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DECISION AND RATE ORDER

EB-2022-0031

ESSEX POWERLINES CORPORATION

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

BY DELEGATION, BEFORE: **Alex Share**
Manager
Generation & Transmission

March 23, 2023

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Essex Powerlines Corporation (Essex Powerlines) 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 decrease of \$2.16 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

Essex Powerlines serves approximately 30,000 mostly residential and commercial electricity customers in the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington, and the Town of Tecumseh.

Essex Powerlines filed its application on November 1, 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. 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.

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

¹ Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

3. DECISION OUTLINE

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

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account

Instructions for implementing Essex Powerlines' 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 the distributor's Tariff of Rates and Charges.

² Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-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

Essex Powerlines 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.³

The components of the Price Cap adjustment formula applicable to Essex Powerlines are set out in the table below. Inserting these components into the formula results in a 3.55% increase to Essex Powerlines' rates: **3.55% = 3.70% - (0.00% + 0.15%)**.

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	0.15%

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

³ The adjustment does not apply to the following components of delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

⁴ [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

benchmarked against other distributors in Ontario. The stretch factor assigned to Essex Powerlines is 0.15%, resulting in a rate adjustment of 3.55%.

Findings

Essex Powerlines' request for a 3.55% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Essex Powerlines' new rates shall be effective May 1, 2023.

5. RETAIL TRANSMISSION SERVICE RATES

Essex Powerlines is fully embedded within Hydro One Network Inc.'s distribution system.

To recover its cost of transmission services, Essex Powerlines 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

Essex Powerlines' proposed adjustment to its RTSRs is approved. The RTSRs have been adjusted based on the current OEB-approved host-RTSRs.⁷

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

⁷ EB-2021-0110 Decision and Order, November 29, 2022

6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁸ If the net balance does not exceed the threshold, a distributor may still request disposition.⁹

The 2021 year-end net balance for Essex Powerlines' Group 1 accounts eligible for disposition, excluding Accounts 1588 and 1589, and including interest projected to April 30, 2023, is a debit of \$1,065,761 and pertains to variances accumulated during the 2021 calendar year. This amount represents a total claim of \$0.0019 per kWh, which exceeds the disposition threshold. Essex Powerlines has requested interim disposition of this amount over a one-year period.

In Essex Powerlines' 2020 rates proceeding, the OEB did not approve Essex Powerlines' request for disposition of 2017 and 2018 Group 1 balances, due to concerns raised with accounts 1588 and 1589.¹⁰

Subsequently, in Essex Powerlines' 2021 rates application, Essex Powerlines responded to the OEB's directions in the 2020 rates proceeding and clarified that it had reviewed the 2017 and 2018 Account 1588 and 1589 balances in the context of the OEB's accounting guidance for these accounts, noting that it did not find any other systemic issues during its review.¹¹ However, at the time, Essex Powerlines was still in the process of reviewing its 2019 balances and was also in the process of engaging a third-party review of its improved Standard Operating Procedures (SOP) with respect to its approach to its regulatory accounting oversight, as part of its Management Action Plan. Accordingly, Essex Powerlines requested and was approved interim disposition of its 2017 and 2018 Group 1 balances.¹² In that Decision and Rate Order, the OEB stated that when Essex Powerlines requests disposition of its 2019 Group 1 balances, Essex Powerlines would be expected to bring forth the results of its review of the 2019 Group 1 balances and of its SOP, including whether outcomes of these reviews impacted the 2017 to 2018 balances being disposed.¹³

⁸ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

⁹ OEB letter, Update to the July 2009 EDDVAR Report, issued July 25, 2014

¹⁰ EB-2019-0034, Decision and Rate Order, April 16, 2020

¹¹ EB-2020-0021 Application filed November 2, 2022, page 5

¹² EB-2020-0021, Decision and Rate Order, page 11

¹³ Ibid.

