



## Wellington North Power Inc.

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ESA # 7012854

April 14, 2021

**Delivered by E-mail and RESS Filing**

Ms. Christine Long  
Registrar  
Ontario Energy Board  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Settlement Proposal version 2.0  
OEB File No. EB-2020-0061 - Wellington North Power Inc.  
2021 Cost of Service Application.**

On April 9, 2021 the OEB issued a letter to the Parties following a review of the Settlement Proposal as filed on March 25, 2021. Attached is an amended Settlement Proposal (version 2.0) that addresses the concerns noted in the OEB's letter of April 9, 2021, specifically to the allocation of costs in the utility's Retail Cost Variance Accounts, with those amendments being detailed in full under Issue 4.2. The rest of this Settlement Proposal remains as filed on March 25, 2021, other than the updating of the total bill impacts referenced in the Settlement Proposal to reflect the updated allocation of the amounts in WNP's Retail Cost Variance Accounts as those accounts are disposed of through Wellington North Power Inc.'s Group 2 rate riders.

Filed concurrently with the amended Settlement Proposal is updated supporting evidence namely the 2021 DVA Continuity Schedule; 2021 Bill Impact Model and 2021 Proposed Tariff Sheet.

Respectfully submitted,

*Original signed by Richard Bucknall*

Richard Bucknall

Manager of Customer Service & Regulatory Affairs,  
**Wellington North Power Inc.**

c.c.	Applicant's Counsel:	Mr. Michael Buonaguro.
	Applicant's Rate Consultant:	Ms. Manuela Ris-Schofield.
	VECC:	Mr. John Lawford, Mr. Mark Garner and Mr. Bill Harper.
	OEB Counsel	Mr. Lawren Murray.
	OEB Case Manager:	Mr. Donald Lau.

**IN THE MATTER OF** the *Ontario Energy Board Act*, 1998,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by  
Wellington North Power Inc.  
for an order approving just and reasonable rates and  
other charges for electricity distribution beginning  
May 1, 2021.

**Wellington North Power Inc.**

**Settlement Proposal v2.0**

Filed: April 14, 2021

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## **LIST OF ATTACHMENTS**

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- A. Proposed May 1, 2021 Tariff of Rates and Charges.
- B. Bill Impacts.
- C. Revenue Requirement Work Form.
- D. OEB Letter, April 9, 2021.

Note:

Wellington North Power Inc. has filed revised models as evidence to support this Settlement Proposal. The models have been filed through the OEB's e-filing service and include:

- a) 2021 Filing Requirements Chapter 2 Appendices.
- b) 2021 Revenue Requirement Work Form.
- c) 2021 Test Year Income Tax PILs Model.
- d) 2021 Cost Allocation Model.
- e) 2021 Load Forecast Model.
- f) 2021 DVA Continuity Schedule.
- g) GA Workform
- h) 2021 RTSR Model.
- i) 2021 LRAMVA Model.
- j) 2021 Benchmarking Model.
- k) 2021 Bill Impact Model.
- l) 2021 Standalone Proposed Tariff Sheet.

## SETTLEMENT PROPOSAL

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The Parties note that this Settlement Proposal is an Amendment to the Settlement Proposal filed by the Parties on March 25, 2021. The amendments to the original Settlement Proposal relate specifically and solely to the allocation of costs in WNP's Retail Cost Variance Accounts, with those amendments being detailed in full under Issue 4.2. The rest of this Settlement Proposal remains as filed on March 25, 2021, other than the updating of the total bill impacts referenced in the Settlement Proposal to reflect the updated allocation of the amounts in WNP's Retail Cost Variance Accounts as those accounts are disposed of through WNP's Group 2 rate riders.

Wellington North Power Inc. (the "Applicant" or "WNP") filed a Cost of Service application with the Ontario Energy Board (the "OEB") on October 30, 2020, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the "Act"), seeking approval for changes to the rates that WNP charges for electricity distribution, to be effective May 1, 2021 (OEB file number EB-2021-0061) (the "Application").

The OEB issued a Letter of Direction and Notice of Application on November 30, 2020. In Procedural Order No. 1, dated January 4, 2021, the OEB approved the Vulnerable Energy Consumers Coalition (VECC) as an intervenor and prescribed dates for the following: written interrogatories from OEB staff and VECC; WNP's responses to interrogatories; a Settlement Conference; and various other elements in the proceeding. By Procedural Order dated February 12, 2021 the OEB determined that OEB staff would participate in the Settlement Conference and any resulting Settlement Proposal as a party to the proceeding.

Following the receipt of interrogatories, WNP filed its interrogatory responses with the OEB on February 8, 2021.

On February 18, 2021 OEB staff submitted a proposed issues list as agreed to by the parties. On February 22, 2021 the OEB issued its decision on the final issues list (the "Issues List").

The Settlement Conference was convened on March 1 and 2, 2021 in accordance with the OEB's *Rules of Practice and Procedure* (the "Rules") and the OEB's Practice Direction. WNP, VECC and OEB staff participated in the Settlement Conference.

Karen Wianecki acted as facilitator for the Settlement Conference.

WNP, VECC and OEB Staff collectively referred to below as the "Parties", reached a full, comprehensive settlement regarding WNP's 2021 cost of service application. The details and specific components of the settlement are detailed in the "Settlement Proposal".

This document is called a Settlement Proposal because it is a proposal by the Parties presented to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this preamble, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this Settlement Proposal, the Parties understand and agree that pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Practice Direction. The Parties acknowledge that this settlement proceeding is confidential in accordance with the OEB's Practice Direction on settlement conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the specific rules with respect to confidentiality and privilege are as set out in the Practice Direction, as amended on October 28, 2016. Parties have interpreted the revised Practice Direction to mean that the documents and other information provided during the course of the settlement proceeding, the discussion of



each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the Parties agree that “attendees” is deemed to include, in this context, persons who were not in attendance at the Settlement Conference but were a) any persons or entities that the Parties engage to assist them with the Settlement Conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

This Settlement Proposal provides a brief description of each of the settled issues, as applicable, together with references to the evidence. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to interrogatories, all other components of the record up to and including the date hereof, including evidence filed concurrently with this Settlement Proposal (with the Parties’ consent) titled “Responses to Pre-Settlement Clarification Questions”, and the additional information included by the Parties in this Settlement Proposal and the attachments and appendices to this document.

Included with the Settlement Proposal are attachments that provide further support for the proposed settlement. The Parties acknowledge that the attachments were prepared by WNP. While VECC and OEB Staff have reviewed the attachments, they are relying on the accuracy of the attachments and the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the final Approved Issues List, with additional sub-issues added as appropriate in order to highlight specific aspects of the settlement.

According to the Practice Direction (p. 4), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any such adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB accepts may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

In the event that the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties must agree with any revised Settlement Proposal as it relates to that issue, or take no position, prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not WNP is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Where in this Settlement Proposal the Parties "accept" the evidence of WNP, or "agree" to any issue, term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words "for the purpose of settlement of the issues herein" shall be deemed to qualify that acceptance or agreement.

## SUMMARY

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### IMPACT OF THE COVID-19 PANDEMIC

On March 17<sup>th</sup>, 2020, the Government of Ontario declared an emergency under section 7.0.1 of the *Emergency Management and Civil Protection Act* due to the COVID-19 pandemic.

The Parties have reviewed the evidence and come to an agreement with respect to the Test Year revenue requirement for WNP for the purposes of setting rates as though there will be no COVID-19 pandemic related impacts on its operations, in order to provide a test year that is an appropriate basis for rates not only for 2021, but also for the IRM period going forward, during which the Parties are hopeful there will be no lasting impacts on WNP's operations. In this way the Parties have intentionally agreed to a revenue requirement for the Test Year that puts WNP and its customers in the same position as distributors, along with their customers, whose rates for 2021 were set without any embedded impacts related to the COVID-19 pandemic.

In agreeing to a Settlement Proposal on this basis, the Parties agree that any Party may take any position, or request any relief from the OEB, that they may deem appropriate as it relates to the impact or effect of the COVID-19 pandemic on WNP and/or its customers, for 2021. Furthermore, nothing in the Settlement Proposal shall be construed as limiting the OEB's legal authority to take any action it deems appropriate as it relates to COVID-19 pandemic on WNP and/or its customers, for 2021.

The parties were able to reach agreement on all aspects of the application; capital costs, operations, maintenance & administration (OM&A) costs, revenue requirement-related issues, including the accuracy of the requirement determination, OEB policies and practices and accounting.

In reaching this Settlement Proposal, the Parties have been guided by the Filing Requirements for 2021 rates and the Approved Issues List.

This Settlement Proposal reflects a full settlement of the issues in the proceeding. The Parties have described below, in detail, areas where they have settled an issue by agreeing to adjustments to the application as updated.

This settlement will result in total bill increases 3.34% or \$4.78 per month for the typical residential customer consuming 750 kWh per month. This compares to an increase of 1.91% or \$2.41 per month in the original proposal. The change in Bill Impact is largely a result of the agreement on the appropriate adjustments to the revenue-to-cost ratios as set out under issue 3.2, specifically enumerated Adjustment 6 which reverses a proposed shift in revenue as between the General Service 1,000 – 4,999 kW rate class and the Residential rate class.

The overall financial impact of the Settlement Proposal is to reduce the total base revenue requirement by 1.02% from \$2,996,360 to \$2,965,677.

The Parties note that this Settlement Proposal includes all tables, appendices and the Excel models that represent the evidence and the settlement between the Parties at the time of filing the Settlement Proposal.

A Revenue Requirement Work Form (RRWF), incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, WNP has agreed to certain adjustments to its original 2021 Application. The changes are described in the following sections.

WNP has provided the following tables summarizing the application highlighting the changes to its Rate Base and Capital, Operating Expenses and Revenue Requirement from WNP's Application as filed as a result of interrogatories and this Settlement Proposal.

**Table 1 - 2021 Revenue Requirement**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Long Term Debt	3.87%	3.87%	0.00%	3.87%	0.00%
Short Term Debt	2.75%	1.75%	-1.00%	1.75%	0.00%
Return on Equity	8.52%	8.34%	-0.18%	8.34%	0.00%
<b>Regulated Rate of Return</b>	<b>5.68%</b>	<b>5.57%</b>	<b>-0.11%</b>	<b>5.57%</b>	<b>0.00%</b>
Controllable Expenses	\$1,932,500	\$1,929,500	-\$3,000	\$1,909,823	-\$19,677
Power Supply Expense	\$12,196,563	\$12,377,244	\$180,680	\$11,708,429	-\$668,815
Working Capital Allowance Base	\$14,129,063	\$14,306,744	\$177,680	\$13,618,252	-\$688,492
<b>Working Capital Allowance Rate</b>	<b>7.5%</b>	<b>7.5%</b>	<b>0.00%</b>	<b>7.5%</b>	<b>0.00%</b>
<b>Total Working Capital Allowance ("WCA")</b>	<b>\$1,059,680</b>	<b>\$1,073,006</b>	<b>\$13,326</b>	<b>\$1,021,369</b>	<b>-\$51,637</b>
Gross Fixed Assets (avg)	\$14,679,188	\$14,833,782	\$154,594	\$14,822,591	-\$11,191
Accumulated Depreciation (avg)	-\$3,437,206	-\$3,440,973	-\$3,767	-\$3,440,349	\$624
Net Fixed Assets (avg)	\$11,241,982	\$11,392,809	\$150,828	\$11,382,242	-\$10,567
Working Capital Allowance	\$1,059,680	\$1,073,006	\$13,326	\$1,021,369	-\$51,637
<b>Rate Base</b>	<b>\$12,301,661</b>	<b>\$12,465,815</b>	<b>\$164,154</b>	<b>\$12,403,611</b>	<b>-\$62,204</b>
Regulated Rate of Return	5.68%	5.57%	-0.11%	5.57%	0.00%
<b>Regulated Return on Capital</b>	<b>\$699,167</b>	<b>\$694,745</b>	<b>-\$4,423</b>	<b>\$691,278</b>	<b>-\$3,467</b>
OM&A Expenses	\$1,915,000	\$1,912,000	-\$3,000	\$1,892,323	-\$19,677
Other Expenses - LEAP	\$3,500	\$3,500	\$0	\$3,500	\$0
Property Taxes	\$14,000	\$14,000	\$0	\$14,000	\$0
Depreciation Expense	\$500,023	\$501,284	\$1,261	\$500,036	-\$1,248
PILs	\$0	\$0	\$0	\$0	\$0
Revenue Offset	\$135,330	\$135,460	\$130	\$135,460	\$0
<b>Revenue Requirement</b>	<b>\$2,996,360</b>	<b>\$2,990,069</b>	<b>-\$6,292</b>	<b>\$2,965,677</b>	<b>-\$24,391</b>
Gross Revenue Deficiency/Sufficiency	\$350,116	\$343,617	-\$6,499	\$317,935	-\$25,682

Table 2 below is provided to show the corrected calculation of Gross Revenue Deficiency/(Sufficiency) from the Revenue Requirement Workform.

**Table 2 - 2021 Revenue Deficiency (At Current Approved Rates)**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Revenue Deficiency from Below	\$350,116	\$343,617	<b>-\$6,499</b>	\$317,935	<b>-\$25,683</b>
Distribution Revenue	\$2,646,244	\$2,646,451	\$207	\$2,647,743	\$1,292
Other Operating Revenue Offsets - net	\$135,330	\$135,460	\$130	\$135,460	\$0
<b>Total Revenue</b>	<b>\$3,131,690</b>	<b>\$3,125,529</b>	<b>-\$6,162</b>	<b>\$3,101,138</b>	<b>-\$24,391</b>
Operating Expenses	\$2,432,523	\$2,430,784	<b>-\$1,739</b>	\$2,409,859	<b>-\$20,925</b>
Deemed Interest Expense	\$279,927	\$278,885	<b>-\$1,042</b>	\$277,494	<b>-\$1,392</b>
<b>Total Cost and Expenses</b>	<b>\$2,712,450</b>	<b>\$2,709,669</b>	<b>-\$2,781</b>	<b>\$2,687,353</b>	<b>-\$22,316</b>
<b>Utility Income Before Income Taxes</b>	<b>\$419,241</b>	<b>\$415,860</b>	<b>-\$3,381</b>	<b>\$413,785</b>	<b>-\$2,075</b>
Tax Adjustments to Accounting Income per 2013 PILs model	<b>-\$419,241</b>	<b>-\$462,842</b>	<b>-\$43,602</b>	<b>-\$413,784</b>	\$49,058
<b>Taxable Income</b>	<b>\$0</b>	<b>-\$46,983</b>	<b>-\$46,983</b>	<b>\$0</b>	<b>\$46,983</b>
Income Tax Rate	0%	0%	0%	0%	0%
<b>Income Tax on Taxable Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Income Tax Credits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Utility Net Income</b>	<b>\$419,241</b>	<b>\$415,860</b>	<b>-\$3,381</b>	<b>\$413,785</b>	<b>-\$2,075</b>
<b>Utility Rate Base</b>	<b>\$12,301,661</b>	<b>\$12,465,815</b>	<b>\$164,154</b>	<b>\$12,403,611</b>	<b>-\$62,204</b>
Deemed Equity Portion of Rate Base	\$4,920,665	\$4,986,326	\$65,661	\$4,961,444	<b>-\$24,882</b>
Income/(Equity Portion of Rate Base)	8.52%	8.34%	-0.18%	8.34%	<b>-\$0</b>
Target Return - Equity on Rate Base	8.52%	8.34%	-0.18%	8.34%	\$0
Deficiency/Sufficiency in Return on Equity	0.00%	0.00%	0.00%	0.00%	<b>-\$0</b>
Indicated Rate of Return	5.68%	5.57%	-0.11%	5.57%	<b>-\$0</b>
Requested Rate of Return on Rate Base	5.68%	5.57%	-0.11%	5.57%	\$0
Deficiency/Sufficiency in Rate of Return	0.00%	0.00%	0.00%	0.00%	<b>-\$0</b>
Target Return on Equity	\$419,241	\$415,860	<b>-\$3,381</b>	\$413,784	<b>-\$2,075</b>
<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$350,116</b>	<b>\$343,617</b>	<b>-\$6,499</b>	<b>\$317,935</b>	<b>-\$25,683</b>

Based on the foregoing, and the evidence and rationale provided below, the Parties accept this Settlement Proposal as appropriate and recommend its acceptance.

Table 3 - 2021 Bill Impact Summary below illustrates the updated Bill Impacts based on the results of this Settlement Proposal.

