



# **DECISION AND RATE ORDER**

**EB-2022-0054**

## **NORTHERN ONTARIO WIRES INC.**

**Application for rates and other charges to be effective  
May 1, 2023**

**BY DELEGATION, BEFORE: Kevin Mancherjee**  
Director  
Operations Decision Support

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**[Date of Issuance]**

# 1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Northern Ontario Wires Inc. (Northern Ontario Wires) charges to distribute electricity to its customers, effective May 1, 2023.

As a result of this Decision and Rate Order, there will be a monthly total bill increase of \$2.35 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate but includes impacts resulting from the Distribution Rate Protection program. The applicant is one of eight electricity distributors in Ontario to which this tax-funded program applies. The program has been in effect since July 2017, and currently caps monthly distribution charges at \$38.08.<sup>1</sup>

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<sup>1</sup> Decision and Order, EB-2022-0186, June 16, 2022

## 2 CONTEXT AND PROCESS

Northern Ontario Wires filed its application on November 21, 2022 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, with a five-year term.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.<sup>2</sup> 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.

Northern Ontario Wires serves approximately 5,900 mostly residential and commercial electricity customers in Town of Cochrane, Town of Iroquois Falls and the Town of Kapuskasing.

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

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<sup>2</sup> 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 and Rate Order, together with the OEB's findings.

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

Instructions for implementing Northern Ontario Wires' new rates and charges are set out in the final section of this Decision and Rate Order.

This Decision and Rate Order does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges<sup>3</sup> 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.

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<sup>3</sup> 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-2022-0220, issued November 3, 2022, established the adjustment for energy retailer service charges, effective January 1, 2023; and the Decision and Order EB-2022-0221, issued November 3, 2022, established the 2023 Wireline Pole Attachment Charge, effective January 1, 2023.

## 4 ANNUAL ADJUSTMENT MECHANISM

Northern Ontario Wires has applied to change its rates, effective May 1, 2023, 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.<sup>4</sup>

The components of the Price Cap IR adjustment formula applicable to Northern Ontario Wires are set out in the table below. Inserting these components into the formula results in a 3.70% increase to Northern Ontario Wires' rates: **3.70% = 3.70% - (0.00% + 0.00%)**.

**Table 4.1: Price Cap IR Adjustment Formula**

Components		Amount
Inflation Factor <sup>5</sup>		3.70%
X-Factor	Productivity <sup>6</sup>	0.00%
	Stretch (0.00% to 0.60%) <sup>7</sup>	0.00%

An inflation factor of 3.70% applies to all IRM applications for the 2023 rate year. 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 2023 rate year. The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, ranging from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as

<sup>4</sup> 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.

<sup>5</sup> OEB Letter, 2023 Inflation Parameters, issued October 20, 2022

<sup>6</sup> 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

<sup>7</sup> Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2021 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2022

benchmarked against other distributors in Ontario. The stretch factor assigned to Northern Ontario Wires is 0.00%, resulting in a rate adjustment of 3.70%.

### Findings

Northern Ontario Wires' request for a 3.70% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Northern Ontario Wires' new rates shall be effective May 1, 2023.

## 5 SHARED TAX ADJUSTMENTS

In any adjustment year of an IRM term, a change in legislation may result in a change to the amount of taxes payable by a distributor. The impacts of such legislated tax changes are shared equally between shareholders and customers.<sup>8</sup> The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from the distributor's last cost of service proceeding.

The application identifies a total tax decrease of \$9,123, resulting in a shared amount of \$4,561 to be refunded to ratepayers.

This allocated tax sharing amount does not produce a rate rider to the fourth decimal place, in one or more rate classes. In such situations where the Rate Generator Model does not compute rate riders, distributors are required to transfer the entire OEB-approved tax sharing amount into the Disposition and Recovery of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

### Findings

The OEB approves the tax refund of \$4,562.

As the allocated tax sharing amount does not produce a rate rider in one or more rate classes, the OEB directs Northern Ontario Wires to record the credit amount of \$4,562 into Account 1595 - Sub-account Principal Balances Approved for Disposition in 2023.

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<sup>8</sup> On July 25, 2019, the OEB issued a [letter](#) providing accounting guidance with respect to changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM proceedings, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor's next cost of service rate proceeding. A distributor's request for disposition of shared tax adjustment amounts in an IRM application should, therefore, be comprised only of impacts for tax changes unrelated to CCA.

## 6 RETAIL TRANSMISSION SERVICE RATES

Northern Ontario Wires is partially embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, Northern Ontario Wires 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

Northern Ontario Wires' proposed adjustment to its RTSRs is approved. The RTSRs have been adjusted based on the current OEB-approved UTRs and host-RTSRs.<sup>9</sup>

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that new UTRs or host-RTSRs take effect during Northern Ontario Wires' 2023 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).

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<sup>9</sup> EB-2022-0250, Decision and Order, December 8, 2022 and EB-2021-0110, Decision and Order, November 29, 2022



## 7 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.<sup>10</sup> If the net balance does not exceed the threshold, a distributor may still request disposition.<sup>11</sup>

The 2021 year-end net balance for Northern Ontario Wires' Group 1 accounts eligible for disposition, including interest projected to April 30, 2023, is a debit of \$166,704, and pertains to variances accumulated during the 2021 calendar year. This amount represents a total debit claim of \$0.0015 per kWh, which exceeds the disposition threshold. Northern Ontario Wires has requested the disposition of this amount over a one-year period.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. 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).<sup>12</sup> A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.<sup>13</sup> 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.

During the period in which variances accumulated, Northern Ontario Wires had customers transition between Class A and Class B. Under the general principle of cost causality, customer groups that cause variances that are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. Northern

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

<sup>11</sup> OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report")", released July 2009 (EB-2008-0046)", issued July 25, 2014

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

<sup>13</sup> 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](#).

