



DECISION AND RATE ORDER

EB-2021-0036

INNPOWER CORPORATION

**Application for rates and other charges to be effective
January 1, 2022**

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

[date]

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that InnPower Corporation (InnPower) charges to distribute electricity to its customers, effective January 1, 2022.

As a result of this Decision, there will be a monthly total bill increase of \$3.04 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate but includes impacts resulting from the Distribution Rate Protection program. The applicant is one of eight electricity distributors in Ontario to which this tax-funded program applies. The program has been in effect since July 2017, and currently caps monthly distribution charges at \$36.86.¹

¹ Decision and Order, EB-2021-0189, June 24, 2021

2 CONTEXT AND PROCESS

InnPower filed its application on August 18, 2021 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.² It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing four adjustment years.

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. A distributor will then review, complete, and include the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

InnPower serves approximately 19,000 mostly residential and commercial electricity customers in the towns of Alcona, Belle Ewart, Cookstown, Lefroy, Stroud, and southern portion of the City of Barrie.

The application was supported by pre-filed written evidence and a completed Rate Generator Model and as required during the proceeding, InnPower updated and clarified the evidence.

² Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

3 DECISION OUTLINE

Each of the following issues is addressed in this Decision, together with the OEB's findings.

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts

Instructions for implementing InnPower's new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges³ and loss factors, which are out of scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

³ Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2021-0301, issued November 25, 2021 established the adjustment for energy retailer service charges, effective January 1, 2022; and the Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

4 ANNUAL ADJUSTMENT MECHANISM

InnPower has applied to change its rates, effective January 1, 2022, based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.⁴

The components of the Price Cap IR adjustment formula applicable to InnPower are set out in the table below. Inserting these components into the formula results in a 3.00% increase to InnPower's rates: **3.00% = 3.30% - (0.00% + 0.30%)**.

Table 4.1: Price Cap IR Adjustment Formula

| Components | | Amount |
|-------------------------------|---------------------------------------|--------|
| Inflation Factor ⁵ | | 3.30% |
| X-Factor | Productivity ⁶ | 0.00% |
| | Stretch (0.00% to 0.60%) ⁷ | 0.30% |

An inflation factor of 3.30% applies to all IRM applications for the 2022 rate year.

On August 6, 2021, the OEB issued a Notice on its own motion to initiate a proceeding to consider the inflation factor to be used to set rates for electricity transmitters and electricity and natural gas distributors for the year 2022. The OEB issued its Decision and Order on November 18, 2021, establishing the 2022 inflation factor.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that varies among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income. The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all IRM applications for the 2022 rate year.

⁴ The adjustment does not apply to the following components of delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

⁵ EB-2021-0212, Decision and Order, November 18, 2021

⁶ Report of the Ontario Energy Board – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors”, EB-2010-0379, December 4, 2013

⁷ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2020 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2021

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to InnPower is 0.30%, resulting in a rate adjustment of 3.00%.

Findings

InnPower's request for a 3.00% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and InnPower's new rates shall be effective January 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

InnPower is fully embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, InnPower requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the host distributor RTSRs currently in effect.

Findings

InnPower's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved host-RTSRs.⁸

Host-RTSRs are typically approved annually by the OEB. In the event that new host-RTSRs take effect during InnPower's 2022 rate year, any resulting differences (from the prior-approved host-RTSRs) are to be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

⁸ EB-2021-0030, Decision and Rate Order, December 17, 2020

6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁹ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for InnPower's Group 1 accounts eligible for disposition, including interest projected to December 31, 2021, is a debit of \$2,810,691, and pertains to variances accumulated during the 2020 calendar year. This amount represents a total debit claim of \$0.0102 per kWh, which exceeds the disposition threshold, InnPower has requested disposition of this amount over a one-year period.

