



DECISION AND RATE ORDER

EB-2021-0035

HYDRO OTTAWA LIMITED

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

By Delegation BEFORE: Theodore Antonopoulos
Vice President
Applications

[Date]

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1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Hydro Ottawa Limited charges to distribute electricity to its customers, effective January 1, 2022.

Hydro Ottawa serves approximately 346,000 customers in the City of Ottawa and the Village of Casselman. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licensed and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB.

Commencing with 2021 rates, Hydro Ottawa selected the Custom Incentive Rate-setting methodology (Custom IR) that has a five-year term. The OEB approved the settlement agreement submitted on September 18, 2020 (2021-2025 Approved Settlement Agreement) that included a five-year Custom IR framework which covered the years 2021 to 2025.¹ As part of that proceeding, the OEB issued a final rate order establishing the rates for 2021.² Rates for subsequent years were to be adjusted mechanistically through a custom price adjustment formula for Operations, Maintenance and Administration (OM&A) costs and a pre-approved capital investment forecast for years two through five of the Custom IR term. An annual incremental capital stretch factor of 0.6% is applied to the capital-related revenue requirement for each year of 2022-2025. This is referred to in section four of this Decision and Rate Order as the Base Rate Adjustment.

The key components of the Custom IR framework are listed below:

- Capital spending and operating expenses have been set for a five-year period (2021 to 2025), pursuant to specific adjustments
- A custom price escalation factor (CPEF) applies to OM&A costs for the 2022-2025 period
- A capital stretch factor applies to the capital-related revenue requirement for the 2022-2025 period
- An asymmetrical earnings sharing mechanism (ESM) account on a 50/50 basis with no dead band

¹ Decision and Order, EB-2019-0261, November 19, 2020.

² Decision and Rate Order, EB-2019-0261, January 7, 2021.

- A performance outcomes accountability mechanism (POAM) deferral account to link the execution of certain aspects of Hydro Ottawa's distribution system plan (DSP) to the recovery of amounts included in the agreed-upon revenue requirement
- Three asymmetrical sub-accounts to record the revenue requirement impact of underspending in the System Access (excluding plant relocation and residential expansion), System Renewal/System Service, and General Plant categories.
- A separate symmetrical System Access sub-account to track the revenue requirement impacts associated with plant relocation requested by third parties and residential expansion
- Adjusting working capital allowance by the OEB's inflation factor for the 2022-2025 period
- Fixed short-term debt and long-term debt rates over the 2021-2025 period. Adopting the OEB's 2021 return on equity (ROE) for the 2021-2023 period, and updating it using the OEB's 2024 ROE for the 2024-2025 period

As part of its approved Custom IR, Hydro Ottawa was required to file applications annually to implement the OEB's approval of that framework for the years following the initial decision. Hydro Ottawa was also required to file certain adjustments that include pass-through costs (i.e., costs for which Hydro Ottawa does not charge a mark-up) such as those that are incurred by Hydro Ottawa for settling with the Independent Electricity System Operator (IESO) on behalf of its customers.

As a result of the OEB's findings in this Decision and Rate Order, there will be a monthly total bill increase of \$1.95 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2 CONTEXT AND PROCESS

Hydro Ottawa filed its application on August 18, 2021 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act) in accordance with Chapters 2 and 3 of the Filing Requirements.³ The application was based on the Custom IR option, with a five-year term.

The OEB follows a streamlined process for Custom IR update applications. Applications of this nature may be decided by a panel of Commissioners, or it may be delegated to OEB staff, depending on the complexity of the applications.

After an initial review of the application, the OEB determined that the application is largely mechanistic in nature with respect to the adjustments contemplated. Therefore, this Decision and Rate Order is being issued by delegated authority, without a hearing, under section 6 of the OEB Act.

Under this type of process, the application is reviewed by OEB staff to verify whether the requested adjustments are consistent with the approved Custom IR application. This includes but is not limited to updates or adjustments defined in the OEB's decision on the original Custom IR application.

Hydro Ottawa supported its application with written evidence and completed rate models. During the course of the proceeding, Hydro Ottawa responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

³ Filing Requirements For Electricity Distribution Rate Applications, issued June 24, 2021.

