



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

DECISION AND ORDER

EB-2023-0037

LONDON HYDRO INC.

Application for rates and other charges to be effective May 1,
2024

BEFORE: **Michael Janigan**
 Presiding Commissioner

Anthony Zlahtic
Commissioner

April 23, 2024

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that London Hydro Inc. (London Hydro) charges to distribute electricity to its customers, effective May 1, 2024.

The OEB also approves the disposition of a debit balance of \$8,507,519 including interest for Group 1 deferral and variance accounts on a final basis and the Accelerated Capital Module rate rider.

As a result of this Decision, there will be a monthly total bill increase of \$4.65 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

London Hydro filed its application on October 11, 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, 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 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.

London Hydro serves approximately 166,000 mostly residential and commercial electricity customers in the City of London.

Notice of the application was issued on November 1, 2023. There were no intervenors.

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

London Hydro responded to interrogatories from OEB staff. Final submissions on the application were filed by OEB staff and London Hydro. The submissions indicated divergent views on the method of allocating the credits received from the IESO associated with errors in London Hydro's Accounts 1588 and 1589 for the years 2015-2016.

The OEB issued Procedural Order No. 3 directing London Hydro and OEB staff to participate in a settlement meeting with the goal of resolving any differences in the method of allocation of the IESO credits. London Hydro and OEB staff participated in a settlement meeting on March 28, 2024 and filed a settlement proposal on April 8, 2024.

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, together with the OEB's findings.

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Advanced Capital Module

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

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service 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 OEB's Decision and Order in EB-2023-0193, September 26, 2023, established the adjustment for energy retailer service charges, effective January 1, 2024; and the OEB's Decision and Order in EB-2023-0194, issued September 26, 2023, established the 2024 Wireline Pole Attachment Charge, effective January 1, 2024.

4. ANNUAL ADJUSTMENT MECHANISM

London Hydro has applied to change its rates, effective May 1, 2024, 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 London Hydro are set out in the table below. Inserting these components into the formula results in a **4.50%** increase to London Hydro's rates: **4.50% = 4.80% - (0.00% + 0.30%)**.

Table 4.1: Price Cap IR Adjustment Formula

| Components | | Amount |
|-------------------------------|--|--------|
| Inflation factor ⁴ | | 4.80% |
| Less: X-factor | Productivity factor ⁵ | 0.00% |
| | Stretch factor (0.00% to 0.60%) ⁶ | 0.30% |

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 against other distributors in Ontario. The stretch factor assigned to LDC is 0.30%, resulting in a rate adjustment of 4.50%.

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 (other than the Wireline Pole Attachment charge), and microFIT charge.

⁴ OEB Letter, 2024 Inflation Parameters, issued October June 29, 2023

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: 2022 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2023

Findings

London Hydro's request for a 4.50% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and London Hydro's new rates shall be effective May 1, 2024.

5. RETAIL TRANSMISSION SERVICE RATES (RTSRs)

London Hydro is transmission connected.

To recover its cost of transmission services, London Hydro requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the Uniform Transmission Rates (UTRs) currently in effect.

Findings

London Hydro's proposed adjustment to its RTSRs is approved.

The RTSRs have been adjusted based on the current OEB-approved UTRs.⁷

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that the OEB updates the approved UTRs and host-RTSRs during London Hydro's 2024 rate year, any resulting differences (from the prior-approved UTRs and host-RTSRs) will be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

⁷ EB-2023-0222, Decision and Order, January 18, 2024

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 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 justifies why balances should not be disposed of.⁸ If the net balance does not exceed the threshold, a distributor may still request disposition.⁹

The 2022 year-end net balance for London Hydro's Group 1 accounts eligible for disposition, including interest projected to April 30, 2024, is a debit of \$8,507,519, and pertains to variances accumulated during the 2021 to 2022 calendar years. This amount represents a total claim of \$0.0027 per kWh, which exceeds the disposition threshold. London Hydro 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).¹⁰ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹¹ 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.

London Hydro 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.

During the period in which variances accumulated, London Hydro had one or more customers' transition between Class A and Class B. Under the general principle of cost

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

¹⁰ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹¹ 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](#).

causality, customer groups that cause variances that are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. London Hydro has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers, based on their customer-specific consumption levels.¹² The amounts allocated to each transition customer are proposed to be recovered (or refunded, as applicable), by way of 12 equal monthly installments.