InnPower is seeking disposition of Group 1 variance account balances reflecting activities for only the 2020 calendar year. InnPower's Account 1588 balance is over \$1.1 million. In response to OEB staff questions regarding the magnitude of InnPower's Account 1588 balance (which the OEB generally expects to be relatively small), InnPower explained that in 2020, its approved loss factor was insufficient to collect the funds needed to recover system losses, resulting in an accumulation of unrecovered costs in Account 1588.¹⁰ Specifically, InnPower noted that in reviewing the historical data submitted in its last cost of service application¹¹, there were several factors inaccurately reported for the years 2012 to 2016 associated with InnPower's loss factor evidence. InnPower stated that the loss factor of 1.0604 eventually approved in that proceeding for the period 2017 to 2021 is thus understated. Consequently, in 2020, InnPower has insufficiently collected funds to recover losses, resulting in an accumulation of costs not recovered in Account 1588.¹²

InnPower also noted that the 2020 account balances reflect certain adjustments made in 2020 arising out of a prior OEB inspection of InnPower's variance account activity from 2015 to 2019 for Account 1588 and Account 1589, and 2016 to 2019 for all other Group 1 variance accounts.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative,

⁹ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

¹⁰ Response to OEB Staff Questions, November 23, 2021

¹¹ EB-2016-0085

¹² Response to OEB Staff Question #2, November 8, 2021

pay for Global Adjustment (GA) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for GA charges based on their monthly consumption totals, either as a standalone charge or embedded in the Regulated Price Plan (RPP).¹³ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁴ The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

InnPower had Class A customers during the period in which variances accumulated so it has applied to have the balance in the CBR Class B variance account disposed through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

Findings

The OEB accepts InnPower's explanation regarding its loss factor and will approve the balances as filed. The OEB expects that for InnPower's next cost of service proceeding, the applicant will provide a thorough explanation of the oversights that occurred when preparing its evidence for its 2017 cost of service application, and will provide a detailed accountability of the updated evidence that it intends to use to support an update to its loss factor. InnPower is currently scheduled to file a cost of service application in 2022 (for 2023 rates).

The balances proposed for disposition have been reconciled with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.

The OEB approves the disposition of a debit balance of \$2,810,691 as of December 31, 2020, including interest projected to December 31, 2021, for Group 1 accounts on a final basis.

Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition.

¹³ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁴ All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

Table 6.1: Group 1 Deferral and Variance Account Balances

| Account Name | Account Number | Principal Balance (\$) A | Interest Balance (\$) B | Total Claim (\$) C=A+B |
|---|-----------------------|---------------------------------|--------------------------------|-------------------------------|
| LV Variance Account | 1550 | 833,551 | 10,525 | 844,076 |
| Smart Metering Entity Charge Variance Account | 1551 | (4,832) | (113) | (4,945) |
| RSVA - Wholesale Market Service Charge | 1580 | (122,003) | (1,991) | (123,994) |
| Variance WMS – Sub-account CBR Class B | 1580 | (7,797) | (144) | (7,942) |
| RSVA - Retail Transmission Network Charge | 1584 | 341,505 | 5,646 | 347,151 |
| RSVA - Retail Transmission Connection Charge | 1586 | 319,070 | 5,267 | 324,337 |
| RSVA - Power | 1588 | 1,134,663 | 5,222 | 1,139,885 |
| RSVA - Global Adjustment | 1589 | 160,596 | 7,239 | 167,835 |
| Disposition and Recovery/Refund of Regulatory Balances (2018) | 1595 | 124,287 | 2 | 124,289 |
| Totals for Group 1 accounts | | 2,779,039 | 31,652 | 2,810,691 |

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.¹⁵ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed through interim rate riders, charges, or payments, as calculated in the Rate Generator Model. The interim rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2022 to December 31, 2022.¹⁶

¹⁵ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁶ 2022 IRM Rate Generator Model Tab 7 Calculation of Def-Var RR

7 IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 7.1.

Table 7.1: Regulatory Charges

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

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.¹⁷

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.¹⁸

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,¹⁹ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. Distributors shall apply the updated value, if applicable, following the OEB’s announcement of the microFIT charge for the 2022 rate year.