3 DECISION OUTLINE

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

- Base Rate Adjustment
- Cost Allocation
- Rate Design
- Group 1 Deferral and Variance Accounts
- Retail Transmission Service Rates
- Low Voltage Charges
- Retail Service Charges
- Specific Service Charges

Instructions for implementing Hydro Ottawa new rates and charges are set out in the final section of this Decision and Rate Order.

4 BASE RATE ADJUSTMENT

Hydro Ottawa's base rates are made up of a monthly fixed charge and a monthly variable charge.⁴ Together, these charges recover Hydro Ottawa's OM&A and capital costs.

As part of the 2021-2025 Approved Settlement Agreement, the base for the five-year custom price cap adjustment formula for recoverable OM&A was set at \$90.6 million for the 2021 test year, including property taxes. For the 2022-2025 rate years, a CPEF was agreed upon to escalate OM&A expenditures on an annual basis.

The CPEF is derived as "I minus X plus G", where I (inflation factor) is the OEB's standard Input Price Index, X (productivity factor) is the sum of the OEB's current base productivity factor of 0% and an agreed-upon stretch factor of 0.45%, and G (growth factor) is calculated using the average annual growth in customers from 2021 to 2025 (i.e., 0.97%) multiplied by a scaling factor (i.e., 0.35). Using the 2022 OEB-established inflation factor of 3.3%, Hydro Ottawa calculated the 2022 CPEF as 3.19%. The resulting OM&A proposed to be incorporated into the 2022 revenue requirement is \$93.5 million.

Hydro Ottawa's capital additions, depreciation, and disposal have been set for the Custom IR term as part of the 2021-2025 Approved Settlement Agreement. Hydro Ottawa's working capital allowance will be annually adjusted based on the OEB's inflation factor. The 2021 OEB-approved working capital allowance was \$85.5 million. Hydro Ottawa has updated the 2022 working capital allowance to \$88.3 million. The 2022 proposed rate base is \$1,303.8 million.

With respect to cost of capital, the parties agreed in the 2021-2025 Approved Settlement Agreement that short-term and long-term debt rates are fixed over the Custom IR term. The OEB-established ROE for 2021 rates is embedded in rates for the period of 2021-2023. For 2024 and 2025, Hydro Ottawa will update its ROE using the OEB's 2024 value.

As part of the 2021-2025 Approved Settlement Agreement, the parties agreed to a capital stretch factor to incentivize Hydro Ottawa to achieve productivity savings and continuous improvement in its capital programs. For the 2022 rate year, a capital stretch factor of 0.6% is applied to the proposed capital-related revenue requirement, which is calculated by adding a stretch factor of 0.15% to the stretch factor of 0.45% included in the CPEF. For the period of 2023-2025, the capital stretch factor will increase by a

⁴ The residential class completed the transition to a fully fixed distribution charge through the OEB's approval of Hydro Ottawa's 2020 rate adjustment application.

value of 0.6% on an annual basis. The application of the capital stretch factor results in a reduction of \$776k in capital-related revenue requirement for the 2022 rate year.

With respect to other revenue, in accordance with the 2021-2025 Approved Settlement Agreement, some portions of other revenue (i.e., late payment charges, other operating revenue, other income & deductions) have been set for the Custom IR term, while a portion of revenues from specific service charges will be updated annually per the CPEF, excluding the G factor. The proposed 2022 other revenue is \$9.4 million.

The capital additions revenue requirement differential variance accounts were established to track revenue requirement impacts resulting from any underspending in Hydro Ottawa's three capital spending categories (i.e., System Access, System Renewal/System Service, and General Plant). These three sub-accounts are asymmetrical, in that overspending will not result in recording amounts to be recovered from customers. There is a separate symmetrical System Access sub-account to track the revenue requirement impacts associated with plant relocation requested by third parties and residential expansion.

The purpose of the ESM variance account is to refund ratepayers 50% of any earnings above Hydro Ottawa's deemed regulated ROE. In accordance with the 2021-2025 Approved Settlement Agreement, this account functions on a cumulative basis. The balance, if any, will be disposed on a final basis to customers at the end of the Custom IR term.

