



DECISION AND RATE ORDER

EB-2021-0022

ESPANOLA REGIONAL HYDRO DISTRIBUTION CORPORATION

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

BY DELEGATION, BEFORE: Pascale Duguay
Manager
Natural Gas

[date]

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Espanola Regional Hydro Distribution Corporation (Espanola Regional Hydro) charges to distribute electricity to its customers, effective May 1, 2022.

As a result of this Decision, there will be a monthly total bill increase of \$6.19 for a residential customer consuming 750 kWh, effective May 1, 2022. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

The OEB is also approving Espanola Regional Hydro's request to change the composition of its distribution service rates. Residential distribution service rates have historically included a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed rate structure over a four-year period beginning in 2016.¹ Espanola Regional Hydro deferred filing rate applications for a five-year period from 2016 to 2020. As a result, Espanola Regional Hydro did not implement the OEB's policy until 2021. Furthermore, Espanola Regional Hydro required a transition period of greater than four years. In Espanola Regional Hydro's 2021 rates proceeding,² the OEB approved a five-year period for Espanola Regional Hydro to transition its residential customers to a fully fixed structure. This is the second year of the transition period. The monthly fixed rate portion of residential rates has increased, and the variable usage rate has decreased. This rate change does not affect the total revenue that Espanola Regional Hydro collects from its residential customers.

¹ OEB Policy – "[A New Distribution Rate Design for Residential Electricity Customers](#)", EB-2012-0410, April 2, 2015

² EB-2020-0020, Settlement Proposal, May 12, 2021

2 CONTEXT AND PROCESS

Espanola Regional Hydro filed its application on November 24, 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.³ 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.

Espanola Regional Hydro serves approximately 3,300 mostly residential and commercial electricity customers in the Town of Espanola and the Township of Sables Spanish River.

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

³ 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
- Residential Rate Design

Instructions for implementing Espanola Regional 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 charges⁴ 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.

⁴ Certain service charges are subject to annual 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 Decision and Order EB-2021-0302, issued December 16, 2021, established the 2022 Wireline Pole Attachment Charge, effective January 1, 2022.

4 ANNUAL ADJUSTMENT MECHANISM

Espanola Regional Hydro has applied to change its rates, effective May 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.⁵

The components of the Price Cap IR adjustment formula applicable to Espanola Regional Hydro are set out in the table below. Inserting these components into the formula results in a 3.15% increase to Espanola Regional Hydro's rates: **3.15% = 3.30% - (0.00% + 0.15%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁶		3.30%
X-Factor	Productivity ⁷	0.00%
	Stretch (0.00% to 0.60%) ⁸	0.15%

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

⁵ 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.

⁶ EB-2021-0212, Decision and Order, November 18, 2021

⁷ 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

⁸ 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

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, 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 Espanola Regional Hydro is 0.15%, resulting in a rate adjustment of 3.15%.

Findings

Espanola Regional Hydro's request for a 3.15% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Espanola Regional Hydro's new rates shall be effective May 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

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

To recover its cost of transmission services, Espanola Regional Hydro 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

Espanola Regional Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved host-RTSRs.⁹

Host-RTSRs are typically approved annually by the OEB. In the event that new host-RTSRs take effect during Espanola Regional Hydro'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).

⁹ EB-2021-0032, Decision and Rate Order, December 14, 2021

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.¹⁰ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for all of Espanola Regional Hydro's Group 1 accounts including interest projected to April 30, 2022, is a debit of \$317,369 and pertains to variances accumulated during the 2020 calendar year. This amount represents a total debit claim of \$0.0057 per kWh, which exceeds the disposition threshold. In response to questions from OEB staff, Espanola Regional Hydro requested the disposition of its Group 1 accounts, other than Account 1588 (Power) and Account 1589 (Global Adjustment), over a one-year period. Espanola Regional Hydro is no longer requesting disposition of Accounts 1588 and 1589 because it identified what it believed to be errors in the invoicing from its host distributor related to Global Adjustment and requires time to further investigate the balances in these accounts.¹¹

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 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).¹² A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹³ 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.

Espanola Regional Hydro had no Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B

¹⁰ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

¹¹ Espanola Regional Hydro correspondence filed February 25, 2022

¹² For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹³ 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](#).

account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

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 debit balance of \$161,204 as of December 31, 2020, including interest projected to April 30, 2022 for Group 1 accounts, excluding Accounts 1588 and Account 1589, on a final basis. The OEB further approves Espanola Regional Hydro's request to defer disposition of Accounts 1588 and 1589 to a future proceeding, to allow an opportunity for it to review the suspected errors it has identified associated with the GA billed by its host distributor, and amend these account balances, if necessary.