¹⁷ EB-2020-0276, Decision and Order, December 10, 2020

¹⁸ EB-2017-0290, Decision and Order, March 1, 2018

¹⁹ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

8 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. InnPower Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, [date of issuance]

ONTARIO ENERGY BOARD

Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0036

DATED: [Date of Issuance]

InnPower Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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

EB-2021-0036

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|--------|
| Service Charge | \$ | 46.55 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Low Voltage Service Rate | \$/kWh | 0.0025 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kWh | 0.0097 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kWh | 0.0038 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0063 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0046 |

MONTHLY RATES AND CHARGES - Regulatory Component

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

InnPower Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0036

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. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|--------|
| Service Charge | \$ | 44.72 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Distribution Volumetric Rate | \$/kWh | 0.0108 |
| Low Voltage Service Rate | \$/kWh | 0.0024 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kWh | 0.0094 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kWh | 0.0037 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0057 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0042 |

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 |

InnPower Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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

EB-2021-0036

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or expected to be equal to or greater than 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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 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 | \$ | 228.74 |
| Distribution Volumetric Rate | \$/kW | 4.6354 |
| Low Voltage Service Rate | \$/kW | 1.3285 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kW | 3.6289 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kW | 0.8869 |

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| | | |
|---|-------|--------|
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.2451 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.3975 |
| Retail Transmission Rate - Network Service Rate - Interval Metered | \$/kW | 2.2451 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered | \$/kW | 2.2465 |

MONTHLY RATES AND CHARGES - Regulatory Component

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

DRAFT

InnPower Corporation
TARIFF OF RATES AND CHARGES
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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than, or expected to be less than, 50kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|--------|
| Service Charge (per connection) | \$ | 13.84 |
| Distribution Volumetric Rate | \$/kWh | 0.0233 |
| Low Voltage Service Rate | \$/kWh | 0.0024 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kWh | 0.0098 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kWh | 0.0039 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0057 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0042 |

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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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|-----------|
| Service Charge (per connection) | \$ | 14.58 |
| Distribution Volumetric Rate | \$/kW | 66.4769 |
| Low Voltage Service Rate | \$/kW | 1.0383 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kW | 5.9094 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kW | (12.0346) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 1.7570 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.8737 |

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 |

InnPower Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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

EB-2021-0036

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|---------|
| Service Charge (per connection) | \$ | 4.46 |
| Distribution Volumetric Rate | \$/kW | 30.8228 |
| Low Voltage Service Rate | \$/kW | 0.7003 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until December 31, 2022 Applicable only for Non-RPP Customers | \$/kWh | 0.0029 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022 | \$/kW | 4.1476 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until December 31, 2022 | \$/kW | 1.0986 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 1.7482 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 1.2638 |

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 |

InnPower Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
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EB-2021-0036

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.

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 |
|----------------|----|------|

InnPower Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2022

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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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

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

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

Customer Administration

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

Non-Payment of Account

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

Other

| | | |
|---|----|----------|
| Special meter reads | \$ | 30.00 |
| Temporary service - install & remove - overhead - no transformer | \$ | 632.00 |
| Temporary service - installation and removal - underground - no transformer | \$ | 468.00 |
| Temporary service - installation and removal - overhead - with transformer | \$ | 2,525.00 |
| Specific charge for access to the power poles - per pole/year | \$ | 38.82 |

InnPower Corporation
TARIFF OF RATES AND CHARGES
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RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

| | | |
|--|----------|-----------|
| One-time charge, per retailer, to establish the service agreement between the distributor and the retailer | \$ | 107.68 |
| Monthly Fixed Charge, per retailer | \$ | 43.08 |
| Monthly Variable Charge, per customer, per retailer | \$/cust. | 1.07 |
| Distributor-consolidated billing monthly charge, per customer, per retailer | \$/cust. | 0.64 |
| Retailer-consolidated billing monthly credit, per customer, per retailer | \$/cust. | (0.64) |
| Service Transaction Requests (STR) | | |
| Request fee, per request, applied to the requesting party | \$ | 0.54 |
| Processing fee, per request, applied to the requesting party | \$ | 1.07 |
| 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) | \$ | 4.31 |
| 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) | \$ | 2.15 |

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 | 1.0604 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0498 |