Retroactive Adjustments related to Commodity Accounts

During its 2023 IRM proceeding,¹³ London Hydro disclosed an issue regarding the potential over-allocation of Global Adjustment (GA) charges related to behind-the-meter embedded generation volumes going back to 2015. London Hydro also suggested that Class A volumes submitted to the IESO were incorrect.

In that proceeding, London Hydro stated that it was in the process of analyzing and submitting revisions to the IESO. London Hydro therefore withdrew its request to dispose of Accounts 1580, Account 1580 sub-account CBR Class B, Account 1588, and Account 1589 (collectively referred to as the “Impacted Accounts”) in a debit amount of \$2,209,816. The OEB determined that interim disposition of Accounts 1551, 1584, 1586, and 1595 was appropriate in the event that there are changes required to these balances after resolving the Identified Issue and its impact on the DVA balances. The OEB also determined that no disposition of the Impacted Accounts was appropriate, as London Hydro had not finished resolving the Identified Issue.

In the current proceeding, London Hydro has quantified the impact of the issue on the Impacted Accounts, as set out in Table 6.1 below.

Table 6.1: Impacted Accounts by \$

| | 1588 Power | 1589 GA | 1580 CBR | 1580 WMS |
|-------|------------|---------------|------------|-------------|
| Total | \$385,159 | (\$5,620,872) | (\$37,737) | (\$148,080) |

London Hydro states that after submitting all corrections to the IESO, the total GA credit adjustment received from the IESO (in Charge Type 2148) amounts to \$10.98 million for the years of 2015 to 2022. Out of \$10.98 million, \$5.67 million represents the RPP settlement true-up amounts from 2017 to 2022, excluding 2015 and 2016.⁶ In its current application, London Hydro states that it uses two different approaches to record the GA

¹² 2024 IRM Rate Generator Model, Tab 6.1a “GA Allocation” and Tab 6.2a “CBR B_Allocation”

¹³ EB-2022-0034, 2023 IRM Application.

credit adjustments received, depending on the accounting method used at the time by London Hydro. In 2015 and 2016, London Hydro adopted Method B which was a legacy accounting method prior to the issuance of the Accounting Guidance for the Commodity Accounts regarding the proration of the GA charges. In 2017 and subsequent years, London Hydro adopted Method A, which was thereafter established in the Accounting Guidance as the allocation method for distributors regarding the proration of the GA charges. As a result of these two different methods, London Hydro allocated the GA adjustments received from the IESO for the periods 2017 to 2022 between RPP and non-RPP consumption and recorded in Accounts 1588 and 1589, respectively, but recorded all GA credit adjustments received pertaining to the years 2015 to 2016 in Account 1589.

The OEB's [Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition](#) (OEB Guidance Letter),¹⁴ provided guidance on adjustments to commodity accounts resulting from errors after final disposition and indicated that an asymmetrical approach to the correction of an error may be appropriate in some circumstances. The Guidance Letter outlined four factors that may be considered by the OEB, on a case-by-case basis, which London Hydro addressed in its application:¹⁵

1. Whether the error was within the control of the distributor:

London Hydro stated that the error was in control of London Hydro. However, it felt that the IESO's guidance could be clearer for the submission. London Hydro has changed its internal processes and controls to ensure the accuracy of the reported embedded generation and Class A consumption volumes.

2. The frequency with which the distributor has made the same error:

Both issues persisted between 2015 through 2022, however, upon discovering their errors during the 2023 IRM proceeding, London Hydro initiated a solution.

3. Failure to follow guidance provided by the OEB:

With regards to the embedded generation amounts, London Hydro is not aware of any specific guidelines provided by the OEB. London Hydro did not appropriately apply the accounting guidance provided by the OEB with respect to Accounts 1588 and 1589, as far back as 2015.

4. The degree to which other distributors are making similar errors:

London Hydro appears to be the only distributor which collected GA on embedded generation amounts and did not update Class A volumes to the IESO with final

¹⁴ Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition, October 31, 2019.