The POAM deferral account was established to provide ratepayers a refund when Hydro Ottawa's performance metrics established in the 2021-2025 DSP are not met. There are five performance metrics⁵ which have an annual target. If the target is not met in any year of the Custom IR term, Hydro Ottawa will credit the deferral account up to \$200k. The maximum amount that can be credited in any year is \$1.0 million for all five targets. If all targets are met, no credit will be recorded into this account.

Findings

In determining 2022 rates, the OM&A, capital additions, and revenue offset amounts included in Hydro Ottawa's 2022 revenue requirement and, accordingly, its base rates, have been adjusted as per the 2021-2025 Settlement Agreement and are approved.

⁵ Number of Interruptions Caused by Defective Equipment (Overhead System) – Excluding Major Event Days; Number of Interruptions Caused by Defective Equipment (Underground System) – Excluding Major Event Days and Leaking Padmount Transformers; System Average Interruption Duration Index – Excluding Major Event Days and Loss of Supply; Wood Pole Replacement Unit Cost; and Underground Cable Replacement Unit Cost.

Hydro Ottawa did not report balances in the capital additions revenue requirement differential, ESM and POAM deferral and variance accounts because the 2021 rate year is not yet complete. The OEB expects Hydro Ottawa to report 2021 balances in these deferral and variance accounts discussed above in its 2023 Custom IR annual update. In accordance with the 2021-2025 Approved Settlement Agreement, these accounts will be reviewed for disposition at the end of the Custom IR term.

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5 COST ALLOCATION

As part of the 2021-2025 Approved Settlement Agreement, Hydro Ottawa's cost allocation model and customer class revenue-to-cost ratio ranges were approved, with the modification that the Sentinel Lighting class would transition to the OEB's approved revenue-to-cost ratio range by 2025.

Table 5.1 outlines the revenue-to-cost ratio adjustments proposed by Hydro Ottawa for the 2022 rate year.

Table 5.1: Revenue-to-Cost Ratios

Rate Classification	Current 2021 Ratio (%)	Proposed 2022 Ratio (%)
RESIDENTIAL SERVICE	101.08	101.08
GENERAL SERVICE LESS THAN 50 KW SERVICE	119.92	119.94
GENERAL SERVICE 50 TO 1,499 KW SERVICE	90.44	90.44
GENERAL SERVICE 1,500 TO 4,999 KW SERVICE	102.32	102.32
LARGE USE	86.10	86.10
STREET LIGHTING SERVICE	120.00	119.94
SENTINEL LIGHTING SERVICE	56.25	62.19
UNMETERED SCATTERED LOAD SERVICE	104.51	104.61
STANDBY POWER	33.23	33.23

Findings

The OEB approves Hydro Ottawa's revenue-to-cost ratio adjustments for the 2022 rate year in accordance with Table 5.1 above. The OEB finds that the proposed adjustments are consistent with the 2021-2025 Approved Settlement Agreement.

6 RATE DESIGN

As part of the 2021-2025 Approved Settlement Agreement, the parties agreed to the rate design methodologies for each rate class except for three commercial customer classes: General Service > 50 to 1,499 kW, General Service 1,500 to 4,999 kW, and Large Use.

With respect to these three commercial customer classes, pursuant to the OEB's decision and order issued on November 19, 2020, the fixed/variable rate design for these classes shall be determined based on the following terms:

Fixed charges should be set by comparing the fixed charge resulting from Hydro Ottawa's standard rate design approach with the previous year's level for the five year rate term. In years where maintaining the current fixed/variable revenue split results in a higher fixed charge than the previous year, Hydro Ottawa shall maintain the fixed charge at the previous year's level. In years where maintaining the current fixed/variable revenue split results in a lower fixed charge than the previous year, Hydro Ottawa shall maintain the fixed charge at the lower value.⁶

In determining 2022 rates, Hydro Ottawa proposed to maintain the fixed charges for these three commercial classes at the 2021 level and adjust variable rates to ensure recovery of the requested revenue requirement for those classes.

⁶ Decision and Order, EB-2019-0261, November 19, 2020.

Table 6.1 outlines the 2022 proposed fixed and variable charges by rate class.

