



Ontario
Energy
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DECISION AND RATE ORDER

EB-2022-0066

WASAGA DISTRIBUTION INC.

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

BEFORE: **David Sword**
 Presiding Commissioner

Pankaj Sardana
Commissioner

March 23, 2023

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Wasaga Distribution Inc. (Wasaga Distribution) 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 \$3.52 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

Wasaga Distribution filed its updated application on November 22, 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](#) (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 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. The distributor then reviews, completes, and includes 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.

Wasaga Distribution serves approximately 14,000 mostly residential and commercial electricity customers in the Town of Wasaga.

Notice of the application was issued on November 29, 2022. No parties applied to intervene in this proceeding.

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

Wasaga Distribution responded to interrogatories from OEB staff. Final submissions on the application were filed by OEB staff and Wasaga Distribution.

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 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
- Lost Revenue Adjustment Mechanism Variance Account
- Adjustment to Low Voltage Service Rates

Instructions for implementing Wasaga Distribution's 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 charges² and loss factors, which are out of the scope of an IRM proceeding and for which no further approvals are required to continue to include them on a 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-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

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 distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario.

Wasaga Distribution 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.³

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

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.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor ⁴		3.70%
Less: X-factor	Productivity factor ⁵	0.00%
	Stretch factor (0.00% to 0.60%) ⁶	0.00%

The stretch factor assigned to Wasaga Distribution is 0%, resulting in a rate adjustment of 3.70%

OEB staff agreed with the proposed rate adjustment of 3.70% in their submissions.

Findings

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

⁴ [OEB Letter, 2023 Inflation Parameters, issued October 20, 2022](#)

⁵ 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

⁶ 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

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 OEB's general policy is that the impact of any changes in tax legislation are to be shared 50/50 by the distributor and its ratepayers.^{7,8} The shared tax change amount, whether in the form of a credit or a debit, is 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 identified a total tax decrease of \$14,279, resulting in a shared amount of \$7,140 to be refunded to ratepayers. Wasaga Distribution proposed that the shared amount be held in Account 1595 until the next rate application.

In its pre-filed evidence, Wasaga Distribution also noted that the shared tax amounts approved in its 2019, 2020, 2021, and 2022 IRM applications plus carrying charges, totaling a credit amount of \$4,910 had been recorded in Account 1595 (2020).⁹ Wasaga Distribution proposed that this credit amount and the shared tax credit amount of \$7,140 calculated for 2023 be transferred to the Account 1595 (Tax Sharing) sub-account and held in this sub-account until its next rate application.

In its submission, OEB staff agreed with Wasaga Distribution's calculated 2023 tax decrease as well as its proposal to share \$7,140 with ratepayers. However, OEB staff did not agree with Wasaga Distribution's proposal to transfer the 2019 to 2022 approved shared tax amounts to an Account 1595 (Tax Sharing) sub-account. OEB staff noted that was no such generic sub-account and that in its decisions and rate orders for Wasaga Distribution's 2019, 2020, and 2022 IRMs applications, the OEB directed Wasaga Distribution to transfer the shared tax amounts to the Account 1595 sub-account for that rate year as the tax sharing amounts in each of those years did not produce a rate rider to the fourth decimal place in one or more rate classes.¹⁰

⁷ Chapter 3 Filing Requirements Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate Applications, May 24, 2022, p.20

⁸ 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.

⁹ EB-2018-0073, EB-2019-0070, EB-2020-0058, EB-2021-0061

¹⁰ Page 5 of EB-2018-0073 Decision and Rate Order, March 28, 2019, Page 5 of EB-2019-0070 Decision and Rate Order April 16, 2020, Page 6 of EB-2021-0061 Decision and Rate Order, March 24, 2022

OEB staff submitted that the 2019 to 2022 approved shared amounts along with the 2023 shared tax amount should be transferred to Account 1595 (2023) for regulatory efficiency and ease of accounting administration.

In addition, OEB staff calculated the 2019 to 2022 approved shared tax amount to be a credit amount of \$5,341 plus carrying charges and submitted that Wasaga Distribution should review and transfer the correct 2019 to 2022 shared tax amounts plus carrying charges to Account 1595 (2023).

In its reply to submission, Wasaga Distribution confirmed that the shared tax amounts for 2019 to 2022 was a credit amount of \$5,341 plus carrying charges of \$231, for a total credit of \$5,572. Wasaga Distribution stated that this amount, and the 2023 amount of \$7,140 will be moved to Account 1595 (2023), totalling \$12,712. Wasaga Distribution requested that the OEB approve the Shared Tax Adjustment of a credit of \$12,712.