**Table 3 - 2021 Bill Impact Summary**

Customer Classification and Billing Type	Energy kWh	Demand kW	Monthly Distribution Charge (Sub-Total A)			
			2020	2021	Change	
					\$	%
Residential (RPP)	750	-	\$37.86	\$41.33	\$3.47	9.17%
General Service <50 kW (RPP)	2,000	-	\$84.72	\$88.28	\$3.56	4.20%
General Service 50 - 999 kW (Non-RPP)	48,101	131	\$677.32	\$729.02	\$51.70	7.63%
General Service 1,0000 – 4,999 kW (Non-RPP)	781,824	1,635	\$7,904.02	\$8,446.97	\$542.95	6.87%
Unmetered Scattered Load (RPP)	130	-	\$33.12	\$24.60	<b>-\$8.52</b>	<b>-25.73%</b>
Sentinel Lighting (RPP)	71	0.2	\$14.02	\$15.10	\$1.08	7.67%
Street Lighting (Non-RPP)	19,152	53	\$1,654.56	\$3,487.05	\$1,832.49	110.75%
Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			2020	2021	Change	
					\$	%
Residential (RPP)	750	-	\$143.13	\$147.91	\$4.78	3.34%
General Service <50 kW (RPP)	2,000	-	\$361.85	\$369.76	\$7.91	2.19%
General Service 50 - 999 kW (Non-RPP)	48,101	131	\$8,190.85	\$8,331.96	\$141.11	1.72%
General Service 1,0000 – 4,999 kW (Non-RPP)	781,824	1,635	\$127,339.49	\$129,564.91	\$2,225.42	1.75%
Unmetered Scattered Load (RPP)	130	-	\$49.05	\$41.55	<b>-\$7.50</b>	<b>-15.29%</b>
Sentinel Lighting (RPP)	71	0.2	\$23.02	\$24.71	\$1.69	7.36%
Street Lighting (Non-RPP)	19,152	53	\$4,753.19	\$8,093.38	\$3,339.62	70.25%

## **RRF OUTCOMES**

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The Parties accept the Applicant's compliance with the OEB's required outcomes as defined by the Renewed Regulatory Framework (RRF). For the purpose of the settlement of the issues in this proceeding, and subject to the adjustments noted in this Settlement Proposal and the Parties' comments with respect to the fact that the Settlement Proposal has been arrived at on an intentionally "COVID-19 neutral" basis, the Parties accept that WNP's proposed rates in the 2021 Test Year will, in all reasonably foreseeable circumstances, allow the Applicant to meet its obligations to its customers while maintaining its financial viability.



## **1 PLANNING**

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### **1.1 Capital**

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Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- Customer feedback and preferences.
- Productivity.
- Benchmarking of costs.
- Reliability and service quality.
- Impact on distribution rates.
- Trade-offs with OM&A spending.
- Government-mandated obligations.
- The objectives of Wellington North Power and its customers.
- The distribution system plan, and;
- The business plan.

#### **Full Settlement**

Subject to:

- a) An update to the proposed 2021 test year in service additions to reflect \$607,000 in net capital additions from \$634,000, and
- b) The inclusion of \$4,618 of CWIP carried over from 2020.

The Parties agree that WNP's proposed capital budget and forecast net in-service additions are appropriate.

**Table 4 - Fixed Asset Continuity and 2021 Capital Expenditures**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
<b>2020 Fixed Asset Continuity</b>					
Opening	\$11,736,295	\$11,736,295	\$0	\$11,736,295	\$0
Additions	\$963,000	\$1,137,065	\$174,065	\$1,137,065	\$0
Disposals	-\$20,000	-\$39,471	\$0	-\$39,471	\$0
Closing	<b>\$12,679,295</b>	<b>\$12,833,889</b>	<b>\$174,065</b>	<b>\$12,833,889</b>	<b>\$0</b>
<b>Accumulated Depreciation</b>					
Opening	\$2,536,132	\$2,536,132	\$0	\$2,536,132	\$0
Additions	\$510,067	\$509,629	-\$438	\$509,629	\$0
Disposals	\$0	-\$15,014	-\$15,014	-\$15,014	\$0
Closing	<b>\$3,046,199</b>	<b>\$3,030,747</b>	<b>-\$15,452</b>	<b>\$3,030,747</b>	<b>\$0</b>
2021 Opening Asset & Accumulated Depreciation balances include assets from the 2018 Advanced Capital Module (ACM) – a MS substation replacement.					
<b>2021 Fixed Asset Continuity</b>					
Opening	\$14,372,188	\$14,526,782	\$154,594	\$14,526,782	\$0
Additions	\$634,000	\$634,000	\$0	\$611,618	-\$22,382
Disposals	-\$20,000	-\$20,000	\$0	-\$20,000	\$0
Closing	<b>\$14,986,188</b>	<b>\$15,140,782</b>	<b>\$154,594</b>	<b>\$15,118,400</b>	<b>-\$22,382</b>
<b>Accumulated Depreciation</b>					
Opening	\$3,143,565	\$3,147,622	\$4,057	\$3,147,622	\$0
Additions	\$587,282	\$586,701	-\$581	\$585,454	-\$1,248
Disposals	\$0	\$0	\$0	\$0	\$0
Closing	<b>\$3,730,847</b>	<b>\$3,734,323</b>	<b>\$3,476</b>	<b>\$3,733,076</b>	<b>-\$1,248</b>
System Access	\$70,000	\$70,000	\$0	\$70,000	\$0
System Renewal	\$340,000	\$340,000	\$0	\$340,000	\$0
System Service	\$26,500	\$26,500	\$0	\$26,500	\$0
General Plant	\$190,500	\$190,500	\$0	\$190,500	\$0
<b>2021 Total Capital Expenditures (Gross)</b>	<b>\$627,000</b>	<b>\$627,000</b>	<b>\$0</b>	<b>\$627,000</b>	<b>\$0</b>
Capital Contribution	-\$20,000	-\$20,000	\$0	-\$20,000	\$0

For the purposes of settlement of all the issues in this proceeding, subject to the adjustment described above, the Parties accept the evidence of WNP that the level of planned capital expenditures and the rationale for planning and pacing choices are appropriate in order to maintain system reliability, service quality objectives and the reliable and safe operation of the distribution system.

## **Evidence References**

- Exhibit 2 – Rate Base & DSP, section 2.5 Capital Expenditures.
- Exhibit 2 – Rate Base & DSP, Appendix 2A – 2020 Distribution System Plan.

## **IR Responses**

- 2-Staff-7.
- 2-VECC-7.
- 2-VECC-8.
- 2-VECC-9.
- 2-VECC-10.
- 2-VECC-11.
- 2-VECC-14.
- 2-Staff-24.
- 2-VECC-12.
- 2-VECC-13.
- 2-Staff-34.
- 2-Staff-35.
- 2-Staff-36.
- 2-Staff-37.
- 2-Staff-39.

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

## 1.2 OM&A

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Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- Customer feedback and preferences.
- Productivity.
- Benchmarking of costs.
- Reliability and service quality.
- Impact on distribution rates.
- Trade-offs with capital spending.
- Government-mandated obligations.
- The objectives of Wellington North Power and its' customers.
- The distribution system plan.
- The business plan.

### Full Settlement

Subject to a reduction of \$22,677 from the updated applied for amount of \$1,918,500, the Parties agree that the resulting proposed OM&A budget, including LEAP, of \$1,895,823 for the Test Year is appropriate.

The reduction of \$22,677 has been allocated to the various expense categories below in Table 5 below in order to illustrate how the reduction might be managed; however the Parties acknowledge that it is for WNP to manage its OM&A budget in its sole discretion as it sees fit based on the actual operating circumstances it experiences in the test year and beyond.

The Parties have agreed that, within the \$1,895,823 envelope for OMA spending, WNP will increase the available LEAP budget by \$3,500 for the 2021 Test Year as a measure to assist its customer with the impacts of COVID-19 on their ability to manage their energy bills. It is agreed that the \$3,500 increase is only binding on WNP for the 2021 Test Year,

after which WNP will be at liberty to reduce LEAP funding for the 2022 and following years to the OEB mandated amounts.

The Parties acknowledge that the amount embedded in the settlement OMA envelope for Bad Debt is \$15,000 per year, which excludes COVID-19 impacts, and that \$15,000 will serve as a base line amount in the event that WNP's actual bad debt is affected in a material way by the COVID-19 pandemic such that the impact has to be tracked in the COVID-19 Deferral Account.

**Table 5 - 2021 Test Year OM&A Expenses**

	<b>Application October 30, 2020</b>	<b>IRR February 8, 2021</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal March 25, 2021</b>	<b>Variance over IRs</b>
Operations	\$443,000	\$443,000	\$0	\$438,500	-\$4,500
Maintenance	\$252,000	\$252,000	\$0	\$250,000	-\$2,000
Billing and Collecting	\$415,500	\$415,500	\$0	\$410,000	-\$5,500
Community Relations	\$7,500	\$7,500	\$0	\$7,323	-\$177
Administration & General +LEAP	\$800,500	\$797,500	-\$3,000	\$790,000	-\$7,500
<b>Total</b>	<b>\$1,918,500</b>	<b>\$1,915,500</b>	<b>-\$3,000</b>	<b>\$1,895,823</b>	<b>-\$19,677</b>

## Evidence References

- Exhibit 4 – Operating Expenses, section 4.1 Overview.
- Exhibit 4 – Operating Expenses, section 4.2 Summary & Cost Driver Tables.
- Exhibit 4 – Operating Expenses, section 4.3 Program Delivery Costs with Variance Analysis.
- Exhibit 4 – Operating Expenses, section 4.4 Workforce Planning.

## IR Responses

- 4-VECC-29.
- 4-VECC-30.

- 4-VECC-31.
- 4-VECC-33.
- 4-VECC-36.
- 4-VECC-37.
- 4-VECC-38.
- 4-VECC-41.
- 4-VECC-42.
- 4-Staff-50.
- 4-Staff-54.
- 4-Staff-56.
- 4-Staff-57.
- Clarification Question: 4-Staff-103.
- Clarification Question: 4-Staff-104.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

## 2 REVENUE REQUIREMENT

### 2.1 Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

#### Full Settlement

The Parties agree that the methodology used by WNP to calculate the Revenue Requirement is appropriate.

A summary of the adjusted Revenue Requirement of \$2,965,677 reflecting adjustments and settled issues in accordance with the above is presented in Table 6 - 2021 Revenue Requirement Summary below.

**Table 6 - 2021 Revenue Requirement Summary**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
OM&A Expenses	\$1,915,000	\$1,912,000	<b>-\$3,000</b>	\$1,892,323	<b>-\$19,677</b>
Amortization/Depreciation	\$500,023	\$501,284	\$1,261	\$500,036	<b>-\$1,248</b>
Property Taxes	\$14,000	\$14,000	\$0	\$14,000	\$0
Capital Taxes	\$0	\$0	\$0	\$0	\$0
Income Taxes (Grossed up)	\$0	\$0	\$0	\$0	\$0
Other Expenses	\$3,500	\$3,500	\$0	\$3,500	\$0
Return:					
Deemed Interest Expense	\$279,927	\$278,885	<b>-\$1,042</b>	\$277,494	<b>-\$1,392</b>
Return on Deemed Equity	\$419,241	\$415,860	<b>-\$3,381</b>	\$413,784	<b>-\$2,075</b>
Service Revenue Requirement (before Revenues)	\$3,131,690	\$3,125,529	<b>-\$6,162</b>	\$3,101,137	<b>-\$24,391</b>
Revenue Offsets	\$135,330	\$135,460	\$130	\$135,460	\$0
Base Revenue Requirement	\$2,996,360	\$2,990,069	<b>-\$6,292</b>	\$2,965,677	<b>-\$24,391</b>

An updated Revenue Requirement Work Form has been filed through the OEB's e-filing service.

### **Evidence References**

- Exhibit 6 – Revenue Requirement, section 6.1 Calculation of Revenue Requirement.
- Exhibit 6 – Revenue Requirement, section 6.2 Revenue Deficiency or Surplus.

### **IR Responses**

- None.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.



## 2.1.1 Cost of Capital

### Full Settlement

The Parties agree to WNP's proposed cost of capital parameters as reflected in the calculation below.

The Parties confirm that the use of a long term debt rate of 4.54% in connection with the promissory note between WNP and the Township of Wellington North was directly a result of the agreement between the parties in WNP's previous settlement agreement in EB-2015-0110, and that in WNP's next cost of service application the issue of the appropriate long term debt rate applicable to the promissory note between WNP and the Township of Wellington north, assuming the note continues to apply into WNP's next test year, will be an open issue in that proceeding.

**Table 7 - 2021 Cost of Capital Calculation**

Particulars	Application October 30, 2020		IRR February 8, 2021		Variance over Original Filing	Settlement Proposal March 25, 2021		Variance over IRs
<b>Debt</b>								
Long-term Debt	3.87%	\$266,395	3.87%	\$270,159	\$3,764	3.87%	\$268,811	-\$1,348
Short-term Debt	2.75%	\$13,532	1.75%	\$8,726	-\$4,806	1.75%	\$8,683	-\$44
<b>Total Debt</b>	3.79%	\$279,927	3.73%	\$278,885	-\$1,042	3.73%	\$277,494	-\$1,392
<b>Equity</b>								
Common Equity	8.52%	\$419,241	8.34%	\$415,860	-\$3,381	8.34%	\$413,784	-\$2,075
Preferred Shares	0.00%	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0
<b>Total Equity</b>	8.52%	\$419,241	8.34%	\$415,860	-\$3,381	8.34%	\$413,784	-\$2,075
<b>Total</b>	5.68%	\$699,167	5.57%	\$694,745	-\$4,423	5.57%	\$691,278	-\$3,467

### Evidence References

- Exhibit 5 – Cost of Capital, section 5.1 Capital Structure.
- Exhibit 5 – Cost of Capital, section 5.4 Cost of Capital.

## **IR Responses**

- 5-Staff-66.
- 5-Staff-67.
- 5-VECC-44.

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

## 2.1.2 Rate Base

### Full Settlement

The Parties accept the evidence of WNP that the rate base calculations, after adjusting for updates to the opening rate base to reflect 2020 actuals, the agreed to adjustments to the 2021 proposed net in service additions and the updated working capital allowance included in rate base have been appropriately determined in accordance with OEB policies and practices.

**Table 8 - 2021 Rate Base**

	<b>Application October 30, 2020</b>	<b>IRR February 8, 2021</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal March 25, 2021</b>	<b>Variance over IRs</b>
Gross Fixed Assets (Average)	\$14,679,188	\$14,833,782	\$154,594	\$14,822,591	<b>-\$11,191</b>
Accumulated Depreciation (Average)	<b>-\$3,437,206</b>	<b>-\$3,440,973</b>	<b>-\$3,767</b>	<b>-\$3,440,349</b>	\$624
Net Fixed Assets (Average)	\$11,241,982	\$11,392,809	\$150,828	\$11,382,242	<b>-\$10,567</b>
Working Capital Allowance	\$1,059,680	\$1,073,006	\$13,326	\$1,021,369	<b>-\$51,637</b>
<b>Total Rate Base</b>	<b>\$12,301,661</b>	<b>\$12,465,815</b>	<b>\$164,154</b>	<b>\$12,403,611</b>	<b>-\$62,204</b>
Controllable Expenses	\$1,932,500	\$1,929,500	-\$3,000	\$1,909,823	<b>-\$19,677</b>
Cost of Power	\$12,196,563	\$12,377,244	\$180,680	\$11,708,429	<b>-\$668,815</b>
<b>Working Capital Base</b>	<b>\$14,129,063</b>	<b>\$14,306,744</b>	<b>\$177,680</b>	<b>\$13,618,252</b>	<b>-\$688,492</b>
Working Capital Rate %	7.50%	7.50%	\$0.00	7.50%	0.00%
<b>Working Capital Allowance</b>	<b>\$1,059,680</b>	<b>\$1,073,006</b>	<b>\$13,326</b>	<b>\$1,021,369</b>	<b>-\$51,637</b>

### Evidence References

- Exhibit 2 – Rate Base, section 2.1 Overview of Rate Base.
- Exhibit 2 – Rate Base, section 2.2 Gross Assets.
- Exhibit 2 – Rate Base, section 2.3 Working Capital Allowance.

- Exhibit 2 – Rate Base, section 2.5 Capital Expenditures.
- Exhibit 2 – Rate Base, Appendix 2A – 2020 Distribution System Plan.

### **IR Responses**

- 2-Staff-7.
- 2-VECC-7.
- 2-VECC-8.
- 2-VECC-9.
- 2-VECC-10.
- 2-VECC-11.
- 2-VECC-12.
- 2-Staff-10.
- 2-Staff-11.
- 2-Staff-15.
- 2-Staff-24.
- 2-Staff-35.
- 2-Staff-36.
- 2-Staff-37.
- 2-Staff-39.
- 2-Staff-41.
- 2-Staff-43.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

## 2.1.3 Working Capital Allowance

### Full Settlement

The Parties agree that the Working Capital Allowance of \$1,021,369 has been appropriately calculated, including the consequential adjustments made to reflect other aspects of the Settlement Proposal.