¹⁵ EB-2023-0037, pp. 25-26

figures. Other utilities have proposed retroactive dispositions of debit balances for Accounts 1588 and 1589 for other reasons.

In its submission,¹⁶ OEB staff supported the final disposition of Group 1 DVA balances including the proposed rates retroactive adjustments in Account 1588 and Account 1589, except for the proposed approach regarding the 2015 and 2016 GA credit adjustments. OEB staff were of the view that London Hydro should use the same approach that was used for the 2017 to 2022 GA credit adjustments: i.e., allocate the GA credit adjustments received from the IESO pertaining to the years of 2015 and 2016 in Account 1588 and 1589 and settle the RPP portions of these adjustments with the IESO. OEB staff submitted that without this allocation, London Hydro's Non-RPP customers would be over-refunded at the expense of the province's RPP customers. In addition, OEB staff noted that London Hydro's adoption of Method B to its accounts 1588 and 1589 should be changed to Method A in 2015 and 2016. OEB staff submitted that London Hydro should, on a best-efforts basis, revisit the 2015 and 2016 balances for Accounts 1588 and 1589 to assess the impact from the switch from Method B to Method A because OEB staff is of the view that material adjustments may arise from this assessment.

In its reply submission, London Hydro contended that its proposed allocation of IESO-issued credits for the 2015-2016 years should be adopted without modification. London Hydro argued that Method B, a methodology previously approved by the OEB and applied before the discovery of the accounting error, should be adopted and that this approach would accurately correct the impact of the error. London Hydro provided an illustrative example in Excel format as part of its reply submission to help clarify its approach.

In its Procedural Order No. 3, the OEB noted the divergent views in the submissions of London Hydro and OEB staff on complicated accounting matters and ordered London Hydro and OEB staff to meet in a settlement conference setting with the goal of resolving the specific issues of the different views in the method of allocation. A settlement conference was convened on March 28, 2024 with London Hydro and OEB staff as parties. Following the settlement conference, London Hydro filed a settlement proposal on April 8, 2024 setting out a full, comprehensive settlement on the issue of the proper allocation of the credits received from the IESO with regards to Accounts 1588 and 1589 for the years 2015-2016 (Settlement Proposal).

As indicated in the Settlement Proposal, London Hydro was able to clarify its accounting method used to dispose of GA charges for 2015 and 2016 and the parties agreed that the IESO credits for the years 2015 and 2016 for Account 1588 Power and Account

¹⁶ OEB Staff Submission, p. 6

1589 GA should be allocated as proposed by London Hydro in its application and as summarized below in Table 6.2. London Hydro also provided a revised illustrative example.¹⁷

Table 6.2: Settled Allocation of the 2015 and 2016 GA Credit Adjustments that are reflected in Accounts 1588 and 1589

| | 1588 Power | 1589 GA |
|--------------|------------|--------------------|
| 2015 | - | (857,979) |
| 2016 | - | (801,551) |
| Total | - | (1,659,530) |

Findings

The OEB accepts the Settlement Proposal as filed with respect to the specific accounting issue addressed in the Settlement Proposal. The OEB accepts the Settlement Proposal allocation of Account 1589 GA credits in the amount of \$1,659,530 for the period 2015 and 2016 to Non-RPP customers as proposed by London Hydro in its application. In addition, the OEB accepts London Hydro utilizing Method B to calculate the disposition of Account 1589 for the period 2015 and 2016 as it is unable to create the data base to use Method A and, further, Method B was an OEB accepted methodology in 2015 and 2016.

With the resolution of the issue addressed in the Settlement Proposal, the balances proposed for disposition in the overall application 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 \$8,507,519 as of December 31, 2022, including interest projected to April 30, 2024, for Group 1 accounts on a final basis. The OEB also approves on a final basis the December 31, 2021 balances that were previously disposed on an interim basis in London Hydro's 2021 rates proceeding.¹⁸

Table 6.3 identifies the principal and interest amounts, which the OEB approves for disposition.

