and Account 1589 balances for 2017, 2018, and 2019 on an interim basis. Orangeville Hydro submitted that it has applied the OEB's Accounting Guidance to the 2017, 2018, and 2019 Account 1588 and Account 1589 balances that have yet to be disposed. Orangeville Hydro indicated that it has made all of the necessary adjustments to the affected accounts in order to comply with the OEB's guidance.<sup>22</sup> Specifically, Orangeville Hydro has requested interim disposition of its 2017, 2018, and 2019

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<sup>17</sup> 2021 IRM Rate Generator Model Tab 6.2a "CBR B\_Allocation"

<sup>18</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

<sup>19</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

<sup>20</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>21</sup> Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019

<sup>22</sup> Staff Question-3

Account 1588 and Account 1589 balances, and final disposition of the remaining 2019 Group 1 account balances.<sup>23</sup>

In its proceeding for 2018 rates, Orangeville Hydro received approval to dispose its 2016 Group 1 balances, except for Account 1588 and Account 1589 balances.<sup>24</sup> In its decision in that proceeding, the OEB denied approval to dispose of 2016 Account 1588 and Account 1589 balances and stated the following:

The OEB is concerned that various true-up adjustment amounts that Orangeville Hydro provided may not be accurate and is in the opinion that it is not appropriate to include account 1588 and account 1589 in its disposition of Group 1 accounts. Therefore, the OEB does not approve Orangeville Hydro's request to dispose of Account 1588 Power and Account 1589 GA in the 2018 rate year.

The OEB requires Orangeville Hydro to conduct an internal review of its RPP settlement true-up processes and ensure that these true-ups are reflected correctly in the account balances being requested for disposition. In its next rate application, Orangeville Hydro should provide details on its RPP settlement true-up processes and confirm that the balances in Accounts 1588 and 1589 that are being requested for disposition have been adjusted correctly. Orangeville Hydro should quantify each element of the RPP settlement true-ups, provide supporting calculations for each, and explain the methodology and approach it used. In addition, when Orangeville Hydro submits its GA Analysis Workform and DVA continuity schedule as part of its next rate application, Orangeville Hydro should explain any changes made as a result of the required internal review.<sup>25</sup>

In its proceeding for 2019 rates, Orangeville Hydro was denied approval to dispose of its 2017 Group 1 balances due to similar concerns of inaccuracies in the Account 1588 and Account 1589 balances.<sup>26</sup> The OEB reiterated its requirement that Orangeville Hydro conduct an internal review of its accounting and RPP settlement processes and incorporate the findings of this review in its subsequent rate proceeding.

Furthermore, the OEB did not approve Orangeville Hydro's request to recover \$385,933 from its Class B customers, relating to what the distributor submitted was as an administrative error involving Class A customers. The error resulted in an overpayment to the IESO of \$385,933.<sup>27</sup> In that proceeding, Orangeville Hydro stated that it would prefer a resolution of the problem directly with the IESO. Orangeville Hydro submitted that it did not wish to penalize its customers for the error, but also that it did not believe

<sup>23</sup> OEB Staff Follow-up Question #7

<sup>24</sup> EB-2017-0068, 2018 IRM Decision and Rate Order, March 22, 2018, page 9

<sup>25</sup> Ibid

<sup>26</sup> EB-2018-0060, 2019 IRM Decision and Rate Order, March 28, 2019, page 10 & 11

<sup>27</sup> As a result, incorrect reporting caused Class B volumes and CT 148 to be overstated.

Orangeville Hydro should be penalized as this amount related to a commodity pass-through account that should be revenue-neutral for the distributor. The OEB explained that the consideration of the matter was ultimately beyond the scope of an IRM proceeding as the issue pertained to the settlement of the GA, which is a province wide charge.

In its decision on Orangeville Hydro's application for 2020 rates, the OEB approved the final disposition of Orangeville Hydro's 2016 Account 1588 and Account 1589 balances, as well as the final disposition of the 2017 and 2018 balances for the remaining Group 1 accounts.<sup>28</sup> The OEB also stated its expectation that Orangeville Hydro would need to complete a review of its 2017 and 2018 Account 1588 and Account 1589 balances.

