



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

DECISION AND RATE ORDER

EB-2021-0062

WATERLOO NORTH HYDRO INC.

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

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

December 9, 2021

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Waterloo North Hydro Inc. (Waterloo North Hydro) 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 \$2.11 for a residential customer consuming 750 kWh, effective January 1, 2022. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2 CONTEXT AND PROCESS

Waterloo North Hydro 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](#) (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.¹ 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.

Waterloo North Hydro serves approximately 58,000 mostly residential and commercial electricity customers in the City of Waterloo, the Township of Wellesley, and the Township of Woolwich.

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

¹ 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
- Lost Revenue Adjustment Mechanism Variance Account Balance
- Rate Design

Instructions for implementing Waterloo North Hydro'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 charges² 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.

² 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

Waterloo North Hydro 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.³ The adjustment typically applies to distribution rates (fixed and variable) uniformly across all customer classes.⁴

The components of the Price Cap IR adjustment formula applicable to Waterloo North Hydro are set out in the table below. Inserting these components into the formula results in a 3.00% increase to Waterloo North Hydro'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.

³ 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.

⁴ See Section 8 of this Decision and Order for an OEB-approved deviation from this practice for Waterloo North Hydro

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 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. 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 Waterloo North Hydro is 0.30%, resulting in a rate adjustment of 3.00%.

Findings

Waterloo North Hydro'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 Waterloo North Hydro's new rates shall be effective January 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

Waterloo North Hydro is partially embedded within the distribution systems of Hydro One Networks Inc., Kitchener Wilmot Hydro, and Energy Plus.

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

Findings

Waterloo North Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved UTRs and host-RTSRs.⁸

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that new UTRs or host-RTSRs take effect during Waterloo North Hydro'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).

⁸ EB-2021-0176, Decision and Rate Order, June 24, 2021; EB-2020-0030, Decision and Rate Order, December 17, 2020; EB-2021-0074, Decision and Rate Order, May 12, 2021; 2020-0016 Decision and Rate Order, December 10, 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 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 can justify why balances should not be disposed.⁹ If the balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Waterloo North Hydro's Group 1 accounts that are eligible for disposition, including interest projected to December 31, 2021, is a credit of \$1,260,044. 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 (except for Account 1588 and Account 1589 pertaining to the 2019 and 2020 years). Waterloo North Hydro has requested disposition of its Group 1 accounts, exclusive of Accounts 1588 and 1589, over one year.¹⁰

The settlement agreement for Waterloo North Hydro's cost of service proceeding for 2021 rates stipulated that Waterloo North Hydro not dispose of 2019 balances for Accounts 1588 and 1589, pending a special purpose inspection (Inspection) by the OEB of those accounts,¹¹ and that the distributor shall apply for disposition of those accounts upon completion of the Inspection. At this time, the Inspection has not commenced. The Inspection relates to a prior period adjustment of approximately \$2.6 million in overstated Global Adjustment (GA) costs attributable to Regulated Price Plan (RPP) customers, impacting Accounts 1588 and 1589 balances between the years 2015 to 2018. Waterloo North Hydro noted that the 2019 and 2020 activities related to Account 1588 and Account 1589 balances will also be assessed in the Inspection.¹²

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, pay for 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

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

¹⁰ Staff Question-10

¹¹ EB-2020-0059, 2021 Cost of Service, Settlement Proposal, page 39 (attached to December 10, 2020 decision and rate order)

¹² Staff Question-15

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.

Waterloo North Hydro 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 along with Account 1580 – Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

During the period in which variances accumulated, Waterloo North Hydro 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. Waterloo North Hydro has proposed to allocate a portion of the CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹⁵ The amounts allocated to each transition customer are proposed to be recovered (or refunded), by way of a one-time charge or credit, as applicable.

Findings

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 credit balance of \$684,300 as of December 31, 2020, including interest projected to December 31, 2021 for the Group 1 accounts, exclusive of Accounts 1588 and 1589, on a final basis.

