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

DECISION AND RATE ORDER

EB-2023-0016

ENTEGRUS POWERLINES INC.

Application for rates and other charges for Entegrus – St. Thomas rate zone to be effective January 1, 2024, and for Entegrus – Main rate zone to be effective May 1, 2024

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

Month XX, 20XX

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Entegrus Powerlines Inc. (Entegrus) charges to distribute electricity to its customers, effective January 1, 2024 for the St. Thomas rate zone and May 1, 2024 for the Main rate zone.

As a result of this Decision, there will be a monthly total bill increase of $2.51 in the St. Thomas rate zone and an increase of $3.42 in the Main rate zone, for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

On March 15, 2018, the OEB granted Entegrus Powerlines Inc. and St. Thomas Energy Inc. (St. Thomas) approval to amalgamate and to continue as Entegrus.[1] As part of that decision, the OEB determined that Entegrus would maintain two separate rate zones, the Main rate zone and the St. Thomas rate zone, for an eight-year deferral period until 2026, at which point Entegrus' rates will be rebased.

Entegrus serves approximately 62,500 mostly residential and commercial electricity customers in the Municipality of Chatham-Kent, the Towns of Strathroy and Parkhill, the Villages of Mount Brydges, Dutton and Newbury and the City of St Thomas.

Entegrus filed its application on August 17, 2023 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.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.[2] 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 processing 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, Entegrus updated and clarified the evidence.

[1] EB-2017-0212, Decision and Order, March 15, 2018.
[2] Each of these options is explained in the OEB's *Handbook for Utility Rate Applications*.

3. DECISION OUTLINE

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

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

Instructions for implementing Entegrus' new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges[3] 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.

[3] 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-2023-0193, issued September 26, 2023 established the adjustment for energy retailer service charges, effective January 1, 2024; and the Decision and Order EB-2023-0194, issued September 26, 2023, established the 2024 Wireline Pole Attachment Charge, effective January 1, 2024.

4. ANNUAL ADJUSTMENT MECHANISM

Entegrus has applied to change its rates, effective January 1, 2024 for the St. Thomas rate zone and May 1, 2024 for the Main rate zone, 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.[4]

The components of the Price Cap adjustment formula applicable to Entegrus are set out in the table below. Inserting these components into the formula results in a 4.80% increase to Entegrus' rates: **4.80% = 4.80 - (0.00% + 0.00%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor[5]		4.80%
Less: X-factor	Productivity factor[6]	0.00%
	Stretch factor (0.00% to 0.60%)[7]	0.00%

An inflation factor of 4.80% applies to all IRM applications for the 2024 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 2024 rate year. The stretch factor component of the X-factor is one of five stretch factor groupings established by the OEB, 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

[4] 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 charges, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges other than the Wire Pole Attachment charge, and the microFIT charge.
[5] OEB Letter, 2024 Inflation Parameters, issued June 29, 2023
[6] Report of the Ontario Energy Board – "Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors" EB-2010-0379, December 4, 2013
[7] Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2022 Benchmarking Update", prepared by Pacific Economics Group LLC., July 2023

against other distributors in Ontario. The stretch factor assigned to Entegrus is 0.00%, resulting in a rate adjustment of 4.80%.

Findings

Entegrus' request for a 4.80% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Entegrus' new rates shall be effective January 1, 2024 for the St. Thomas rate zone, and May 1, 2024 for the Main rate zone.

5. RETAIL TRANSMISSION SERVICE RATES (RTSRs)

Entegrus is partially embedded within Hydro One Networks Inc.'s (Hydro One) distribution system in the Main rate zone and transmission connected in the St. Thomas rate zone. On September 28, 2023, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2024.[8] The OEB also announced that an embedded distributor may update its RTSR with Hydro One's proposed host RTSRs.[9]

Entegrus updated its RTSRs based on the preliminary UTRs and Hydro One's proposed host-RTSRs. The OEB sets the UTRs based on the approved revenue requirements for multiple transmitters. Preliminary UTRs are based on those revenue requirements that have already been approved for 2024. These preliminary UTRs are to be used for the setting of RTSRs to minimize the accumulation of variances in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge). The cost consequences of any future adjustments to 2024 UTRs to reflect remaining approvals to a transmitter's revenue requirement will be tracked in these accounts and recovered over time.