Table 6.1: Fixed/Variable Charges

Rate Classification	Current 2021		Proposed 2022	
	Fixed \$	Variable \$/kWh or \$/kW	Fixed \$	Variable \$/kWh or \$/kW
RESIDENTIAL SERVICE	29.32	0.0000	30.77	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE	19.76	0.0256	20.83	0.0270
GENERAL SERVICE 50 TO 1,499 KW SERVICE	200.00	5.2905	200.00	5.6423
GENERAL SERVICE 1,500 TO 4,999 KW SERVICE	4,193.93	4.8106	4,193.93	5.1687
LARGE USE	15,231.32	4.7117	15,231.32	5.0761
STREET LIGHTING SERVICE	0.96	6.6705	1.01	6.9763
SENTINEL LIGHTING SERVICE	3.88	18.2019	4.63	21.7203
UNMETERED SCATTERED LOAD SERVICE	5.37	0.0255	5.80	0.0276
STANDBY POWER 50 TO 1,499 KW SERVICE	153.14	2.0437	162.65	2.0449
STANDBY POWER 1,500 TO 4,999 KW SERVICE	153.14	1.8746	162.65	1.9910
STANDBY POWER LARGE USE	153.14	2.0803	162.65	2.0816

Findings

The OEB finds that Hydro Ottawa's proposed rate design is consistent with the OEB's November 19, 2020 decision and order. The resulting total bill impacts for all customer classes demonstrate that no mitigation is required. The OEB approves the fixed and variable charges by rate class as proposed by Hydro Ottawa.

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of a Custom IR update term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed of. OEB policy states that Group 1 account balances should be disposed of 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.⁷ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Hydro Ottawa's Group 1 accounts eligible for disposition, including interest projected to December 31, 2021, is a credit of \$6,229,867. This amount represents a total credit claim of \$0.0009 per kWh, which does not exceed the disposition threshold, and pertains to variances accumulated during the 2020 calendar year. Hydro Ottawa has requested disposition of this credit amount over a one-year period.

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. More particularly, Class A customers, who participate in the Industrial Conservation Initiative, 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).⁸ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.⁹ 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.

Hydro Ottawa had Class A customers during the period in which variances accumulated, however, the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the balance of the CBR Class B variance account is disposed of along with Account 1580 – Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

⁷ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

⁸ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

⁹ 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](#).

During the period in which variances accumulated, Hydro Ottawa had customers transition between Class A and Class B. Under the general principle of cost causality, customer groups that cause variances which are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. Hydro Ottawa has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹⁰ The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable) by way of 12 equal monthly installments.

Findings

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

The OEB approves the disposition of a credit balance of \$6,229,867 as of December 31, 2020, including interest projected to December 31, 2021, for Group 1 accounts on a final basis.

Table 7.1 identifies the principal and interest amounts, which the OEB approves for disposition.

¹⁰ DVA Workform, Tab 6.1a "GA Allocation" and Tab 6.2a "CBR B_Allocation"

Table 7.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	(567,724)	(3,164)	(570,888)
Smart Meter Entity Variance Charge	1551	(60,514)	42	(60,472)
RSVA - Wholesale Market Service Charge	1580	(4,264,095)	(26,131)	(4,290,226)
Variance WMS - Sub-account CBR Class B	1580	(220,534)	453	(220,081)
RSVA - Retail Transmission Network Charge	1584	231,333	3,633	234,967
RSVA - Retail Transmission Connection Charge	1586	(3,355,441)	1,065	(3,354,375)
RSVA - Power	1588	937,929	7,505	945,433
RSVA - Global Adjustment	1589	1,774,708	14,402	1,789,111
Disposition and Recovery of Regulatory Balances (2018)	1595	(272,638)	(430,697)	(703,335)
Totals for Group 1 accounts		(5,796,976)	(432,891)	(6,229,867)

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*.¹¹ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed through final rate riders, charges, or payments, as calculated in the DVA continuity schedule. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2022 to December 31, 2022.¹²

¹¹ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹² DVA Workform Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Rate Rider Calculations

8 RETAIL TRANSMISSION SERVICE RATES

Hydro Ottawa is transmission connected and partially embedded within Hydro One Networks Inc. (Hydro One)'s distribution system.

To recover its cost to provide transmission services, Hydro Ottawa requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the Uniform Transmission Rates (UTRs) and Hydro One's host distributor RTSRs currently in effect.