The OEB agrees that in addition to the Inspection regarding the prior period adjustment of approximately \$2.6 million, Waterloo North Hydro would further benefit from having the overall reasonability of the 2019 and 2020 Account 1588 and 1589 balances (including compliance with the OEB's Accounting Guidance) assessed by the OEB's Inspection and Enforcement group. The OEB expects that included in that review will be a consideration of any discrepancies that arose through the course of this proceeding.

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](#).

¹⁵ 2022 IRM Rate Generator Model, Tab 6.2a "CBR B_Allocation"

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

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	193,927	1,200	195,127
Smart Meter Entity Variance Charge	1551	(4,141)	1,043	(3,098)
RSVA - Wholesale Market Service Charge	1580	(748,787)	(328)	(749,115)
Variance WMS - Sub-account CBR Class B	1580	(42,906)	(454)	(43,360)
RSVA - Retail Transmission Network Charge	1584	(24,985)	(2,950)	(27,935)
RSVA - Retail Transmission Connection Charge	1586	(51,970)	(3,949)	(55,919)
Totals for Group 1 accounts		(678,862)	(5,438)	(684,300)

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 transfers shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.¹⁶ 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 Rate Generator Model. 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, 2022.¹⁷

¹⁶ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁷ 2022 IRM Rate Generator Model Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB utilizes a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA), which captures a distributor's revenue implications resulting from differences between actual and forecast conservation savings included in its last OEB-approved load forecast.¹⁸

Distributors delivered conservation and demand management (CDM) programs to their customers through the Conservation First Framework (CFF) that began on January 1, 2015 until March 20, 2019, when the CFF was revoked.¹⁹ The OEB provided direction to distributors seeking to claim program savings up to December 31, 2021 related to CFF programs or other conservation programs they delivered.²⁰

Waterloo North Hydro has applied to dispose of its LRAMVA debit balance of \$716,416. The balance consists of lost revenues in 2019 and 2020 persisting from CDM programs delivered during the period from 2015 to 2018 and carrying charges. Waterloo North Hydro is not seeking recovery of any lost revenues associated with impacts arising from the deployment of new programs in 2019 and 2020 in accordance with the settlement agreement for its 2021 rates proceeding.

The actual conservation savings claimed by Waterloo North Hydro under the CFF were validated with reports from the IESO, project level savings files, or both.

Actual conservation savings were compared against Waterloo North Hydro's forecasted conservation savings of 1,440,252,088 kWh included in its last OEB-approved load forecast.²¹

Findings

The OEB finds that Waterloo North Hydro's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Waterloo North Hydro's LRAMVA debit balance of \$716,416, as set out in Table 7.1 below.

¹⁸ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014

¹⁹ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

²⁰ Chapter 3 Filing Requirements, section 3.2.6.1

²¹ EB-2020-0059, Decision and Order, December 10, 2020

Table 7.1 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	1,024,955	321,299	12,758	716,416

8 RATE DESIGN

In Waterloo North Hydro's cost of service application for 2021 rates, the OEB approved a settlement proposal, whereby parties agreed that, except for the residential class, all inflationary rate increases during the subsequent IRM term will be collected through the variable charge for classes with a fixed charge that is above the minimum system plus peak load carrying capability level. The settlement proposal clarified that Waterloo North Hydro is still eligible to obtain the full value of all rate increases through the variable portion of the charges applicable to each affected class.²²

The only rate class in which the fixed charge is below the minimum system peak load carrying capability level is the streetlighting class. Accordingly, for this class, the inflationary adjustment applies to both fixed and variable components uniformly. For the remaining rate classes, the total revenue impact associated with an inflationary change in the monthly fixed rate has been entirely apportioned to the volumetric charge for those classes, respectively.²³

The residential rate class is under a fixed rate structure and the inflationary rate adjustment is applied in full to the monthly fixed charge for 2022.

Findings

The OEB approves Waterloo North Hydro's proposed rate design for its 2022 distribution rates. The OEB finds that the rates have been designed in accordance with the terms of the OEB-approved settlement proposal.