To recover its cost of transmission services, Entegrus requests approval to adjust the RTSRs that it charges its customers for the Main rate zone in accordance with the preliminary UTRs and proposed host-RTSRs for Hydro One. For the St. Thomas rate zone, Entegrus requested to adjust its RTSR based on preliminary UTRs only.

Findings

Entegrus' proposed adjustment to its RTSRs for its Main and St. Thomas rate zones is approved.

The RTSRs have been adjusted based on the preliminary UTRs for the St. Thomas rate zone. For the Main rate zone, Entegrus has adjusted its RTSRs based on preliminary UTRs and proposed host-RTSRs for Hydro One.

In the event that final UTRs and final host-RTSRs differ from the preliminary UTRs and proposed host-RTSRs, the resulting differences will be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

[8] EB-2023-0222, OEB Letter "2024 Preliminary Uniform Transmission Rates, issued September 28, 2023
[9] Ibid

6. LOW VOLTAGE SERVICE RATE

Entegrus' Main rate zone is partially embedded within Hydro One Networks Inc.'s distribution system.

Low voltage transactions, which are not part of the wholesale electricity market, are charged to a distributor by its host distributor. To recover the cost of its low voltage transactions, Entegrus requests approval to adjust its Low Voltage Service Rates (LV Service Rates) that it charges its customers as part of this IRM application for its Main rate zone. The adjusted LV Service Rates are based on the current OEB-approved host distributor sub-transmission rates applicable to embedded distributors and the most recent demand data for low voltage transactions.

Findings

Entegrus' proposed adjustment to its LV Service Rates for its Main rate zone is approved. The LV Service Rates have been updated based on the current OEB-approved host distributor's sub-transmission rates applicable to embedded distributors. In the event that the OEB updates the approved distributor sub-transmission rates applicable to embedded distributors during Entegrus' 2024 rate year, any resulting differences are to be captured in Account 1550 LV Variance Account.

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed of. OEB policy states that Group 1 account balances should be disposed of if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of $0.001 per kWh, unless a distributor can justify why balances should not be disposed of.[10] If the net balance does not exceed the threshold, a distributor may still request disposition.[11]

(I) Entegrus – Main rate zone

The 2022 year-end net balance for the Main rate zone's Group 1 accounts eligible for disposition, including interest projected to April 30, 2024, is a debit of $5,022,230, and pertains to variances accumulated during the 2022 calendar year. This amount represents a total claim of $0.0053 per kWh, which exceeds the disposition threshold. Entegrus 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, either as a standalone charge or embedded in the Regulated Price Plan (RPP).[12] A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.[13] The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed of through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

The Main rate zone had one or more 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 of through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

[10] Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009
[11] OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014
[12] For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s website.
[13] All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's website.

During the period in which variances accumulated, the Main rate zone had one or more 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. Entegrus has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers in its Main rate zone, based on their customer-specific consumption levels.[14] The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable), by way of a one-time bill refund.

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 $5,022,230 as of December 31, 2022, including interest projected to April 30, 2024, 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	657,344	46,460	703,804
Smart Metering Entity Charge Variance Account	1551	(121,384)	(9,143)	(130,527)
RSVA - Wholesale Market Service Charge	1580	2,062,698	169,351	2,232,049
Variance WMS - Sub-account CBR Class B	1580	(68,801)	(6,357)	(75,158)
RSVA - Retail Transmission Network Charge	1584	1,761,976	140,073	1,902,049
RSVA - Retail Transmission Connection Charge	1586	515,616	40,534	556,151

[14] 2024 IRM Rate Generator Model, Tab 6.1a “GA Allocation” and Tab 6.2a “CBR B_Allocation”

RSVA – Power	1588	231,852	22,286	254,137
RSVA - Global Adjustment	1589	(412,673)	(34,625)	(447,298)
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	19,897	7,126	27,023
Total for Group 1 accounts		4,646,524	375,706	5,022,230

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.*[15] 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 of 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, 2024 to April 30, 2025.[16]

(II) Entegrus – St. Thomas rate zone

The 2022 year-end net balance for the St. Thomas rate zone's Group 1 accounts eligible for disposition, including interest projected to December 31, 2023, is a debit of $593,229, and pertains to variances accumulated during the 2022 calendar year. This amount represents a total claim of $0.0020 per kWh, which exceeds the disposition threshold. Entegrus has requested disposition of this amount over a one-year period.