Findings

Hydro Ottawa's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved UTRs and sub-transmission host-RTSRs.¹³

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

¹³ EB-2021-0176, Decision and Rate Order, June 24, 2021. EB-2020-0030, Decision and Rate Order, February 18, 2021.

9 LOW VOLTAGE CHARGES

Hydro Ottawa pays charges to Hydro One for a number of shared distribution stations, specific lines and shared lines.

The 2021-2025 Approved Settlement Agreement requires that Hydro Ottawa's Low Voltage (LV) rates are to be updated annually. Hydro Ottawa has used the approved 2022 LV expense forecast of \$346,939 in the calculations of the LV changes for the customer classes. Hydro Ottawa has allocated the charges to the customer classes based on the class percentage of retail transmission connection dollars using the 2021 OEB-approved rates.

The resulting LV charges are shown in the table below.

Table 9.1: Proposed LV Charges

Class	Per	Current 2021 LV Charge	Proposed 2022 LV Charge
Residential	kWh	\$0.00005	\$0.00005
General Service < 50 kW	kWh	\$0.00005	\$0.00005
General Service 50 to 1,499 kW	kW	\$0.01964	\$0.01989
General Service 1,500 to 4,000 kW	kW	\$0.02099	\$0.02126
Large Use (> 5,000 kW)	kW	\$0.02364	\$0.02394
Unmetered Scattered Load	kWh	\$0.00005	\$0.00005
Sentinel Lighting	kW	\$0.01459	\$0.01478
Street Lighting	kW	\$0.01490	\$0.01509

Findings

The updated LV charges shown in Table 9.1, included in Hydro Ottawa's 2022 application, have been calculated and allocated in accordance with the approved methodology and are approved.

10 RETAIL SERVICE CHARGES

Retail Service Charges (RSCs) are levied to recover the cost of the services provided by a distributor to retailers or customers for supply of competitive electricity through retailer contracts, in accordance with the OEB's Retail Settlement Code.

Hydro Ottawa proposed to adopt the OEB's generic 2022 RSCs effective January 1, 2022.¹⁴ The RSCs for 2022 are set out in the table below.

Table 10.1 – Retail Service Charges

	2022 Proposed
Monthly Fixed Charge, per retailer	\$43.08
Standard Charge, per retailer	\$107.68
Monthly Variable Charge, per customer, per retailer	\$1.07
Distributor Consolidated Billing Charge, per customer, per retailer	\$0.64
Retailer Consolidated Billing Credit, per customer, per retailer	\$(0.64)
Service Transaction Requests, per process	\$1.07
Service Transaction Requests, per request	\$0.54
Electronic Business Transaction, up to twice per year	\$0.00
Electronic Business Transaction, more than twice a year, per request	\$4.31

Findings

The OEB approves the 2022 RSCs, which represent the generic RSCs set out in the OEB's November 25, 2021 Decision and Order.

¹⁴ EB-2021-0301, Decision and Order, November 25, 2021.

11 SPECIFIC SERVICE CHARGES

Specific Service Charges (SSCs) apply to services that are over and above Hydro Ottawa's standard level of service offerings and may result from a customer's action or inaction. The revenue from these charges offsets the total revenue requirement.

The 2021-2025 Approved Settlement Agreement identified a list of SSCs that account for the majority of the SSCs that would be increased per the CPEF, excluding the G factor, as part of this application. All other service charges will remain at the 2021 approved rates.

Table 11.1 Summary of Revised Specific Service Charges

	2021 Current	2022 Proposed
Customer Administration		
Arrears Certificate	\$16.00	\$16.00
Easement Certificate for Unregistered Easements	\$25.00	\$26.00
Duplicate Invoices for Previous Billing	\$5.00	\$6.00
Special Billing Service, per hour	\$122.00	\$126.00
Credit Reference/Credit Check (+ credit agency costs)	\$16.00	\$16.00
Unprocessed Payment Charge (+ bank charges)	\$25.00	\$26.00
Account Set Up/Change of Occupancy Charge	\$25.00	\$26.00
Interval Meter - Field Reading	\$314.00	\$323.00
High Bill Investigation - If Billing is Correct	\$237.00	\$243.00
Non-Payment of Account		
Reconnect at Meter - Regular Hours	\$67.00	\$69.00
Reconnect at Meter - After Regular Hours	\$100.00	\$103.00
Reconnect at Pole - Regular Hours	\$250.00	\$258.00
Reconnect at Pole - After Regular Hours	\$423.00	\$435.00