**Table 9 - 2021 Working Capital Allowance Calculation**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Controllable Expenses	\$1,932,500	\$1,929,500	-\$3,000	\$1,909,823	-\$19,677
Cost of Power	\$12,196,563	\$12,377,244	\$180,680	\$11,708,429	-\$668,815
Working Capital Base	\$14,129,063	\$14,306,744	\$177,680	\$13,618,252	-\$688,492
Working Capital Rate %	7.50%	7.50%	\$0.00	7.50%	0.00%
<b>Working Capital Allowance</b>	<b>\$1,059,680</b>	<b>\$1,073,006</b>	<b>\$13,326</b>	<b>\$1,021,369</b>	<b>-\$51,637</b>

The “variance over IRS” for “Cost of Power” is a result of using the most recent Average RPP Supply Cost Summary (for the period from January 1, 2021 through to October 31, 2021) as noted in the OEB’s letter dated December 15, 2021.<sup>1</sup> Using this latest information, the Average RPP Supply Cost is reduced due to the removal of renewable energy contract costs from the Global Adjustment cost. In addition, the Cost of Power is further reduced due to the offsetting change to the Ontario Electricity Rebate (OER) that also affects the total bill of RPP consumers from January 1, 2021 onwards.<sup>2</sup>

An updated Revenue Requirement Work Form incorporating the revised Cost of Power value and resulting Working Capital amount has been filed through the OEB’s e-filing service. In addition, an updated Chapter 2 Appendices, showing revised commodity costs, has also been through the OEB’s e-filing service.

<sup>1</sup> OEB letter “New Regulated Price Plan Prices Effective January 1, 2021”, issued December 15, 2021.

<sup>2</sup> Effective January 1, 2021 the Ontario Electricity Rebate for RPP consumers reduced from 33.2% to 21.2%.

## **Evidence References**

- Exhibit 2 – Rate Base, section 2.3 Working Capital Allowance.

## **IR Responses**

- 2-Staff-41.
- 2-Staff-43.

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

## 2.1.4 Depreciation

### Full Settlement

The Parties accept that the forecast of depreciation/amortization expenses in the amount of \$500,036 are appropriate. The settled amount reflects the agreed upon adjustments to 2021 capital expenditures/rate base.

**Table 10 - 2021 Depreciation**

Particulars	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Depreciation	\$500,023	\$501,284	\$1,261	\$500,036	-\$1,248

### Evidence References

- Exhibit 2 – Rate Base & DSP, section 2.2 Gross Assets.
- Exhibit 4- Operating Expenses, section 4.8 Depreciation, Amortization & Depletion.

### IR Responses

- 2-Staff-38.
- Clarification Question: 2-Staff-102.

### Supporting Parties

WNP, VECC and OEB staff.

### Parties Taking No Position

None.

## 2.1.5 Taxes

### Full Settlement

The Parties agree that forecast taxes, as updated, have been correctly determined in accordance with OEB accounting policies and practices, including the OEB's July 25, 2019 accounting direction relating to changes to capital cost allowance. As part of the settlement the Parties have agreed that there is no need for a smoothing mechanism to address the impacts of accelerated depreciation.

A summary of the updated Taxes is presented in Table 11 - 2021 Income Taxes below.

**Table 11 - 2021 Income Taxes**

	<b>Application October 30, 2020</b>	<b>IRR February 8, 2021</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal March 25, 2021</b>	<b>Variance over IRs</b>
Income Taxes (Grossed up)	\$0	\$0	\$0	\$0	\$0

An updated Income Tax / PILS Model has been submitted in Live Excel format as part of this Settlement Proposal.

### Evidence References

- Exhibit 4- Operating Expenses, section 4.9 Taxes & Payments in Lieu of Taxes (PILs).
- Exhibit 4- Operating Expenses, section 4.11 PILs Integrity Check.

### IR Responses

- 4-Staff-58.
- 4-Staff-59.
- 4-Staff-60.
- Clarification Question: 9-Staff-109.



### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

## 2.1.6 Other Revenue

### Full Settlement

The Parties accept the evidence of WNP that its' proposed other revenue forecast of \$135,460 is appropriate and has been correctly determined in accordance with OEB accounting policies and practices.

**Table 12 - 2021 Other Revenue**

	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Specific Service Charges	-\$34,000	-\$34,000	\$0	-\$34,000	\$0
Late Payment Charges	-\$24,500	-\$24,500	\$0	-\$24,500	\$0
Other Distribution Revenues	-\$71,130	-\$71,260	\$130	-\$71,260	\$0
Other Income and Deductions	-\$5,700	-\$5,700	\$0	-\$5,700	\$0
<b>Total</b>	<b>-\$135,330</b>	<b>-\$135,460</b>	<b>\$130</b>	<b>-\$135,460</b>	<b>\$0</b>

### Evidence References

- Exhibit 3 – Revenues, section 3.4 Other Revenues.

### IR Responses

- 3-Staff-48.
- 3-VECC-28.

### Supporting Parties

WNP, VECC and OEB staff.

### Parties Taking No Position

None.

## **2.2 Has the revenue requirement been accurately determined based on these elements?**

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### **Full Settlement**

The Parties accept the evidence of WNP that the proposed Base Distribution Revenue Requirement has been determined accurately.

### **Evidence References**

- Exhibit 6 – Revenue Requirement, section 6.1 Calculation of Revenue Requirement.
- Exhibit 6 – Revenue Requirement, section 6.2 Revenue Deficiency or Surplus.

### **IR Responses**

- None.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

### **3 LOAD FORECAST, COST ALLOCATION, AND RATE DESIGN**

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#### **3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of WNP's customers?**

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##### **Full Settlement**

The Parties accept the evidence of WNP that the load forecast, customer forecast and loss factors are appropriate after making the following adjustments:

a) Adjustment 1:

For WNP's Load Forecast, for the "Sensitive Customer" variable, use 2019 billed kWh Actual data for the 2020 Bridge Year and 2021 Test Year (rather than a 10-year average kWh energy). The Sensitive Customer variable includes energy consumption for all General Service 1,000 – 4,999 kW accounts plus one General Service 50 – 999 kW account. This approach of using 2019 Actual data for the forecast of the Sensitive Customer variable is consistent with the approach for forecasting the energy consumption of the General Service 1,000 – 4,999 kW rate class.

b) Adjustment 2:

For WNP's Load Forecast, for the "CDM" variable, use:

- 2017 CDM program results of 965,450 kWh with persistence for 2020 of 855,141 kWh and 2021 of 855,141 kWh.
- 2018 CDM program results of 646,847 kWh with persistence for 2020 of 632,802 kWh and 2021 of 632,802 kWh.
- Streetlight CDM savings as per Applicant's response to Clarification Question VECC-64, that is:
  1. For 2019 CDM Program year results, instead of the half-year rule, a 25% (0.25) adjustment is made.
  2. For 2019 CDM Program year persistence in year 2020, a 75% adjustment is applied.
  3. For 2019 CDM Program year persistence in year 2021, no (0%) adjustment is applied.

c) Adjustment 3:

For WNP's Load Forecast, for rate class General Service 1,000 – 4,999 kW, for the 2020 Bridge Year and 2021 Test Year use 2019 Actual kW demand of 96,230 kW. This makes the demand forecast for this rate class consistent with the energy forecast, which is based on 2019 Actual kWh.

The resulting billing determinants are presented in Table 13 - 2021 Test Year Billing Determinants below.

**Table 13 - 2021 Test Year Billing Determinants**

Particulars	Unit	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Residential	kWh	26,503,100	26,519,726	16,626	25,765,404	-754,322
General Service < 50 kW	kWh	11,455,522	11,462,708	7,186	11,136,665	-326,043
General Service 50 to 999 kW	kWh	18,697,353	18,706,657	9,304	18,284,534	-422,122
General Service 1,000 to 4,999 kW	kWh	42,766,148	42,766,148	0	42,766,148	0
Unmetered Scattered Load	kWh	6,288	6,288	0	6,288	0
Sentinel Lighting	kWh	19,673	19,673	0	19,673	0
Street Lighting	kWh	229,833	229,833	0	229,833	0
<b>Total kWh</b>		<b>99,677,917</b>	<b>99,711,034</b>	<b>33,116</b>	<b>98,208,546</b>	<b>-1,502,488</b>
Residential	kW					
General Service < 50 kW	kW					
General Service 50 to 999 kW	kW	52,425	52,451	26	51,267	-1,184
General Service 1,000 to 4,999 kW	kW	92,890	92,890	0	96,230	3,340
Unmetered Scattered Load	kW					
Sentinel Lighting	kW	55	55	0	55	0
Street Lighting	kW	632	632	0	632	0
<b>Total kW</b>		<b>146,002</b>	<b>146,028</b>	<b>26</b>	<b>148,185</b>	<b>2,157</b>

An updated copy of WNP's Load Forecast Model has been submitted in Excel format as part of this Settlement Proposal.

## Evidence References

- Exhibit 3 – Revenues, section 3.1 Load and Revenue Forecast.

- Exhibit 3 – Revenues, section 3.3 Accuracy of Load Forecast Variance Analysis.
- Exhibit 4 – Operating Expenses, section 4.12 Conservation and Demand Management.
- Exhibit 7 – Cost Allocation, section 7.2 Proposed Cost Allocation Study 2021.
- Exhibit 7 – Cost Allocation, section 7.3 Class Revenue Requirements.
- Exhibit 7 – Cost Allocation, section 7.4 Revenue to Cost Ratios.
- Exhibit 8 – Rate Design, section 8.1 Rate Design.

## **IR Responses**

Please refer to the following sections in this document:

- 3.1.2 Load Forecast.
- 3.2 Cost Allocation Methodology.
- 3.3 Rate Design.

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

### 3.1.1 Customer/Connection Forecast

#### Full Settlement

The Parties have agreed to the forecast of customers/connections set out in Table 14 - Summary of 2021 Load Forecast Customer Counts/Connections below.

**Table 14 - Summary of 2021 Load Forecast Customer Counts/Connections**

Particulars	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
<b>Number of Customers:</b>					
Residential	3,355	3,355	0	3,355	0
General Service < 50 kW	468	468	0	468	0
General Service 50 to 999 kW	34	34	0	34	0
General Service 1,000 to 4,999 kW	5	5	0	5	0
Unmetered Scattered Load	1	1	0	1	0
Sentinel Lighting	18	18	0	18	0
Street Lighting	3	3	0	3	0
<b>Number of Connections / Devices:</b>					
Unmetered Scattered Load	2	2	0	2	0
Sentinel Lighting	23	23	0	23	0
Street Lighting	924	924	0	924	0

#### Evidence References

- Exhibit 3 – Revenues, section 3.1 Load and Revenue Forecast.
- Exhibit 3 – Revenues, section 3.3 Accuracy of Load Forecast Variance Analysis.

#### IR Responses

- None.

#### Supporting Parties

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.



### 3.1.2 Load Forecast

#### Full Settlement

The Parties agreed to WNP's Load Forecast Model results as detailed in Table 15 below:

**Table 15 - Summary of 2021 Load Forecast Billed kWh**

Particulars	Unit	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Residential	kWh	26,503,100	26,519,726	16,626	25,765,404	-754,322
General Service < 50 kW	kWh	11,455,522	11,462,708	7,186	11,136,665	-326,043
General Service 50 to 999 kW	kWh	18,697,353	18,706,657	9,304	18,284,534	-422,122
General Service 1,000 to 4,999 kW	kWh	42,766,148	42,766,148	0	42,766,148	0
Unmetered Scattered Load	kWh	6,288	6,288	0	6,288	0
Sentinel Lighting	kWh	19,673	19,673	0	19,673	0
Street Lighting	kWh	229,833	229,833	0	229,833	0
<b>Total kWh</b>		<b>99,677,917</b>	<b>99,711,034</b>	<b>33,116</b>	<b>98,208,546</b>	<b>-1,502,488</b>
Residential	kW					
General Service < 50 kW	kW					
General Service 50 to 999 kW	kW	52,425	52,451	26	51,267	-1,184
General Service 1,000 to 4,999 kW	kW	92,890	92,890	0	96,230	3,340
Unmetered Scattered Load	kW					
Sentinel Lighting	kW	55	55	0	55	0
Street Lighting	kW	632	632	0	632	0
<b>Total kW</b>		<b>146,002</b>	<b>146,028</b>	<b>26</b>	<b>148,185</b>	<b>2,157</b>

As noted under issue 3.1, WNP adjusted its' Load Forecast which explains the "Variance of IRs" values shown in the table above.

As noted under issue 3.1.4 LRAMVA Baseline below, the Parties agreed to eliminate any CDM adjustments in the 2021 load forecast.

#### Evidence References

- Exhibit 3 – Revenues, section 3.1 Load and Revenue Forecast.

- Exhibit 3 – Revenues, section 3.2 Impact and Persistence from Historical CDM Programs.
- Exhibit 3 – Revenues, section 3.2.3 Final CDM Adjusted Load Forecast.
- Exhibit 3 – Revenues, section 3.3 Accuracy of Load Forecast Variance Analysis.

## **IR Responses**

- 3-Staff-44.
- 3-Staff-45.
- 3-Staff-46.
- 3-Staff-47.
- 3-VECC-19.
- 3-VECC-20.
- 3-VECC-21.
- 3-VECC-22.
- 3-VECC-23.
- 3-VECC-24.
- 3-VECC-25.
- 3-VECC-26.
- 3-VECC-27.
- Clarification Question: VECC-62.
- Clarification Question: VECC-64.

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

### 3.1.3 Loss Factors

#### Full Settlement

The Parties agree to the proposed Total Loss Factor of 1.0608% as proposed by WNP.

**Table 16 - 2021 Loss Factors**

Particulars	Application October 30, 2020	IRR February 8, 2021	Variance over Original Filing	Settlement Proposal March 25, 2021	Variance over IRs
Loss Factor in Distributor's system = C / F	1.0257	1.0257	0.0000	1.0257	0.0000
Losses Upstream of Distributor's System					
Supply Facilities Loss Factor	1.0342	1.0342	0.0000	1.0342	0.0000
Total Losses					
Total Loss Factor = G x H	1.0608	1.0608	0.0000	1.0608	0.0000

#### Evidence References

- Exhibit 8 – Rate Design, section 8.1.14 Loss Adjustment Factor.

#### IR Responses

- 8-Staff-79.

#### Supporting Parties

WNP, VECC and OEB staff.

#### Parties Taking No Position

None.

### **3.1.4 LRAMVA Baseline**

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#### **Full Settlement**

In its' Application, WNP requested recovery of LRAMVA revenue on a final basis.<sup>3</sup>

The Parties have agreed to an LRAMVA threshold of zero, which is reflective of the Parties' agreement not to include any CDM adjustment in the load forecast for CDM programs implemented in 2020 or 2021 as is noted in issue 3.1.

#### **Evidence References**

- Exhibit 3 – Revenues, section 3.2.3 Final CDM Adjusted Load Forecast.
- Exhibit 4 – Operating Revenues, section 4.12 Conservation & Demand Management.

#### **IR Responses**

- 4-Staff-61.
- 4-Staff-62.
- 4-Staff-63.
- 4-Staff-64.
- 4-Staff-65.

#### **Supporting Parties**

WNP, VECC and OEB staff.

#### **Parties Taking No Position**

None.

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<sup>3</sup> EB-2020-0061 Wellington North Power Inc. 2021 Cost of Service Application, Exhibit 4 Operating Expenses, section 4.12.2 LRAM Variance Account (LRAMVA), pages 81-82.

### **3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?**

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#### **Full Settlement**

The Parties agree that WNP's proposed cost allocation methodology, allocations and revenue-to-cost ratios are appropriate after making the following adjustments:

a) Adjustment 1:

As per Applicant's response to VECC's Clarification Question VECC-65, update the Cost Allocation Model worksheet "I5.2 Weighting Factor" changing the Weighting Factor for Services for GS<50 kW rate class from 0.4 (as filed) to 3.0.

b) Adjustment 2:

As per Applicant's response to VECC's Clarification Question VECC-67, update the Cost Allocation Model worksheet "I6.2 Customer Data" changing cell F25 to be 32 instead of 34 (as filed). The value of 32 in cell F25 represents the number customers in customer class GS 50-999 kW who rely the LDC for secondary distribution.

c) Adjustment 3:

As per Applicant's response to VECC's Clarification Question VECC-68, update the Cost Allocation Model worksheets in two ways:

- Worksheet "I6.2 Customer Data" for rate class GS 1,000-4,999 kW, enter zero (0) for Line Transformer and Secondary Customer Base (cells H24 and H25) because all customers in this rate class are connected to the primary distribution system and use their own transformers.
- Worksheet "I8 Demand Data" for rate class GS 1,000-4,999 kW, enter zero (0) for Line Transformer NCP and Secondary NCP in cells H57, H58, H63, H64, H69 and H70 because all customers in this rate class are connected to the primary distribution system and use their own transformers.

d) Adjustment 4:

For the Unmetered Scattered Load rate class, bring the revenue-to-cost ratio to the top of the OEB's policy range, i.e. 1.20.

e) Adjustment 5:

For the Street Light rate class, bring the revenue-to-cost ratio to the bottom of the OEB's policy range, i.e. 0.80.

f) Adjustment 6:

Allocate the excess revenue to those rate classes with a revenue-to-cost ratio over 100% (i.e. USL, GS <50 kW and GS 1,000-4,999 kW) and ensure these three rate classes have the same proposed revenue-to-cost ratio results.