¹⁷ EB-2023-0037, LH Settlement Proposal_IRM_20240408

¹⁸ EB-2022-0048 Decision and Rate Order

Table 6.3: 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 | (468,017) | (37,195) | (505,212) |
| RSVA - Wholesale Market Service Charge | 1580 | 9,799,860 | 829,012 | 10,628,873 |
| Variance WMS - Sub-account CBR Class B | 1580 | (588,594) | (53,700) | (642,294) |
| RSVA - Retail Transmission Network Charge | 1584 | 4,296,521 | 362,217 | 4,658,738 |
| RSVA - Retail Transmission Connection Charge | 1586 | 2,351,160 | 197,072 | 2,548,233 |
| RSVA - Power | 1588 | (507,102) | (13,010) | (520,112) |
| RSVA - Global Adjustment | 1589 | (6,895,613) | (875,242) | (7,770,855) |
| Disposition and Recovery/Refund of Regulatory Balances (2019) | 1595 | 171,691 | (61,541) | 110,149 |
| Total for Group 1 accounts | | 8,159,906 | 347,613 | 8,507,519 |

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.¹⁹ 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, 2025.²⁰

¹⁹ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²⁰ 2024 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR Allocation and Tab 7 Calculation of Def-Var RR

7. GROUP 2 DEFERRAL AND VARIANCE ACCOUNTS

The distributor has also requested the disposition of a debit balance of \$14,502 from Account 1509, Impacts Arising from the COVID-19 Emergency, Sub-account Forgone Revenues from Postponing Rate Implementation, over a one-year period.

This allocated Account 1509 amount does not produce a rate rider to the second decimal place, in one or more rate classes. In such situations where the Rate Generator Model does not compute rate riders, distributors are required to transfer the entire OEB-approved Account 1509 amount into the Disposition and Recovery/Refund of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

Findings

The OEB also approves the disposition of a debit balance of \$14,502 from Account 1509, Impacts Arising from the COVID-19 Emergency, Sub-account Forgone Revenues from Postponing Rate Implementation, on a final basis.

As the allocated Account 1509 amount does not produce a rate rider in one or more rate classes, the OEB directs London Hydro to record the debit amount of \$14,502 into Account 1595 (2024).²¹

The OEB notes that the disposition of this sub-account is mechanistic in nature, as it tracks the difference between the actual monthly forgone revenues/amounts and the amounts actually collected by the rate riders.²²

²¹ OEB Guidance for Electricity Distributors with Forgone Revenues Due to Postponed Rate Implementation from COVID-19, August 6, 2020, p. 5

²² Ibid, Appendix A.

8. ADVANCED CAPITAL MODULE

London Hydro made an advanced capital module (ACM) request for an upgrade to its Customer Information System (CIS) as part of its 2022 cost of service application (2022 Application).²³ In that application, materiality, the need for and prudence of the request was reviewed. Following a settlement conference, London Hydro filed a settlement proposal indicating that the parties had reached a reached a full settlement regarding all aspects of the 2022 Application, including the ACM request.²⁴ In its February 24, 2022 Decision and Rate Order, the OEB accepted the settlement proposal and, among other items, specifically endorsed the Customer Information System-related ACM with a revenue rate rider cap of \$18.5 million (as agreed to by the parties in the settlement proposal).²⁵

London Hydro did not seek ACM funding for the CIS project in its 2023 IRM application because at the time of filing that application, it was stated that the project would not go into service until late 2023 or early 2024.

As a result, the revenue requirement impact in 2023 would be minimal if there was any revenue requirement impact in 2023. During this proceeding, London Hydro provided an updated timeline for the in-service date (Q4 2024) and calculated the incremental revenue requirement of the project to be \$99,036.²⁶

London Hydro has elected to collect this as a fixed service charge rate rider from May 1, 2024 to April 30, 2027.

Findings

The OEB approves the proposed ACM funding effective May 1, 2024 based on the \$18.5 million capital amount, consistent with the settlement proposal approved in the 2022 Application. The OEB expects to review the final costs of the project at rebasing, including the provision of a new business case should the final costs exceed the OEB's 30% threshold. The OEB notes that costs to date and revenues collected will be tracked in the OEB established variance account.²⁷

The proposed ACM rate riders for London Hydro's customer classes are approved.