The St. Thomas rate zone had one or more 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 of through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

[15] Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012
[16] 2024 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

During the period in which variances accumulated, the St. Thomas rate zone had one or more 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. Entegrus has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers in its St. Thomas rate zone, based on their customer-specific consumption levels.[17] The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable), by way of a one-time bill refund.

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 $593,229 as of December 31, 2022, including interest projected to December 31, 2023, for Group 1 accounts on a final basis.

Table 7.2 identifies the principal and interest amounts, which the OEB approves for disposition.

Table 7.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance ($) A	Interest Balance ($) B	Total Claim ($) C=A+B
Smart Metering Entity Charge Variance Account	1551	(51,625)	(2,978)	(54,603)
RSVA - Wholesale Market Service Charge	1580	639,970	41,765	681,734
Variance WMS - Sub-account CBR Class B	1580	(25,627)	(2,158)	(27,785)
RSVA - Retail Transmission Network Charge	1584	256,309	20,100	276,408
RSVA - Retail Transmission Connection Charge	1586	124,033	8,188	132,221
RSVA – Power	1588	(199,014)	(13,011)	(212,025)

[17] 2024 IRM Rate Generator Model, Tab 6.1a “GA Allocation” and Tab 6.2a “CBR B_Allocation”

RSVA - Global Adjustment	1589	(151,858)	(10,956)	(162,814)
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	(27,167)	(12,740)	(39,907)
Total for Group 1 accounts		565,021	28,209	593,229

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.*[18] 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 of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2024 to December 31, 2024.[19]

[18] Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012
[19] 2024 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 used a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture implications a distributor's revenues which arise 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.[20]

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.[21]

Distributors filing an application for 2024 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.[22]

Distributors are also eligible for LRAM for persisting impacts of conservation programs until their next rebasing. The OEB previously provided direction for distributors to seek approval of LRAM-eligible amounts for 2023 onwards on a prospective basis, and a rate rider in the corresponding rate year, to address amounts that would otherwise be recorded in the LRAMVA for all years until their next rebasing application.[23]

Entegrus has applied to dispose of its LRAMVA debit balance of $1,177,069. The balance consists of lost revenues from 2022 to 2023 from CDM programs delivered during the period from 2013 to 2019 and 2021 to 2022 in the Main rate zone and the St. Thomas rate zone's and carrying charges. The LRAMVA balance is a debit amount of $1,059,149 for the Main rate zone and a debit amount of $117,920 for the St. Thomas rate zone. The actual conservation savings claimed by Entegrus under the CFF were validated with reports from the IESO, project level savings files, or both.

Actual conservation savings were compared against Entegrus' forecasted conservation savings of 11,206,240 kWh included in its last OEB-approved load forecast, which was

[20] Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, chapter 8.
[21] On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.
[22] Chapter 3 Filing Requirements, section 3.2.6.1
[23] Guidance on Prospective Lost Revenue Adjustment Mechanism (LRAM) Amounts – 2023 Rates, June 16, 2022

set out in Entegrus' 2016 cost of service proceeding and St. Thomas Energy's 2015 cost of service proceeding.[24]

Entegrus also applied for approval of LRAM-eligible amounts for the years 2024 to 2025 in both rate zones, and 2026 (January to April) in the Main rate zone on a prospective basis, arising from persisting savings from completed CDM programs.

Findings

I) Entegrus – Main rate zone

The OEB finds that the Main rate zone's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of the Main rate zone's LRAMVA debit balance of $1,059,149, as set out in Table 8.1 below.

Table 8.1: LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings ($) A	Forecasted CDM Savings ($) B	Carrying Charges ($) C	Total Claim ($) D=(A-B)+C
LRAMVA	1568	1,234,864	(234,186)	58,471	1,059,149

The balance in the LRAMVA is now zero, and no further entries to the LRAMVA are permitted at this time. The LRAMVA will not be discontinued, in the event that Entegrus 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.[25]

The OEB also approves the LRAM-eligible amounts for the years 2024 to 2025, and 2026 (January to April) arising from persisting savings from completed CDM programs, as set out in Table 8.2 below. These amounts will be adjusted mechanistically by the approved inflation minus X factor applicable to IRM applications in effect for a given year and recovered through a rate rider in the corresponding rate year, beginning with the 2024 rate year. For the 2024 rate year, the OEB approves the requested LRAM-eligible amount of $491,067[26] a debit to be recovered from customers, and the