In its 2022 rates proceeding, Essex Powerlines explained that the third-party review of its SOP was delayed with the onset of the COVID-19 pandemic and had since resumed with an expected completion date in 2022. Essex Powerlines further noted that it was still undergoing its review of the 2019 account balances. Essex Powerlines requested interim disposition of Group 1 balances (excluding Accounts 1588 and 1589) and stated that final disposition will be requested upon completion of the review. The OEB approved Essex Powerlines' request. The OEB further instructed Essex Powerlines to address a number of OEB staff's outstanding questions for Accounts 1588 and 1589 and to bring forth the results of the review of the 2019 balances and of the SOP review, including whether the outcomes of these reviews impact the 2017 to 2018 balances that were previously disposed on an interim basis.¹⁴

In the current application, Essex Powerlines confirmed as follows:

...it has engaged the service of an external third party (KPMG) to assist in the SOP review with respect to the approach to regulatory accounting oversight including a review of the processes used to account for regulatory accounts 1588 and 1589. This 3rd party engagement review is ongoing, and Essex commits to having this review completed in order to request final disposition of the Account 1588 and 1589 balances for the years 2019, 2020 and 2021, as well as being in a position to request final disposition of the 2017 and 2018 balances that were previously disposed on an interim basis, as part of its Cost of Service rate application due April 30, 2023 for rates effective January 1, 2024.^{15,16}

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).¹⁷ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁸ The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed

¹⁴ EB-2021-0023, Decision and Rate Order, page 10

¹⁵ Manager's Summary, page 6

¹⁶ Essex Powerlines had subsequently requested, [and was approved by the OEB](#), to defer its cost of service rate application by one year. A cost of service application is now expected for rates effective January 1, 2025.

¹⁷ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator's (IESO) [website](#).

¹⁸ 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](#).

through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

Essex Powerlines had Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B variance account disposed through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

During the period in which variances accumulated, Essex Powerlines 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. Essex Powerlines has proposed to allocate a portion of the CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹⁹ The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable), by way of 12 equal monthly installments.

Findings

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

The OEB approves the disposition of a debit balance of \$1,065,761 as of December 31, 2021, for Group 1 accounts, excluding Account 1588 and Account 1589, including interest projected to April 30, 2023, on an interim basis. The 2017 to 2020 balances disposed of on an interim basis shall remain interim.

The OEB notes that Essex Powerlines' Group 1 account balances remain interim (or in the case of Accounts 1588 and 1589, undisposed) for several consecutive years now. As was the case in prior decisions, it is the OEB's expectation that Essex Powerlines will, as part of its subsequent rates proceeding (now expected for rates effective May 1, 2024), bring forth the results of its review of the 2019 to 2021 balances for Accounts 1588 and 1589 and the results of the SOP review, including whether outcomes of these reviews impact the 2017 to 2018 balances that were previously disposed on an interim basis. The OEB acknowledges that Essex Powerlines has committed to doing so. The OEB reminds Essex Powerlines that 2022 balances will be eligible for disposition in its 2024 rates proceeding, and it should be prepared to substantiate those balances as well.

¹⁹ 2023 IRM Rate Generator Model, Tab 6.2a "CBR B_Allocation"

Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition on an interim basis.

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	828,760	30,634	859,394
Smart Meter Entity Variance Charge	1551	(19,784)	(668)	(20,452)
RSVA - Wholesale Market Service Charge	1580	405,212	13,957	419,169
Variance WMS - Sub-account CBR Class B	1580	(62,731)	(2,091)	(64,822)
RSVA - Retail Transmission Network Charge	1584	(68,305)	(3,374)	(71,679)
RSVA - Retail Transmission Connection Charge	1586	(52,857)	(2,992)	(55,849)
Total for Group 1 accounts		1,030,295	35,466	1,065,761

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*.²⁰ 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 interim rate riders, charges, or payments, as calculated in the Rate Generator Model. The interim rate riders, charges, and payments, as applicable, will be in effect over a one-year period from May 1, 2023 to April 30, 2024.²¹

²⁰ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²¹ 2023 IRM Rate Generator Model Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7. LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB 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.²²

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.²³

Distributors filing an application for 2023 rates are required to seek disposition of all outstanding LRAMVA balances related to program savings related to CFF programs or other conservation programs they delivered, unless they do not have complete information on eligible program savings.²⁴

Essex Powerlines' application stated that it last disposed of LRAMVA balances in the 2020 rates proceeding²⁵ for 2017 to 2018 lost revenues.

