EB-2020-0027

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
Hearst Power Distribution Co. Ltd.
for an order approving just and reasonable rates and
other charges for electricity distribution beginning
May 1, 2021.

Hearst Power Distribution Co. Ltd.

Settlement Proposal

Filed: May 25, 2021

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LIST OF ATTACHMENTS

A. Proposed May 1, 2021 Tariff of Rates and Charges.
B. Bill Impacts.
C. Revenue Requirement Work Form.

Note:

Hearst Power Distribution Co. Ltd. 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

Hearst Power Distribution Co. Ltd. (the "Applicant" or "HPDCL") filed a Cost of Service application with the Ontario Energy Board (the "OEB") on December 11, 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 HPDCL charges for electricity distribution, to be effective May 1, 2021 (OEB file number EB-2020-0027) (the "Application").

The OEB issued a Letter of Direction and Notice of Application on January 07, 2021. In Procedural Order No. 1, dated February 03, 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; HPDCL's responses to interrogatories; a Settlement Conference; and various other elements in the proceeding. By letter dated April 1, 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, HPDCL filed its interrogatory responses with the OEB on March 18, 2021.

On March 24, 2021 OEB staff submitted a proposed issues list as agreed to by the parties. On April 1, 2021 the OEB issued its decision on the final issues list (the "Approved Issues List").

The Settlement Conference was convened on April 5th and 6th, 2021 in accordance with the OEB's *Rules of Practice and Procedure* (the "Rules") and the OEB's Practice Direction on Settlement Conferences. HPDCL, VECC and OEB staff participated in the Settlement Conference.

Karen Wianecki acted as facilitator for the Settlement Conference.

HPDCL, VECC and OEB Staff collectively referred to below as the "Parties", reached a full, comprehensive settlement regarding HPDCL'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. 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.

The settlement conference and any subsequent settlement-related discussions between the Parties (collectively referred to as the "Settlement Proceeding") are subject to the rules relating to confidentiality and privilege contained in the Practice Direction on Settlement Conferences. 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 on Settlement Conferences, as amended on February 17, 2021. Parties have interpreted the revised Practice Direction on Settlement Conferences to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counteroffers, 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 certain specific conditions, set out in section 10.2 of the Practice Direction on Settlement Conferences, are met.

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 HPDCL. 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 Approved Issues List, with additional sub-issues added as appropriate in order to highlight specific aspects of the settlement.

According to section 6 of the Practice Direction on Settlement Conferences, 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 HPDCL 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 HPDCL, 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

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.

The overall financial impact of the Settlement Proposal is to reduce the total base revenue requirement by 2.23% from $1,233,291 to $1,205,809.

The Settlement Proposal will result in total bill increases of 4.6% or $5.26 per month for the typical residential customer consuming 750 kWh per month. This compares to a proposed increase 4.1% or $4.69 per month in the original application. The increase in the total bill impact for residential customers despite the reduction in the overall revenue requirement is primarily the result of changes to the revenue-to-cost ratios proposed in the application as part of the Settlement Proposal, as further described under issue 3.2 Had the original application been based on the approach to revenue-to-cost ratios embodied in this Settlement Proposal the resulting change in total bill impact for residential customers from this Proposal would have been a decrease.

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, HPDCL has agreed to certain adjustments to its original 2021 Application. The changes are described in the following sections.

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

Table 1 - 2021 Revenue Requirement

	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Long Term Debt	2.85%	2.85%	0.00%	2.85%	0.00%
Short Term Debt	1.75%	1.75%	0.00%	1.75%	0.00%
Return on Equity	8.34%	8.34%	0.00%	8.34%	0.00%
Regulated Rate of Return	**5.00%**	**5.00%**	**0.00%**	**5.00%**	**0.00%**
	$0				
Controllable Expenses	1,207,448	1,207,448	0	1,177,448	-30,000
Power Supply Expense	8,042,286	8,014,523	-27,763	8,626,476	611,954
Total Eligible Distribution Expenses	9,249,733	9,221,970	-27,763	9,803,924	581,954
Working Capital Allowance Rate	7.50	7.50	0.00	7.50	0.00
Total Working Capital Allowance ("WCA")	**693,730**	**691,648**	**-2,082**	**735,294**	**43,647**
Gross Fixed Assets (avg)	2,941,929	2,950,031	8,103	2,950,031	0
Accumulated Depreciation (avg)	-1,220,802	-1,220,157	645	-1,220,157	0
Net Fixed Assets (avg)	1,721,127	1,729,874	8,748	1,729,874	0
Working Capital Allowance	693,730	691,648	-2,082	735,294	43,647
Rate Base	**2,414,857**	**2,421,522**	**6,666**	**2,465,169**	**43,647**
Regulated Rate of Return	**5.00%**	**5.00%**	**0.00%**	**5.00%**	**0.00%**
Regulated Return on Capital	**120,791**	**121,125**	**333**	**123,308**	**2,183**
OM&A Expenses	1,207,448	1,207,448	0	1,177,448	-30,000
Depreciation Expense	140,435	140,435	0	140,435	0
PILs	0	0	0	0	0
Revenue Offset	235,382	235,382	0	235,382	0
Revenue Requirement	**1,233,292**	**1,233,625**	**333**	**1,205,809**	**-27,817**
Gross Revenue Deficiency/Sufficiency	**160,126**	**157,401**	**-2,724**	**124,733**	**-32,669**

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 Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Revenue Deficiency from Below	$160,126	$157,401	-$2,724	$124,733	-$32,669
Distribution Revenue	$1,073,166	$1,076,224	$3,058	$1,081,076	$4,852
Other Operating Revenue Offsets - net	$235,382	$235,382	$0	$235,382	$0
Total Revenue	**$1,468,674**	**$1,469,007**	**$333**	**$1,441,191**	**-$27,817**
Operating Expenses	$1,347,883	$1,347,883	$0	$1,317,883	-$30,000
Deemed Interest Expense	$40,232	$40,343	$111	$41,070	$727
Total Cost and Expenses	**$1,388,114**	**$1,388,225**	**$111**	**$1,358,953**	**-$29,273**
	0	0	$0	0	$0
Utility Income Before Income Taxes	**$80,560**	**$80,782**	**$222**	**$82,238**	**$1,456**
Tax Adjustments to Accounting Income per 2013 PILs model	$0	$0	$0	$0	$0
Taxable Income	**$80,560**	**$80,782**	**$222**	**$82,238**	**$1,456**
Income Tax Rate	0.00%	0.00%	$0	0.00%	$0
Income Tax on Taxable Income	$0	$0	$0	$0	$0
Income Tax Credits	$0	$0	$0	$0	$0
Utility Net Income	$80,560	$80,782	$222	$82,238	$1,456
Utility Rate Base	**$2,414,857**	**$2,421,522**	**$6,666**	**$2,465,169**	**$43,647**
Deemed Equity Portion of Rate Base	$965,943	$968,609	$2,666	$986,067	$17,459
Income/(Equity Portion of Rate Base)	8.34%	8.34%	$0	8.34%	-$0
Target Return - Equity on Rate Base	8.34%	8.34%	$0	8.34%	$0
Deficiency/Sufficiency in Return on Equity	0.00%	0.00%	$0	0.00%	-$0
Indicated Rate of Return	5.00%	5.00%	$0	5.00%	-$0
Requested Rate of Return on Rate Base	5.00%	5.00%	$0	5.00%	$0
Deficiency/Sufficiency in Rate of Return	0.00%	0.00%	$0	0.00%	-$0
Target Return on Equity	$80,560	$80,782	$222	$82,238	$1,456
Gross Revenue Deficiency/(Sufficiency)	**$160,126**	**$157,401**	**-$2,724**	**$124,733**	**-$32,669**

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

RATE CLASSES / CATEGORIES ***(eg: Residential TOU, Residential Retailer)***	**Units**	**Sub-Total**						**Total**	
		A		**B**		**C**		**Total Bill**	
		$	**%**	**$**	**%**	**$**	**%**	**$**	**%**
RESIDENTIAL - RPP	kWh	$4.02	16.3%	$5.36	17.8%	$5.54	13.9%	$5.26	4.6%
GS LESS THAN 50 KW – RPP	kWh	$4.36	13.4%	$8.36	18.2%	$8.77	12.6%	$8.39	3.1%
GS 50 TO 1,499 KW– Non-RPP (Other)	kw	-$5.64	-3.4%	-$70.57	-25.6%	-$71.08	-12.9%	$156.91	1.1%
INTERMEDIATE USER– Non-RPP (Other)	kw	$104.50	7.2%	$169.60	7.5%	$155.20	2.1%	$2,310.49	1.8%
SENTINEL LIGHTING– Non-RPP (Other)	kw	$9.01	54.8%	$7.32	42.1%	$7.31	34.9%	$6.88	25.8%
STREET LIGHTING–Non-RPP (Other)	kw	-$143.69	-2.9%	-$931.21	-18.3%	-$932.03	-17.0%	-$967.79	-8.8%
RESIDENTIAL– Non-RPP (Retailer)	kWh	$4.02	16.3%	$5.01	16.3%	$5.18	12.8%	$4.93	4.2%

RRF OUTCOMES

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, the Parties accept that HPDCL'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

1.1 Capital

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.
- investment in non-wire alternatives, including distributed energy resources, where appropriate,
- Trade-offs with OM&A spending.
- Government-mandated obligations.
- The objectives of Hearst Power and its customers.
- The distribution system plan.
- The business plan.

Full Settlement

The Parties agree that HPDCL's proposed capital budget and forecast net in service additions are appropriate. The Parties note that the Test Year capital budget is materially impacted by the purchase of a replacement bucket truck, an expenditure of $265,000 relative to an average annual capital budget from 2015 to 2020 actuals and 2022 to 2025 of $203,000. The Parties acknowledge the need for the bucket truck and believe that HPDCL has acted appropriately by reducing its planned Test Year expenditures as much as reasonably possible in order to accommodate the capital bucket truck. In 2021, there are no other General Plant capital items, and the System Service capital has deferred new meter replacements for one year.

HPDCL agrees to continue to improve its asset management process, including ensuring that its asset condition assessment methodology and prioritization of projects are performed on a rigorous, data-driven and analytical basis, in the forecast period in cost effective ways, recognizing the small size of the utility and characteristics of HPDCL's distribution system and franchise area, to further improve its reliability outcomes and condition-based asset replacement strategy including incorporating a more risk-based asset prioritization process, which considers the preferences and long-term needs of customers in its service territory. HPDCL's system plans should address both the condition of assets and reliability outcomes including scheduled work and foreign interference. It should also include details as to the limitations faced by HPDCL in addressing related outages.