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	94,677	2,948	97,265
Smart Meter Entity Variance Charge	1551	(100)	(8)	(108)
RSVA - Wholesale Market Service Charge	1580	(3,665)	265	(3,400)
RSVA - Retail Transmission Network Charge	1584	19,518	130	19,648
RSVA - Retail Transmission Connection Charge	1586	53,531	(6,093)	47,438
Totals for Group 1 accounts		163,961	(2,757)	161,204

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.¹⁴ 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 May 1, 2022 to April 30, 2023.¹⁵

¹⁴ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

¹⁵ 2022 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7 RESIDENTIAL RATE DESIGN

Some residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.¹⁶ Distributors, such as Espanola Regional Hydro, who are in a transition period that is greater than four years, or who commenced transition in a later year, are required to continue with this transition until the monthly service charge is fully fixed.

Espanola Regional Hydro deferred filing rate applications for a five-year period from 2016 to 2020. As a result, Espanola Regional Hydro did not implement the OEB's policy until 2021. In Espanola Regional Hydro's 2021 rates proceeding,¹⁷ the OEB approved a five-year period for Espanola Regional Hydro to transition its residential customers to fully fixed structure. This is the second year of the transition period.

The OEB expects a distributor to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4.00. The second test is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Espanola Regional Hydro is requesting an increase to the monthly fixed charge, prior to the price cap adjustment, of \$4.27. Espanola Regional Hydro did not request rate mitigation, as the five-year transition plan has already been approved by the OEB in Espanola Regional Hydro's 2021 rates proceeding.¹⁸ The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB finds that the proposed 2022 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy and the approach approved by the OEB in Espanola Regional Hydro's last cost of service rate application.

¹⁶ OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers", EB-2012-0410, April 2, 2015

¹⁷ EB-2020-0020, Settlement Proposal, May 12, 2021

¹⁸ Ibid.

The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

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8 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 8.1.

Table 8.1: 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 16, 2021.¹⁹

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, 2018.²⁰

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²¹ 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. On January 26, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2022 calendar year.

¹⁹ EB-2021-0300, Decision and Order, December 16, 2021

²⁰ EB-2017-0290, Decision and Order, March 1, 2018

²¹ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

9 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 May 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Espanola Regional Hydro Distribution Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0022

DATED: [Date]

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0022

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	26.79
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0142
Low Voltage Service Rate	\$/kWh	0.0067
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0029
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kWh	0.0022
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kWh	0.0006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0087
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

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

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0022

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 average peak demand is less than, or is forecast 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	32.66
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0268
Low Voltage Service Rate	\$/kWh	0.0060
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0029
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kWh	0.0022
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kWh	0.0015
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0080
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

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

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0022

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose average peak demand is greater than, or is forecast to be 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	202.62
Distribution Volumetric Rate	\$/kW	4.7873
Low Voltage Service Rate	\$/kW	2.3267
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	1.2498
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kW	0.8239
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kW	0.2591

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

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Retail Transmission Rate - Network Service Rate	\$/kW	3.2552
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8601
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.6593
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.5767

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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Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

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EB-2021-0022

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	15.91
Distribution Volumetric Rate	\$/kWh	0.0203
Low Voltage Service Rate	\$/kWh	0.0060
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0029
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kWh	0.0024
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0080
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

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

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0022

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.50
Distribution Volumetric Rate	\$/kW	28.1788
Low Voltage Service Rate	\$/kW	1.8361
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	1.0102
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kW	0.8173
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kW	(0.5741)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4672
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4679

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

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0022

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, 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 OEB 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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.31
Distribution Volumetric Rate	\$/kW	16.4455
Low Voltage Service Rate	\$/kW	1.7986
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	0.9027
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2026	\$/kW	0.8614
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) - effective until April 30, 2026	\$/kW	33.7000
Retail Transmission Rate - Network Service Rate	\$/kW	2.4551
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4378

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

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0022

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority'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 License of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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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 & energy	%	(1.00)

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0022

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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration

Arrears certificate	\$	15.00
Account history	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	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 pole - during regular hours	\$	185.00

Other

Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	34.76

Espanola Regional Hydro Distribution Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0022

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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 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)	\$	2.08

LOSS FACTORS

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

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0673
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0567