With respect to the Class A GA administrative error raised by Orangeville Hydro in the 2019 IRM proceeding, an update was made in this proceeding to the total dollar amount. The amount has been updated from \$385,933 to \$388,178.<sup>29</sup> Orangeville Hydro has reflected an adjustment in a credit amount of \$388,178 in Account 1589, reducing its claim in that account. This amount has been excluded from the Account 1589 balance that Orangeville Hydro is requesting for disposition in this proceeding, in accordance with the OEB's findings in Orangeville Hydro's 2019 IRM proceeding.<sup>30</sup>

## Findings

The OEB approves the disposition of a debit balance of \$1,087,217 as of December 31, 2019, including interest projected to April 30, 2021, for the Group 1 accounts on an interim basis. The OEB is not prepared to dispose of these balances on a final basis. During the course of this proceeding, it has come to the OEB's attention that there may still be issues with the strength of Orangeville Hydro's internal controls, based on the following observations:

- An inordinate amount of revisions were required to the Rate Generator Model and supporting workforms throughout the proceeding, with demonstrable challenges in reconciling amounts reported in claims with amounts presented in past proceedings, RRR filings, and Orangeville Hydro's financial records<sup>31</sup>
- Systemic issues were identified with respect to the source of data used in RPP settlements<sup>32</sup>

<sup>28</sup> EB-2019-0060, 2020 IRM Decision and Rate Order, April 16, 2020, page 9

<sup>29</sup> OEB Staff Follow-up Question #3

<sup>30</sup> 2017 GA Analysis Workform, March 5, 2021

<sup>31</sup> Orangeville Hydro Explanation of 1588 and 1589 adjustments spreadsheet, January 25, 2021, Tab 1589, columns D, E, F; Staff Question-6; Staff Question-8; Staff Question-9; Staff Question-19; OEB Staff Follow-up Question #9; OEB Staff Follow-up Question #10

<sup>32</sup> OEB Staff Question-3; OEB Staff Follow-up Question #11

- Changes in Orangeville Hydro's accounting processes were required in order to reflect the OEB's Accounting Guidance; despite the fact that Orangeville Hydro had previously confirmed in its proceeding for 2020 rates that it had implemented the Accounting Guidance from 2016 and forward<sup>33</sup>
- Class A volumes reported to the IESO for parts of 2017 and 2018 were inaccurate and required correction<sup>34</sup>

The balances being approved for disposition on an interim basis represent the 2017 to 2019 years in Account 1588 and Account 1589, and the 2019 year for the remaining Group 1 balances.

The OEB notes that the issue related to the Class A GA administrative error raised in Orangeville Hydro's 2019 IRM proceeding has been segregated from the amounts being disposed in this proceeding. The recoverability of these amounts, including whether an adjustment to Orangeville Hydro's Group 1 accounts is appropriate, remains the subject of review and the OEB will not further address the issue in this proceeding.

The OEB has repeatedly raised concerns regarding Account 1588 and Account 1589 balances in each of Orangeville Hydro's last three rate proceedings. While the OEB is satisfied that the 2017 to 2019 balances appear reasonable, and is ordering disposition of them on an interim basis accordingly, the OEB also acknowledges the numerous internal control matters noted above and the potential impact that any additional internal control deficiencies may have on the accuracy of these balances.

As a result of these concerns, the OEB is referring this matter to the OEB's Inspection & Enforcement department for the consideration of a review of Orangeville Hydro's internal controls and associated accounting practices relating to Account 1588 and Account 1589.

This review should address the distributor's obligations with respect to electricity pricing and commodity settlements with the IESO under the *Electricity Act, 1998*, specifically:

- O.Reg. 429/04 (calculation of Global Adjustment)
- O.Reg. 430/04 (settlement of RPP variances with the IESO)

The review should also consider the applicability of the Accounting Procedures Handbook provisions associated with the above regulations.

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<sup>33</sup> OEB Staff Question-4; EB-2019-0060 OEB-Staff Question-5

<sup>34</sup> OEB Staff Follow-up Question #5

Orangeville Hydro is to provide the outcomes of this review for the OEB's consideration in the first rate application following the conclusion of the review.

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

**Table 7.2: 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	525,401	13,015	538,416
Smart Meter Entity Variance Charge	1551	(3,919)	(230)	(4,149)
RSVA - Wholesale Market Service Charge	1580	(47,200)	(1,971)	(49,170)
Variance WMS - Sub-account CBR Class B	1580	(18,552)	(450)	(19,003)
RSVA - Retail Transmission Network Charge	1584	(13,458)	(1,305)	(14,763)
RSVA - Retail Transmission Connection Charge	1586	31,370	(150)	31,221
RSVA - Power	1588	145,698	2,808	148,506
RSVA - Global Adjustment	1589	422,899	33,262	456,161
<b>Totals for Group 1 accounts (excluding Account 1589)</b>		619,339	11,717	631,057
<b>Totals for all Group 1 accounts</b>		1,042,238	44,979	1,087,217

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>35</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.