Findings

The OEB approves the 2023 tax sharing refund of \$7,140.

The OEB also directs Wasaga Distribution to transfer the total shared tax amount for 2019 to 2023 for a credit amount of \$12,712 to Account 1595 (2023).

6. RETAIL TRANSMISSION SERVICE RATES

Wasaga Distribution is fully embedded within Hydro One Network Inc.'s (Hydro One's) distribution system.

To recover its cost of transmission services, Wasaga Distribution 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. Table 6.1 outlines the proposed adjustments to the Retail Transmission Service Rates by customer class.¹¹

Table 6.1: Current 2022 RTSR Rates and Proposed 2023 RTSR Rates

Rate Class	Volumetric	2022 RTSR Network	2022 RTSR Connection	2023 RTSR Network	2023 RTSR Connection
Residential	kWh	0.0094	0.0052	0.0102	0.0067
General Service < 50 kW	kWh	0.0085	0.0046	0.0093	0.0059
General Service > 50 kW	kW	3.4764	1.7806	3.7880	2.286
Unmetered Scattered Load	kWh	0.0085	0.0046	0.0093	0.0059
Street Lighting	kW	2.6221	1.3766	2.8572	1.7673

OEB staff supported Wasaga Distribution's request for updates to the 2023 RTSRs in their submissions.

Findings

Wasaga Distribution's proposed adjustment to its RTSRs is approved. The RTSRs have been adjusted based on the current OEB-approved host-RTSRs.¹²

Host-RTSRs are typically approved annually by the OEB. If new host-RTSRs take effect during Wasaga Distribution's 2023 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).

¹¹ IRM Rate Generator Model, Tab 15 (RTSR Rates to Forecast)

¹² EB-2022-0250, Decision and Order, December 8, 2022

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB reviews 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 justifies why balances should not be disposed.¹³ If the net balance does not exceed the threshold, a distributor may still request disposition.¹⁴

The 2021 year-end net balance for Wasaga Distribution's Group 1 accounts eligible for disposition, including interest projected to April 30, 2023, is a debit of \$577,399, and pertains to variances accumulated during the 2021 calendar year. This amount represents a total claim of \$0.004 per kWh, which exceeds the disposition threshold. Wasaga Distribution has requested 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).¹⁵ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁶ 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.

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

¹³ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

¹⁴ OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

¹⁵ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁶ 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](#).

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 \$577,399 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	514,060	17,607	531,668
Smart Meter Entity Variance Charge	1551	(10,436)	(382)	(10,818)
RSVA - Wholesale Market Service Charge	1580	118,097	4,163	122,260
Variance WMS - Sub-account CBR Class B	1580	(18,251)	(634)	(18,885)
RSVA - Retail Transmission Network Charge	1584	72,107	2,308	74,415
RSVA - Retail Transmission Connection Charge	1586	14,173	375	14,548
RSVA - Power	1588	(66,241)	(2,481)	(68,722)
RSVA - Global Adjustment	1589	(55,632)	(1,985)	(57,617)
Disposition and Recovery of Regulatory Balances (2019)	1595	(9,176)	(275)	(9,451)
Total for Group 1 accounts		558,701	18,698	577,399

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.¹⁷ 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, 2024.¹⁸

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

¹⁸ 2023 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. LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB has historically utilized a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual and forecast conservation and demand management (CDM) savings included in its last OEB-approved load forecast. The use of the LRAMVA is no longer the default approach for CDM activities.¹⁹

Distributors delivered 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.²⁰

Distributors filing an application for 2023 rates are required to seek disposition of all outstanding LRAMVA balances related to program savings for CFF programs or other conservation programs they delivered unless they do not have complete information on eligible program savings.²¹

Wasaga Distribution did not apply for disposition of any LRAMVA balance. However, in its reply to submission, Wasaga Distribution did state that the balance in its LRAMVA is a credit of \$329. Wasaga Distribution requested that its LRAMVA balance be set to zero and not be considered for disposition in a future proceeding.²²

Findings

The balance in Wasaga Distribution's LRAMVA is now zero, and no further entries to the LRAMVA are necessary.

The OEB finds that the current LRAMVA balance of a credit of \$329 is immaterial and does not warrant disposition. The LRAMVA will not be discontinued, if Wasaga Distribution requests the use of the LRAMVA for a CDM activity in a future application, which the OEB will consider on a case-by-case basis.²³

¹⁹ Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, chapter 8.