²³ EB-2021-0041

²⁴ [EB-2021-0041 Settlement Proposal January 31, 2022, p. 55](#)

²⁵ [EB-2021-0041 Decision and Order, February 24, 2022, p. 5](#)

²⁶ EB-2023-0037, OEB Staff IR-9

²⁷ [Ontario Energy Board Accounting Procedures Handbook Guidance March 2015, pg. 14](#)

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 8.1.

Table 8.1: Regulatory Charges

| Rate | per kWh |
|--|----------|
| Rural or Remote Electricity Rate Protection (RRRP) | \$0.0014 |
| 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 7, 2023.²⁸

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 November 29, 2023, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2024 rate year (May 1, 2024 to April 30, 2025).³¹

²⁸ EB-2023-0268, Decision and Order, December 7, 2023

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

³¹ OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued November 29, 2023

10. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. London Hydro's new final distribution rates shall be effective May 1, 2024, in accordance with this Decision and Rate Order.
2. The Tariff of Rates and Charges set out at Schedule A of this Decision and Rate Order is deemed draft until the following procedural steps have been complied with:
 - i. London Hydro 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 April 30, 2024.
 - ii. The Tariff of Rates and Charges will be considered final if London Hydro Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 2.i
 - iii. If the OEB receives a submission from London Hydro Inc. to the effect that inaccuracies were found or information was missing pursuant to item 2.i, the OEB will consider the submission and issue a final Rate Order.
3. London Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0037** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.

- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Dana Wong at Dana.Wong@oeb.ca, and OEB Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@oeb.ca.

Email: registrar@oeb.ca

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

DATED at Toronto, April 23, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION
LONDON HYDRO INC.
TARIFF OF RATES AND CHARGES
EB-2023-0037
April 23, 2024

London Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2024
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0037

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should be based on such considerations as the estimated predominant consumption. Non IESO generation accounts, primarily net-metered accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation shall be classified as residential. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 | \$ | 29.67 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 0.04 |
| Smart Metering Entity Charge - effective until December 31, 2027 | \$ | 0.42 |
| Rate Rider for Disposition of Account 1509 (2024) - effective until April 30, 2025 | \$ | 0.01 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kWh | 0.0051 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kWh | (0.0002) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0105 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0080 |

London Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2024
This schedule supersedes and replaces all previously
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EB-2023-0037

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
TARIFF OF RATES AND CHARGES
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GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies 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. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should be based on such considerations as the estimated predominant consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 | \$ | 33.98 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 0.09 |
| Smart Metering Entity Charge - effective until December 31, 2027 | \$ | 0.42 |
| Rate Rider for Disposition of Account 1509 (2024) - effective until April 30, 2025 | \$ | 0.01 |
| Distribution Volumetric Rate | \$/kWh | 0.0146 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kWh | 0.0054 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kWh | (0.0002) |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0098 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0072 |

London Hydro Inc.
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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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
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GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Note that for the determination of the billing demand and the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 199 kW non-interval metered

General Service 50 to 4,999 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 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 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.

London Hydro Inc.
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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|----------|
| Service Charge | \$ | 165.97 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 1.02 |
| Rate Rider for Disposition of Account 1509 (2024) - effective until April 30, 2025 | \$ | 0.15 |
| Distribution Volumetric Rate | \$/kW | 3.4962 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 Applicable only for Non-Wholesale Market Participants | \$/kW | 1.2573 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 0.9088 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kW | (0.0943) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 4.4136 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 3.5921 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
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GENERAL SERVICE 1,000 TO 4,999 KW (CO-GENERATION) SERVICE

Embedded generation, co-generation or load displacement customers have the option to reserve demand capacity on the London Hydro distribution system for import load through mutual agreement/contract. For the embedded generation customers with a gross peak demand annual average of less than 1,000 kW and equal to or greater than 50 kW per month, the General Service 50 to 4,999 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. For the embedded generation customers with a gross peak demand annual average of less than 50 kW per month, the General Service Less Than 50 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 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 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.