Table 4 - Fixed Asset Continuity and 2021 Capital Expenditures

	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
2020 Fixed Asset Continuity					
Opening	$2,568,179	$2,568,179	$0	$2,568,179	$0
Additions	$180,000	$188,103	$8,103	$188,103	$0
Disposals		$0	$0	$0	$0
Closing	**$2,748,179**	**$2,756,281**	**$8,103**	**$2,756,281**	**$0**
Accumulated Depreciation					
Opening	$1,018,834	$1,018,834	$0	$1,018,834	$0
Additions	$131,750	$131,105	-$645	$131,105	$0
Disposals	$0	$0	$0	$0	$0
Closing	**$1,150,584**	**$1,149,939**	**-$645**	**$1,149,939**	**$0**
					$0
2021 Fixed Asset Continuity					
Opening	$2,748,179	$2,756,281	$8,103	$2,756,281	$0
Additions	$387,500	$387,500	$0	$387,500	$0
Disposals	$0	$0	$0	$0	$0
Closing	**$3,135,679**	**$3,143,781**	**$8,103**	**$3,143,781**	**$0**
Accumulated Depreciation					$0
Opening	$1,150,584	$1,149,939	-$645	$1,149,939	$0
Additions	$140,435	$140,435	$0	$140,435	$0
Disposals	$0	$0	$0	$0	$0
Closing	**$1,291,020**	**$1,290,374**	**-$645**	**$1,290,374**	**$0**
System Access	$15,000	$15,000	$0	$15,000	$0
System Renewal	$115,000	$115,000	$0	$115,000	$0
System Service	$7,500	$7,500	$0	$7,500	$0
General Plant	$265,000	$265,000	**$0**	$265,000	$0
Total Expenditures	**$402,500**	**$402,500**	**$0**	**$402,500**	**$0**
Capital Contribution included in System Access	-$15,000	-$15,000	$0	-$15,000	**$0**
Total Expenditures	**$387,500**	**$387,500**		**$387,500**	**$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 HPDCL 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 2.4 Capital Expenditures.
- Exhibit 2 – Rate Base & DSP, Appendix 2A – 2021 Distribution System Plan.

IR Responses

- 2-Staff-1 to 2-Staff-20.
- 2-VECC-5. To 2-VECC-23
- Clarification Question: 1-Staff-101 to 1-Staff-5.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

1.2 OM&A

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 Hearst Power and its customers.
- The distribution system plan.
- The business plan.

Full Settlement

Subject to a reduction of $30,000 from the applied for amount of $1,207,448, the Parties agree that the resulting proposed OM&A budget of $1,177,448 for the Test Year is appropriate.

In supporting the resulting OM&A budget, the Parties note that HPDCL's OEB benchmarking results have placed HPDCL in cohort 1 since 2019, the most efficient cohort in Ontario from a benchmarking perspective, and that the proposed total costs in the Test Year keep HPDCL in cohort 1. Specific to OM&A, the Parties note that the average annual increase from HPDCL's OEB Approved 2015 OM&A to the proposed 2021 Test Year OM&A budget is a relatively modest 2.43%, and that within that increase HPDCL is forecasting being able to incorporate several cost drivers that were not included in its 2015 OEB Approved OM&A cost structure, including incremental smart meter operational costs, cyber security costs, and ongoing MIST meter costs. The Parties note, for example, that adjusting HPDCL's 2015 OEB Approved OM&A costs for the $33,000 in smart meter operating costs in 2015 that were allocated to HPDCL Smart Meter deferral account rather than included in HPDCL's test year OM&A budget adjusts the annual average increase from 2015 OEB Approved to 2021 proposed to 1.89%.

The reduction of $30,000 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 HPDCL 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.

Table 5 - 2021 Test Year OM&A Expenses

	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Operations	$181,784	$181,784	$0	$181,784	$0
Maintenance	$310,458	$310,458	$0	$300,458	-$10,000
Billing and Collecting	$328,564	$328,564	$0	$328,564	$0
Community Relations	$5,063	$5,063	$0	$5,063	$0
Administration & General +LEAP	$381,580	$381,580	$0	$361,580	-$20,000
Total	**$1,207,448**	**$1,207,448**	**$0**	**$1,177,448**	**-$30,000**

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-Staff-1 to 4-Staff 17
- 4-VECC-32 to 4-VECC-41.

Supporting Parties

HPDCL, 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 all elements of the revenue requirement as set out in this Settlement Proposal are appropriate and that they been determined in accordance with OEB policies and practices.

A summary of the adjusted Revenue Requirement of $1,205,809 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 Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
OM&A Expenses	$1,207,448	$1,207,448	$0	$1,177,448	-$30,000
Amortization/Depreciation	$140,435	$140,435	$0	$140,435	$0
Property Taxes					$0
Capital Taxes					$0
Income Taxes (Grossed up)	$0	$0	$0	$0	$0
Other Expenses					$0
Return					
Deemed Interest Expense	$40,232	$40,343	$111	$41,070	$727
Return on Deemed Equity	$80,560	$80,782	$222	$82,238	$1,456
Service Revenue Requirement (before Revenues)	$1,468,674	$1,469,007	$333	$1,441,191	-$27,817
Revenue Offsets	-$235,382	-$235,382	$0	-$235,382	$0
Base Revenue Requirement	$1,233,292	$1,233,625	$333	$1,205,809	-$27,817
Gross Revenue Deficiency/Sufficiency	$160,126	$157,401	-$2,724	$124,733	-$32,669

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

The proposed base revenue requirement for the test year is $147,708 or 13,96% higher than the 2015 Cost of Service approved Revenue Requirement of $1,058,101.

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

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

2.1.1 Cost of Capital

Full Settlement

The Parties agree to HPDCL's proposed cost of capital parameters as reflected in the calculation below. The Parties note that all elements of HPDCL's cost of capital parameters are based directly on the OEB's deemed rates; this is because HPDCL's only long-term debt is through a promissory note with its shareholder which, for regulatory rate setting purposes, attracts the OEB's deemed rate of (for 2021 applications) 2.85%, and a long-term loan with RBC Bank for the purchase of the bucket truck with an interest rate of 2.85% over five years.

HPDCL currently has a long-term debt through a Promissory Note with the Town of Hearst. The interest for the loan is the lesser of Prime Rate of the Bank of Canada plus 5.5% per annum or the undersigned's Net Income for such calendar year. HPDCL has made a formal request to its Shareholder asking to renegotiate the Promissory Note. The request is currently under review.

Table 7 - 2021 Cost of Capital Calculation

Particulars	Application February 24,2020	Application Nov 22 2020	IRR June 15 2020	IRR June 15 2020	Variance over Original Filing	Settlement Agreement May 25, 2021	Settlement Agreement May 25, 2021	Variance over IRs
Debt								
Long-term Debt	2.85%	$38,541	2.85%	$38,647	$106	2.85%	$39,344	$697
Short-term Debt	1.75%	$1,690	1.75%	$1,695	$5	1.75%	$1,726	$31
Total Debt		$40,232		$40,343	$111		$41,070	$727
Equity								
Common Equity	8.34%	$80,560	8.34%	$80,782	$222	8.34%	$82,238	$1,456
Preferred Shares	0.00%	$0	0.00%	$0	$0	0.00%	$0	$0
Total Equity		$80,560		$80,782	$222		$82,238	$1,456
Total	5.00%	$120,791	5.00%	$121,125	$333	5.00%	$123,308	$2,183

Evidence References

- Exhibit 5 – Cost of Capital, section 5.1 Capital Structure.
- Exhibit 5 – Cost of Capital, section 5.5 Cost of Capital.

IR Responses

- 5-Staff-1 to 5-Staff-3.
- 5-VECC-42 and 5-VECC-43.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

2.1.2 Rate Base

Full Settlement

The Parties accept the evidence of HPDCL that the rate base calculations, after adjusting for updates to the opening rate base to reflect 2020 actuals 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

Particulars	Application February 24,2020	IRR June 15 2020	Variance over Original Filing	Settlement Proposal April 25 2021	Variance over IRs
Gross Fixed Assets (avg)	$2,941,929	$2,950,031	$8,103	$2,950,031	$0
Accumulated Depreciation (avg)	-$1,220,802	-$1,220,157	$645	-$1,220,157	$0
Net Fixed Assets (avg)	$1,721,127	$1,729,874	$8,748	$1,729,874	$0
Allowance for Working Capital	$693,730	$691,648	-$2,082	$735,294	$43,647
Total Rate Base	**$2,414,857**	**$2,421,522**	**$6,666**	**$2,465,169**	**$43,647**
Controllable Expenses	$1,207,448	$1,207,448	$0	$1,177,448	-$30,000
Cost of Power	$8,042,286	$8,014,523	-$27,763	$8,626,476	$611,954
Working Capital Base	$9,249,733	$9,221,970	-$27,763	$9,803,924	$581,954
Working Capital Rate %	7.50%	7.50%	$0.00	7.50%	0.00%
Working Capital Allowance	$693,730	$691,648	-$2,082	$735,294	$43,647

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 2.4 Capital Expenditures.

IR Responses

- 2-Staff-1 to 2-Staff-20.
- 2-VECC-5. To 2-VECC-23

Supporting Parties

HPDCL, 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 $735,294 has been appropriately calculated, including the consequential adjustments made to reflect other aspects of the Settlement Proposal.

Table 9 - 2021 Working Capital Allowance Calculation

Particulars	Application February 24,2020	IRR June 15 2020	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Controllable Expenses	$1,207,448	$1,207,448	$0	$1,177,448	-$30,000
Cost of Power	$8,042,286	$8,014,523	-$27,763	$8,626,476	$611,954
Working Capital Base	$9,249,733	$9,221,970	-$27,763	$9,803,924	$581,954
Working Capital Rate %	7.50%	7.50%	$0.00	7.50%	0.00%
Working Capital Allowance	$693,730	$691,648	-$2,082	$735,294	$43,647

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.[1] 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 increased due to the reduction to the Ontario Electricity Rebate (OER), which also affects the total bill of RPP consumers from January 1, 2021 onwards.[2]

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.

[1] OEB letter "New Regulated Price Plan Prices Effective January 1, 2021", issued December 15, 2021.
[2] 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

- None

Supporting Parties

HPDCL, 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 $140,435 are appropriate. The Parties note that all of HPDCL's proposed depreciation rates are within the Kinectrics suggested ranges, and that HPDCL has not proposed any changes in rates since its 2015 Cost of Service application.

Table 10 - 2021 Depreciation

Particulars	**Application Nov 22 2020**	**IRs April 2, 2021**	**Variance over Original Filing**	**Settlement Agreement May 25, 2021**	**Variance over IRs**
Depreciation	$140,435	$140,435	$0.00	$140,435	$0

Evidence References

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

IR Responses

- None

Supporting Parties

HPDCL, 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. The Parties note that HPDCL is not claiming accelerated CCA, such that there are no amounts in account 1592 to dispose of.