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

²¹ Chapter 3 Filing Requirements, section 3.2.6.1

²² EB-2022-0066, Reply Submission, February 21, 2023

²³ Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, p. 28

9. ADJUSTMENT TO LOW VOLTAGE SERVICE RATES

Wasaga Distribution requested to adjust its 2023 Low Voltage Service Rates (LVSRs) in this proceeding to minimize DVA account balances and mitigate bill impacts anticipated in its 2024 cost of service application.

LVSRs relate to the cost of a host distributor to distribute electricity to an embedded distributor. Any variance between the low voltage charges paid to the host distributor and the LVSRs billed to customers every month are captured in Account 1550 – LV Variance Account. Account 1550 is a Group 1 pass-through account, and a distributor typically disposes of these balances annually as part of the IRM process.

Wasaga Distribution is fully embedded within Hydro One’s distribution system and pays Hydro One’s host distributor low voltage charges. An embedded distributor usually only adjusts its LVSRs during a cost-of-service application. Wasaga Distribution last updated its LVSRs as part of its 2016 Cost of Service application.²⁴

Wasaga Distribution provided the following table which shows the differential between Hydro One’s low voltage charges and the LVSR revenues collected from customers from 2016 to 2022.²⁵

Table 9.1: Low Voltage Charges, LVSRs Revenues, and Variances

Year	Low Voltage Costs (Payments to Hydro One)	LVSR Revenues	Variance Cost vs Revenues
2016 Actual	\$ 475,395	\$ 272,995	\$ 202,400
2017 Actual	\$ 448,791	\$ 289,081	\$ 159,710
2018 Actual	\$ 420,245	\$ 311,282	\$ 108,963
2019 Actual	\$ 553,135	\$ 307,151	\$ 245,984
2020 Actual	\$ 785,463	\$ 322,873	\$ 462,590
2021 Actual	\$ 844,404	\$ 330,344	\$ 514,060
2022 Actual/Projected	\$ 622,962	\$ 333,505	\$ 289,457

Wasaga Distribution proposed to set its 2023 LVSRs by forecasting the 2023 low voltage payments to Hydro One. Wasaga Distribution proposed to multiply its projected 2023 demand values by Hydro One’s 2023 OEB-approved sub-transmission rates. This

²⁴ EB-2015-0107

²⁵ Appendix G – Wasaga Distribution Inc. Low Voltage Service Rates (LV Variances tab)

approach resulted in forecasted low voltage payments of \$567,687 for the 2023 rate year.²⁶

The forecast low voltage payments were then to be allocated to its customer classes on the same basis as the Transmission Connection Charges (in proportion to transmission connection rate revenues) using Reporting and Record Keeping Requirements (RRR) data.²⁷ Wasaga Distribution used the OEB's RTSR model to complete its final LVSR calculation.

While OEB staff supported Wasaga Distribution's request to update its 2023 LVSRs, OEB staff did not agree with the proposal to use projected 2023 demand values. OEB staff submitted that the IRM process is meant to be mechanistic and does not lend itself to a full prudence review of a load forecast. OEB staff indicated that it would be more appropriate to use 2022 actual demand values to forecast the 2023 low voltage payments to Hydro One. OEB staff's approach results in forecasted low voltage payments of \$550,344 for the 2023 rate year.²⁸

In its reply to submission, Wasaga Distribution submitted that using projected 2023 demand values was justifiable as the estimate is based on the average trend from the past six years. Wasaga Distribution also indicated that Hydro One's sub-transmission rates are subject to annual inflationary increases, while its LVSRs will stay constant until the next rebasing.²⁹

Findings

The OEB approves Wasaga Distribution's request to adjust its LVSRs for the 2023 rate year. The OEB finds that Wasaga Distribution's LVSRs will be calculated using Wasaga Distribution's 2022 actual demand values and Hydro One's 2023 OEB-approved sub-transmission rates.

The OEB accepts Wasaga Distribution's rationale that adjusting its LVSRs will minimize DVA account balances and mitigate bill impacts anticipated in its 2024 cost of service application. The OEB had approved a similar request from Milton Hydro Distribution Inc. as part of its IRM proceeding for rates effective January 1, 2022.³⁰

²⁶ Wasaga Distribution's Reply Submission, p. 6

²⁷ LV costs are allocated to rate classes in proportion to transmission connection rate revenues. Transmission connection amounts for each customer class is based on the customer class's current RTSR connection charge multiplied by loss-adjusted billed kWh.