[24] EB-2014-0113, Decision and Order, November 27, 2014
[25] Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, p. 28
[26] This amount is arrived at by applying the applicant's approved rate adjustment of 4.8% for the 2023 rate year to the applicant's approved 2023 LRAM-eligible amount of $468,576 calculated based on the rates in effect for 2022.

associated rate riders. Should Entegrus rebase in, or prior to, the last year in Table 8.2, amounts shown in Table 8.2 in the year of rebasing or later will not be recoverable, as any persisting impacts of CDM can be taken into consideration in setting new base rates.

Table 8.2: LRAM-Eligible Amounts for Prospective Disposition

Year	LRAM-Eligible Amount (in 2023 $)	LRAM-Eligible Amount (in 2024 $)[27]
2024	468,576	$491,067
2025	448,022	$469,527
2026	143,349	$150,229

II) Entegrus – St. Thomas rate zone

The OEB finds that the St. Thomas rate zone's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of the St. Thomas rate zone's LRAMVA debit balance of $117,920, as set out in Table 8.3 below.

Table 8.3: LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings ($) A	Forecasted CDM Savings ($) B	Carrying Charges ($) C	Total Claim ($) D=(A-B)+C
LRAMVA	1568	168,879	(55,789)	4,831	117,920

The balance in the LRAMVA is now zero, and no further entries to the LRAMVA are permitted at this time. The LRAMVA will not be discontinued, in the event that Entegrus

[27] Calculated as: (approved LRAM-eligible amount for a given rate year in 2023 dollars) x (2024 approved inflation minus X-factor).

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.[28]

The OEB also approves the LRAM-eligible amounts for the years 2024 to 2025 arising from persisting savings from completed CDM programs, as set out in Table 8.4 below. These amounts will be adjusted mechanistically by the approved inflation minus X factor applicable to IRM applications in effect for a given year and recovered through a rate rider in the corresponding rate year, beginning with the 2024 rate year. For the 2024 rate year, the OEB approves the requested LRAM-eligible amount of $53,142[29] a debit to be recovered from customers, and the associated rate riders. Should Entegrus rebase in, or prior to, the last year in Table 8.4, amounts shown in Table 8.4 in the year of rebasing or later will not be recoverable, as any persisting impacts of CDM can be taken into consideration in setting new base rates.

Table 8.4: LRAM-Eligible Amounts for Prospective Disposition

Year	LRAM-Eligible Amount (in 2023 $)	LRAM-Eligible Amount (in 2024 $)[30]
2024	50,708	$53,142
2025	36,005	$37,733

[28] Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, p. 28
[29] This amount is arrived at by applying the applicant's approved rate adjustment of 4.8% for the 2023 rate year to the applicant's approved 2023 LRAM-eligible amount of $50,708 calculated based on the rates in effect for 2022.
[30] Calculated as: (approved LRAM-eligible amount for a given rate year in 2023 dollars) x (2024 approved inflation minus X-factor).

9. IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 9.1.

Table 9.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	$0.0007
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.[31]

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.[32]

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,[33] 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.[34] Distributors that are subject to the province-wide microFIT charge will be required to follow any subsequent order that the OEB may issue for the 2024 calendar year.

[31] EB-2022-0269, Decision and Order, December 8, 2022
[32] EB-2022-0137, Decision and Order, September 8, 2022
[33] EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011
[34] OEB Letter, issued December 8, 2022

10. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2024 for the Entegrus – St. Thomas rate zone for electricity consumed or estimated to have been consumed on and after such date. Entegrus Powerlines Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

2. The Tariff of Rates and Charges set out in Schedule B of this Decision and Rate Order is approved effective May 1, 2024 for the Entegrus – Main rate zone for electricity consumed or estimated to have been consumed on and after such date. Entegrus Powerlines Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, Month, Date, Year

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A

DECISION AND RATE ORDER

ENTEGRUS POWERLINES INC.

TARIFF OF RATES AND CHARGES

EB-2023-0016

MONTH XX, 20XX

SCHEDULE B

DECISION AND RATE ORDER

ENTEGRUS POWERLINES INC.

TARIFF OF RATES AND CHARGES

EB-2023-0016

MONTH XX, 20XX