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

Table 11 - 2021 Income Taxes

	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Income Taxes	$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-VECC-41.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

2.1.6 Other Revenue

Full Settlement

The Parties accept the evidence of HPDCL that its' proposed other revenue forecast of $235,382 is appropriate and has been correctly determined in accordance with OEB accounting policies and practices.

Table 12 - 2021 Other Revenue

	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Specific Service Charges	-$10,000	-$10,000	$0	-$10,000	$0
Late Payment Charges	-$12,000	-$12,000	$0	-$12,000	$0
Other Distribution Revenues	-$77,682	-$77,682	$0	-$77,682	$0
Other Income and Deductions	-$135,700	-$135,700	$0	-$135,700	$0
Total	-$235,382	-$235,382	$0	-$235,382	$0

Evidence References

- Exhibit 3 – Revenues, section 3.4 Other Revenues.

IR Responses

- 4-Staff-9.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

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

Full Settlement

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

Evidence References

- Exhibit 6 – Revenue Requirement, section 6.2 Calculation of Revenue Requirement.
- Exhibit 6 – Revenue Requirement, section 6.3 Revenue Deficiency or Surplus.

IR Responses

- None.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

3 LOAD FORECAST, COST ALLOCATION, AND RATE DESIGN

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 Hearst Power's customers?

3.1.1 Customer/Connection Forecast

Full Settlement

The Parties have agreed to the forecast of customers/connections set out in Table 13 - Summary of 2021 Load Forecast Customer Counts/Connections below.

Table 13 - Summary of 2021 Load Forecast Customer Counts/Connections

Particulars	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Residential	2,250	2,248	-2	2,248	0
General Service < 50 kW	470	458	-12	458	0
General Service > 50 to 4999 kW	36	37	1	37	0
Intermediate	2	2		2	
Sentinel	12	12	0	12	0
Street Lighting	967	967	0	967	0
Total	3,737	3,724	-13	3,724	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

- Clarification Question: VECC-59.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

3.1.2 Load Forecast

Full Settlement

For the purposes of settlement, the LDC specific "Shutdown" variable and the CDD variable were removed from the regression analysis that underpins the load forecast. The Adjusted R-Square increased from 0.8897 to 0.8911 as a result of removing the two variables. The overall impact on the load forecast was an increase of 1,298,461kWh from 77,390,579kW to 78,689,039kWh and an increase of 1,484kW from 123,942kW to 125,426kW. While the Parties have agreed to the resulting changes in the load forecast as a result of these changes to the regression analysis, the adjustments have been made without prejudice to the Parties' positions with respect to the appropriateness of the adjustments in the context of the overall load forecasting methodology.

No adjustments were made to the customer count or loss factor as a result of the settlement.

The Parties agreed to eliminate any CDM adjustments in the 2021 load forecast.

The Parties agreed to HPDCL's Load Forecast Model results as detailed in Table 14 below:

Table 14 - Summary of 2021 Load Forecast Billed kWh

Particulars	Determinant	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
		kWh	kWh	kWh	kWh	kWh
Residential	kWh	23,652,429	22,904,677	-747,752	23,426,806	522,129
General Service < 50 kW	kWh	10,991,463	10,581,028	-410,435	10,822,231	241,202
General Service > 50 to 4999 kW	kW	23,398,367	23,474,940	76,573	24,010,069	535,129
Intermediate	kW	19,969,100	19,969,100	0	19,969,100	0
Sentinel	kW	9,724	9,598	-126	9,598	0
Street Lighting	kW	453,699	451,236	-2,463	451,236	0
Total		**78,474,783**	**77,390,579**	**-1,084,078**	**78,689,039**	**1,298,461**

		kW	kW	kW	kW	kW
Residential	kWh	0	0	0	0	0
General Service < 50 kW	kWh	0	0	0	0	0
General Service > 50 to 4999 kW	kW	65,172	65,082	-90	66,565	1,484
Intermediate	kW	57,468	57,468	0	57,468	0
Sentinel	kW	27	27	0	27	0
Street Lighting	kW	1,373	1,366	-7	1,366	0
Total		**124,040**	**123,942**	**-97**	**125,426**	**1,484**

As noted under issue 3.1, HPDCL 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.

An updated copy of HPDCL'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 3 – Revenues, section 3.2 Impact and Persistence from Historical CDM Programs.
- Exhibit 3 – Revenues, section 3.3 Accuracy of Load Forecast Variance Analysis.
- 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-Staff-4 to 3-Staff-7
- 3-VECC-24 to 3-VECC-31
- 3-Staff-4 to 3-Staff-7

- 3-VECC-24 to 3-VECC-31
- Clarification Question: VECC-60.
- Clarification Question: VECC-61.
- Clarification Question: VECC-62.
- Clarification Question: 3-Staff-06.

Supporting Parties

HPDCL, 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 5.98% as proposed by HPDCL.

Table 15 - 2021 Loss Factors

Particulars	Application Nov 22 2020	IRs April 2, 2021	Variance over Original Filing	Settlement Agreement May 25, 2021	Variance over IRs
Loss Factor in Distributor's system = C / F	1.0303	1.0393	0.0089	1.0393	0.0000
Losses Upstream of Distributor's System					
Supply Facilities Loss Factor	1.0227	1.0198	-0.0030	1.0198	0.0000
Total Losses					
Total Loss Factor = G x H	1.0538	1.0598	0.0061	1.0598	0.0000

Evidence References

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

IR Responses

- 8-Staff-2.
- 8-VECC-54
- Clarification Question: VECC-69.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

3.1.4 LRAMVA Baseline

Full Settlement

In its' Application, HPDCL requested recovery of LRAMVA revenue on a final basis.[3]

The Parties have agreed to a 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 4 – Operating Revenues, section 4.12 Conservation & Demand Management.

IR Responses

- 4-Staff-10 to 4-Staff-17.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

[3] EB-2020-0061 Hearst Power Distribution Co. Ltd. 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?

Full Settlement

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

a) Adjustment 1:
For the General Service > 50 to 4999 kW and Street Lights rate classes, the revenue-to-cost ratio was adjusted to the top of the OEB's policy range, i.e. 1.20, from its calculated ratio of 1.37 and 1.35 respectively.

b) Adjustment 2:
For the Sentinel rate class, the revenue-to-cost ratio was adjusted to the bottom of the OEB's policy range, i.e., 0.80 from its calculated ratio of 0.63. The Intermediate rate class was left at its calculated ratio of 1.13

c) Adjustment 3:
The Residential rate class was adjusted upwards to equal the General Service <50 kW class. Both classes were then adjusted upwards in tandem to absorb the revenue shortfall created by moving the other classes that fell outside of the range within the range.

Table 16 - Summary of 2021 Revenue to Cost Ratios

Particulars	**Application February 24,2020**			**IRR June 15 2020**			**Settlement Proposal May 3 2021**		
Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance
Residential	0.97	0.98	-0.01	0.94	0.96	-0.01	0.94	0.97	-0.03
GS < 50 kW	1.00	1.00	0.00	0.95	1.00	-0.05	0.95	0.97	-0.01
GS > 50 to 4999 kW	1.15	1.15	0.00	1.36	1.20	0.16	1.37	1.20	0.17
Intermediate	0.81	0.81	0.00	1.11	1.10	0.01	1.12	1.12	0.00
Sentinel	0.67	0.80	-0.13	0.63	0.80	-0.17	0.63	0.80	-0.17
Street Lighting	1.46	1.20	0.26	1.34	1.20	0.14	1.35	1.20	0.15

Evidence References

- 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-44 to 7-VECC-49.
- 7-Staff-1 to 7-Staff-6.
- Clarification Question: VECC-63 to VECC-66.
- Clarification Question: 1-Staff-108 to 1-Staff-110.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

3.3 Are HPDCL's proposals, including the proposed fixed/variable splits, for rate design appropriate?

Full Settlement

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

Table 17 - 2021 Distribution Rates & Fixed to Variable Split

Particulars		Application Nov 22 2020	Application Nov 22 2020	IRR June 15 2020	IRR June 15 2020	Settlement Proposal May 3 2021	Settlement Proposal May 3 2021
Customer Class Name	**per**	**Fixed Split**	**Variable Split**	**Fixed Split**	**Variable Split**	**Fixed Split**	**Variable Split**
Residential	kWh	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
General Service < 50 kW	kWh	60.16%	39.84%	60.43%	39.57%	59.91%	40.09%
General Service > 50 to 4999 kW	kW	19.90%	80.10%	21.02%	78.98%	20.69%	79.31%
Intermediate	kW	9.79%	90.21%	9.59%	90.41%	9.79%	90.21%
Sentinel	kW	83.48%	16.52%	83.66%	16.34%	83.48%	16.52%
Street Lighting	kW	93.85%	6.15%	93.88%	6.12%	93.88%	6.12%

Table 18 - 2021 Distribution Charges

Particulars		Application Nov 22 2020	Application Nov 22 2020	IRR June 15 2020	IRR June 15 2020	Settlement Proposal May 3 2021	Settlement Proposal May 3 2021
Customer Class Name	**per**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**	**Fixed Rate**	**Variable Rate**
Residential	kWh	$28.93	$0.0000	$28.88	$0.0000	$28.50	$0.0000
General Service < 50 kW	kWh	$22.32	$0.0076	$23.57	$0.0080	$21.98	$0.0075
General Service > 50 to 4999 kW	kW	$60.95	$2.0739	$57.87	$1.8229	$56.23	$1.7696
Intermediate	kW	$236.69	$1.3417	$236.69	$1.3413	$236.69	$1.3209
Sentinel	kW	$11.44	$12.2368	$12.57	$13.4432	$12.22	$13.2389
Street Lighting	kW	$4.41	$2.4450	$4.87	$2.6966	$4.70	$2.6062

Evidence References

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

IR Responses

- 8-Staff-2 to 8-Staff-3
- 8-VECC-50 to 8-VECC-55
- Clarification Question: VECC-67.
- Clarification Question: VECC-68.

Supporting Parties

HPDCL, 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. The UTRs used to determine the RTSR are consistent with the most recent Hydro One Sub-Transmission rates and the UTRs issued on December 17, 2020.