²⁸ Wasaga Distribution's Reply Submission, p. 6

²⁹ Wasaga Distribution's Reply Submission, p. 6

³⁰ Milton Hydro Distribution Inc., EB-2021-0042

Account 1550 makes up over 92 percent of Wasaga Distribution's total Group 1 account variances accumulated during the 2021 calendar year.³¹ Adjusting the LVSRs will significantly reduce future Account 1550 related variances.

The OEB does not agree with Wasaga Distribution's proposal to use projected 2023 demand values to calculate the 2023 LVSRs. The OEB believes it is appropriate to use 2022 actual demand values. The approach of using historical actuals to calculate LVSRs is also consistent with the previously referenced Milton Hydro Decision.

The IRM process is meant to be mechanistic and does not lend itself to a full prudence review of a load forecast.

The OEB also notes that, in this case, the difference between using 2022 actual demand values versus 2023 projected values is relatively small. The former results in forecasted low voltage payments of \$550,344, while the latter results in forecasted low voltage payments of \$567,687.

Account 1550 will continue to be available to Wasaga Distribution to record any variances that may occur. Wasaga Distribution will also have an opportunity to update its LVSRs as part of its planned 2024 cost of service application.

³¹ OEB Staff Submission, p. 8

10. 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 10.1.

Table 10.1: 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 8, 2022.³²

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, 2022.³³

³² EB-2022-0269, Decision and Order, December 8, 2022

³³ EB-2022-0137, Decision and Order, September 8, 2022

11. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Wasaga Distribution Inc.'s new final distribution rates shall be effective May 1, 2023, in accordance with the Tariff of Rates and Charges set out in Schedule A.
2. The Tariff of Rates and Charges are deemed draft until Wasaga Distribution Inc. has complied with the subsequent procedural steps set out in paragraph 3.
3. Wasaga Distribution Inc. shall review the Tariff of Rates and Charges and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by **March 29, 2023**.
4. This Decision and Rate Order will be considered a final rate order if Wasaga Distribution Inc. does not provide a submission to the OEB that inaccuracies were found, or information was missing pursuant to paragraph 3.
5. If the OEB receives a submission from Wasaga Distribution Inc. to the effect that inaccuracies were found or information was missing pursuant to paragraph 3, the OEB will consider the submission prior to issuing a final rate order.
6. Wasaga Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
7. Wasaga Distribution Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

Email: registrar@oeb.ca

Tel: 1-877-632-2727(Toll free)

DATED at Toronto, March 23, 2023

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
WASAGA DISTRIBUTION INC.
TARIFF OF RATES AND CHARGES
EB-2022-0066
March 23, 2023

Wasaga Distribution 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-2022-0066

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 apartment 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 a 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 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 HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	25.63
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0038
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024 Applicable only for Non-RPP Customers	\$/kWh	(0.0030)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0042
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0102
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0067

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

Wasaga Distribution 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-2022-0066

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 a 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 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 HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	17.26
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0173
Low Voltage Service Rate	\$/kWh	0.0033
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024 Applicable only for Non-RPP Customers	\$/kWh	(0.0030)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0046
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0093
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0059

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

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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 a 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 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 HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	39.48
Distribution Volumetric Rate	\$/kW	5.9559
Low Voltage Service Rate	\$/kW	1.3103
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024 Applicable only for Non-RPP Customers	\$/kWh	(0.0030)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Applicable only for Non-Wholesale Market Participants	\$/kW	0.1214
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	2.5735
Retail Transmission Rate - Network Service Rate	\$/kW	3.7880
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2860

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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

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This application 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 the 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.97
Distribution Volumetric Rate	\$/kWh	0.0100
Low Voltage Service Rate	\$/kWh	0.0033
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0046
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0093
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0059

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

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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.

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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 a 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.84
Distribution Volumetric Rate	\$/kW	1.1012
Low Voltage Service Rate	\$/kW	1.0165
Rate Rider for Disposition of Global Adjustment Account (2023) - effective until April 30, 2024 Applicable only for Non-RPP Customers	\$/kWh	(0.0030)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	1.8746
Retail Transmission Rate - Network Service Rate	\$/kW	2.8572
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7673

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

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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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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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)

SPECIFIC SERVICE CHARGES

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Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	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 meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	36.05

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RETAIL SERVICE CHARGES (if applicable)

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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	1.0802
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0702