This settlement will result in total bill increases 3.34% or \$4.78 per month for the typical residential customer consuming 750 kWh per month. This compares to an increase of 1.91% or \$2.41 per month in the original proposal. The Parties note that the original proposal contained adjustments to the status quo revenue to cost ratios that had the effect of lowering the proposed total bill impact for the typical residential consumer; those adjustments have been removed through this Settlement Proposal. . Removing those proposed adjustments from the original application adjusts the starting total bill impact for the typical residential consumer consuming 750 kWh per month in WNP's original proposal to 2.98% or 4.26 per month<sup>4</sup>, against which the settlement total bill impact of 3.34% or \$4.78 per month represents a total bill increase.

In its' 2021 Cost of Service application, WNP used the "USF Demand Profile Working Group" methodology to determine the Coincident Peak (CP) and Non-Coincident Peak (NCP) Demand for the Applicant's rate classes for input into worksheet "I8 Demand Data" of the OEB's Cost Allocation model. In Exhibit 7 – Cost Allocation, Appendix 7A contained the "USF Demand Profile Methodology Paper" that described the methodology, data, and a review of other options considered. In addition, WNP filed excel copies of supporting information as listed in the Appendices of Exhibit 7.

Parties commend WNP for its work on developing demand allocators and agree to accept the demand allocators proposed by WNP for purposes of settlement. However, there is no agreement that the methodology used to derive the values is appropriate.

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<sup>4</sup> The monthly total bill impact for a typical Residential customer, as filed in the initial application on October 30<sup>th</sup> 2020, has been normalized by using the latest Ont. Electricity Rebate (OER) credit of 21.2% so as to provide a like-for-like comparison. As noted in issue 2.1.3 Working Capital Allowance, the Applicant has adjusted the Cost of Power to reflect the latest OER credit of 21.2%, effective January 1<sup>st</sup> 2021. WNP has applied OER at 21.2% for total bill impact calculations.

The parties note the proposed methodology is a good first step in establishing generic demand allocators, but may require further improvements to produce reasonable results in future proceedings. Parties note that the issue is an industry-wide one and that work on appropriate methodologies is ongoing by other distributors, including work based on the methodology employed by WNP in this proceeding.

The Parties further agree that for WNP's next rebasing application, the utility will seek to reflect a more precise allocation of costs between primary and secondary assets using information with respect to actual asset use.

**Table 17 - Summary of 2021 Revenue to Cost Ratios**

Particulars	Application October 30, 2020			IRR February 8, 2021			Settlement Proposal March 25, 2021		
	Calculated R/C Ratio	Proposed R/C Ratio	Var	Calculated R/C Ratio	Proposed R/C Ratio	Var	Calculated R/C Ratio	Proposed R/C Ratio	Var
Residential	0.98	0.94	-0.05	1.01	0.96	-0.05	1.00	1.00	0.00
General Service < 50 kW	1.20	1.20	0.00	1.26	1.20	-0.06	1.10	1.07	0.03
General Service 50 to 999 kW	1.07	1.07	0.00	1.00	1.00	0.00	0.87	0.87	0.00
General Service 1,000 - 4,999 kW	0.90	1.00	0.10	0.83	1.00	0.17	1.07	1.07	0.00
Unmetered Scattered Load	1.75	1.20	-0.55	1.79	1.20	-0.59	1.75	1.07	-0.68
Sentinel Lighting	0.98	0.98	0.00	1.00	1.00	0.00	1.00	1.00	0.00
Street Lighting	0.52	1.00	0.48	0.46	0.80	0.34	0.46	0.80	0.34

## Evidence References

- Exhibit 7 – Cost Allocation, section 7.2 Proposed Cost Allocation Study 2021.
- Exhibit 7 – Cost Allocation, section 7.3 Class Revenue Requirements.
- Exhibit 7 – Cost Allocation, section 7.4 Revenue to Cost Ratios.

## IR Responses

- 7-VECC-45.
- 7-VECC-46.

- 7-VECC-47.
- 7-VECC-48.
- 7-VECC-49.
- 7-VECC-50.
- 7-Staff-68.
- 7-Staff-69.
- 7-Staff-70.
- 7-Staff-71.
- 7-Staff-72.
- 7-Staff-73.
- Clarification Question: VECC-65.
- Clarification Question: VECC-66.
- Clarification Question: VECC-67.
- Clarification Question: VECC-68.
- Clarification Question: 7-Staff-105.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.



### 3.3 Are WNP's proposals for rate design appropriate?

#### Full Settlement

The Parties accept the evidence of WNP that all elements of the proposed rate design have been correctly determined in accordance with OEB policies and practices.

**Table 18 - 2021 Distribution Rates & Fixed to Variable Split**

Particulars		Application October 30, 2020		IRR February 8, 2021		Settlement Proposal March 25, 2021	
Customer Class Name	per	Fixed Split	Variable Split	Fixed Split	Variable Split	Fixed Split	Variable Split
Residential	kWh	100.00%		100.00%		100.00%	
General Service < 50 kW	kWh	47.32%	52.68%	50.42%	49.58%	55.07%	44.93%
General Service 50 to 999 kW	kW	40.65%	59.35%	40.73%	59.27%	41.61%	58.39%
General Service 1,000 - 4,999 kW	kWh	25.66%	74.34%	23.73%	76.27%	28.39%	71.61%
Unmetered Scattered Load	kWh	89.04%	10.96%	89.02%	10.98%	89.02%	10.98%
Sentinel Lighting	kW	57.73%	42.27%	57.72%	42.28%	57.70%	42.30%
Street Lighting	kW	94.16%	5.84%	94.14%	5.86%	94.10%	5.90%

#### Evidence References

- Exhibit 8 – Rate Design, section 8.1 Rate Design.

#### IR Responses

- 8-VECC-53.
- 8-VECC-56.

#### Supporting Parties

WNP, VECC and OEB staff.

#### Parties Taking No Position

None.

### 3.4 Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?

#### Full Settlement

The Parties have agreed to the RTSR rates and low voltage rates as presented in Table 19 - 2021 RTSR Network and Connection Rates Charges and Table 20 - 2021 Low Voltage Rates below.

An updated copy of the OEB's RTSR model has been submitted in live Excel format as part of this Settlement Proposal.

**Table 19 - 2021 RTSR Network and Connection Rates Charges**

Transmission - Network	Application October 30, 2020		IRR February 8, 2021		Settlement Proposal March 25, 2021	
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0067	\$188,949	0.0069	\$193,508	0.0069	\$188,003
General Service < 50 kW	0.0062	\$75,665	0.0064	\$77,490	0.0064	\$75,286
General Service 50 to 999 kW	2.6024	\$136,428	2.6635	\$139,702	2.6635	\$136,549
General Service 1,000 - 4,999 kW	2.7641	\$256,753	2.8290	\$262,783	2.8290	\$272,233
Unmetered Scattered Load	0.0062	\$42	0.0064	\$43	0.0064	\$43
Sentinel Lighting	1.9724	\$108	2.0187	\$111	2.0187	\$111
Street Lighting	1.9625	\$1,241	2.0086	\$1,270	2.0086	\$1,270
<b>Total</b>		<b>\$659,186</b>		<b>\$674,906</b>		<b>\$673,495</b>
Transmission - Connection	Application October 30, 2020		IRR February 8, 2021		Settlement Proposal March 25, 2021	
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0060	\$167,588	0.0060	\$169,777	0.0058	\$158,581
General Service < 50 kW	0.0049	\$59,729	0.0050	\$60,509	0.0048	\$56,519
General Service 50 to 999 kW	2.0154	\$105,655	2.0404	\$107,022	1.9617	\$100,569
General Service 1,000 - 4,999 kW	2.2096	\$205,246	2.2370	\$207,798	2.1507	\$206,961
Unmetered Scattered Load	0.0049	\$33	0.0050	\$33	0.0048	\$32
Sentinel Lighting	1.5907	\$87	1.6104	\$88	1.5484	\$85
Street Lighting	1.5584	\$986	1.5777	\$998	1.5168	\$959
<b>Total</b>		<b>\$539,323</b>		<b>\$546,225</b>		<b>\$523,705</b>

**Table 20 - 2021 Low Voltage Rates**

Low Voltage	Application October 30, 2020		IRR February 8, 2021		Settlement Proposal March 25, 2021	
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0043	\$113,963	0.0043	\$114,035	0.0043	\$110,791
General Service < 50 kW	0.0036	\$41,240	0.0036	\$41,266	0.0036	\$40,092
General Service 50 to 999 kW	1.3764	\$72,157	1.3759	\$72,167	1.3797	\$70,733
General Service 1,000 - 4,999 kW	1.5090	\$140,171	1.5085	\$140,124	1.5126	\$145,558
Unmetered Scattered Load	0.0036	\$23	0.0036	\$23	0.0036	\$23
Sentinel Lighting	1.0863	\$59	1.0860	\$59	1.0890	\$60
Street Lighting	1.0643	\$673	1.0639	\$673	1.0668	\$675
<b>Total</b>		<b>\$368,287</b>		<b>\$368,347</b>		<b>\$367,931</b>

## Evidence References

- Exhibit 8 – Rate Design, section 8.1.4 Retail Transmission Service Rate (RTSR).
- Exhibit 8 – Rate Design, section 8.1.13 Low Voltage Service Rates.

## IR Responses

- 8-Staff-74.
- 8-Staff-78.
- 8-VECC-55.
- 8-VECC-60.
- Clarification Question: VECC-69.

## Supporting Parties

WNP, VECC and OEB staff.

## Parties Taking No Position

None.

## **4 ACCOUNTING**

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### **4.1 Have all impacts of any changes in accounting standards, policies, estimates, and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?**

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#### **Full Settlement**

The Parties agree that all impacts of any changes to accounting standards, policies, estimates, and adjustments have been properly identified and recorded, and have been treated appropriately in the rate-making process.

#### **Evidence References**

- Exhibit 1 – Administrative Document, section 1.2.13 Changes in Methodologies.
- Exhibit 1 – Administrative Document, section 1.2.14 Board Directive from Previous Decisions.
- Exhibit 1 – Administrative Document, section 1.2.16 Accounting Standards for Regulatory and Financial Reporting.
- Exhibit 1 – Administrative Document, section 1.9.4 Reconciliation between Financial Statements and RRR Filings.
- Exhibit 9 – Deferral and Variance Accounts, section 9.9.2 Certification of Evidence.

#### **IR Responses**

- 9-Staff-84.
- 9-VECC-61.

#### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

## **4.2 Are WNP's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?**

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### **Full Settlement**

The parties agree that WNP's proposals for deferral and variance accounts are appropriate, including the proposed disposition of those accounts as shown in tables 21, 22 and 23 below.

On April 9, 2021, the OEB issued a letter to the Parties noting that in reviewing the terms of the Settlement Proposal as filed on March 25, 2021, the OEB observed that the Parties had accepted the allocation of amounts in accounts 1518 and 1548 (the two Retail Cost Variance Accounts - RCVA) based on:

- The number of customer accounts for the Residential, General Service <50 kW, General Service 50-999 kW, and General Service 1,000-4,999 kW rate classes, and;
- The number of customer connections / devices for the Unmetered Scattered Load, Sentinel Lighting, and Street Lighting rate classes.

The OEB's April 9, 2021 letter is attached as Schedule D to this amended Settlement Proposal. The OEB noted that the balances in the RCVAs are high relative to the size of Wellington North and a large portion of the balances in the RCVAs are allocated to the Street Lighting rate class and questioned the appropriateness of the Street Lighting rate class being allocated a high amount when the nature of the RCVAs is to record costs of managing transactions in the retail market. The OEB asked the Parties to consider whether it would be more appropriate to allocate the RCVAs to all rate classes based on customer accounts, including the Unmetered Scattered Load, Sentinel Lighting, and Street Lighting rate classes, particularly in light of the large rate impact of the Settlement Proposal as a whole on the Street Lighting class.

The Parties have considered the OEB's observations as set out in its April 9, 2021 letter and have agreed that it would be appropriate to update the allocation of the RCVAs using number of customer accounts for all classes, and as such have incorporated this adjustment within this amended Settlement Proposal.

Table 21 below summarizes the allocation of the RCVA accounts in the original Settlement Proposal, the total bill impact on each rate class in the original Settlement Proposal, the allocation of the RCVAs using the updated cost allocators, and the updated total bill impact as a result in the updated allocation of the RCVAs.

**Table 21 – Allocation of RCVA Balances**

<i>Original Settlement Proposal – March 25, 2021:</i>								
	Balance	Residential	GS <50 kW	GS 50 - 999 kW	GS 1000-4999 kW	USL	Sentinel Lighting	Street Lighting
Allocator		# of Customers				# of Connections / Devices		
Retail Cost Var Acct - Retail	\$97,382	\$67,905	\$9,473	\$689	\$101	\$47	\$466	\$18,701
Retail Cost Var Acct - STR	\$3,968	\$2,767	\$386	\$28	\$4	\$2	\$19	\$762
Total Bill Impact	\$	\$4.55	\$7.73	\$140.87	\$2,224.27	(\$7.31)	\$1.72	\$4,257.42
	%	3.18%	2.14%	1.72%	1.75%	-14.90%	7.46%	89.57%
<i>Amended Settlement Proposal – April 15, 2021:</i>								
	Balance	Residential	GS <50 kW	GS 50 - 999 kW	GS 1000-4999 kW	USL	Sentinel Lighting	Street Lighting
Allocator		# of Customers				# of Connections / Devices		
Retail Cost Var Acct - Retail	\$97,382	\$84,117	\$11,734	\$853	\$125	\$25	\$451	\$75
Retail Cost Var Acct - STR	\$3,968	\$3,428	\$478	\$35	\$5	\$1	\$18	\$3
Total Bill Impact	\$	\$4.78	\$7.91	\$141.11	\$2,225.42	(\$7.50)	\$1.69	\$3,339.62
	%	3.34%	2.19%	1.72%	1.75%	-15.29%	7.36%	70.25%

As illustrated in the above table, the updated allocation of the RCVAs materially decreases the Total Bill impact of the Settlement Proposal on the Street Lighting rate class, with the offsetting increase being experienced largely by the Residential rate class. The Parties have reviewed these impacts and agree that they continue to be appropriate in the context of the Settlement Proposal.

#### **Account 1592 – PILs and Tax Variances, Sub-account CCA Changes for 2019**

The Parties agree that, for the purpose of settlement and without prejudice to the position any party might take with respect to the clearance of additional Accelerated Investment Incentive Program (AIIP) related amounts, WNP's 2019 1592 Sub-account will be

considered fully disposed of as a result of applying tax loss carry forwards generated from claiming the increased CCA deductions under the AIIP in 2019 against WNP's 2021 proposed PILs. This reduces WNP's 2021 proposed PILs to nil.

As a result of the application of AIIP in 2019, WNP accumulated approximately \$125,000 of tax loss carry forward amounts to apply as a reduction to taxes payable in future years.

As part of this settlement proposal, the parties agree that the application of 1/5<sup>th</sup> or \$25,000 of the accumulated 2019 tax loss carry forward to reduce WNP's 2021 PILs amount embedded in rates will be considered as having disposed of the entire 1592 Sub-account amounts for 2019 to the credit of ratepayers.

#### **Account 1592 – PILs and Tax Variances, Sub-account CCA Changes for 2020**

The Parties acknowledge that as a result of the disposition of the 2019 1592 Sub-account through this settlement proposal that WNP has only the 2020 1592 Sub-account to clear with respect to its IRM period from 2016 to 2020. As was the case with 2019, there was an accumulation of tax loss carry forwards in 2020 as a result of the application of AIIP. The Parties have agreed that disposition of the 2020 1592 Sub-account will be considered at WNP's next rebasing application. The Parties acknowledge that the disposition of the 2019 AIIP Sub-account in this settlement proposal is specifically without prejudice to the positions that parties may take with respect to the 2020 1592 Sub-account.