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 Nov 22 2020	Application Nov 22 2020	IRR June 15 2020	IRR June 15 2020	Settlement Proposal May 3 2021	Settlement Proposal May 3 2021
Class Name	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**
Residential	0.0062	$154,006	0.0067	$162,378	0.0067	$166,079
General Service < 50 kW	0.0058	$67,164	0.0063	$70,396	0.0063	$72,000
General Service > 50 to 4999 kW	2.3665	$154,227	2.5618	$166,730	2.5618	$170,530
Intermediate	2.6468	$152,106	2.8653	$164,664	2.8653	$164,664
Sentinel	1.7938	$48	1.9418	$52	1.9418	$52
Street Lighting	1.7847	$2,451	1.9320	$2,639	1.9320	$2,639
		$530,002		**$566,858**		**$575,965**
Transmission - Connection						
Class Name	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**	**Rate**	**Impact on CoP**
Residential	0.0056	$140,320	0.0057	$137,719	0.0057	$140,859
General Service < 50 kW	0.0050	$57,471	0.0050	$56,073	0.0050	$57,351
General Service > 50 to 4999 kW	2.0099	$130,987	2.0254	$131,816	2.0254	$134,821
Intermediate	2.3707	$136,237	2.3890	$137,289	2.3890	$137,289
Sentinel	1.5720	$42	1.5842	$42	1.5842	$42
Street Lighting	1.5397	$2,114	1.5516	$2,119	1.5516	$2,119
		$467,172		**$465,059**		**$472,481**

Table 20 - 2021 Low Voltage Rates

Customer		**2021**		
Class Name		Volume	Rate	Amount
Residential	kWh	23,426,806	0.0018	42,168
General Service < 50 kW	kWh	10,822,231	0.0016	17,316
General Service > 50 to 4999 kW	kW	66,565	0.6093	40,558
Intermediate	kW	57,468	0.7187	41,302
Sentinel	kW	27	0.4766	13
Street Lighting	kW	1,366	0.4668	638
TOTAL		**34,374,462**		**$141,995**

Evidence References

- Exhibit 8 – Rate Design, section 8.1.4 Retail Transmission Service Rate (RTSR).
- Exhibit 8 – Rate Design, section 8.1.10 Low Voltage Service Rates.

IR Responses

- 8-Staff-1.
- 8-VECC-52.
- Clarification Question: VECC-69.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

3.5 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, beyond the general mitigation provided by the proposed 2-year disposition period for deferral and variance account disposition as set out under issue 4.2 . HPDCL acknowledges that the Sentinel Lighting rate class has a total bill impact that falls above the 10% threshold, however, given the relatively low revenues associated with this class and the fact that the revenue to cost ratio for the Sentinel Lighting rate class was only raised to 80% and remains as the lowest revenue to cost ratios amongst the rate classes, the Parties agree that no further rate mitigation is required.

Table 22 - 2021 Bill Impact Summary

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL – RPP	kWh	$4.02	16.3%	$5.36	17.8%	$5.54	13.9%	$5.26	4.6%
GS LESS THAN 50 KW – RPP	kWh	$4.36	13.4%	$8.36	18.2%	$8.77	12.6%	$8.39	3.1%
GS 50 TO 1,499 KW– Non-RPP (Other)	Kw	-$5.64	-3.4%	-$70.57	-25.6%	-$71.08	-12.9%	$156.91	1.1%
INTERMEDIATE USER– Non-RPP (Other)	Kw	$104.50	7.2%	$169.60	7.5%	$155.20	2.1%	$2,310.49	1.8%
SENTINEL LIGHTING– Non-RPP (Other)	Kw	$9.01	54.8%	$7.32	42.1%	$7.31	34.9%	$6.88	25.8%
STREET LIGHTING–Non-RPP (Other)	Kw	-$143.69	-2.9%	-$931.21	-18.3%	-$932.03	-17.0%	-$967.79	-8.8%
RESIDENTIAL– Non-RPP (Retailer)	kWh	$4.02	16.3%	$5.01	16.3%	$5.18	12.8%	$4.93	4.2%

Evidence References

- Exhibit 8 - Rate Design, section 8.1.19 Rate Mitigation / Forgone Revenues.

IR Responses

- 8-Staff-3.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

4 ACCOUNTING

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?

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 – Administrate Document, section 1.4.9 Changes in Methodologies.
- Exhibit 1 – Administrate Document, section 1.4.10 Board Directive from Previous Decisions.
- Exhibit 1 – Administrate Document, section 1.4.12 Accounting Standards for Regulatory and Financial Reporting.
- Exhibit 1 – Administrate Document, section 1.10.2 Reconciliation between Financial Statements and RRR Filings.
- Exhibit 9 – Deferral and Variance Accounts, section 9.10.2 Certification of Evidence.

IR Responses

- 9-Staff-1 to 9-Staff-2
- 9-VECC-56 to 9-VECC-58.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

4.2 Are HPDCL'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?

Full Settlement

The Parties agree that HPDCL's proposals for deferral and variance accounts are appropriate, including the proposed disposition of those accounts as shown in tables 23 and 24 below. The Parties agree that a disposition period of 2 years for all accounts is appropriate.

The Parties have agreed that HPDCL will not claim any lost revenue from decreased throughput in the COVID-19 Deferral Account for the Test Year and beyond, on the basis that HPDCL's load forecast for the test year has already been impacted by its 2020 actual load results which will have already been impacted by COVID-19 to the extent there were impacts on HPDCL's load. The Parties have also agreed that HPDCL will not claim any lost revenue amounts in the COVID-19 Deferral Account.

Table 23 - DVA Balances for Disposition

		Balance	Allocator
LV Variance Account	1550	$92,381.81	kWh
Smart Metering Entity Charge Variance Account	1551	-$319.74	# of Customers
RSVA - Wholesale Market Service Charge	1580	$2,963.53	kWh
RSVA - Retail Transmission Network Charge	1584	-$15,978.23	kWh
RSVA - Retail Transmission Connection Charge	1586	-$19,958.55	kWh
RSVA - Power (excluding Global Adjustment)	1588	-$20,880.34	kWh
RSVA - Global Adjustment	1589	-$5,388.37	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2009-2019)	1595	$0.00	%
Total of Group 1 Accounts (excluding 1589)	**0**	**$38,208.47**	**0**
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	$193.94	kWh
Pole Attachment Revenue Variance	1508	-$41,323.37	Distribution Rev.
Retail Cost Variance Account - Retail	1518	$4,826.31	kWh
Total of Group 2 Accounts	**0**	**-$36,298.92**	**0**
LRAM Variance Account (Enter dollar amount for each class)	1568	$53,215.38	0
(Account 1568 - total amount allocated to classes)	0	$53,215.73	0
Variance	0	-$0.35	0
Renewable Generation Connection OM&A Deferral Account	1532	$0.00	kWh
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	-$1,092.38	kWh
Variance WMS - Sub-account CBR Class B (separate rate rider if Class A Customers)	1580	$247.70	kWh
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)	0	$56,125.28	0
Total of Account 1580 and 1588 (not allocated to WMPs)	0	-$17,916.81	0
Account 1589 (allocated to Non-WMPs)	0	$2,431.70	0
Balance of Account 1589 allocated to Class A Non-WMP Customers	0	$0.00	0
Group 2 Accounts (including 1592, 1532, 1555)	**0**	**-$37,391.30**	**0**

Table 24 - DVA and LRAMVA Rate ***Riders*** below summarizes the amounts for disposition and associated rate riders by rate class.

Table 24 - DVA and LRAMVA Rate Riders

Group 1 Rate Rider

Rate Class	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
Residential	2,247.86	11,204.72	0.2077
General Service < 50 kW	10,822,230.54	5,244.76	0.0002
General Service > 50 to 4999 kW	66,565.43	11,755.96	0.0883
Intermediate	57,467.89	9,777.39	0.0851
Sentinel	26.66	4.70	0.0881
Street Lighting	1,365.83	220.94	0.0809

Group 2 Rate Rider

Rate Class	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
Residential	2,247.86	-25,197.40	-0.4671
General Service < 50 kW	10,822,230.54	-6,353.49	-0.0003
General Service > 50 to 4999 kW	66,565.43	-2,897.43	-0.0218
Intermediate	57,467.89	-899.84	-0.0078
Sentinel	26.66	-72.72	-1.3638
Street Lighting	1,365.83	-1,970.43	-0.7213

LRAMVA Rate Rider

Rate Class	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts
Residential	2,247.86	38,852.23	0.7202
General Service < 50 kW	10,822,230.54	15,248.30	0.0007
General Service > 50 to 4999 kW	66,565.43	5,327.47	0.0400
Intermediate	57,467.89	10,207.89	0.0888
Sentinel	26.66	-20.41	-0.3827
Street Lighting	1,365.83	-16,399.75	-6.0036
	-		

Evidence References

- Exhibit 9 – Deferral and Variance Accounts, section 9.3 Status & Disposition of Deferral & Variance Accounts.
- Exhibit 9 – Deferral and Variance Accounts, section 9.5 Retailer Service Charge.
- Exhibit 9 – Deferral and Variance Accounts, section 9.9 Disposition of Deferral & Variance Accounts.
- Exhibit 9 – Deferral and Variance Accounts, section 9.10 Global Adjustment.

IR Responses

- 9-Staff-1 to 9-Staff-2
- 9-VECC-56 to 9-VECC-58.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

5 Other

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

Full Settlement

The Parties agree that HPDCL'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 if a Decision is released on or before June 1, 2021.

Evidence References

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

IR Responses

- None.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

5.2 Are the Specific Service Charges, Retail Service Charges, microFIT Charge and Pole Attachment Charge appropriate?

Full Settlement

The Parties agree that HPDCL'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 8.1.8 Specific Service Charges.
- Exhibit 8 – Rate Design, section 8.1.4 Retail Service Charges.
- Exhibit 8 – Rate Design, section 8.1.9 Pole Rental.

IR Responses

- 8-VECC-53.
- 8-VECC-54.

Supporting Parties

HPDCL, VECC and OEB staff.

Parties Taking No Position

None.

6 ATTACHMENTS

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

Hearst Power Distribution Co. Ltd.
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-2020-0027

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	28.50
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$	0.72
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$	(0.47)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$	0.21
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Low Voltage Service Rate	$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0057

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

Hearst Power Distribution Co. Ltd.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2021
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EB-2020-0027

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	21.98
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0075
Low Voltage Service Rate	$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$/kWh	0.0002
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$/kWh	(0.0003)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0050

MONTHLY RATES AND CHARGES - Regulatory Component

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

Hearst Power Distribution Co. Ltd.