	2021 Current	2022 Proposed
Other		
Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer	\$881.00	\$906.00
TS-I&R - Underground - no transformer	\$1,278.00	\$1,314.00
TS-I&R - Overhead - with transformer	\$3,141.00	\$3,231.00
Specific Charge to Access Power Poles - Wireline	\$44.50	\$44.50
ERF Administration Charge Without Account Set Up	\$142.00	\$146.00

Hydro Ottawa adopted the OEB's 2021 generic wireline pole attachment charge of \$44.50 as part of the 2021-2025 Approved Settlement Agreement. The charge was established on an interim basis by the OEB until further notice.¹⁵

In addition, as per the 2021-2025 Approved Settlement Agreement, Hydro Ottawa has adjusted the Dry Core Transformer Charges to reflect any related changes in the Regulated Price Plan and Hydro One rates. Table 11.2 below lists Hydro Ottawa's updated 2022 Dry Core Transformer charges.

¹⁵ EB-2020-0288, Order, Wireline Pole Attachment Charge, December 10, 2020.

Table 11.2 Dry Core Transformer Charges

Transformers	No Load	Load	Cost of	Cost of	Total	Cost of	Total
Rates			\$ 6.1476	\$ 0.1104		\$ 5.2957	
25 KVA 1 PH, 1.2kV BIL	150	900	\$ 0.99	\$ 10.03	\$ 11.02	\$ 0.85	\$ 11.87
37.5 KVA 1 PH, 1.2kV BIL	200	1200	\$ 1.32	\$ 13.38	\$ 14.69	\$ 1.13	\$ 15.83
50 KVA 1 PH, 1.2kV BIL	250	1600	\$ 1.68	\$ 16.83	\$ 18.51	\$ 1.45	\$ 19.96
75 KVA 1 PH, 1.2kV BIL	350	1900	\$ 2.24	\$ 23.20	\$ 25.44	\$ 1.93	\$ 27.36
100 KVA 1 PH, 1.2kV BIL	400	2600	\$ 2.70	\$ 26.97	\$ 29.67	\$ 2.33	\$ 32.00
112.5 KVA 1 PH, 1.2kV BIL	447	2936	\$ 3.03	\$ 30.17	\$ 33.20	\$ 2.61	\$ 35.81
*150 KVA 1 PH, 1.2kV BIL	525	3500	\$ 3.57	\$ 35.49	\$ 39.07	\$ 3.08	\$ 42.14
167 KVA 1 PH, 1.2kV BIL	650	4400	\$ 4.45	\$ 44.01	\$ 48.46	\$ 3.83	\$ 52.29
175 KVA 1PH, 1.2kV BIL	665	4496	\$ 4.55	\$ 45.02	\$ 49.57	\$ 3.92	\$ 53.49
*200 KVA 1 PH, 1.2kV BIL	696	4700	\$ 4.76	\$ 47.12	\$ 51.87	\$ 4.10	\$ 55.97
*225 KVA 1 PH, 1.2kV BIL	748	5050	\$ 5.11	\$ 50.64	\$ 55.75	\$ 4.40	\$ 60.15
250 KVA 1 PH, 1.2kV BIL	800	5400	\$ 5.47	\$ 54.16	\$ 59.62	\$ 4.71	\$ 64.33
333 KVA 1PH 1.2kV BIL	1000	6600	\$ 6.78	\$ 67.53	\$ 74.32	\$ 5.84	\$ 80.16
500 KVA 1PH 1.2KV BIL	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
750 KVA 1PH 1.2KV BIL	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
*10 KVA 3 PH, 1.2kV BIL	83	400	\$ 0.51	\$ 5.45	\$ 5.96	\$ 0.44	\$ 6.40
*15 KVA 3 PH, 1.2kV BIL	125	650	\$ 0.79	\$ 8.25	\$ 9.04	\$ 0.68	\$ 9.72
*30 KVA 3PH, 1.2kV BIL	250	1300	\$ 1.58	\$ 16.51	\$ 18.09	\$ 1.36	\$ 19.45
*45 KVA 3 PH, 1.2kV BIL	300	1800	\$ 1.98	\$ 20.07	\$ 22.04	\$ 1.70	\$ 23.74
*75 KVA 3 PH, 1.2kV BIL	400	2400	\$ 2.63	\$ 26.76	\$ 29.39	\$ 2.27	\$ 31.66