Parties further acknowledge that WNP will be required to record a liability for the 2020 1592 Sub-account in its 2020 financial statements, and that the recording of that liability will have a material impact on WNP's reported 2020 Return on Equity. The Parties submit that in the event that the liability reduces WNP's reported 2020 Return on Equity below the OEB's 300 basis point dead-band, the acknowledgment of this specific impact on WNP's 2020 results in this settlement proposal obviates the need for a regulatory review under the OEB's policies with respect to its IRM Framework. For added clarity, the acknowledgement that a regulatory review is not required is limited to a review triggered by this specific impact on WNP's 2020 results. WNP will note this impact in its Reporting



and Record Keeping Requirements (RRR) 2.1.5.6 Regulated Return on Equity for 2020 in the event that this scenario occurs.

**Table 22 - DVA Balances for Disposition**

		<b>Balance</b>	<b>Allocator</b>
LV Variance Account	1550	\$419,351	kWh
Smart Metering Entity Charge Variance Account	1551	-\$5,440	# of Customers
RSVA - Wholesale Market Service Charge	1580	-\$526,807	kWh
RSVA - Retail Transmission Network Charge	1584	\$34,250	kWh
RSVA - Retail Transmission Connection Charge	1586	\$199,123	kWh
RSVA - Power (excluding Global Adjustment)	1588	\$84,440	kWh
RSVA - Global Adjustment – Total GA Balance	1589	-\$38,126	kWh
RSVA – Global Adjustment – Transition Customers Portion		-\$24,369	kWh
RSVA – Global Adjustment – GA Balance to be disposed to current Class B Customers through Rate Rider		-\$13,757	kWh
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	\$31,927	%
Disposition and Recovery/Refund of Regulatory Balances (2016)	1595	\$21,136	%
Meter Cost Deferral	1557	\$8,415	%
<b>Total of Group 1 Accounts (excluding 1589)</b>		<b>\$266,395</b>	
Other Regulatory Assets - Sub-Account - Pole Attachment Variance	1508	-\$68,395	Distribution Revenue
Other Regulatory Assets - Sub-Account - Large Project Variance	1508	-\$16,249	kWh
Other Regulatory Assets - Sub-Account - Post Employment Benefits	1508	\$2,974	kWh
Other Regulatory Assets - Sub-Account - Retail Cost Variance Acct - Retail	1518	\$97,382	# of Customers
Other Regulatory Assets - Sub-Account - Retail Cost Variance Acct - STR	1548	\$3,968	# of Customers
<b>Total of Group 2 Accounts</b>		<b>\$19,681</b>	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	\$0	kWh
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$0	kWh
Account 1592 – Sub-account CCA Changes	1592	\$0	kWh
<b>Total of Account 1592</b>		<b>0</b>	
LRAM Variance Account	1568	\$65,869	kWh
Total CBR Class B Balance	1580	\$18,520	kWh
Transition Customers portion of CBR Class B Balance	1580	\$11,837	kWh
Variance WMS - Sub-account CBR Class B	1580	\$6,682	kWh
Renewable Generation Connection OM&A Deferral Account	1532	0	kWh
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	0	kWh
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>\$708,762</b>	
<b>Total of Account 1580 and 1588 (not allocated to WMPs)</b>		<b>-\$442,367</b>	
<b>Account 1589 (allocated to Non-WMPs)</b>		<b>-\$13,757</b>	
<b>Group 2 Accounts (including 1592, 1532, 1555)</b>		<b>\$19,681</b>	

Table 23 - DVA and LRAMVA Rate Riders below summarizes the amounts for disposition and associated rate riders by rate class.

**Table 23 - DVA and LRAMVA Rate Riders**

**Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)**

*1550, 1551, 1584, 1586, 1595, 1580 and 1588 per instructions*  
Rate Rider Recovery Period (in months)

		24		
Rate Class	Units	kW / kWh	Allocated Group 1 Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
Residential	kWh	25,765,404	\$53,862	\$0.0010
General Service < 50 kW	kWh	11,136,665	\$24,985	\$0.0011
General Service 50 to 999 kW	kW	51,267	\$60,138	\$0.5865
General Service 1,000 to 4,999 kW	kW	96,230	\$126,303	\$0.6563
Unmetered Scattered Load	kWh	6,288	\$14	\$0.0011
Sentinel Lighting	kW	55	\$56	\$0.5099
Street Lighting	kW	632	\$1,038	\$0.8207
<b>Total</b>			<b>\$266,395</b>	

**Rate Rider for Account 1580 - Sub Account CBR Class B**

*1580 and 1588*

Rate Rider Recovery Period (in months)

		24		
Rate Class	Units	kW / kWh	Account 1580 - Sub Account CBR Class B Balance	Rate Rider for Deferral/Variance Accounts
Residential	kWh	25,765,404	\$3,391	\$0.0001
General Service < 50 kW	kWh	11,136,665	\$1,466	\$0.0001
General Service 50 to 999 kW	kW	41,526	\$1,792	\$0.0216
General Service 1,000 to 4,999 kW	kW	0	\$0	\$0.0000
Unmetered Scattered Load	kWh	6,288	\$1	\$0.0001
Sentinel Lighting	kW	55	\$3	\$0.0236
Street Lighting	kW	632	\$30	\$0.0239
<b>Total</b>			<b>\$6,682</b>	

### Rate Rider Calculation for RSVA - Power - Global Adjustment

*Balance of Account 1589 Allocated to Non-WMP*

Rate Rider Recovery Period (in months)		24		
Rate Class	Units	kWh	Allocated Global Adjustment Balance	Rate Rider for RSVA - Power - Global Adjustment
Residential	kWh	824,493	-\$748	-\$0.0005
General Service < 50 kW	kWh	2,205,060	-\$2,001	-\$0.0005
General Service 50 to 999 kW	kWh	11,896,039	-\$10,796	-\$0.0005
General Service 1,000 to 4,999 kW	kWh	0	\$0	\$0.0000
Unmetered Scattered Load	kWh	981	-\$1	-\$0.0005
Sentinel Lighting	kWh	2,262	-\$2	-\$0.0005
Street Lighting	kWh	229,833	-\$209	-\$0.0005
<b>Total</b>			<b>-\$13,757</b>	

### Rate Rider Calculation for Group 2 Accounts

Rate Rider Recovery Period (in months)		24		
Rate Class	Units	# of Customers / kWh / kW	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
Residential	# of Customers	3,355	\$45,926	\$0.57
General Service < 50 kW	kWh	11,136,665	-\$605	-\$0.0000
General Service 50 to 999 kW	kW	51,267	-\$8,065	-\$0.0787
General Service 1,000 to 4,999 kW	kW	96,230	-\$16,995	-\$0.0883
Unmetered Scattered Load	kWh	6,288	\$11	\$0.0009
Sentinel Lighting	kW	55	\$369	\$3.3733
Street Lighting	kW	632	-\$961	-\$0.7594
<b>Total</b>			<b>\$19,681</b>	

### Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in months)

		24		
Rate Class	Units	kW / kWh	Allocated Account 1568 Balance	Rate Rider for Account 1568
Residential	kWh	25,765,404	\$13,966	\$0.0003
General Service < 50 kW	kWh	11,136,665	\$14,581	\$0.0007
General Service 50 to 999 kW	kW	51,267	-\$3,685	-\$0.0359
General Service 1,000 to 4,999 kW	kW	96,230	\$14,296	\$0.0743
Unmetered Scattered Load	kWh	6,288	-\$1	\$0.0000
Sentinel Lighting	kW	55	-\$21	-\$0.1912
Street Lighting	kW	632	\$26,733	\$21.1335
<b>Total</b>			<b>\$65,869</b>	

## **Evidence References**

- Exhibit 9 – Deferral and Variance Accounts, section 9.2 Status & Disposition of Deferral & Variance Accounts.
- Exhibit 9 – Deferral and Variance Accounts, section 9.4 Retailer Service Charge.
- Exhibit 9 – Deferral and Variance Accounts, section 9.7 Disposition of Deferral & Variance Accounts.
- Exhibit 9 – Deferral and Variance Accounts, section 9.8 Global Adjustment.
- Exhibit 9 – Deferral and Variance Accounts, section 9.9 Other Rate Riders.

## **IR Responses**

- 9-Staff-81.
- 9-Staff-82.
- 9-Staff-83.
- 9-Staff-84.
- 9-Staff-85.
- 9-Staff-86.
- 9-Staff-87.
- 9-Staff-88.
- 9-Staff-89.
- 9-Staff-90.
- 9-Staff-91.
- 9-Staff-92.
- 9-Staff-93.
- 9-Staff-94.
- 9-Staff-95.
- 9-Staff-96.
- 9-Staff-97.
- 9-Staff-98.
- 9-Staff-99.
- 9-Staff-100.
- 9-VECC-61.

- Clarification Question: 9-Staff-106.
- Clarification Question: 9-Staff-107.
- Clarification Question: 9-Staff-109.
- Clarification Question: 9-Staff-110.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

## **5.0 Other**

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### **5.1 Are the Specific Service Charges, Retail Service Charges, Pole Attachment Charge, and microFIT Charge appropriate?**

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#### **Full Settlement**

The Parties agree that WNP's proposed Specific Service Charges, Retail Service Charges (as updated by the Board in EB-2020-0285), Pole Attachment Charge and MicroFIT Charge are all appropriate.

#### **Evidence References**

- Exhibit 8 – Rate Design, section 8.1.9 Specific Service Charges.
- Exhibit 8 – Rate Design, section 8.1.5 Retail Service Charges.
- Exhibit 8 – Rate Design, section 8.1.10 Pole Rental.
- Exhibit 8 – Rate Design, section 8.1.11 MicroFIT Service Classification.

#### **IR Responses**

- 8-VECC-56.
- 8-VECC-58.
- 8-Staff-75.

#### **Supporting Parties**

WNP, VECC and OEB staff.

#### **Parties Taking No Position**

None.

## **5.2 Is the proposed effective date (i.e., May 1, 2021) for 2021 rates appropriate?**

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### **Full Settlement**

The Parties agree that WNP's new rates should be effective on the same date that they can be implemented as a result of the timing of the OEB's Decision with respect to this Settlement Proposal. Based on the filing date of this Settlement Proposal it is the Parties expectation that, assuming the OEB approves the Settlement Proposal in its entirety, there will be sufficient time after the OEB's Decision on the Settlement Proposal to implement rates for an effective date of May 1, 2021.

### **Evidence References**

- Exhibit 1 – Administrative Document, section 1.2.5 Legal Application.

### **IR Responses**

- None.

### **Supporting Parties**

WNP, VECC and OEB staff.

### **Parties Taking No Position**

None.

### 5.3 Are rate mitigation proposals required for any rate classes?

#### Full Settlement

The Parties agree that there are no rate mitigation proposals required for any rate classes.

The Parties acknowledge that the Street Lighting rate class has a total bill impact increase above 10% as illustrated in Table 24 - 2021 Bill Impact Summary below:

**Table 24 - 2021 Bill Impact Summary**

Customer Classification and Billing Type	Energy kWh	Demand kW	Total Bill			
			2020	2021	Change	
					\$	%
Residential (RPP)	750	-	\$143.13	\$147.91	\$4.78	3.34%
General Service <50 kW (RPP)	2,000	-	\$361.85	\$369.76	\$7.91	2.19%
General Service 50 - 999 kW (Non-RPP)	48,101	131	\$8,190.85	\$8,331.96	\$141.11	1.72%
General Service 1,0000 – 4,999 kW (Non-RPP)	781,824	1,635	\$127,339.49	\$129,564.91	\$2,225.42	1.75%
Unmetered Scattered Load (RPP)	130	-	\$49.05	\$41.55	-\$7.50	-15.29%
Sentinel Lighting (RPP)	71	0.2	\$23.02	\$24.71	\$1.69	7.36%
Street Lighting (Non-RPP)	19,152	53	\$4,753.19	\$8,093.38	\$3,339.62	70.25%

The Parties are not proposing rate mitigation for the Street Lighting rate class. As discussed in Exhibit 8 – Rate Design, section “8.1.20 Street Light Information”, the streetlights in WNP’s portfolio are operated by and paid for by the municipality shareholders of the utility. The Applicant has spoken to the shareholders about the likely bill impact to the Street Light customer class as an outcome of the 2021 Cost of Service application. The shareholders understand the reasons for the increase and accepts the outcome.



## **Evidence References**

- Exhibit 8 - Rate Design, section 8.1.19 Rate Mitigation / Forgone Revenues.
- Exhibit 8 - Rate Design, section 8.1.20 Street Light information.

## **IR Responses**

- 8-Staff-76.
- 8-VECC-53.
- 7-VECC-50 (a)

## **Supporting Parties**

WNP, VECC and OEB staff.

## **Parties Taking No Position**

None.

## 6 ATTACHMENTS

### A. Proposed May 1, 2021 Tariff of Rates and Charges.

<p style="text-align: center;"><b>Wellington North Power Inc.</b>  <b>TARIFF OF RATES AND CHARGES</b>  <b>Effective and Implementation Date May 1, 2021</b>  <b>This schedule supersedes and replaces all previously</b>  <b>approved schedules of Rates, Charges and Loss Factors</b></p> <p style="text-align: right;">EB-2020-0061</p>		
<b>RESIDENTIAL SERVICE CLASSIFICATION</b>		
<p>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 a nominal voltage of 120/240 Volts. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.</p>		
<b>APPLICATION</b>		
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		
<b>MONTHLY RATES AND CHARGES - Delivery Component</b>		
Monthly Service Charge	\$	40.76
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$	0.57
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0043
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kWh	0.0010
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kWh	0.0001
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kWh	0.0003
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058
<b>MONTHLY RATES AND CHARGES - Regulatory Component</b>		
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

**Wellington North Power Inc.**  
**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-2020-0061

**GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION**

This classification applies to customers in General Service buildings with a connected load less than 50 kW, and Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. 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**

Monthly Service Charge	\$	48.48
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0199
Low Voltage Service Rate	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kWh	0.0011
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kWh	0.0000
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kWh	0.0007
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

**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

**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**  
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EB-2020-0061

**GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 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.

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Monthly Service Charge	\$	289.38
Distribution Volumetric Rate	\$/kW	3.3560
Low Voltage Service Rate	\$/kW	1.3797
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kW	0.5865
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kW	0.0216
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kW	(0.0787)
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kW	(0.0359)
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kW	2.6635
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9617

**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

**Wellington North Power Inc.**  
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EB-2020-0061

**GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 kW but less than 5,000 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 participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Monthly Service Charge	\$	2,365.10
Distribution Volumetric Rate	\$/kW	3.7198
Low Voltage Service Rate	\$/kW	1.5126
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kW	0.6563
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kW	(0.0883)
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kW	0.0743
Retail Transmission Rate - Network Service Rate	\$/kW	2.8290
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1507

**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

**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**  
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EB-2020-0061

**UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION**

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, decorative street lighting, billboards, 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**

Monthly Service Charge	\$	23.18
Distribution Volumetric Rate	\$/kWh	0.0109
Low Voltage Service Rate	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kWh	0.0011
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kWh	0.0009
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

**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



**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**  
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EB-2020-0061

**SENTINEL LIGHTING SERVICE CLASSIFICATION**

This classification refers to accounts for unmetered lighting loads supplied to sentinel lights. 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**

Monthly Service Charge (per connection)	\$	8.68
Distribution Volumetric Rate	\$/kW	32.0758
Low Voltage Service Rate	\$/kW	1.0890
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kW	0.5099
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kW	0.0236
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kW	3.3733
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kW	(0.1912)
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0187
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5484

**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

**Wellington North Power Inc.**  
**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-2020-0061

**STREET LIGHTING SERVICE CLASSIFICATION**

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

**APPLICATION**

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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**

Monthly Service Charge (per device)	\$	3.55
Distribution Volumetric Rate	\$/kW	3.9029
Low Voltage Service Rate	\$/kW	1.0668
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	\$/kW	0.8207
Rate Rider for Disposition of Capacity Based Recovery Account Applicable only for Class B Customers - effective until April 30, 2023	\$/kW	0.0239
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts - effective until April 30, 2023	\$/kW	(0.7594)
Rate Rider for Disposition of LRAM Variance Account - effective until April 30, 2023	\$/kW	21.1335
Rate Rider for RSVA - Power - Global Adjustment - Applicable only for Non-RPP - effective until April 30, 2023	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0086
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5168

**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



## Wellington North Power Inc.

### TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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EB-2020-0061

#### 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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It should be noted that this schedule does 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 HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Monthly Service Charge

\$

16.33

**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**  
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EB-2020-0061

**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.

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**

Notification charge	\$	15.00
Account history	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**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
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**

Interval meter load management tool charge \$/month	\$	50.00
Service call - customer owned equipment	\$	30.00
Service call - customer-owned equipment - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Specific charge for access to the power poles - \$/pole/year	\$	44.50
(with the exception of wireless attachments)		

**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2020-0061

**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	\$	104.04
Monthly fixed charge, per retailer	\$	41.62
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)	\$	4.16
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	1.0608
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0502