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-2020-0027

GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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

Service Charge	$	56.23
Distribution Volumetric Rate	$/kW	1.7696
Low Voltage Service Rate	$/kW	0.6093
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$/kW	0.0883
Rate Rider for Disposition of Global Adjustment Account (2021) -Appplicable only for Non-RPP Customers - effective until April 30, 2023	$/kWh	0.0001
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$/kW	(0.0218)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$/kW	0.0400

Hearst Power Distribution Co. Ltd.
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Effective and Implementation Date May 1, 2021
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Retail Transmission Rate - Network Service Rate	$/kW	2.5618
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.0254

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

Hearst Power Distribution Co. Ltd.
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Effective and Implementation Date May 1, 2021
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INTERMEDIATE USER SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1,500 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 utility'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

Service Charge	$	236.69
Distribution Volumetric Rate	$/kW	1.3209
Low Voltage Service Rate	$/kW	0.7187
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$/kW	0.0851
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$/kW	(0.0079)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$/kW	0.0888
Retail Transmission Rate - Network Service Rate	$/kW	2.8653

Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.3890

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

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2021

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	12.22
Distribution Volumetric Rate	$/kW	13.2389
Low Voltage Service Rate	$/kW	0.4766
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$/kW	0.0881
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$/kW	(1.3638)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$/kW	(0.3827)
Retail Transmission Rate - Network Service Rate	$/kW	1.9418
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.5842

MONTHLY RATES AND CHARGES - Regulatory Component

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

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is 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 utility's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	4.70
Distribution Volumetric Rate	$/kW	2.6062
Low Voltage Service Rate	$/kW	0.4668
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2023	$/kW	0.0809
Rate Rider for Disposition of Global Adjustment Account (2021) -Appplicable only for Non-RPP Customers - effective until April 30, 2023	$/kWh	0.0001
Rate Rider for Dispostion of Group 2 Deferral/Variance Accounts - effective until April 30, 2023	$/kW	(0.7213)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Account (LRAMVA) - effective until April 30, 2023	$/kW	(6.0036)
Retail Transmission Rate - Network Service Rate	$/kW	1.9320
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.5516

MONTHLY RATES AND CHARGES - Regulatory Component

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

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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 utility's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	4.55

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.45)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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 charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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

Customer Administration

Arrears certificate	$	15.00
Easement letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00

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Non-Payment of Account

Late Payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	$	40.00
Reconnection at pole - during regular hours		time and materials

Other

Temporary service install and remove - overhead - no transformer		time and materials
Temporary service install and remove - underground - no transformer		time and materials
Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments)	$	44.50

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity		
	$	104.24
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer		
Monthly fixed charge, per retailer	$	41.70
Monthly variable charge, per customer, per retailer	$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.52
Processing fee, per request, applied to the requesting party	$	1.04
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	$	no charge
More than twice a year, per request (plus incremental delivery costs)	$	4.17
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	$	2.08

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0598

Hearst Power Distribution Co. Ltd.

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-2020-0027

Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0494

B. Bill Impacts.

Ontario Energy Board

Tariff Schedule and Bill Impacts Model

(2021 Cost of Service Filers)

The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. **To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor's 10th consumption percentile (In other words, 10% of a distributor's residential customers consume at or less than this level of consumption on a monthly basis). Refer to section 3.2.3 of the Chapter 3 Filing Requirements For Electricity Distribution Rate Applications.**

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:
1. For those classes that are not eligible for the RPP price, the weighted average price including Class B GA through end of May 2017 of $0.1101/kWh (IESO's Monthly Market Report for May 2017, page 22) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
2. Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number "1". Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Table 1

RATE CLASSES / CATEGORIES ***(eg: Residential TOU, Residential Retailer)***	**Units**	**RPP? Non-RPP Retailer? Non-RPP Other?**	**Current Loss Factor** **(eg: 1.0351)**	**Proposed Loss Factor**	**Consumption (kWh)**	**Demand kW (if applicable)**	**RTSR Demand or Demand-Interval?**	**Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections).**
RESIDENTIAL SERVICE CLASSIFICATION	kwh	RPP	1.0414	1.0598	750		CONSUMPTION	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kwh	RPP	1.0414	1.0598	2,000		CONSUMPTION	
GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0414	1.0598	100,000	60	DEMAND	
INTERMEDIATE USER SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0414	1.0598	900,000	1,000	DEMAND	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0414	1.0598	63	1	DEMAND	1
STREET LIGHTING SERVICE CLASSIFICATION	kw	Non-RPP (Other)	1.0414	1.0598	36,000	111	DEMAND	967
RESIDENTIAL SERVICE CLASSIFICATION	kwh	Non-RPP (Retailer)	1.0414	1.0598	750		CONSUMPTION	
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
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Add additional scenarios if required								
Add additional scenarios if required								

Table 2

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kwh	$4.02	16.3%	$5.36	17.8%	$5.54	13.9%	$5.26	4.6%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kwh	$4.36	13.4%	$8.36	18.2%	$8.77	12.6%	$8.39	3.1%
GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kw	-$5.64	-3.4%	-$70.57	-25.6%	-$71.08	-12.9%	$156.91	1.1%
INTERMEDIATE USER SERVICE CLASSIFICATION - Non-RPP (Other)	kw	$104.50	7.2%	$169.60	7.5%	$155.20	2.1%	$2,310.49	1.8%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kw	$9.01	54.8%	$7.32	42.1%	$7.31	34.9%	$6.88	25.8%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kw	-$143.69	-2.9%	-$931.21	-18.3%	-$932.03	-17.0%	-$967.79	-8.8%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kwh	$4.02	16.3%	$5.01	16.3%	$5.18	12.8%	$4.93	4.2%

Customer Class:	**RESIDENTIAL SERVICE CLASSIFICATION**
RPP / Non-RPP:	**RPP**
Consumption	**750** kWh
Demand	**-** kW
Current Loss Factor	**1.0414**
Proposed/Approved Loss Factor	**1.0598**

	Current OEB-Approved			**Proposed**			**Impact**	
	Rate ($)	**Volume**	**Charge ($)**	**Rate ($)**	**Volume**	**Charge ($)**	**$ Change**	**% Change**
Monthly Service Charge	$ 24.73	1	$ 24.73	$ 28.50	1	$ 28.50	$ 3.77	15.24%
Distribution Volumetric Rate	$ -	750	$ -	$ -	750	$ -	$ -	
Fixed Rate Riders	$ -	1	$ -	$ 0.25	1	$ 0.25	$ 0.25	
Volumetric Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 24.73**			**$ 28.75**	**$ 4.02**	**16.26%**
Line Losses on Cost of Power	$ 0.1031	31	$ 3.20	$ 0.1031	45	$ 4.63	$ 1.42	44.48%
Total Deferral/Variance Account Rate Riders	$ 0.0015	750	$ 1.13	$ -	750	$ -	$ (1.13)	-100.00%
CBR Class B Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
GA Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Low Voltage Service Charge	$ 0.0007	750	$ 0.53	$ 0.0018	750	$ 1.35	$ 0.83	157.14%
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%
Additional Fixed Rate Riders	$ -	1	$ -	$ 0.22	1	$ 0.22	$ 0.22	
Additional Volumetric Rate Riders		750	$ -	$ -	750	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 30.15**			**$ 35.52**	**$ 5.36**	**17.79%**
RTSR - Network	$ 0.0065	781	$ 5.08	$ 0.0067	795	$ 5.33	$ 0.25	4.90%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0059	781	$ 4.61	$ 0.0057	795	$ 4.53	$ (0.08)	-1.68%
Sub-Total C - Delivery (including Sub-Total B)			**$ 39.84**			**$ 45.37**	**$ 5.54**	**13.90%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	781	$ 2.66	$ 0.0034	795	$ 2.70	$ 0.05	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	781	$ 0.39	$ 0.0005	795	$ 0.40	$ 0.01	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
TOU - Off Peak	$ 0.0820	488	$ 39.98	$ 0.0820	488	$ 39.98	$ -	0.00%
TOU - Mid Peak	$ 0.1130	128	$ 14.41	$ 0.1130	128	$ 14.41	$ -	0.00%
TOU - On Peak	$ 0.1700	135	$ 22.95	$ 0.1700	135	$ 22.95	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 120.47**			**$ 126.05**	**$ 5.59**	**4.64%**
HST	13%		$ 15.66	13%		$ 16.39	$ 0.73	4.64%
Ontario Electricity Rebate	18.92%		$ (22.79)	18.92%		$ (23.85)	$ (1.06)	
Total Bill on TOU			**$ 113.33**			**$ 118.59**	**$ 5.26**	**4.64%**

In the manager's summary, discuss the reaso

Customer Class:	GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	2,000	kWh
Demand	-	kW
Current Loss Factor	1.0414	
Proposed/Approved Loss Factor	1.0598	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 19.42	1	$ 19.42	$ 21.98	1	$ 21.98	$ 2.56	13.18%
Distribution Volumetric Rate	$ 0.0066	2000	$ 13.20	$ 0.0075	2000	$ 15.00	$ 1.80	13.64%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	2000	$ -	$ -	2000	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 32.62**			**$ 36.98**	**$ 4.36**	**13.37%**
Line Losses on Cost of Power	$ 0.1031	83	$ 8.54	$ 0.1031	120	$ 12.34	$ 3.80	44.48%
Total Deferral/Variance Account Rate Riders	$ 0.0015	2,000	$ 3.00	$ 0.0006	2,000	$ 1.20	$ (1.80)	-60.00%
CBR Class B Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -	
GA Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -	
Low Voltage Service Charge	$ 0.0006	2,000	$ 1.20	$ 0.0016	2,000	$ 3.20	$ 2.00	166.67%
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	$ -	$ -	2,000	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 45.93**			**$ 54.29**	**$ 8.36**	**18.20%**
RTSR - Network	$ 0.0061	2,083	$ 12.71	$ 0.0063	2,120	$ 13.35	$ 0.65	5.11%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0052	2,083	$ 10.83	$ 0.0050	2,120	$ 10.60	$ (0.23)	-2.15%
Sub-Total C - Delivery (including Sub-Total B)			**$ 69.46**			**$ 78.24**	**$ 8.77**	**12.63%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	2,083	$ 7.08	$ 0.0034	2,120	$ 7.21	$ 0.13	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	2,083	$ 1.04	$ 0.0005	2,120	$ 1.06	$ 0.02	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
TOU - Off Peak	$ 0.0820	1,300	$ 106.60	$ 0.0820	1,300	$ 106.60	$ -	0.00%
TOU - Mid Peak	$ 0.1130	340	$ 38.42	$ 0.1130	340	$ 38.42	$ -	0.00%
TOU - On Peak	$ 0.1700	360	$ 61.20	$ 0.1700	360	$ 61.20	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 284.06**			**$ 292.97**	**$ 8.92**	**3.14%**
HST	13%		$ 36.93	13%		$ 38.09	$ 1.16	3.14%
Ontario Electricity Rebate	18.92%		$ (53.74)	18.92%		$ (55.43)	$ (1.69)	
Total Bill on TOU			**$ 267.24**			**$ 275.63**	**$ 8.39**	**3.14%**