Essex Powerlines did not apply for approval to dispose any LRAMVA balances in its application, and advised that it is working on gathering complete information on eligible savings.²⁶

Findings

The OEB approves Essex Powerlines' request to defer disposition of its outstanding LRAMVA balances to a future proceeding, given that it does not have complete information available at this time. The OEB expects Essex Powerlines to bring forth its LRAMVA balances for the OEB's consideration as part of its application for rates effective May 1, 2024, or if complete information on eligible savings is still not available at that time, then as part of its cost-based application currently expected for rates effective January 1, 2025.²⁷

²² Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, chapter 8.

²³ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

²⁴ Chapter 3 Filing Requirements, section 3.2.6.1

²⁵ EB-2019-0034

²⁶ Essex Powerlines' response to OEB staff question 2, January 10, 2023

²⁷ [OEB letter](#) re: Essex Powerlines' request to defer rebasing to January 1, 2025, issued January 24, 2023.

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 8, 2022.²⁸

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, 2022.²⁹

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,³⁰ 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.

²⁸ EB-2022-0269, Decision and Order, December 8, 2022

²⁹ EB-2022-0137, Decision and Order, September 8, 2022

³⁰ 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, 2023 for electricity consumed or estimated to have been consumed on and after such date. Essex Powerlines 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, March 23, 2023

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
ESSEX POWERLINES CORPORATION
TARIFF OF RATES AND CHARGES
EB-2022-0031
MARCH 23, 2023

Essex Powerlines Corporation

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-2022-0031

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	\$	29.68
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0035
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Approved on an Interim Basis.	\$/kWh	0.0020
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0019
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0093
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0064

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

Essex Powerlines Corporation

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-2022-0031

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	39.99
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0137
Low Voltage Service Rate	\$/kWh	0.0034
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Approved on an Interim Basis	\$/kWh	0.0021
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0017
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0079
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

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EB-2022-0031

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	\$	261.81
Distribution Volumetric Rate	\$/kW	2.5318
Low Voltage Service Rate	\$/kW	1.4462
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	(0.0647)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Applicable only for Non-Wholesale Market Participants	\$/kW	0.2661
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Approved on an Interim Basis	\$/kW	0.4654

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

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Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	0.6459
Rate Rider for the Disposition of Accounts 1584 & 1586 - Interval Metered - effective until October 31, 2023	\$/kW	0.8913
Retail Transmission Rate - Network Service Rate	\$/kW	3.2942
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4726
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.0579
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.7419

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

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0031

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided with electricity by means of this distributor's facilities. 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 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 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 License 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	618.85
Distribution Volumetric Rate	\$/kW	1.3700
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	(0.0618)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024 Approved on an Interim Basis	\$/kW	0.6702

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

Essex Powerlines Corporation

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-2022-0031

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account 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 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)	\$	9.92
Distribution Volumetric Rate	\$/kWh	0.0309
Low Voltage Service Rate	\$/kWh	0.0034
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kWh	0.0021
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0017
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0079
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0031

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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)	\$	3.52
Distribution Volumetric Rate	\$/kW	10.1010
Low Voltage Service Rate	\$/kW	0.9942
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers	\$/kW	(0.0709)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	0.7725
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	1.0029
Retail Transmission Rate - Network Service Rate	\$/kW	2.5362
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8847

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

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0031

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.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.68
Distribution Volumetric Rate	\$/kW	9.9758
Low Voltage Service Rate	\$/kW	0.9877
Rate Rider for Disposition of Capacity Based Recovery Account (2023) - effective until April 30, 2024 Applicable only for Class B Customers	\$/kW	(0.0642)
Rate Rider for Disposition of Deferral/Variance Accounts (2023) - effective until April 30, 2024	\$/kW	0.6966
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	0.7499
Retail Transmission Rate - Network Service Rate	\$/kW	2.5006
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8726

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

Essex Powerlines Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2023
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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	\$	4.55
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Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

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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

APPLICATION

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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.

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Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	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
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	36.05

Essex Powerlines Corporation

TARIFF OF RATES AND CHARGES

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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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	\$	1.11
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.66
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(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	1.0355
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0251