## B. Bill Impacts.

### Residential Customer – Bill Impact

Customer Class: <b>RESIDENTIAL SERVICE CLASSIFICATION</b>											
RPP / Non-RPP: <b>RPP</b>											
Consumption		750	kWh								
Demand		-	kW								
Current Loss Factor		1.0656									
Proposed/Approved Loss Factor		1.0608									
	Current OEB-Approved			Proposed			Impact				
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change			
Monthly Service Charge	\$ 36.39	1	\$ 36.39	\$ 40.76	1	\$ 40.76	\$ 4.37	12.01%			
Distribution Volumetric Rate	\$ -	750	\$ -	\$ -	750	\$ -	\$ -				
Fixed Rate Riders	\$ 1.47	1	\$ 1.47	\$ 0.57	1	\$ 0.57	\$ (0.90)	-61.22%			
Volumetric Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -				
<b>Sub-Total A (excluding pass through)</b>			\$ 37.86		\$ 41.33	\$ 3.47	<b>9.17%</b>				
Line Losses on Cost of Power	\$ 0.1276	49	\$ 6.28	\$ 0.1276	46	\$ 5.82	\$ (0.46)	-7.32%			
Total Deferral/Variance Account Rate Riders	\$ -	750	\$ -	\$ 0.0010	750	\$ 0.75	\$ 0.75				
CBR Class B Rate Riders	\$ -	750	\$ -	\$ 0.0001	750	\$ 0.08	\$ 0.08				
GA Rate Riders	\$ -	750	\$ -	\$ -	750	\$ -	\$ -				
Low Voltage Service Charge	\$ 0.0029	750	\$ 2.18	\$ 0.0043	750	\$ 3.23	\$ 1.05	48.28%			
Smart Meter Entity Charge (if applicable)	\$ 0.57	1	\$ 0.57	\$ 0.57	1	\$ 0.57	\$ -	0.00%			
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -				
Additional Volumetric Rate Riders		750	\$ -	\$ 0.0003	750	\$ 0.23	\$ 0.23				
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			\$ 46.88		\$ 51.99	\$ 5.11	<b>10.90%</b>				
RTSR - Network	\$ 0.0068	799	\$ 5.43	\$ 0.0069	796	\$ 5.49	\$ 0.06	1.01%			
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0057	799	\$ 4.56	\$ 0.0058	796	\$ 4.61	\$ 0.06	1.30%			
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			\$ 56.87		\$ 62.10	\$ 5.22	<b>9.19%</b>				
Wholesale Market Service Charge (WMSC)	\$ 0.0034	799	\$ 2.72	\$ 0.0034	796	\$ 2.71	\$ (0.01)	-0.45%			
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	799	\$ 0.40	\$ 0.0005	796	\$ 0.40	\$ (0.00)	-0.45%			
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%			
TOU - Off Peak	\$ 0.1010	488	\$ 49.24	\$ 0.1010	488	\$ 49.24	\$ -	0.00%			
TOU - Mid Peak	\$ 0.1440	128	\$ 18.36	\$ 0.1440	128	\$ 18.36	\$ -	0.00%			
TOU - On Peak	\$ 0.2080	135	\$ 28.08	\$ 0.2080	135	\$ 28.08	\$ -	0.00%			
<b>Total Bill on TOU (before Taxes)</b>			\$ 155.92		\$ 161.13	\$ 5.21	<b>3.34%</b>				
HST	13%		\$ 20.27	13%		\$ 20.95	\$ 0.68	3.34%			
Ontario Electricity Rebate	21.2%		\$ (33.05)	21.2%		\$ (34.16)	\$ (1.10)				
<b>Total Bill on TOU</b>			\$ 143.13		\$ 147.91	\$ 4.78	<b>3.34%</b>				

### General Service <50 kW Customer – Bill Impact

Customer Class: GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION										
RPP / Non-RPP: RPP										
Consumption	2,000	kWh								
Demand	-	kW								
Current Loss Factor	1.0656									
Proposed/Approved Loss Factor	1.0608									
	Current OEB-Approved			Proposed			Impact			
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	\$ 43.75	1	\$ 43.75	\$ 48.48	1	\$ 48.48	\$ 4.73	10.81%		
Distribution Volumetric Rate	\$ 0.0188	2000	\$ 37.60	\$ 0.0199	2000	\$ 39.80	\$ 2.20	5.85%		
Fixed Rate Riders	\$ 1.77	1	\$ 1.77	\$ -	1	\$ -	\$ (1.77)	-100.00%		
Volumetric Rate Riders	\$ 0.0008	2000	\$ 1.60	\$ -	2000	\$ -	\$ (1.60)	-100.00%		
Sub-Total A (excluding pass through)			\$ 84.72			\$ 88.28	\$ 3.56	4.20%		
Line Losses on Cost of Power	\$ 0.1276	131	\$ 16.74	\$ 0.1276	122	\$ 15.51	\$ (1.22)	-7.32%		
Total Deferral/Variance Account Rate Riders	\$ -	2,000	\$ -	\$ 0.0011	2,000	\$ 2.20	\$ 2.20			
CBR Class B Rate Riders	\$ -	2,000	\$ -	\$ 0.0001	2,000	\$ 0.20	\$ 0.20			
GA Rate Riders	\$ -	2,000	\$ -	\$ -	2,000	\$ -	\$ -			
Low Voltage Service Charge	\$ 0.0025	2,000	\$ 5.00	\$ 0.0036	2,000	\$ 7.20	\$ 2.20	44.00%		
Smart Meter Entity Charge (if applicable)	\$ 0.57	1	\$ 0.57	\$ 0.57	1	\$ 0.57	\$ -	0.00%		
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -			
Additional Volumetric Rate Riders		2,000	\$ -	\$ 0.0007	2,000	\$ 1.40	\$ 1.40			
Sub-Total B - Distribution (includes Sub-Total A)			\$ 107.03			\$ 115.36	\$ 8.34	7.79%		
RTSR - Network	\$ 0.0063	2,131	\$ 13.43	\$ 0.0064	2,122	\$ 13.58	\$ 0.15	1.13%		
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0047	2,131	\$ 10.02	\$ 0.0048	2,122	\$ 10.18	\$ 0.17	1.67%		
Sub-Total C - Delivery (including Sub-Total B)			\$ 130.47			\$ 139.12	\$ 8.65	6.63%		
Wholesale Market Service Charge (WMSC)	\$ 0.0034	2,131	\$ 7.25	\$ 0.0034	2,122	\$ 7.21	\$ (0.03)	-0.45%		
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	2,131	\$ 1.07	\$ 0.0005	2,122	\$ 1.06	\$ (0.00)	-0.45%		
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%		
TOU - Off Peak	\$ 0.1010	1,300	\$ 131.30	\$ 0.1010	1,300	\$ 131.30	\$ -	0.00%		
TOU - Mid Peak	\$ 0.1440	340	\$ 48.96	\$ 0.1440	340	\$ 48.96	\$ -	0.00%		
TOU - On Peak	\$ 0.2080	360	\$ 74.88	\$ 0.2080	360	\$ 74.88	\$ -	0.00%		
Total Bill on TOU (before Taxes)			\$ 394.17			\$ 402.79	\$ 8.62	2.19%		
HST	13%		\$ 51.24	13%		\$ 52.36	\$ 1.12	2.19%		
Ontario Electricity Rebate	21.2%		\$ (83.56)	21.2%		\$ (85.39)	\$ (1.83)			
Total Bill on TOU			\$ 361.85			\$ 369.76	\$ 7.91	2.19%		

## General Service 50 - 999 kW Customer – Bill Impact

Customer Class: <b>GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION</b>								
RPP / Non-RPP: <b>Non-RPP (Other)</b>								
Consumption <b>48,101</b> kWh								
Demand <b>131</b> kW								
Current Loss Factor <b>1.0656</b>								
Proposed/Approved Loss Factor <b>1.0608</b>								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 289.38	1	\$ 289.38	\$ 289.38	1	\$ 289.38	\$ -	0.00%
Distribution Volumetric Rate	\$ 2.7600	131	\$ 361.56	\$ 3.3560	131	\$ 439.64	\$ 78.08	21.59%
Fixed Rate Riders	\$ 11.73	1	\$ 11.73	\$ -	1	\$ -	\$ (11.73)	-100.00%
Volumetric Rate Riders	\$ 0.1118	131	\$ 14.65	\$ -	131	\$ -	\$ (14.65)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 677.32</b>			<b>\$ 729.02</b>	<b>\$ 51.70</b>	<b>7.63%</b>
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders	\$ -	131	\$ -	\$ 0.5078	131	\$ 66.52	\$ 66.52	-
CBR Class B Rate Riders	\$ -	131	\$ -	\$ 0.0216	131	\$ 2.83	\$ 2.83	-
GA Rate Riders	\$ -	48,101	\$ -	\$ (0.0005)	48,101	\$ (24.05)	\$ (24.05)	-
Low Voltage Service Charge	\$ 0.9952	131	\$ 130.37	\$ 1.3797	131	\$ 180.74	\$ 50.37	38.64%
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Volumetric Rate Riders	\$ -	131	\$ -	\$ (0.0359)	131	\$ (4.70)	\$ (4.70)	-
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 807.69</b>			<b>\$ 950.35</b>	<b>\$ 142.67</b>	<b>17.66%</b>
RTSR - Network	\$ 2.6330	131	\$ 344.92	\$ 2.6635	131	\$ 348.92	\$ 4.00	1.16%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.9271	131	\$ 252.45	\$ 1.9617	131	\$ 256.98	\$ 4.53	1.80%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 1,405.06</b>			<b>\$ 1,556.26</b>	<b>\$ 151.20</b>	<b>10.76%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0034	51,256	\$ 174.27	\$ 0.0034	51,026	\$ 173.49	\$ (0.79)	-0.45%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	51,256	\$ 25.63	\$ 0.0005	51,026	\$ 25.51	\$ (0.12)	-0.45%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	51,256	\$ 5,643.33	\$ 0.1101	51,026	\$ 5,617.91	\$ (25.42)	-0.45%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 7,248.54</b>			<b>\$ 7,373.42</b>	<b>\$ 124.87</b>	<b>1.72%</b>
HST	13%		\$ 942.31	13%		\$ 958.54	\$ 16.23	1.72%
Ontario Electricity Rebate	21.2%		\$ -	21.2%		\$ -	\$ -	-
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 8,190.85</b>			<b>\$ 8,331.96</b>	<b>\$ 141.11</b>	<b>1.72%</b>

## General Service 1,000 – 4,999 kW Customer – Bill Impact

Customer Class: <b>GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION</b>								
RPP / Non-RPP: <b>Non-RPP (Other)</b>								
Consumption <b>781,824</b> kWh								
Demand <b>1,635</b> kW								
Current Loss Factor <b>1.0656</b>								
Proposed/Approved Loss Factor <b>1.0608</b>								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2,365.10	1	\$ 2,365.10	\$ 2,365.10	1	\$ 2,365.10	\$ -	0.00%
Distribution Volumetric Rate	\$ 3.1994	1635	\$ 5,231.02	\$ 3.7198	1635	\$ 6,081.87	\$ 850.85	16.27%
Fixed Rate Riders	\$ 95.84	1	\$ 95.84	\$ -	1	\$ -	\$ (95.84)	-100.00%
Volumetric Rate Riders	\$ 0.1297	1635	\$ 212.06	\$ -	1635	\$ -	\$ (212.06)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 7,904.02</b>			<b>\$ 8,446.97</b>	<b>\$ 542.95</b>	<b>6.87%</b>
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders	\$ -	1,635	\$ -	\$ 0.5680	1,635	\$ 928.68	\$ 928.68	-
CBR Class B Rate Riders	\$ -	1,635	\$ -	\$ -	1,635	\$ -	\$ -	-
GA Rate Riders	\$ -	781,824	\$ -	\$ -	781,824	\$ -	\$ -	-
Low Voltage Service Charge	\$ 1.0911	1,635	\$ 1,783.95	\$ 1.5126	1,635	\$ 2,473.10	\$ 689.15	38.63%
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Volumetric Rate Riders	\$ -	1,635	\$ -	\$ 0.0743	1,635	\$ 121.48	\$ 121.48	-
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 9,687.97</b>			<b>\$ 11,970.23</b>	<b>\$ 2,282.27</b>	<b>23.56%</b>
RTSR - Network	\$ 2.7966	1,635	\$ 4,572.44	\$ 2.8290	1,635	\$ 4,625.42	\$ 52.97	1.16%
RTSR - Connection and/or Line and Transformation Connection	\$ 2.1128	1,635	\$ 3,454.43	\$ 2.1507	1,635	\$ 3,516.39	\$ 61.97	1.79%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 17,714.84</b>			<b>\$ 20,112.04</b>	<b>\$ 2,397.21</b>	<b>13.53%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0034	833,112	\$ 2,832.58	\$ 0.0034	829,359	\$ 2,819.82	\$ (12.76)	-0.45%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	833,112	\$ 416.56	\$ 0.0005	829,359	\$ 414.68	\$ (1.88)	-0.45%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	833,112	\$ 91,725.59	\$ 0.1101	829,359	\$ 91,312.41	\$ (413.18)	-0.45%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 112,689.81</b>			<b>\$ 114,659.21</b>	<b>\$ 1,969.39</b>	<b>1.75%</b>
HST	13%		\$ 14,649.68	13%		\$ 14,905.70	\$ 256.02	1.75%
Ontario Electricity Rebate	21.2%		\$ -	21.2%		\$ -	\$ -	-
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 127,339.49</b>			<b>\$ 129,564.91</b>	<b>\$ 2,225.42</b>	<b>1.75%</b>

## Unmetered Scattered Load Customer – Bill Impact

Customer Class: UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION									
RPP / Non-RPP: RPP									
Consumption	130	kWh							
Demand	-	kW							
Current Loss Factor	1.0656								
Proposed/Approved Loss Factor	1.0608								
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 29.71	1	\$ 29.71	\$ 23.18	1	\$ 23.18	\$ (6.53)	-21.98%	
Distribution Volumetric Rate	\$ 0.0163	130	\$ 2.12	\$ 0.0109	130	\$ 1.42	\$ (0.70)	-33.13%	
Fixed Rate Riders	\$ 1.20	1	\$ 1.20	\$ -	1	\$ -	\$ (1.20)	-100.00%	
Volumetric Rate Riders	\$ 0.0007	130	\$ 0.09	\$ -	130	\$ -	\$ (0.09)	-100.00%	
Sub-Total A (excluding pass through)			\$ 33.12			\$ 24.60	\$ (8.52)	-25.73%	
Line Losses on Cost of Power	\$ 0.1276	9	\$ 1.09	\$ 0.1276	8	\$ 1.01	\$ (0.08)	-7.32%	
Total Deferral/Variance Account Rate Riders	\$ -	130	\$ -	\$ 0.0020	130	\$ 0.26	\$ 0.26		
CBR Class B Rate Riders	\$ -	130	\$ -	\$ 0.0001	130	\$ 0.01	\$ 0.01		
GA Rate Riders	\$ -	130	\$ -	\$ -	130	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.0025	130	\$ 0.33	\$ 0.0036	130	\$ 0.47	\$ 0.14	44.00%	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Volumetric Rate Riders		130	\$ -	\$ -	130	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)			\$ 34.53			\$ 26.35	\$ (8.19)	-23.71%	
RTSR - Network	\$ 0.0063	139	\$ 0.87	\$ 0.0064	138	\$ 0.88	\$ 0.01	1.13%	
RTSR - Connection and/or Line and Transformation Connection	\$ 0.0047	139	\$ 0.65	\$ 0.0048	138	\$ 0.66	\$ 0.01	1.67%	
Sub-Total C - Delivery (including Sub-Total B)			\$ 36.06			\$ 27.89	\$ (8.17)	-22.65%	
Wholesale Market Service Charge (WMSA)	\$ 0.0034	139	\$ 0.47	\$ 0.0034	138	\$ 0.47	\$ (0.00)	-0.45%	
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	139	\$ 0.07	\$ 0.0005	138	\$ 0.07	\$ (0.00)	-0.45%	
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%	
TOU - Off Peak	\$ 0.1010	85	\$ 8.53	\$ 0.1010	85	\$ 8.53	\$ -	0.00%	
TOU - Mid Peak	\$ 0.1440	22	\$ 3.18	\$ 0.1440	22	\$ 3.18	\$ -	0.00%	
TOU - On Peak	\$ 0.2080	23	\$ 4.87	\$ 0.2080	23	\$ 4.87	\$ -	0.00%	
Total Bill on TOU (before Taxes)			\$ 53.43			\$ 45.26	\$ (8.17)	-15.29%	
HST	13%		\$ 6.95	13%		\$ 5.88	\$ (1.06)	-15.29%	
Ontario Electricity Rebate	21.2%		\$ (11.33)	21.2%		\$ (9.60)	\$ 1.73		
Total Bill on TOU			\$ 49.05			\$ 41.55	\$ (7.50)	-15.29%	