In the manager's summary, discuss the reaso

Customer Class:	GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	**100,000** kWh
Demand	**60** kW
Current Loss Factor	**1.0414**
Proposed/Approved Loss Factor	**1.0598**

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 58.19	1	$ 58.19	$ 56.23	1	$ 56.23	$ (1.96)	-3.37%
Distribution Volumetric Rate	$ 1.8310	60	$ 109.86	$ 1.7696	60	$ 106.18	$ (3.68)	-3.35%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	60	$ -	$ -	60	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 168.05**			**$ 162.41**	**$ (5.64)**	**-3.36%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ 0.5695	60	$ 34.17	$ 0.1065	60	$ 6.39	$ (27.78)	-81.30%
CBR Class B Rate Riders	$ -	60	$ -	$ -	60	$ -	$ -	
GA Rate Riders	$ 0.0006	100,000	$ 60.00	$ -	100,000	$ -	$ (60.00)	-100.00%
Low Voltage Service Charge	$ 0.2296	60	$ 13.78	$ 0.6093	60	$ 36.56	$ 22.78	165.37%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		60	$ -	$ 0.0012	60	$ 0.07	$ 0.07	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 276.00**			**$ 205.43**	**$ (70.57)**	**-25.57%**
RTSR - Network	$ 2.4894	60	$ 149.36	$ 2.5618	60	$ 153.71	$ 4.34	2.91%
RTSR - Connection and/or Line and Transformation Connection	$ 2.1063	60	$ 126.38	$ 2.0254	60	$ 121.52	$ (4.85)	-3.84%
Sub-Total C - Delivery (including Sub-Total B)			**$ 551.74**			**$ 480.66**	**$ (71.08)**	**-12.88%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	104,140	$ 354.08	$ 0.0034	105,982	$ 360.34	$ 6.26	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	104,140	$ 52.07	$ 0.0005	105,982	$ 52.99	$ 0.92	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	104,140	$ 11,465.81	$ 0.1101	105,982	$ 11,668.57	$ 202.76	1.77%
Total Bill on Average IESO Wholesale Market Price			**$ 12,423.95**			**$ 12,562.81**	**$ 138.86**	**1.12%**
HST	13%		$ 1,615.11	13%		$ 1,633.17	$ 18.05	1.12%
Ontario Electricity Rebate	18.92%		$ -	18.92%		$ -		
Total Bill on Average IESO Wholesale Market Price			**$ 14,039.06**			**$ 14,195.98**	**$ 156.91**	**1.12%**

Customer Class:	INTERMEDIATE USER SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	900,000 kWh
Demand	1,000 kW
Current Loss Factor	1.0414
Proposed/Approved Loss Factor	1.0598

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 236.69	1	$ 236.69	$ 236.69	1	$ 236.69	$ -	0.00%
Distribution Volumetric Rate	$ 1.2164	1000	$ 1,216.40	$ 1.3209	1000	$ 1,320.90	$ 104.50	8.59%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	1000	$ -	$ -	1000	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 1,453.09**			**$ 1,557.59**	**$ 104.50**	**7.19%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ 0.5499	1,000	$ 549.90	$ 0.1660	1,000	$ 166.00	$ (383.90)	-69.81%
CBR Class B Rate Riders	$ -	1,000	$ -	$ -	1,000	$ -	$ -	
GA Rate Riders	$ -	900,000	$ -	$ -	900,000	$ -	$ -	
Low Voltage Service Charge	$ 0.2708	1,000	$ 270.80	$ 0.7187	1,000	$ 718.70	$ 447.90	165.40%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		1,000	$ -	$ 0.0011	1,000	$ 1.10	$ 1.10	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 2,273.79**			**$ 2,443.39**	**$ 169.60**	**7.46%**
RTSR - Network	$ 2.7843	1,000	$ 2,784.30	$ 2.8653	1,000	$ 2,865.30	$ 81.00	2.91%
RTSR - Connection and/or Line and Transformation Connection	$ 2.4844	1,000	$ 2,484.40	$ 2.3890	1,000	$ 2,389.00	$ (95.40)	-3.84%
Sub-Total C - Delivery (including Sub-Total B)			**$ 7,542.49**			**$ 7,697.69**	**$ 155.20**	**2.06%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	937,260	$ 3,186.68	$ 0.0034	953,834	$ 3,243.04	$ 56.35	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	937,260	$ 468.63	$ 0.0005	953,834	$ 476.92	$ 8.29	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	937,260	$ 103,192.33	$ 0.1101	953,834	$ 105,017.17	$ 1,824.84	1.77%
Total Bill on Average IESO Wholesale Market Price			**$ 114,390.38**			**$ 116,435.06**	**$ 2,044.68**	**1.79%**
HST	13%		$ 14,870.75	13%		$ 15,136.56	$ 265.81	1.79%
Ontario Electricity Rebate	18.92%		$ -	18.92%		$ -		
Total Bill on Average IESO Wholesale Market Price			**$ 129,261.13**			**$ 131,571.62**	**$ 2,310.49**	**1.79%**

Customer Class:	SENTINEL LIGHTING SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	63 kWh
Demand	1 kW
Current Loss Factor	1.0414
Proposed/Approved Loss Factor	1.0598

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 7.95	1	$ 7.95	$ 12.22	1	$ 12.22	$ 4.27	53.71%
Distribution Volumetric Rate	$ 8.5001	1	$ 8.50	$ 13.2389	1	$ 13.24	$ 4.74	55.75%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 16.45**			**$ 25.46**	**$ 9.01**	**54.76%**
Line Losses on Cost of Power	$ 0.1101	3	$ 0.29	$ 0.1101	4	$ 0.41	$ 0.13	44.48%
Total Deferral/Variance Account Rate Riders	$ 0.4612	1	$ 0.46	$ (1.6584)	1	$ (1.66)	$ (2.12)	-459.58%
CBR Class B Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
GA Rate Riders	$ -	63	$ -	$ -	63	$ -	$ -	
Low Voltage Service Charge	$ 0.1795	1	$ 0.18	$ 0.4766	1	$ 0.48	$ 0.30	165.52%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		1	$ -	$ 0.0012	1	$ 0.00	$ 0.00	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 17.38**			**$ 24.69**	**$ 7.32**	**42.09%**
RTSR - Network	$ 1.8868	1	$ 1.89	$ 1.9418	1	$ 1.94	$ 0.05	2.91%
RTSR - Connection and/or Line and Transformation Connection	$ 1.6473	1	$ 1.65	$ 1.5842	1	$ 1.58	$ (0.06)	-3.83%
Sub-Total C - Delivery (including Sub-Total B)			**$ 20.91**			**$ 28.22**	**$ 7.31**	**34.94%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	66	$ 0.22	$ 0.0034	67	$ 0.23	$ 0.00	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	66	$ 0.03	$ 0.0005	67	$ 0.03	$ 0.00	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	63	$ 6.94	$ 0.1101	63	$ 6.94	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 28.35**			**$ 35.67**	**$ 7.31**	**25.79%**
HST	13%		$ 3.69	13%		$ 4.64	$ 0.95	25.79%
Ontario Electricity Rebate	18.92%		$ (5.36)	18.92%		$ (6.75)		
Total Bill on Average IESO Wholesale Market Price			**$ 26.68**			**$ 33.55**	**$ 6.88**	**25.79%**

Customer Class:	STREET LIGHTING SERVICE CLASSIFICATION	
RPP / Non-RPP:	Non-RPP (Other)	
Consumption	36,000	kWh
Demand	111	kW
Current Loss Factor	1.0414	
Proposed/Approved Loss Factor	1.0598	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 4.84	967	$ 4,680.28	$ 4.70	967	$ 4,544.90	$ (135.38)	-2.89%
Distribution Volumetric Rate	$ 2.6811	111	$ 297.60	$ 2.6062	111	$ 289.29	$ (8.31)	-2.79%
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	111	$ -	$ -	111	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 4,977.88**			**$ 4,834.19**	**$ (143.69)**	**-2.89%**
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ 0.5481	111	$ 60.84	$ (6.6440)	111	$ (737.48)	$ (798.32)	-1312.19%
CBR Class B Rate Riders	$ -	111	$ -	$ -	111	$ -	$ -	
GA Rate Riders	$ 0.0006	36,000	$ 21.60	$ -	36,000	$ -	$ (21.60)	-100.00%
Low Voltage Service Charge	$ 0.1759	111	$ 19.52	$ 0.4668	111	$ 51.81	$ 32.29	165.38%
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		111	$ -	$ 0.0011	111	$ 0.12	$ 0.12	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 5,079.85**			**$ 4,148.64**	**$ (931.21)**	**-18.33%**
RTSR - Network	$ 1.8774	111	$ 208.39	$ 1.9320	111	$ 214.45	$ 6.06	2.91%
RTSR - Connection and/or Line and Transformation Connection	$ 1.6136	111	$ 179.11	$ 1.5516	111	$ 172.23	$ (6.88)	-3.84%
Sub-Total C - Delivery (including Sub-Total B)			**$ 5,467.35**			**$ 4,535.32**	**$ (932.03)**	**-17.05%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	37,490	$ 127.47	$ 0.0034	38,153	$ 129.72	$ 2.25	1.77%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	37,490	$ 18.75	$ 0.0005	38,153	$ 19.08	$ 0.33	1.77%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	37,490	$ 4,127.69	$ 0.1101	38,153	$ 4,200.69	$ 72.99	1.77%
Total Bill on Average IESO Wholesale Market Price			**$ 9,741.50**			**$ 8,885.06**	**$ (856.45)**	**-8.79%**
HST	13%		$ 1,266.40	13%		$ 1,155.06	$ (111.34)	-8.79%
Ontario Electricity Rebate	18.92%		$ -	18.92%		$ -		
Total Bill on Average IESO Wholesale Market Price			**$ 11,007.90**			**$ 10,040.11**	**$ (967.79)**	**-8.79%**

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Retailer)
Consumption	750 kWh
Demand	- kW
Current Loss Factor	1.0414
Proposed/Approved Loss Factor	1.0598