Ontario Wires has proposed to allocate a portion of the GA balance to its transition customers, based on their customer-specific consumption levels.<sup>14</sup>

Northern Ontario Wires noted that there was one “Class A transitional customer” in the period being disposed of and requested that GA and CBR Class B amounts attributed to this customer be fully disposed of as a one-time payment rather than through 12 equal monthly installments.<sup>15</sup> Northern Ontario Wire stated that the refund is not material and is administratively easier to apply for as a one-time credit.<sup>16</sup>

## 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 \$166,704 as of December 31, 2021, including interest projected to April 30, 2023 for Group 1 accounts on a final basis.

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

**Table 7.1: Group 1 Deferral and Variance Account Balances**

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	38,089	1,186	39,275
Smart Meter Entity Variance Charge	1551	(2,450)	(85)	(2,534)
RSVA - Wholesale Market Service Charge	1580	91,724	4,128	95,852
Variance WMS - Sub-account CBR Class B	1580	(11,696)	(345)	(12,041)
RSVA - Retail Transmission Network Charge	1584	119,259	3,844	123,103

<sup>14</sup> 2022 IRM Rate Generator Model, Tab 6.1a GA Allocation

<sup>15</sup> Northern Ontario Wires Manager's Summary, November 23, 2022, pg. 7

<sup>16</sup> Northern Ontario Wires Response to OEB staff questions, January 23, 2023, OEB Staff Question 2

RSVA - Retail Transmission Connection Charge	1586	13,903	345	14,247
RSVA - Power	1588	(36,379)	(2,025)	(38,405)
RSVA - Global Adjustment	1589	(74,723)	(3,791)	(78,514)
Disposition and Recovery of Regulatory Balances (2017)	1595	25,604	117	25,721
<b>Totals for Group 1 accounts</b>		<b>163,331</b>	<b>3,374</b>	<b>166,704</b>

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.<sup>17</sup> 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, 2023 to April 30, 2024.<sup>18</sup>

The OEB approves Northern Ontario Wires' request to refund GA and CBR Class B amounts of \$3,748 and \$236, respectively, to the "Class A transitional customer" as a one-time credit.

<sup>17</sup> Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>18</sup> 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

## 8 IMPLEMENTATION

This Decision and Rate Order 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)	\$0.0007
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0041
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 and WMS rates were set by the OEB on December 2022.<sup>19</sup>

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 at \$0.42 on September 8, 2022.<sup>20</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>21</sup> 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 December 8, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2023 calendar year.<sup>22</sup>

<sup>19</sup> EB-2022-0269, Decision and Order, December 8, 2022

<sup>20</sup> EB-2022-0137, Decision and Order, September 8, 2022

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

<sup>22</sup> OEB Letter, issued December 8, 2022

## 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, 2023 for electricity consumed or estimated to have been consumed on and after such date. Northern Ontario Wires Inc. 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 of Issuance]

### ONTARIO ENERGY BOARD

Nancy Marconi  
Registrar

**SCHEDULE A**  
**DECISION AND RATE ORDER**  
**NORTHERN ONTARIO WIRES INC.**  
**TARIFF OF RATES AND CHARGES**  
**EB-2022-0054**  
**[DATE OF ISSUANCE]**

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2023

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

EB-2022-0054

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately 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 apartments building also qualify as residential customers. 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	\$	41.81
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0016
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024		
Applicable only for Non-RPP Customers	\$/kWh	(0.0022)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0023
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0099
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0036

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Northern Ontario Wires Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2023**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2022-0054

## 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. 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	\$	36.42
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0203
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024		
Applicable only for Non-RPP Customers	\$/kWh	(0.0022)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0018
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0094
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2023

This schedule supersedes and replaces all previously  
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EB-2022-0054

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or 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.

### 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	\$	219.78
Distribution Volumetric Rate	\$/kW	1.2668
Low Voltage Service Rate	\$/kW	0.5377
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024		
Applicable only for Non-RPP Customers	\$/kWh	(0.0022)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	0.8616
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024		
Applicable only for Class B Customers	\$/kW	(0.0484)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7470
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3284

**Northern Ontario Wires Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2023**  
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**EB-2022-0054**

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

DRAFT

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2023

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

EB-2022-0054

## 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. 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)	\$	18.46
Distribution Volumetric Rate	\$/kWh	0.0202
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024		
Applicable only for Non-RPP Customers	\$/kWh	(0.0022)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0020
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024		
Applicable only for Class B Customers	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0094
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0034

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Northern Ontario Wires Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2023**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2022-0054

## 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 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 connection)	\$	8.77
Distribution Volumetric Rate	\$/kW	10.3277
Low Voltage Service Rate	\$/kW	0.4152
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024		
Applicable only for Non-RPP Customers	\$/kWh	(0.0022)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	0.8281
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024		
Applicable only for Class B Customers	\$/kW	(0.0470)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8261
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0267

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Northern Ontario Wires Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2022-0054

## **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
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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)

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## **SPECIFIC SERVICE CHARGES**

### **APPLICATION**

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

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

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

### **Customer Administration**

Arrears certificate	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Statement of account	\$	15.00
Account history	\$	15.00
Request for other billing information	\$	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)	\$	36.05
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EB-2022-0054

## 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	\$	111.66
Monthly fixed charge, per retailer	\$	44.67
Monthly variable charge, per customer, per retailer	\$/cust.	1.11
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.66
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.66)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.56
Processing fee, per request, applied to the requesting party	\$	1.11
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)	\$	4.47
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)	\$	2.23

### 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	1.0694
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0587