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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|----------|
| Service Charge | \$ | 975.17 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 1.67 |
| Rate Rider for Disposition of Account 1509 (2024) - effective until April 30, 2025 | \$ | 0.29 |
| Distribution Volumetric Rate is applied to billed demand in excess of contracted amount (e.g. nameplate rating of the generation facility) | \$/kW | 2.3407 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 Applicable only for Non-Wholesale Market Participants | \$/kW | 0.4318 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 0.2628 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kW | (0.0373) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 5.0951 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 3.7997 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
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STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires London Hydro to provide backup service. The distribution Standby Power rate will be applied to all monthly kW's reserved. Further servicing details are available in London Hydro'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.

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 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 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

| | | |
|---|--------|----------|
| Standby Charge is applied to the contracted amount (e.g. nameplate rating of the generation facility). | \$/kW | 3.7939 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 Applicable only for Non-Wholesale Market Participants | \$/kW | 0.4318 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 0.3037 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kW | (0.0608) |

London Hydro Inc.
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LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater 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 London Hydro'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 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 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.

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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|-------|-----------|
| Service Charge | \$ | 21,393.69 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 77.13 |
| Rate Rider for Disposition of Account 1509 (2024) - effective until April 30, 2025 | \$ | 5.70 |
| Distribution Volumetric Rate | \$/kW | 2.9530 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 2.9947 |
| Retail Transmission Rate - Network Service Rate - Interval Metered | \$/kW | 4.5212 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered | \$/kW | 3.5921 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
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STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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. Further servicing details are available in London Hydro'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) | \$ | 1.88 |
| Distribution Volumetric Rate | \$/kW | 11.2775 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 1.9550 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kW | (0.0880) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 3.0305 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.2697 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in London Hydro'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) | \$ | 5.30 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 0.01 |
| Distribution Volumetric Rate | \$/kW | 20.7113 |
| Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025 Applicable only for Non-RPP Customers | \$/kWh | (0.0085) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kW | 2.0227 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kW | (0.0881) |
| Retail Transmission Rate - Network Service Rate | \$/kW | 3.0344 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.2729 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an 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 and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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) | \$ | 2.65 |
| Rate Rider for Recovery of Advanced Capital Module (2024) - effective until the effective date of the next cost of service-based rate order | \$ | 0.01 |
| Distribution Volumetric Rate | \$/kWh | 0.0279 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025 Applicable only for Class B Customers | \$/kWh | (0.0002) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025 | \$/kWh | 0.0055 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0098 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0072 |

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 | 0.0014 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

London Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2024
This schedule supersedes and replaces all previously
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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 London Hydro's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|----------------|----|------|
| Service Charge | \$ | 4.55 |
|----------------|----|------|

London Hydro Inc.
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

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

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

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

CUSTOMER ADMINISTRATION

| | | |
|---|----|-------|
| Easement letter | \$ | 15.00 |
| Special meter reads | \$ | 30.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Cellular meter read charge | \$ | 15.00 |

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 | \$ | 35.00 |
| 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

| | | |
|--|----|--------|
| Meter interrogation charge | \$ | 5.50 |
| Temporary service - install & remove - overhead - no transformer | \$ | 500.00 |
| Temporary service - install & remove - underground - no transformer | \$ | 300.00 |
| Service call - after regular hours | \$ | 165.00 |
| Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) | \$ | 37.78 |

London Hydro Inc.
TARIFF OF RATES AND CHARGES
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RETAIL SERVICE CHARGES (if applicable)

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

| | | |
|--|----------|-----------|
| One-time charge, per retailer, to establish the service agreement between the distributor and the retailer | \$ | 117.02 |
| Monthly Fixed Charge, per retailer | \$ | 46.81 |
| Monthly Variable Charge, per customer, per retailer | \$/cust. | 1.16 |
| Distributor-consolidated billing monthly charge, per customer, per retailer | \$/cust. | 0.69 |
| Retailer-consolidated billing monthly credit, per customer, per retailer | \$/cust. | (0.69) |
| Service Transaction Requests (STR) | | |
| Request fee, per request, applied to the requesting party | \$ | 0.59 |
| Processing fee, per request, applied to the requesting party | \$ | 1.16 |
| 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) | \$ | 4.68 |
| 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) | \$ | 2.34 |

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 | 1.0288 |
| Total Loss Factor - Secondary Metered Customer > 5,000 kW | 1.0119 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0185 |
| Total Loss Factor - Primary Metered Customer > 5,000 kW | 1.0016 |