The OEB approves these balances to be disposed through interim rate riders and charges as calculated in the Rate Generator Model. The interim rate riders and charges will be in effect over a one-year period from May 1, 2021 to April 30, 2022.<sup>36</sup>

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<sup>35</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>36</sup> 2021 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



## 8 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

A distributor's conservation and demand management (CDM) programs may result in reduced overall consumption. To address this, the OEB established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA), which captures a distributor's revenue implications resulting from differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast.<sup>37</sup> These differences are recorded by distributors at the rate class level.

Beginning on January 1, 2015, distributors delivered CDM programs to their customers through the Conservation First Framework (CFF). On March 20, 2019, the CFF was revoked.<sup>38</sup> Shortly thereafter, the OEB advised that electricity distributors would continue to have access to a lost revenue adjustment mechanism for conservation program activities undertaken under the CFF.<sup>39</sup> The OEB provided direction to distributors seeking to claim program savings up to December 31, 2019 related to CFF programs or other programs they deliver.<sup>40</sup>

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor.

Orangeville Hydro has applied to dispose of its LRAMVA debit balance of \$60,938. The balance consists of lost revenues in 2019 from CDM programs delivered during the period from 2011 to 2019 and carrying charges. The actual conservation savings claimed by Orangeville Hydro under the CFF were determined by the IESO.<sup>41</sup> For CDM programs delivered prior to 2018, the IESO provided Orangeville Hydro with a Final Verified Results Report that summarized all annual CDM results. For CDM programs delivered in 2018 and until the end of the CFF in 2019, the IESO made monthly Participation and Cost Reports and detailed project-level data available to Orangeville Hydro.

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<sup>37</sup> Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014

<sup>38</sup> On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO

<sup>39</sup> Ontario Energy Board letter dated June 20, 2019

<sup>40</sup> Chapter 3 Filing Requirements, section 3.2.6.1

<sup>41</sup> For CDM programs delivered from 2015 to 2017, the IESO provided distributors with a Final Results Report that summarized all savings results. For 2018, distributors accessed the Participant and Cost Reports and detailed project level data from the IESO to support LRAMVA applications.

Actual conservation savings were compared against Orangeville Hydro's forecasted conservation savings of 5,006,667 kWh included in the load forecast, which was set out in Orangeville Hydro's 2014 cost of service proceeding.<sup>42</sup>

## Findings

The OEB finds that Orangeville Hydro's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Orangeville Hydro's LRAMVA debit balance of \$60,938, as set out in Table 9.1 below.

**Table 8.1 LRAMVA Balance for Disposition**

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	82,560	23,480	1,858	60,938

<sup>42</sup> EB-2013-0160, Decision and Order, April 3, 2014

## 9 IMPLEMENTATION AND ORDER

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

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

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

**Table 9.1: Regulatory Charges**

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

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.<sup>43</sup>

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.<sup>44</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>45</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. On February 25, 2021, the OEB announced that the microFIT charge for the 2021 rate year will remain at \$4.55 per month.<sup>46</sup>

<sup>43</sup> EB-2020-0276, Decision and Order, December 10, 2020

<sup>44</sup> EB-2017-0290, Decision and Order, March 1, 2018

<sup>45</sup> EB-2010-0219, Report of the Board "Review of Electricity Distribution Cost Allocation Policy", March 31, 2011

<sup>46</sup> 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. Orangeville Hydro Limited shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim 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-2020-0046**

**DATED: [Date]**

# Orangeville Hydro Limited

## 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-2020-0046

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Basic connection is defined as 100 amp 120/240 volt overhead service. 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	\$	27.54
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$	0.24
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$	0.16
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$	0.16
Low Voltage Service Rate	\$/kWh	0.0017
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kWh	0.0010
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022		
- Approved on an Interim Basis	\$/kWh	0.0026
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until October 31, 2021		
- Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022		
- Approved on an Interim Basis	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022		
Applicable only for Class B Customers - Approved on the Interim Basis	\$/kWh	(0.0001)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020)		
- effective until October 31, 2021	\$/kWh	0.0003
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021)		
- effective until April 30, 2022	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0041

**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**  
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EB-2020-0046