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	**Volume**	**Charge ($)**	**Rate ($)**	**Volume**	**Charge ($)**	**$ Change**	**% Change**	
Monthly Service Charge	$ 24.73	1	$ 24.73	$ 28.50	1	$ 28.50	$ 3.77	15.24%	
Distribution Volumetric Rate	$ -	750	$ -	$ -	750	$ -	$ -		
Fixed Rate Riders	$ -	1	$ -	$ 0.25	1	$ 0.25	$ 0.25		
Volumetric Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 24.73**			**$ 28.75**	**$ 4.02**	**16.26%**	
Line Losses on Cost of Power	$ 0.1101	31	$ 3.42	$ 0.1101	45	$ 4.94	$ 1.52	44.48%	
Total Deferral/Variance Account Rate Riders	$ 0.0015	750	$ 1.13	$ -	750	$ -	$ (1.13)	-100.00%	
CBR Class B Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -		
GA Rate Riders	$ 0.0006	750	$ 0.45	$ -	750	$ -	$ (0.45)	-100.00%	
Low Voltage Service Charge	$ 0.0007	750	$ 0.53	$ 0.0018	750	$ 1.35	$ 0.83	157.14%	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%	
Additional Fixed Rate Riders	$ -	1	$ -	$ 0.22	1	$ 0.22	$ 0.22		
Additional Volumetric Rate Riders		750	$ -	$ -	750	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 30.82**			**$ 35.83**	**$ 5.01**	**16.26%**	
RTSR - Network	$ 0.0065	781	$ 5.08	$ 0.0067	795	$ 5.33	$ 0.25	4.90%	In the manager's summary, discuss the reaso
RTSR - Connection and/or Line and Transformation Connection	$ 0.0059	781	$ 4.61	$ 0.0057	795	$ 4.53	$ (0.08)	-1.68%	
Sub-Total C - Delivery (including Sub-Total B)			**$ 40.50**			**$ 45.69**	**$ 5.18**	**12.79%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	781	$ 2.66	$ 0.0034	795	$ 2.70	$ 0.05	1.77%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	781	$ 0.39	$ 0.0005	795	$ 0.40	$ 0.01	1.77%	
Standard Supply Service Charge									
Non-RPP Retailer Avg. Price	$ 0.1101	750	$ 82.58	$ 0.1101	750	$ 82.58	$ -	0.00%	
Total Bill on Non-RPP Avg. Price			**$ 126.12**			**$ 131.36**	**$ 5.24**	**4.15%**	
HST	13%		$ 16.40	13%		$ 17.08	$ 0.68	4.15%	
Ontario Electricity Rebate	18.92%		$ (23.86)	18.92%		$ (24.85)			
Total Bill on Non-RPP Avg. Price			**$ 118.66**			**$ 123.58**	**$ 4.93**	**4.15%**	

C. Revenue Requirement Work Form.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Version 1.00

Utility Name	Hearst Power Distribution Co. Ltd.
Service Territory	
Assigned EB Number	EB-2020-0027
Name and Title	Jessy Richard
Phone Number	705-372-2820
Email Address	jrichard@hearstpower.com
Test Year	2021
Bridge Year	2020
Last Rebasing Year	2015

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.

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Notes:

(1) Pale green cells represent inputs

(2) Pale green boxes at the bottom of each page are for additional notes

(3) Pale yellow cells represent drop-down lists

(4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Data Input [1]

		Initial Application	(2)	Adjustments	Supplementary Interrogatory Responses	(6)	Adjustments	Per Board Decision	
1	**Rate Base**								
	Gross Fixed Assets (average)	$2,941,929		$8,103	$ 2,950,032			$2,950,032	
	Accumulated Depreciation (average)	($1,220,802)	(5)	$645	($1,220,157)			($1,220,157)	
	Allowance for Working Capital:								
	Controllable Expenses	$1,207,448		$ -	$ 1,207,448		($30,000)	$1,177,448	
	Cost of Power	$8,042,286		($27,763)	$ 8,014,523		$611,953	$8,626,476	
	Working Capital Rate (%)	7.50%	(9)	$0	7.50%	(9)	$0	7.50%	(9)
2	**Utility Income**								
	Operating Revenues:								
	Distribution Revenue at Current Rates	$1,073,166		$3,058	$1,076,224		$4,852	$1,081,076	
	Distribution Revenue at Proposed Rates	$1,233,292		$333	$1,233,625		($27,816)	$1,205,809	
	Other Revenue:								
	Specific Service Charges	$10,000		$0	$10,000		$0	$10,000	
	Late Payment Charges	$12,000		$0	$12,000		$0	$12,000	
	Other Distribution Revenue	$77,682		$0	$77,682		$0	$77,682	
	Other Income and Deductions	$135,700		$0	$135,700		$0	$135,700	
	Total Revenue Offsets	$235,382	(7)	$0	$235,382		$0	$235,382	
	Operating Expenses:								
	OM+A Expenses	$1,207,448			$ 1,207,448		($30,000)	$1,177,448	
	Depreciation/Amortization	$140,435			$ 140,435			$140,435	
	Property taxes	$ -			$ -			$0	
	Other expenses								
3	**Taxes/PILs**								
	Taxable Income:								
	Adjustments required to arrive at taxable income		(3)						
	Utility Income Taxes and Rates:								
	Income taxes (not grossed up)								
	Income taxes (grossed up)								
	Federal tax (%)								
	Provincial tax (%)								
	Income Tax Credits								
4	**Capitalization/Cost of Capital**								
	Capital Structure:								
	Long-term debt Capitalization Ratio (%)	56.0%		$0	56.0%		$0	56.0%	
	Short-term debt Capitalization Ratio (%)	4.0%	(8)	$0	4.0%	(8)	$0	4.0%	(8)
	Common Equity Capitalization Ratio (%)	40.0%		$0	40.0%		$0	40.0%	
	Prefered Shares Capitalization Ratio (%)								
		100.0%			100.0%			100.0%	
	Cost of Capital								
	Long-term debt Cost Rate (%)	2.85%		$0	2.85%		$0	2.85%	
	Short-term debt Cost Rate (%)	1.75%		$0	1.75%		$0	1.75%	
	Common Equity Cost Rate (%)	8.34%		$0	8.34%		$0	8.34%	
	Prefered Shares Cost Rate (%)								

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)

(2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Select option from drop-down list by clicking on cell M12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(8) 4.0% unless an Applicant has proposed or been approved for another amount.

(9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Supplementary Interrogatory Responses	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(2)	$2,941,929	$8,103	$2,950,032	$ -	$2,950,032
2	Accumulated Depreciation (average)	(2)	($1,220,802)	$645	($1,220,157)	$ -	($1,220,157)
3	Net Fixed Assets (average)	(2)	$1,721,127	$8,748	$1,729,875	$ -	$1,729,875
4	Allowance for Working Capital	(1)	$693,730	($2,082)	$691,648	$43,646	$735,294
5	**Total Rate Base**		$2,414,857	$6,666	$2,421,522	$43,646	$2,465,169

(1) **Allowance for Working Capital - Derivation**

Line No.	Particulars		Initial Application	Adjustments	Supplementary Interrogatory Responses	Adjustments	Per Board Decision
6	Controllable Expenses		$1,207,448	$ -	$1,207,448	($30,000)	$1,177,448
7	Cost of Power		$8,042,286	($27,763)	$8,014,523	$611,953	$8,626,476
8	Working Capital Base		$9,249,733	($27,763)	$9,221,970	$581,953	$9,803,923
9	Working Capital Rate %	(1)	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance		$693,730	($2,082)	$691,648	$43,646	$735,294

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2021 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Supplementary Interrogatory Responses	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	$1,233,292	$333	$1,233,625	($27,816)	$1,205,809
2	Other Revenue (1)	$235,382	$ -	$235,382	$ -	$235,382
3	Total Operating Revenues	$1,468,674	$333	$1,469,007	($27,816)	$1,441,191
	Operating Expenses:					
4	OM+A Expenses	$1,207,448	$ -	$1,207,448	($30,000)	$1,177,448
5	Depreciation/Amortization	$140,435	$ -	$140,435	$ -	$140,435
6	Property taxes	$ -	$ -	$ -	$ -	$ -
7	Capital taxes	$ -	$ -	$ -	$ -	$ -
8	Other expense	$ -	$ -		$ -	
9	Subtotal (lines 4 to 8)	$1,347,883	$ -	$1,347,883	($30,000)	$1,317,883
10	Deemed Interest Expense	$40,232	$111	$40,343	$727	$41,070
11	Total Expenses (lines 9 to 10)	$1,388,114	$111	$1,388,225	($29,273)	$1,358,953
12	**Utility income before income taxes**	$80,560	$222	$80,782	$1,457	$82,238
13	Income taxes (grossed-up)	$ -	$ -	$ -	$ -	$ -
14	**Utility net income**	$80,560	$222	$80,782	$1,457	$82,238

Notes

Other Revenues / Revenue Offsets

Note	Particulars	Initial Application	Adjustments	Supplementary Interrogatory Responses	Adjustments	Per Board Decision
(1)	Specific Service Charges	$10,000	$ -	$10,000	$ -	$10,000
	Late Payment Charges	$12,000	$ -	$12,000	$ -	$12,000
	Other Distribution Revenue	$77,682	$ -	$77,682	$ -	$77,682
	Other Income and Deductions	$135,700	$ -	$135,700	$ -	$135,700
	Total Revenue Offsets	$235,382	$ -	$235,382	$ -	$235,382

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Taxes/PILs

Line No.	Particulars	Application	Supplementary Interrogatory Responses	Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	$80,560	$80,782	$82,238
2	Adjustments required to arrive at taxable utility income	$ -	$ -	$ -
3	Taxable income	$80,560	$80,782	$82,238
	Calculation of Utility income Taxes			
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	$ -	$ -	$ -
	Tax Rates			
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%

Notes

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%	$1,352,320	2.85%	$38,541
2	Short-term Debt	4.00%	$96,594	1.75%	$1,690
3	**Total Debt**	60.00%	$1,448,914	2.78%	$40,232
	Equity				
4	Common Equity	40.00%	$965,943	8.34%	$80,560
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$965,943	8.34%	$80,560
7	**Total**	100.00%	$2,414,857	5.00%	$120,791
		Supplementary Interrogatory Responses			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$1,356,052	2.85%	$38,647
2	Short-term Debt	4.00%	$96,861	1.75%	$1,695
3	**Total Debt**	60.00%	$1,452,913	2.78%	$40,343
	Equity				
4	Common Equity	40.00%	$968,609	8.34%	$80,782
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$968,609	8.34%	$80,782
7	**Total**	100.00%	$2,421,522	5.00%	$121,125
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	56.00%	$1,380,495	2.85%	$39,344
9	Short-term Debt	4.00%	$98,607	1.75%	$1,726
10	**Total Debt**	60.00%	$1,479,101	2.78%	$41,070
	Equity				
11	Common Equity	40.00%	$986,068	8.34%	$82,238
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$986,068	8.34%	$82,238
14	**Total**	100.00%	$2,465,169	5.00%	$123,308