## Sentinel Lighting Customer – Bill Impact


Customer Class: <b>SENTINEL LIGHTING SERVICE CLASSIFICATION</b>									
RPP / Non-RPP: <b>RPP</b>									
Consumption	71	kWh							
Demand	0.2	kW							
Current Loss Factor	1.0656								
Proposed/Approved Loss Factor	1.0608								
	Current OEB-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	\$ 7.75	1	\$ 7.75	\$ 8.68	1	\$ 8.68	\$ 0.93		12.00%
Distribution Volumetric Rate	\$ 28.6379	0.2	\$ 5.73	\$ 32.0758	0.2	\$ 6.42	\$ 0.69		12.00%
Fixed Rate Riders	\$ 0.31	1	\$ 0.31	\$ -	1	\$ -	\$ (0.31)		-100.00%
Volumetric Rate Riders	\$ 1.1605	0.2	\$ 0.23	\$ -	0.2	\$ -	\$ (0.23)		-100.00%
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 14.02</b>			<b>\$ 15.10</b>	<b>\$ 1.08</b>		<b>7.67%</b>
Line Losses on Cost of Power	\$ 0.1276	5	\$ 0.59	\$ 0.1276	4	\$ 0.55	\$ (0.04)		-7.32%
Total Deferral/Variance Account Rate Riders	\$ -	0	\$ -	\$ 3.8832	0	\$ 0.78	\$ 0.78		
CBR Class B Rate Riders	\$ -	0	\$ -	\$ 0.0236	0	\$ 0.00	\$ 0.00		
GA Rate Riders	\$ -	71	\$ -	\$ -	71	\$ -	\$ -		
Low Voltage Service Charge	\$ 0.7856	0	\$ 0.16	\$ 1.0890	0	\$ 0.22	\$ 0.06		38.62%
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -		
Additional Volumetric Rate Riders		0	\$ -	\$ (0.1912)	0	\$ (0.04)	\$ (0.04)		
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 14.77</b>			<b>\$ 16.61</b>	<b>\$ 1.84</b>		<b>12.43%</b>
RTSR - Network	\$ 1.9957	0	\$ 0.40	\$ 2.0187	0	\$ 0.40	\$ 0.00		1.15%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.5210	0	\$ 0.30	\$ 1.5484	0	\$ 0.31	\$ 0.01		1.80%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 15.47</b>			<b>\$ 17.32</b>	<b>\$ 1.85</b>		<b>11.93%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0034	76	\$ 0.26	\$ 0.0034	75	\$ 0.26	\$ (0.00)		-0.45%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	76	\$ 0.04	\$ 0.0005	75	\$ 0.04	\$ (0.00)		-0.45%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -		0.00%
TOU - Off Peak	\$ 0.1010	46	\$ 4.66	\$ 0.1010	46	\$ 4.66	\$ -		0.00%
TOU - Mid Peak	\$ 0.1440	12	\$ 1.74	\$ 0.1440	12	\$ 1.74	\$ -		0.00%
TOU - On Peak	\$ 0.2080	13	\$ 2.66	\$ 0.2080	13	\$ 2.66	\$ -		0.00%
<b>Total Bill on TOU (before Taxes)</b>			<b>\$ 25.08</b>			<b>\$ 26.92</b>	<b>\$ 1.84</b>		<b>7.36%</b>
HST	13%		\$ 3.26	13%		\$ 3.50	\$ 0.24		7.36%
Ontario Electricity Rebate	21.2%		\$ (5.32)	21.2%		\$ (5.71)	\$ (0.39)		
<b>Total Bill on TOU</b>			<b>\$ 23.02</b>			<b>\$ 24.71</b>	<b>\$ 1.69</b>		<b>7.36%</b>

## Street Lighting Customer – Bill Impact

Customer Class: <b>STREET LIGHTING SERVICE CLASSIFICATION</b>								
RPP / Non-RPP: <b>Non-RPP (Other)</b>								
Consumption: 19,152 kWh								
Demand: 53 kW								
Current Loss Factor: 1.0656								
Proposed/Approved Loss Factor: 1.0608								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 1.68	924	\$ 1,552.32	\$ 3.55	924	\$ 3,280.20	\$ 1,727.88	111.31%
Distribution Volumetric Rate	\$ 1.8527	53	\$ 98.19	\$ 3.9029	53	\$ 206.85	\$ 108.66	110.66%
Fixed Rate Riders	\$ 0.07	1	\$ 0.07	\$ -	1	\$ -	\$ (0.07)	-100.00%
Volumetric Rate Riders	\$ 0.0751	53	\$ 3.98	\$ -	53	\$ -	\$ (3.98)	-100.00%
<b>Sub-Total A (excluding pass through)</b>			<b>\$ 1,654.56</b>			<b>\$ 3,487.05</b>	<b>\$ 1,832.49</b>	<b>110.75%</b>
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate	\$ -	53	\$ -	\$ 0.0613	53	\$ 3.25	\$ 3.25	
Riders	\$ -	53	\$ -	\$ 0.0239	53	\$ 1.27	\$ 1.27	
CBR Class B Rate Riders	\$ -	19,152	\$ -	\$ (0.0005)	19,152	\$ (9.58)	\$ (9.58)	
GA Rate Riders	\$ -	53	\$ -	\$ 1.0668	53	\$ 56.54	\$ 15.76	38.64%
Low Voltage Service Charge	\$ 0.7695	1	\$ 40.78	\$ -	1	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	53	\$ -	\$ 21.1335	53	\$ 1,120.08	\$ 1,120.08	
Additional Volumetric Rate Riders								
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>			<b>\$ 1,695.35</b>			<b>\$ 4,658.61</b>	<b>\$ 2,963.26</b>	<b>174.79%</b>
RTSR - Network	\$ 1.9856	53	\$ 105.24	\$ 2.0086	53	\$ 106.46	\$ 1.22	1.16%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.4901	53	\$ 78.98	\$ 1.5168	53	\$ 80.39	\$ 1.42	1.79%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>			<b>\$ 1,879.56</b>			<b>\$ 4,845.46</b>	<b>\$ 2,965.90</b>	<b>157.80%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0034	20,408	\$ 69.39	\$ 0.0034	20,316	\$ 69.08	\$ (0.31)	-0.45%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	20,408	\$ 10.20	\$ 0.0005	20,316	\$ 10.16	\$ (0.05)	-0.45%
Standard Supply Service Charge	\$ 0.25	3	\$ 0.75	\$ 0.25	3	\$ 0.75	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	20,408	\$ 2,246.96	\$ 0.1101	20,316	\$ 2,236.84	\$ (10.12)	-0.45%
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 4,206.86</b>			<b>\$ 7,162.28</b>	<b>\$ 2,955.42</b>	<b>70.25%</b>
HST	13%		\$ 546.89	13%		\$ 931.10	\$ 384.20	70.25%
Ontario Electricity Rebate	21.2%		\$ -	21.2%		\$ -	\$ -	
<b>Total Bill on Average IESO Wholesale Market Price</b>			<b>\$ 4,753.76</b>			<b>\$ 8,093.38</b>	<b>\$ 3,339.62</b>	<b>70.25%</b>



## C. Revenue Requirement Work Form.

 Ontario Energy Board	
<h1>Revenue Requirement Workform (RRWF) for 2021 Filers</h1>	
	
Version 1.00	
Utility Name	Wellington North Power Inc.
Service Territory	
Assigned EB Number	EB-2020-0061
Name and Title	Richard Bucknall
Phone Number	519-323-1710
Email Address	<a href="mailto:rbucknall@wellingtonnorthpower.com">rbucknall@wellingtonnorthpower.com</a>
Test Year	2021
Bridge Year	2020
Last Rebasing Year	2016

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*





Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

Data Input <sup>(1)</sup>

	Initial Application	(2)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
<b>1 Rate Base</b>							
Gross Fixed Assets (average)	\$14,679,188		\$143,403	\$ 14,822,591			\$14,822,591
Accumulated Depreciation (average)	(\$3,437,206)	(5)	(\$3,143)	(\$3,440,349)			(\$3,440,349)
<b>Allowance for Working Capital:</b>							
Controllable Expenses	\$1,932,500		(\$22,677)	\$ 1,909,823			\$1,909,823
Cost of Power	\$12,196,563		(\$488,134)	\$ 11,708,429			\$11,708,429
Working Capital Rate (%)	7.50%	(9)	\$0	7.50%	(9)	\$0	7.50%
<b>2 Utility Income</b>							
Operating Revenues:							
Distribution Revenue at Current Rates	\$2,646,244		\$1,498	\$2,647,743			
Distribution Revenue at Proposed Rates	\$2,996,360		(\$30,683)	\$2,965,678			
<b>Other Revenue:</b>							
Specific Service Charges	\$34,000		\$0	\$34,000			
Late Payment Charges	\$24,500		\$0	\$24,500			
Other Distribution Revenue	\$71,130		\$130	\$71,260			
Other Income and Deductions	\$5,700		\$0	\$5,700			
Total Revenue Offsets	\$135,330	(7)	\$130	\$135,460			
<b>Operating Expenses:</b>							
OM+A Expenses	\$1,915,000		(\$22,677)	\$ 1,892,323			\$1,892,323
Depreciation/Amortization	\$500,023		\$13	\$ 500,036			\$500,036
Property taxes	\$14,000		\$ -	\$ 14,000			\$14,000
Other expenses	\$3,500		\$ -	3500			\$3,500
<b>3 Taxes/PILs</b>							
Taxable Income:							
	(\$419,241)	(3)	\$5,456	(\$413,784)			
Adjustments required to arrive at taxable income							
<b>Utility Income Taxes and Rates:</b>							
Income taxes (not grossed up)	\$ -		\$0	\$ -			
Income taxes (grossed up)	\$ -			\$ -			
Federal tax (%)	0.00%		\$0	0.00%			
Provincial tax (%)	0.00%		\$0	0.00%			
Income Tax Credits	\$ -		\$0	\$ -			
<b>4 Capitalization/Cost of Capital</b>							
<b>Capital Structure:</b>							
Long-term debt Capitalization Ratio (%)	56.0%		\$0	56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(8)	\$0	4.0%	(8)		
Common Equity Capitalization Ratio (%)	40.0%		\$0	40.0%			
Preferred Shares Capitalization Ratio (%)	100.0%			100.0%			
<b>Cost of Capital</b>							
Long-term debt Cost Rate (%)	3.87%		\$0	3.87%		\$0	3.87%
Short-term debt Cost Rate (%)	2.75%		(\$0)	1.75%		\$0	1.75%
Common Equity Cost Rate (%)	8.52%		(\$0)	8.34%		\$0	8.34%
Preferred Shares Cost Rate (%)							



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Rate Base and Working Capital

Line No.	Rate Base Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) <sup>(2)</sup>	\$14,679,188	\$143,403	\$14,822,591	\$ -	\$14,822,591
2	Accumulated Depreciation (average) <sup>(2)</sup>	(\$3,437,206)	(\$3,143)	(\$3,440,349)	\$ -	(\$3,440,349)
3	Net Fixed Assets (average) <sup>(2)</sup>	\$11,241,982	\$140,260	\$11,382,242	\$ -	\$11,382,242
4	Allowance for Working Capital <sup>(1)</sup>	\$1,059,680	(\$38,311)	\$1,021,369	\$ -	\$1,021,369
5	<b>Total Rate Base</b>	<b>\$12,301,661</b>	<b>\$101,950</b>	<b>\$12,403,611</b>	<b>\$ -</b>	<b>\$12,403,611</b>
<b>(1) Allowance for Working Capital - Derivation</b>						
6	Controllable Expenses	\$1,932,500	(\$22,677)	\$1,909,823	\$ -	\$1,909,823
7	Cost of Power	\$12,196,563	(\$488,134)	\$11,708,429	\$ -	\$11,708,429
8	Working Capital Base	\$14,129,063	(\$510,811)	\$13,618,252	\$ -	\$13,618,252
9	Working Capital Rate % <sup>(1)</sup>	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance	\$1,059,680	(\$38,311)	\$1,021,369	\$ -	\$1,021,369



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	<b>Operating Revenues:</b>					
1	Distribution Revenue (at Proposed Rates)	\$2,996,360	(\$30,683)	\$2,965,678	\$ -	\$2,965,678
2	Other Revenue <sup>(1)</sup>	\$135,330	\$130	\$135,460	\$ -	\$135,460
3	Total Operating Revenues	\$3,131,690	(\$30,552)	\$3,101,138	\$ -	\$3,101,138
	<b>Operating Expenses:</b>					
4	OM+A Expenses	\$1,915,000	(\$22,677)	\$1,892,323	\$ -	\$1,892,323
5	Depreciation/Amortization	\$500,023	\$13	\$500,036	\$ -	\$500,036
6	Property taxes	\$14,000	\$ -	\$14,000	\$ -	\$14,000
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$3,500	\$ -	\$3,500	\$ -	\$3,500
9	Subtotal (lines 4 to 8)	\$2,432,523	(\$22,664)	\$2,409,859	\$ -	\$2,409,859
10	Deemed Interest Expense	\$279,927	(\$2,433)	\$277,494	\$ -	\$277,494
11	Total Expenses (lines 9 to 10)	\$2,712,450	(\$25,097)	\$2,687,353	\$ -	\$2,687,353
12	Utility income before income taxes	\$419,241	(\$5,456)	\$413,785	\$ -	\$413,785
13	Income taxes (grossed-up)	\$ -	\$ -	\$ -	\$ -	\$ -
14	Utility net income	\$419,241	(\$5,456)	\$413,785	\$ -	\$413,785



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$419,241	\$413,784	\$413,784
2	Adjustments required to arrive at taxable utility income	(\$419,241)	(\$413,784)	(\$413,784)
3	Taxable income	\$ -	\$ -	\$ -
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$ -	\$ -	\$ -
6	Total taxes	\$ -	\$ -	\$ -
7	Gross-up of Income Taxes	\$ -	\$ -	\$ -
8	Grossed-up Income Taxes	\$ -	\$ -	\$ -
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$ -	\$ -	\$ -
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	0.00%	0.00%	0.00%
12	Provincial tax (%)	0.00%	0.00%	0.00%
13	Total tax rate (%)	0.00%	0.00%	0.00%



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2021 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$6,888,930	3.87%	\$266,395
2	Short-term Debt	4.00%	\$492,066	2.75%	\$13,532
3	Total Debt	60.00%	\$7,380,997	3.79%	\$279,927
	Equity				
4	Common Equity	40.00%	\$4,920,665	8.52%	\$419,241
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$4,920,665	8.52%	\$419,241
7	Total	100.00%	\$12,301,661	5.68%	\$699,167
		Settlement Agreement			
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$6,946,022	3.87%	\$268,811
2	Short-term Debt	4.00%	\$496,144	1.75%	\$8,683
3	Total Debt	60.00%	\$7,442,167	3.73%	\$277,494
	Equity				
4	Common Equity	40.00%	\$4,961,444	8.34%	\$413,784
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$4,961,444	8.34%	\$413,784
7	Total	100.00%	\$12,403,611	5.57%	\$691,278

**Revenue Deficiency/Sufficiency**

Line No.	Particulars	Initial Application		Settlement Agreement	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$350,116		\$317,935
2	Distribution Revenue	\$2,646,244	\$2,646,244	\$2,647,743	\$2,647,743
3	Other Operating Revenue	\$135,330	\$135,330	\$135,460	\$135,460
4	Offsets - net				
4	<b>Total Revenue</b>	<b>\$2,781,574</b>	<b>\$3,131,690</b>	<b>\$2,783,203</b>	<b>\$3,101,138</b>
5	Operating Expenses	\$2,432,523	\$2,432,523	\$2,409,859	\$2,409,859
6	Deemed Interest Expense	\$279,927	\$279,927	\$277,494	\$277,494
8	<b>Total Cost and Expenses</b>	<b>\$2,712,450</b>	<b>\$2,712,450</b>	<b>\$2,687,353</b>	<b>\$2,687,353</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$69,124</b>	<b>\$419,241</b>	<b>\$95,850</b>	<b>\$413,785</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$419,241)	(\$419,241)	(\$413,784)	(\$413,784)
11	<b>Taxable Income</b>	<b>(\$350,116)</b>	<b>(\$0)</b>	<b>(\$317,935)</b>	<b>\$1</b>
12	Income Tax Rate	0.00%	0.00%	0.00%	0.00%
13		\$ -	\$ -	\$ -	\$ -
	<b>Income Tax on Taxable Income</b>				
14	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>\$69,124</b>	<b>\$419,241</b>	<b>\$95,850</b>	<b>\$413,785</b>
16	<b>Utility Rate Base</b>	<b>\$12,301,661</b>	<b>\$12,301,661</b>	<b>\$12,403,611</b>	<b>\$12,403,611</b>
17	Deemed Equity Portion of Rate Base	\$4,920,665	\$4,920,665	\$4,961,444	\$4,961,444
18	Income/(Equity Portion of Rate Base)	1.40%	8.52%	1.93%	8.34%
19	Target Return - Equity on Rate Base	8.52%	8.52%	8.34%	8.34%
20	Deficiency/Sufficiency in Return on Equity	-7.12%	0.00%	-6.41%	0.00%
21	Indicated Rate of Return	2.84%	5.68%	3.01%	5.57%
22	Requested Rate of Return on Rate Base	5.68%	5.68%	5.57%	5.57%
23	Deficiency/Sufficiency in Rate of Return	-2.85%	0.00%	-2.56%	0.00%
24	Target Return on Equity	\$419,241	\$419,241	\$413,784	\$413,784
25	Revenue Deficiency/(Sufficiency)	\$350,116	\$ -	\$317,935	\$0
26	<b>Gross Revenue</b>	<b>\$350,116 <sup>(1)</sup></b>		<b>\$317,935 <sup>(1)</sup></b>	
	<b>Deficiency/(Sufficiency)</b>				