**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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**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
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EB-2020-0046

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.62
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$	0.31
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0106
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$/kWh	0.0002
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$/kWh	0.0002
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kWh	0.0012
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022		
- Approved on an Interim Basis	\$/kWh	0.0026
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until October 31, 2021		
- Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022		
- Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022		
- Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	(0.0001)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$/kWh	0.0001
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020)		
- effective until October 31, 2021	\$/kWh	0.0006
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021)		
- effective until April 30, 2022	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0038



**Orangeville Hydro Limited**  
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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

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# Orangeville Hydro Limited

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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EB-2020-0046

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

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than, 50 kW but less than 5000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to Wholesale Market Participant (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	\$	177.39
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until October 31, 2021	\$	1.58
Distribution Volumetric Rate	\$/kW	2.3818
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$/kW	0.0198
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$/kW	0.0201
Low Voltage Service Rate	\$/kW	0.6049
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kW	0.8608
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022 - Approved on an Interim Basis	\$/kW	0.9348

**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
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Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021		
Applicable only for Non-Wholesale Market Participants	\$/kW	(0.3798)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022		
Applicable only for Non-Wholesale Market Participants - Approved on an Interim Basis	\$/kW	0.1686
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until October 31, 2021		
Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022		
- Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022		
- Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	(0.0376)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$/kW	0.0218
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020)		
- effective until October 31, 2021	\$/kW	0.0171
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021)		
- effective until April 30, 2022	\$/kW	0.0568
Retail Transmission Rate - Network Service Rate	\$/kW	2.6277
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5329

**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

**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
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EB-2020-0046

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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)	\$	3.45
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until October 31, 2021	\$	0.03
Distribution Volumetric Rate	\$/kW	13.4949
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$/kW	0.2429
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$/kW	0.2420
Low Voltage Service Rate	\$/kW	0.4774
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kW	0.4608
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022 - Approved on an Interim Basis	\$/kW	0.9382
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 - Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	(0.0352)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until October 31, 2021	\$/kW	0.1230
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020) - effective until October 31, 2021	\$/kW	1.0565
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	1.2306
Retail Transmission Rate - Network Service Rate	\$/kW	1.9915
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2102

**Orangeville Hydro Limited**  
**TARIFF OF RATES AND CHARGES**  
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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

DRAFT

**Orangeville Hydro Limited**  
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EB-2020-0046

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved Ontario Energy Board Street Lighting Load Shape Template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.57
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$	0.02
Distribution Volumetric Rate	\$/kW	8.6913
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$/kW	0.2564
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$/kW	0.2530
Low Voltage Service Rate	\$/kW	0.4675
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kW	0.3816
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022		
- Approved on an Interim Basis	\$/kW	0.9313
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until October 31, 2021		
- Applicable only for Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022		
- Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0057
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022		
- Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	(0.0350)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation		
- effective from November 1, 2020 and effective until October 31, 2021	\$/kW	0.0772
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2020)		
- effective until October 31, 2021	\$/kW	4.7206
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021)		
- effective until April 30, 2022	\$/kW	4.6744
Retail Transmission Rate - Network Service Rate	\$/kW	1.9817
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1850

**Orangeville Hydro Limited**  
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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

DRAFT

**Orangeville Hydro Limited**  
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## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers 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.

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)	\$	6.61
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until October 31, 2021	\$	0.06
Distribution Volumetric Rate	\$/kWh	0.0092
Rate Rider for Application of Tax Change (2020) - effective until October 31, 2021	\$/kWh	0.0002
Rate Rider for Application of Tax Change (2021) - effective until April 30, 2022	\$/kWh	0.0002
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until October 31, 2021	\$/kWh	0.0013
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022 - Approved on an Interim Basis	\$/kWh	0.0026
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 - Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	(0.0001)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective from November 1, 2020 and effective until October 31, 2021	\$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0038



**Orangeville Hydro Limited**  
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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

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**Orangeville Hydro Limited**  
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EB-2020-0046

### **microFIT SERVICE CLASSIFICATION**

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

### **APPLICATION**

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

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

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

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

### **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	4.55
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**Orangeville Hydro Limited**  
**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-2020-0046

**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**

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

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

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

**Customer Administration**

Arrears certificate	\$	15.00
Pulling post dated cheques	\$	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
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
Special meter reads	\$	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**

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 - per pole/year (with the exception of wireless attachments)		
- Approved on an Interim Basis	\$	44.50

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EB-2020-0046

## RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	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	1.0481
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0376