*112.5 KVA 3 PH, 1.2kV BIL	600	3400	\$ 3.89	\$ 39.92	\$ 43.80	\$ 3.35	\$ 47.15
*150 KVA 3 PH, 1.2kV BIL	700	4500	\$ 4.71	\$ 47.14	\$ 51.85	\$ 4.06	\$ 55.91
*175 KVA 3PH, 1.2kV BIL	766	4767	\$ 5.10	\$ 51.42	\$ 56.52	\$ 4.39	\$ 60.92
*200 KVA 3PH, 1.2kV BIL	833	5033	\$ 5.50	\$ 55.76	\$ 61.25	\$ 4.74	\$ 65.99
*225 KVA 3 PH, 1.2kV BIL	900	5300	\$ 5.89	\$ 60.09	\$ 65.99	\$ 5.08	\$ 71.06
*300 KVA 3 PH, 1.2kV BIL	1100	6300	\$ 7.15	\$ 73.26	\$ 80.40	\$ 6.16	\$ 86.56
*450 KVA 3PH, 1.2kV BIL	2075	7275	\$ 11.96	\$ 133.24	\$ 145.20	\$ 10.30	\$ 155.50
*500 KVA 3 PH, 95kV BIL	2400	7600	\$ 13.57	\$ 153.23	\$ 166.80	\$ 11.69	\$ 178.48
*750 KVA 3 PH, 95kV BIL	3000	12000	\$ 17.78	\$ 194.22	\$ 212.00	\$ 15.32	\$ 227.32
*1000 KVA 3 PH, 95kV BIL	3400	13000	\$ 19.96	\$ 219.47	\$ 239.43	\$ 17.19	\$ 256.62
*1500 KVA 3 PH, 95kV BIL	4500	18000	\$ 26.67	\$ 291.33	\$ 318.01	\$ 22.98	\$ 340.98
*2000 KVA 3 PH, 95kV BIL	5400	21000	\$ 31.81	\$ 348.96	\$ 380.77	\$ 27.40	\$ 408.17
*2500 KVA 3 PH, 95kV BIL	6500	25000	\$ 38.20	\$ 419.74	\$ 457.94	\$ 32.91	\$ 490.85
*3000 KVA 3PH, 95kV BIL	7700	29000	\$ 45.05	\$ 496.57	\$ 541.62	\$ 38.81	\$ 580.43
*3750 KVA 3PH, 95kV BIL	9500	35000	\$ 55.32	\$ 611.81	\$ 667.14	\$ 47.66	\$ 714.80
*5000 KVA 3PH, 95kV BIL	11000	39000	\$ 63.56	\$ 706.78	\$ 770.33	\$ 54.75	\$ 825.08

Findings

The OEB approves the 2022 SSCs including the wireline pole attachment charge and Dry Core Transformer charges as per the 2021-2025 Approved Settlement Agreement, and as updated in this proceeding. The OEB notes that impacts on revenues arising from revised charges were approved as part of the 2021-2025 Settlement Agreement.

12 IMPLEMENTATION

This Decision and Rate Order is accompanied by a Deferral and Variance Account workform, applicable supporting models, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Hydro Ottawa's original Custom IR decision and order. The rate models were adjusted, where applicable, to correct any discrepancies. The Tariff Schedule and Bill Impacts Model incorporates the rates set out in the following table.

Table 12.1: 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, 2020.¹⁶

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, 2018.¹⁷

¹⁶ EB-2020-0276, Decision and Order, December 10, 2020.

¹⁷ EB-2017-0290, Decision and Order, March 1, 2018.

13 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. Hydro Ottawa Limited 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]

ONTARIO ENERGY BOARD

Christine E. Long
Registrar

SCHEDULE A
DECISION AND RATE ORDER
HYDRO OTTAWA LIMITED
TARIFF OF RATES AND CHARGES
EB-2021-0035
[DATE]