Revenue Requirement					
Line No.	Particulars	Application		Settlement Agreement	
1	OM&A Expenses	\$1,915,000		\$1,892,323	
2	Amortization/Depreciation	\$500,023		\$500,036	
3	Property Taxes	\$14,000		\$14,000	
5	Income Taxes (Grossed up)	\$ -		\$ -	
6	Other Expenses	\$3,500		\$3,500	
7	Return				
	Deemed Interest Expense	\$279,927		\$277,494	
	Return on Deemed Equity	\$419,241		\$413,784	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$3,131,690</u>		<u>\$3,101,137</u>	
9	Revenue Offsets	\$135,330		\$135,460	
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<u>\$2,996,360</u>		<u>\$2,965,677</u>	
11	Distribution revenue	\$2,996,360		\$2,965,678	
12	Other revenue	\$135,330		\$135,460	
13	<b>Total revenue</b>	<u>\$3,131,690</u>		<u>\$3,101,138</u>	





**Cost Allocation and Rate Design**

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: **Settlement Agreement**

**A) Allocated Costs**

Name of Customer Class <sup>(1)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup>	%
From Sheet 10. Load Forecast			(7A)	
1 Residential	\$ 1,559,734	58.43%	\$ 1,737,261	56.02%
2 General Service<50kW	\$ 404,332	15.15%	\$ 480,958	15.51%
3 General Service 50-999kW	\$ 199,789	7.49%	\$ 338,381	10.91%
4 General Service 1000-4999kW	\$ 481,194	18.03%	\$ 482,367	15.55%
5 Unmetered Scattered Load	\$ 260	0.01%	\$ 618	0.02%
6 Sentinel Lights	\$ 5,988	0.22%	\$ 4,438	0.14%
7 Street Lights	\$ 17,882	0.67%	\$ 57,114	1.84%
<b>Total</b>	<b>\$ 2,669,178</b>	<b>100.00%</b>	<b>\$ 3,101,138</b>	<b>100.00%</b>

**B) Calculated Class Revenues**

Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1 Residential	\$ 1,465,096	\$ 1,641,021.87	\$ 1,641,070	\$ 88,095
2 General Service<50kW	\$ 455,081	\$ 509,726.63	\$ 494,378	\$ 18,534
3 General Service 50-999kW	\$ 253,339	\$ 283,759.36	\$ 283,756	\$ 10,119
4 General Service 1000-4999kW	\$ 449,785	\$ 503,794.12	\$ 499,865	\$ 14,541
5 Unmetered Scattered Load	\$ 934	\$ 1,046.57	\$ 625	\$ 34
6 Sentinel Lights	\$ 3,707	\$ 4,152.16	\$ 4,152	\$ 274
7 Street Lights	\$ 19,800	\$ 22,177.12	\$ 41,831	\$ 3,863
<b>Total</b>	<b>\$ 2,647,743</b>	<b>\$ 2,965,678</b>	<b>\$ 2,965,677</b>	<b>\$ 135,460</b>

**C) Rebalancing Revenue-to-Cost Ratios**

Name of Customer Class	Previously Approved Ratios Most Recent Year: 2016 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1 Residential	92.49%	99.53%	99.53%	85 - 115
2 General Service<50kW	119.07%	109.84%	106.64%	80 - 120
3 General Service 50-999kW	119.61%	86.85%	86.85%	80 - 120
4 General Service 1000-4999kW	99.68%	107.46%	106.64%	80 - 120
5 Unmetered Scattered Load	114.76%	174.84%	106.64%	80 - 120
6 Sentinel Lights	79.87%	99.74%	99.74%	80 - 120
7 Street Lights	119.96%	45.59%	80.00%	80 - 120

**(D) Proposed Revenue-to-Cost Ratios <sup>(11)</sup>**

Name of Customer Class	Test Year 2021	Proposed Revenue-to-Cost Ratio Price Cap IR Period 2022	2023	Policy Range
1 Residential	99.53%	99.53%	99.53%	85 - 115
2 General Service<50kW	106.64%	106.64%	106.64%	80 - 120
3 General Service 50-999kW	86.85%	86.85%	86.85%	80 - 120
4 General Service 1000-4999kW	106.64%	106.64%	106.64%	80 - 120
5 Unmetered Scattered Load	106.64%	106.64%	106.64%	80 - 120
6 Sentinel Lights	99.74%	99.74%	99.74%	80 - 120
7 Street Lights	80.00%	80.00%	80.00%	80 - 120

Rate Design and Revenue Reconciliation																		
This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs.																		
Stage in Process:		Settlement Agreement			Class Allocated Revenues			Fixed / Variable Splits <sup>2</sup>			Distribution Rates			Revenue Reconciliation				
Customer and Load Forecast					From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design			Percentage to be entered as a fraction between 0 and 1										
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Transformer Ownership Allowance <sup>1</sup> (\$)	Monthly Service Charge		Volumetric Rate		MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance	
From sheet 10. Load Forecast											Rate	No. of decimals	Rate	No. of decimals				
1 Residential	kWh	3,355	25,765,404	-	\$ 1,641,070	\$ 1,641,070	\$ -	100.00%	0.00%		\$40.76	2	\$0.0000 /kWh	4	\$ 1,640,997.60	\$ -	\$ 1,640,997.60	
2 General Service<50kW	kWh	468	11,136,665	-	\$ 494,378	\$ 272,264	\$ 222,115	55.07%	44.93%		\$48.48		\$0.0199 /kWh		\$ 272,263.68	\$ 221,619.6381	\$ 493,883.32	
3 General Service 50-99kW	kW	34	18,284,534	51,267	\$ 283,756	\$ 118,067	\$ 165,689	41.61%	58.39%	\$ 6,364	\$289.38		\$3.3560 /kW		\$ 118,067.04	\$ 172,053.0171	\$ 283,755.63	
4 General Service 1000-4999kW	kW	5	42,766,148	96,230	\$ 499,865	\$ 141,906	\$ 357,959	28.39%	71.61%		\$2,365.10		\$3.7198 /kW		\$ 141,906.00	\$ 357,957.0980	\$ 499,863.10	
5 Unmetered Scattered Load	kWh	2	6,288	-	\$ 625	\$ 556	\$ 69	89.02%	10.98%		\$23.18		\$0.0109 /kWh		\$ 556.32	\$ 68.5392	\$ 624.86	
6 Sentinel Lights	kW	23	19,673	55	\$ 4,152	\$ 2,396	\$ 1,756	57.70%	42.30%		\$8.66		\$32.0758 /kW		\$ 2,395.68	\$ 1,756.2879	\$ 4,151.95	
7 Street Lights	kW	924	229,833	632	\$ 41,831	\$ 39,362	\$ 2,468	94.10%	5.90%		\$3.55		\$3.9029 /kW		\$ 39,362.40	\$ 2,468.4750	\$ 41,830.98	
8		-	-	-											\$ -	\$ -	\$ -	
20		-	-	-											\$ -	\$ -	\$ -	
Total Transformer Ownership Allowance											\$ 6,364					Total Distribution Revenues		\$ 2,965,107.34
													Rates recover revenue requirement			Base Revenue Requirement		\$ 2,965,677.33
																Difference		-\$ 569.99
																% Difference		-0.0193%

**Tracking Form**

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

**Summary of Proposed Changes**

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	<b>Original Application</b>	\$ 699,167	5.68%	\$ 12,301,661	\$ 14,129,063	\$ 1,059,680	\$ 500,023	\$ -	\$ 1,915,000	\$ 3,131,690	\$ 135,330	\$ 2,996,360	\$ 350,116
1	Response to IR 5-Staff-66												
	Update using 2021 Cost of Capital Parameters	\$ 685,596	5.57%	\$ 12,301,661	\$ 14,129,063	\$ 1,059,680	\$ 500,023	\$ -	\$ 1,915,000	\$ 3,118,119	\$ 135,330	\$ 2,982,789	\$ 336,545
	Change	-\$ 13,571	-0.11%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 13,571	\$ -	-\$ 13,571	-\$ 13,571
2	Response to IR 2-Staff-41 and IR 2-Staff-43												
	Updated Cost of Power using RPP Price Report Nov 1, 2020 to Oct 31, 2021 and applying Ont. Elec Rebate at -33.2%	\$ 686,254	5.57%	\$ 12,313,462	\$ 14,286,407	\$ 1,071,481	\$ 500,023	\$ -	\$ 1,915,000	\$ 3,118,777	\$ 135,330	\$ 2,983,447	\$ 337,203
	Change	\$ 658	0.00%	\$ 11,801	\$ 157,344	\$ 11,801	\$ -	\$ -	\$ -	\$ 658	\$ -	\$ 658	\$ 658
3	Response to IR 8-Staff-74												
	Updated RTSR rates for 2021 (as per EB-2020-0030)	\$ 686,334	5.57%	\$ 12,314,908	\$ 14,305,679	\$ 1,072,926	\$ 500,023	\$ -	\$ 1,915,000	\$ 3,118,857	\$ 135,330	\$ 2,983,527	\$ 337,283
	Change	\$ 81	0.00%	\$ 1,445	\$ 19,272	\$ 1,445	\$ -	\$ -	\$ -	\$ 81	\$ -	\$ 81	\$ 81
4	IR 3-Staff-48 and IR 3-VECC-28												
	Updated Other Revenue	\$ 686,334	5.57%	\$ 12,314,908	\$ 14,305,679	\$ 1,072,926	\$ 500,023	\$ -	\$ 1,915,000	\$ 3,118,857	\$ 135,460	\$ 2,983,397	\$ 337,153
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130	-\$ 130	-\$ 130
5	4-Staff-54												
	Reduction to one Intervenor	\$ 686,322	5.57%	\$ 12,314,683	\$ 14,302,679	\$ 1,072,701	\$ 500,023	\$ -	\$ 1,912,000	\$ 3,117,106	\$ 135,460	\$ 2,981,646	\$ 335,402
	Change	-\$ 13	0.00%	\$ 225	\$ 3,000	\$ 225	\$ -	\$ -	\$ 3,000	-\$ 1,752	\$ -	-\$ 1,752	-\$ 1,752
6	IR 2-Staff-7 and IR 2-Staff-38												
	Update Asset Continuity Schedule	\$ 694,728	5.57%	\$ 12,465,510	\$ 14,302,679	\$ 1,072,701	\$ 501,284	\$ -	\$ 1,912,000	\$ 3,125,512	\$ 135,460	\$ 2,990,052	\$ 343,808
	Change	\$ 8,406	0.00%	\$ 150,828	\$ -	\$ -	\$ 1,261	\$ -	\$ -	\$ 8,406	\$ -	\$ 8,406	\$ 8,406
7	IR 3-VECC-26 and IR 3-VECC-27												
	Updated Load Forecast	\$ 694,745	5.57%	\$ 12,465,815	\$ 14,306,744	\$ 1,073,006	\$ 501,284	\$ -	\$ 1,912,000	\$ 3,125,529	\$ 135,460	\$ 2,990,069	\$ 343,617
	Change	\$ 17	0.00%	\$ 305	\$ 4,064	\$ 305	\$ -	\$ -	\$ -	\$ 17	\$ -	\$ 17	-\$ 190
8	VECC 64 (Clarification Question) Updated RTSR												
	Cost of Power - corrected TX Connection Rates	\$ 694,669	5.57%	\$ 12,464,448	\$ 14,288,516	\$ 1,071,639	\$ 501,284	\$ -	\$ 1,912,000	\$ 3,125,453	\$ 135,460	\$ 2,989,993	\$ 343,541
	Change	-\$ 76	0.00%	\$ 1,367	\$ 18,227	\$ 1,367	\$ -	\$ -	\$ -	-\$ 76	\$ -	-\$ 76	\$ 76
9	Settlement Conference												
	Adjustment of CapEx	\$ 694,619	5.57%	\$ 12,451,591	\$ 14,288,516	\$ 1,071,639	\$ 499,998	\$ -	\$ 1,892,323	\$ 3,123,450	\$ 135,460	\$ 2,987,990	\$ 341,539
	Change	-\$ 50	0.00%	\$ 12,857	\$ 0	\$ 0	\$ 1,286	\$ -	\$ 19,677	-\$ 2,003	\$ -	-\$ 2,003	-\$ 2,003
10	Settlement Conference												
	Adjustment of Load Forecast	\$ 694,028	5.57%	\$ 12,452,958	\$ 14,306,743	\$ 1,073,006	\$ 499,998	\$ -	\$ 1,912,000	\$ 3,123,526	\$ 135,460	\$ 2,988,066	\$ 351,011
	Change	-\$ 591	0.00%	\$ 1,367	\$ 18,227	\$ 1,367	\$ 0	\$ -	\$ 19,677	\$ 76	\$ -	\$ 76	\$ 9,473
11	Settlement Conference												
	Cost of Power - updated to reflect Average Supply Costs Summary as per OEB letter December 15, 2020	\$ 691,163	5.57%	\$ 12,401,544	\$ 13,621,224	\$ 1,021,592	\$ 499,998	\$ -	\$ 1,912,000	\$ 3,120,661	\$ 135,460	\$ 2,985,201	\$ 348,146
	Change	-\$ 2,865	0.00%	\$ 51,414	\$ 685,520	\$ 51,414	\$ -	\$ -	\$ -	-\$ 2,865	\$ -	-\$ 2,865	-\$ 2,865
12	Settlement Conference												
	Adjustment of 2021 OM&A	\$ 691,278	5.57%	\$ 12,403,611	\$ 13,618,252	\$ 1,021,369	\$ 500,036	\$ -	\$ 1,892,323	\$ 3,101,137	\$ 135,460	\$ 2,965,677	\$ 317,935
	Change	\$ 115	0.00%	\$ 2,067	\$ 2,972	\$ 223	\$ 39	\$ -	\$ 19,677	-\$ 19,523	\$ -	-\$ 19,523	-\$ 30,211

## D. OEB Letter – April 9, 2021.

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Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

**BY EMAIL**

April 9, 2021

### To: Parties in EB-2020-0061

The Ontario Energy Board (OEB) is deferring its decision on the settlement proposal pending further consideration by the parties on the bill impact for the streetlighting class. Despite the assurance in the settlement proposal that Wellington North Power Inc. (Wellington North) has discussed the bill increase for streetlighting with its shareholders (the municipalities) and they understand and accept the outcome, the OEB is concerned by the magnitude of the bill increase.

On reviewing the contributing factors to the bill increase, the OEB notes that a large portion of the balances in the Retail Commodity Variance Accounts (RCVAs) are allocated to the streetlighting class. The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative<sup>1</sup> identified number of customers as the allocator for the RCVAs but did not provide direction with respect to classes that have one (or few) customer(s) and many connections. The use of number of connections, as currently proposed, as an allocator is often not an issue because the balances in the RCVAs are small. In this case, the balances in the RCVAs are high relative to the size of Wellington North. Given the nature of the RCVAs is to record costs of managing transactions in the retail market, the OEB questions the appropriateness of the streetlighting class being allocated a high amount of the balances.

The OEB is asking the parties to consider whether the use of number of customers, instead of number of connections, as the allocator for the RCVA would be appropriate. In this case, there are three customers in the streetlighting class, the municipalities. Following this consideration, the parties can report back to the OEB on whether any change will be made to the settlement proposal before the OEB makes its final decision.

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<sup>1</sup> Dated July 31, 2009, EB-2008-0046

**Ontario Energy Board**

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The OEB also notes that if the allocator for the RCVA is changed to the number of customers for the streetlighting class, the appropriateness of this same approach for the sentinel light and USL classes should be considered.

The parties should report back to the OEB by no later than April 19, 2021.

Yours truly,

*Original Signed By*

Christine E. Long  
Registrar