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Deficiency/Sufficiency

		Initial Application		Supplementary Interrogatory Responses		Per Board Decision	
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$160,126		$157,401		$124,733
2	Distribution Revenue	$1,073,166	$1,073,166	$1,076,224	$1,076,224	$1,081,076	$1,081,076
3	Other Operating Revenue Offsets - net	$235,382	$235,382	$235,382	$235,382	$235,382	$235,382
4	**Total Revenue**	$1,308,548	$1,468,674	$1,311,606	$1,469,007	$1,316,458	$1,441,191
5	Operating Expenses	$1,347,883	$1,347,883	$1,347,883	$1,347,883	$1,317,883	$1,317,883
6	Deemed Interest Expense	$40,232	$40,232	$40,343	$40,343	$41,070	$41,070
8	**Total Cost and Expenses**	$1,388,114	$1,388,114	$1,388,225	$1,388,225	$1,358,953	$1,358,953
9	**Utility Income Before Income Taxes**	($79,566)	$80,560	($76,619)	$80,782	($42,495)	$82,238
10	Tax Adjustments to Accounting Income per 2013 PILs model	$ -	$ -	$ -	$ -	$ -	$ -
11	**Taxable Income**	($79,566)	$80,560	($76,619)	$80,782	($42,495)	$82,238
12	Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	**Income Tax on Taxable Income**	$ -	$ -	$ -	$ -	$ -	$ -
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
15	**Utility Net Income**	($79,566)	$80,560	($76,619)	$80,782	($42,495)	$82,238
16	**Utility Rate Base**	$2,414,857	$2,414,857	$2,421,522	$2,421,522	$2,465,169	$2,465,169
17	Deemed Equity Portion of Rate Base	$965,943	$965,943	$968,609	$968,609	$986,068	$986,068
18	Income/(Equity Portion of Rate Base)	-8.24%	8.34%	-7.91%	8.34%	-4.31%	8.34%
19	Target Return - Equity on Rate Base	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%
20	Deficiency/Sufficiency in Return on Equity	-16.58%	0.00%	-16.25%	0.00%	-12.65%	0.00%
21	Indicated Rate of Return	-1.63%	5.00%	-1.50%	5.00%	-0.06%	5.00%
22	Requested Rate of Return on Rate Base	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
23	Deficiency/Sufficiency in Rate of Return	-6.63%	0.00%	-6.50%	0.00%	-5.06%	0.00%
24	Target Return on Equity	$80,560	$80,560	$80,782	$80,782	$82,238	$82,238
25	Revenue Deficiency/(Sufficiency)	$160,126	$ -	$157,401	($0)	$124,733	$0
26	**Gross Revenue Deficiency/(Sufficiency)**	$160,126 [1]		$157,401 [1]		$124,733 [1]	

Notes:

[1] Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

Revenue Requirement

Line No.	Particulars	Application	Supplementary Interrogatory Responses	Per Board Decision
1	OM&A Expenses	$1,207,448	$1,207,448	$1,177,448
2	Amortization/Depreciation	$140,435	$140,435	$140,435
3	Property Taxes	$ -	$ -	$ -
5	Income Taxes (Grossed up)	$ -	$ -	$ -
6	Other Expenses	$ -		
7	Return			
	Deemed Interest Expense	$40,232	$40,343	$41,070
	Return on Deemed Equity	$80,560	$80,782	$82,238
8	**Service Revenue Requirement (before Revenues)**	$1,468,674	$1,469,007	$1,441,191
9	Revenue Offsets	$235,382	$235,382	$235,382
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$1,233,292	$1,233,625	$1,205,809
11	Distribution revenue	$1,233,292	$1,233,625	$1,205,809
12	Other revenue	$235,382	$235,382	$235,382
13	**Total revenue**	$1,468,674	$1,469,007	$1,441,191
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ - (1)	($0) (1)	$0 (1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Supplementary Interrogatory Re:	Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$1,468,674	$1,469,007	**$0**	$1,441,191	**($1)**
Grossed-Up Revenue Deficiency/(Sufficiency)	$160,126	$157,401	**($0)**	$124,733	**($1)**
Base Revenue Requirement (to be recovered from Distribution Rates)	$1,233,292	$1,233,625	**$0**	$1,205,809	**($1)**
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$160,126	$157,401	**($0)**	$124,733	**($1)**

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

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Revenue Requirement Workform (RRWF) for 2021 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth andf trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process: Per Board Decision

	Customer Class	Initial Application			Supplementary Interrogatory Responses			Per Board Decision		
	Input the name of each customer class.	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [1] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [1] Annual	**Customer / Connections** Test Year average or mid-	**kWh** Annual	**kW/kVA** [1] Annual
1	Residential	2,250	23,652,429	-	2,248	22,904,677	-	2,248	23,426,806	-
2	General Service < 50 kW	470	10,991,463	-	458	10,581,028	-	458	10,822,231	-
3	General Service > 50 to 4999 kW	36	23,398,367	65,172	37	23,474,940	65,082	37	24,010,069	66,565
4	Intermediate	2	19,969,100	57,468	2	19,969,100	57,468	2	19,969,100	57,468
5	Sentinel	12	9,724	27	12	9,598	27	12	9,598	27
6	Street Lighting	967	453,699	1,373	967	451,236	1,366	967	451,236	1,366
7	other	-	-	-						-
8										-
9										-
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
	Total		**78,474,783**	**124,040**		**77,390,579**	**123,942**		**78,689,039**	**125,426**

Notes:

[1] Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)

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Revenue Requirement Workform (RRWF) for 2021 Filers

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: ***Per Board Decision***

A) Allocated Costs

	Name of Customer Class [3] From Sheet 10. Load Forecast	Costs Allocated from Previous Study [1]	%	Allocated Class Revenue Requirement [1] (7A)	%
1	Residential	$ 637,720	60.26%	$ 958,906	66.54%
2	General Service < 50 kW	$ 172,087	16.26%	$ 248,336	17.23%
3	General Service > 50 to 4999 kW	$ 134,090	12.67%	$ 115,048	7.98%
4	Intermediate	$ 48,419	4.58%	$ 57,587	4.00%
5	Sentinel	$ 1,914	0.18%	$ 3,385	0.23%
6	Street Lighting	$ 63,971	6.05%	$ 57,928	4.02%
7	other				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 1,058,201	100.00%	**$ 1,441,191**	100.00%

Service Revenue Requirement (from Sheet 9)	**$**	**1,441,190.59**

(1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.

(2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.

(3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

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	$ 667,076	$ 744,087	$ 768,859	$ 157,525
2	General Service < 50 kW	$ 178,081	$ 198,715	$ 201,460	$ 38,397
3	General Service > 50 to 4999 kW	$ 124,675	$ 139,288	$ 119,723	$ 18,223
4	Intermediate	$ 49,724	$ 55,461	$ 55,476	$ 9,263
5	Sentinel	$ 1,386	$ 1,530	$ 2,136	$ 588
6	Street Lighting	$ 59,840	$ 66,728	$ 58,155	$ 11,386
7	other				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 1,080,783	$ 1,205,809	$ 1,205,809	$ 235,382

(4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.

(5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.

(6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.

(7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year: 2015 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1	Residential	91.09	94.03%	96.61%	85 - 115
2	General Service < 50 kW	100.79	95.48%	96.59%	
3	General Service > 50 to 4999 kW	145.00	136.91%	119.90%	
4	Intermediate	86.92	112.39%	112.42%	
5	Sentinel	210.00	62.57%	80.49%	
6	Street Lighting	86.92	134.85%	120.05%	
7	other				
8					
9					
10					
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20					

(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.

(9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".

(10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios [11]

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2021	2022	2023	
1	Residential	96.61%	96.61%	96.61%	85 - 115
2	General Service < 50 kW	96.59%	96.59%	96.59%	
3	General Service > 50 to 4999 kW	119.90%	119.90%	119.90%	
4	Intermediate	112.42%	112.42%	112.42%	
5	Sentinel	80.49%	80.49%	80.49%	
6	Street Lighting	120.05%	120.05%	120.05%	
7	other				
8					
9					
10					
11					
12					
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(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2021 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2022 and 2023 Price Cap IR models, as necessary. For 2022 and 2023, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

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Revenue Requirement Workform (RRWF) for 2021 Filers

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and voluemtric 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, etc.

Stage in Process: *Per Board Decision*

	Customer and Load Forecast					Class Allocated Revenues			Fixed / Variable Splits [2]			Distribution Rates					Revenue Reconciliation		
	Customer Class From sheet 10. Load Forecast	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Percentage to be entered as a fraction between 0 and 1 Fixed	Variable	Transformer Ownership Allowance [1] ($)	Monthly Service Charge Rate	No. of decimals	Volumetric Rate Rate		No. of decimals	MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership
1	Residential	kWh	2,248	23,426,806	-	$ 768,859	$ 768,859	$ -	100.00%	0.00%		$28.50	2	$0.0000	/kWh	4	$ 768,769.21	$ -	$ 768,769.21
2	General Service < 50 kW	kWh	458	10,822,231	-	$ 201,460	$ 120,691	$ 80,768	59.91%	40.09%		$21.98		$0.0075	/kWh		$ 120,714.16	$ 81,166.7290	$ 201,880.89
3	General Service > 50 to 4999 kW	kW	37	24,010,069	66,565	$ 119,723	$ 24,770	$ 94,954	20.69%	79.31%	$ 22,838	$56.23		$1.7696	/kW		$ 24,768.24	$ 117,794.1816	$ 119,724.47
4	Intermediate	kW	2	19,969,100	57,468	$ 55,476	$ 5,430	$ 50,046	9.79%	90.21%	$ 25,861	$236.69		$1.3209	/kW		$ 5,430.32	$ 75,909.3359	$ 55,479.11
5	Sentinel	kW	12	9,598	27	$ 2,136	$ 1,783	$ 353	83.48%	16.52%		$12.22		$13.2389	/kW		$ 1,782.86	$ 352.9570	$ 2,135.82
6	Street Lighting	kW	967	451,236	1,366	$ 58,155	$ 54,595	$ 3,560	93.88%	6.12%		$4.70		$2.6062	/kW		$ 54,552.99	$ 3,559.6245	$ 58,112.62
7	other		-	-	-												$ -	$ -	$ -
8			-	-	-												$ -	$ -	$ -
9			-	-	-												$ -	$ -	$ -
#			-	-	-												$ -	$ -	$ -
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Total Transformer Ownership Allowance $ 48,699

	Total Distribution Revenues	$ 1,206,102.12
Rates recover revenue requirement	**Base Revenue Requirement**	$ 1,205,808.59
	Difference	$ 293.53
	% Difference	0.024%

Notes:

1 Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

2 The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2021 Filers

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.

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

(2) Short description of change, issue, etc.

Summary of Proposed Changes

			Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
	Reference (1)	Item / Description (2)	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
		Original Application	$ 120,791	5.00%	$ 2,414,857	$ 9,249,733	$ 693,730	$ 140,435	$ -	$ 1,207,448	$ 1,468,674	$ 235,382	$ 1,233,292	$ 160,126
1														