²² EB-2020-0059, Settlement Proposal, November 23, 2020

²³ Manager's Summary, Table 2.4a, page 6 – calculated using the OEB's 2021 inflation factor as a placeholder; subsequently updated for the 2022 inflation factor, as shown in tab

9 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 9.1.

Table 9.1: Regulatory Charges

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

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.²⁴

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, 2018.²⁵

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁶ 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.

²⁴ EB-2020-0276, Decision and Order, December 10, 2020

²⁵ EB-2017-0290, Decision and Order, March 1, 2018

²⁶ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

10 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. Waterloo North Hydro Inc. 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, December 9, 2021

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0062

DATED: December 9, 2021

Waterloo North Hydro Inc.
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-2021-0062

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	33.71
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0023

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

Waterloo North Hydro Inc.

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-2021-0062

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	33.71
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0183
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2022) - effective until December 31, 2022	\$/kWh	0.0004
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0084
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0021

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

Waterloo North Hydro Inc.

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-2021-0062

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 kW non-interval metered; General Service 50 to 999 kW interval metered; and General Service 1,000 to 4,999 kW interval metered.

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	\$	125.96
Distribution Volumetric Rate	\$/kW	5.6486
Low Voltage Service Rate	\$/kW	0.1322
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2022) - effective until December 31, 2022	\$/kW	0.3945

Waterloo North Hydro Inc.

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-2021-0062

Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022		
Applicable only for Non-Wholesale Market Participants	\$/kW	(0.2235)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	0.0313
Retail Transmission Rate - Network Service Rate - (less than 1,000 kW)	\$/kW	3.4369
Retail Transmission Rate - Network Service Rate - Interval Metered (less than 1,000 kW)	\$/kW	3.6505
Retail Transmission Rate - Network Service Rate - Interval Metered (1,000 to 4,999 kW)	\$/kW	3.6456
Retail Transmission Rate - Line and Transformation Connection Service Rate - (less than 1,000 kW)	\$/kW	0.8151
Retail Transmission Rate - Line and Trans. Connection Service Rate - Interval Metered (less than 1,000 kW)	\$/kW	1.0179
Retail Transmission Rate - Line and Trans. Connection Service Rate - Interval Metered	\$/kW	1.0170

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

GROSS LOAD BILLING NOTE

The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 30, 1998, which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for loss.

Waterloo North Hydro Inc.

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-2021-0062

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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	\$	7,359.96
Distribution Volumetric Rate	\$/kW	4.4882
Low Voltage Service Rate	\$/kW	0.1424
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2022) - effective until December 31, 2022	\$/kW	(0.1362)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.2906)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.0417
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.0215

Issued - December 9, 2021

Waterloo North Hydro Inc.
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-2021-0062

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

GROSS LOAD BILLING NOTE

The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 30, 1998, which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for loss.

Waterloo North Hydro Inc.

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-2021-0062

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	11.20
Distribution Volumetric Rate	\$/kWh	0.0159
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0084
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0021

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

Waterloo North Hydro Inc.
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-2021-0062

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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 device)	\$	0.37
Distribution Volumetric Rate	\$/kW	10.4055
Low Voltage Service Rate	\$/kW	0.0878
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.1764)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5922
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.6299

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

Waterloo North Hydro Inc.
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-2021-0062

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
----------------	----	------

Waterloo North Hydro Inc.
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-2021-0062

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Distribution Volumetric Rate	\$/kW	0.0221
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.2127)

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

ALLOWANCES

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

Waterloo North Hydro Inc.
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-2021-0062

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

Easement letter	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	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

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

Other

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	44.50
Owner Requested Disconnection/Reconnection at Meter – During Regular Hours	\$	130.00
Owner Requested Disconnection/Reconnection at Meter – After Regular Hours	\$	335.00
Owner Requested Disconnection/Reconnection at Pole/Transformer – During Regular Hours	\$	310.00
Owner Requested Disconnection/Reconnection at Pole/Transformer – After Regular Hours	\$	685.00

Waterloo North Hydro Inc.
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-2021-0062

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

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	1.0353
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0136
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0250
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0036