



Via REES

Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

October 7, 2024

Dear Ms. Marconi,

**Re: PUC Distribution Inc. (License ED-2002-0546)
2025 IRM Rate Application (EB-2024-0051)**

PUC Distribution Inc. ("PUC") is submitting its Electricity Distribution Rates application under the Fourth Generation Incentive Rate-Setting Mechanism ("Price Cap IR") to the Ontario Energy Board's ("OEB") for electricity distribution rates and other charges effective May 1, 2025.

The Filing includes the Application, the Manager's Summary, and live versions of the following models or files:

1. PUC_2025_IRM Rate Generator Model_20241007
2. PUC_2025_GA Analysis Workform_20241007
3. PUC_2025_IRM Checklist_20241007

The Filing and supporting materials are being filed through the OEB's Regulatory Electronic Submission System.

Yours truly,

A handwritten signature in black ink, appearing to read "Pina Pacione".

Pina Pacione, CPA, CGA
Manager, Regulatory & Customer Affairs
Telephone: 705-759-6583
Email: regulatory@ssmpuc.com



PUC DISTRIBUTION INC.
2025 INCENTIVE RATE-SETTING
MECHANISM (IRM) APPLICATION
EB-2024-0051

OCTOBER 7, 2024

TABLE OF CONTENTS

APPLICATION.....	3
MANAGER’S SUMMARY	4
1. Overview	4
2. Relief Sought.....	5
3. Annual Adjustment Mechanism	6
4. Revenue-to-Cost Ratio Adjustment	7
5. Rate Design for Residential Customers	7
6. Proposed Retail Transmission Service Rates	7
7. Review and Disposition of Group 1 Deferral and Variance Account Balances.....	8
8. Commodity Accounts 1588 and 1589	9
9. Global Adjustment Workform.....	10
10. Disposition of Account 1595	10
11. Wholesale Market Participants.....	11
12. Capacity Based Recovery	11
13. Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)	11
14. Rate Rider for PUC Sault Smart Grid Project Recovery Mechanism	12
15. Rate Rider for Embedded Generation.....	13
16. Tax Changes	13
17. Regulatory Charges.....	13
18. Other Rate and Charges.....	14
19. Z-Factor Claims and Incremental Capital Module (ICM).....	15
20. Treatment of Costs for “eligible investments”	15
21. Conservation and Demand Management Costs for Distributors.....	15
22. Specific Exclusions from IRM Applications	15
23. Bill Impacts	15
24. Conclusion	16

Appendices:

APPENDIX A_CERTIFICATIONS

APPENDIX B_2024 CURRENT TARIFF OF RATES AND CHARGES

APPENDIX C_2025 PROPOSED TARIFF OF RATES AND CHARGES

APPENDIX D_2023 COS_SSG Recovery Mechanism (EB-2022-0059, pg.60-69)

Attachments:

1. PUC_2025_IRM RATE GENERATOR MODEL_20241007

2. PUC_2025_GA ANALYSIS WORKFORM_20241007

3. PUC_2025_IRM CHECKLIST_20241007

APPLICATION

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being
Schedule B to the Energy Competition Act, S.O. 1998, c.15;

AND IN THE MATTER OF an application by PUC Distribution Inc. to
the Ontario Energy Board for an Order or Orders approving or fixing
just and reasonable rates and other charges for electricity
distribution to be effective May 1, 2025.

CONTACT INFORMATION

Applicant Name:	PUC Distribution Inc.
Applicant's Address for Service:	500 Second Line East Sault Ste. Marie, Ontario, P6A 6P2
Primary Application Contact:	Pina Pacione Manager, Regulatory & Customer Affairs Telephone: 705-759-6583 Email: pina.pacione@ssmpuc.com
President & CEO:	Robert Brewer Telephone: 705-759-6552 Email: robert.brewer@ssmpuc.com
Vice President, Corporate Services:	K. Mark Faught Telephone: 705-759-0105 Email: mark.faught@ssmpuc.com
Applicant's Internet Address:	https://www.ssmpuc.com

Filed: October 7, 2024

MANAGER'S SUMMARY

1. Overview

PUC Distribution Inc. ("PUC" or "the Applicant") is a corporation incorporated pursuant to the Ontario Business Corporations Act with its office in the City of Sault Ste. Marie.

PUC carries on the business of distributing electricity to approximately 35,000 customers within the City of Sault Ste. Marie, Batchewana First Nation (Rankin Reserve), Prince Township and parts of Dennis Township, pursuant to Electricity Distribution Licence No. ED-2002-0546 issued by the Ontario Energy Board ("OEB" or "Board").

Pursuant to Section 78 of the Ontario Energy Board Act, 1998, PUC seeks approval of its proposed distribution rates and other charges, to be effective May 1, 2025.

This Application (the "Application") is prepared in accordance with the OEB's *Filing Requirements for Electricity Distribution Rate Applications, 2024 Edition for 2025 Rate Applications – Chapter 3 Incentive Rate-Setting Applications*, dated June 18, 2024; the July 31, 2009 *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* ("the EDDVAR Report") [EB-2008-0046]; the letter from the Board dated May 23, 2017 re: Guidance on Disposition of Accounts 1588 and 1589; and the Electricity Distribution Retail Transmission Service Rates Guideline G-2008-0001, Revision 4.0, issued June 28, 2012 ("RTSR Guidelines").

PUC has verified the accuracy of the billing determinates that were pre-populated in the models. PUC confirms it has not made any revisions to the submitted RRR data. In addition,

- i. PUC has provided a Certificate of Evidence, Certification Regarding Personal Information and Certification of Deferral and Variance Account Balances as Appendix A.
- ii. PUC's current 2024 Tariff of Rates and Charges, for rates effective May 1, 2024, is included as Appendix B.
- iii. PUC's proposed 2025 Tariff of Rates and Charges, for rates effective May 1, 2025, is included as Appendix C.
- iv. PUC has calculated its distribution rates and other charges using the Board's 2025 IRM Rate Generator Model posted on July 29, 2024. This model is filed as a live Excel file: PUC_2025 IRM Rate Generator Model_20241004.
- v. PUC has completed the Board's 2025 GA Analysis Workform Model filed as a live Excel file: PUC_2025 GA Analysis Workform_20241004.

- vi. PUC has completed the 2025 IRM Checklist filed as a live Excel file: PUC_2025 IRM Checklist_20241004.
- vii. PUC has included the Board's 2023 Cost of Service ("COS") decision supporting the Rate Rider for the Sault Smart Grid Project Recovery Mechanism, as Appendix D.

2. Relief Sought

PUC hereby applies for an Order or Orders approving distribution rates updated and adjusted in accordance with the Chapter 3 Requirements as follows:

1. Rate Order Implementation with an Effective date of May 1, 2025, using the Annual Adjustment Mechanism of 3.30% applied to existing distribution rates determined by the OEB's calculated inflation factor for incentive rate-setting under the Price Cap IR Price Escalator of 3.60%, reduced by a Productivity Factor of 0%, and PUC's Stretch Factor of 0.30%;
2. Adjustment to the Retail Transmission Service Rates ("RTSRs") as provided in Guideline (G-2008-0001) – Electricity Distribution Retail Transmission Service Rates (dated October 22, 2008) and subsequent revisions and updates to the Uniform Transmission Rates ("UTRs") and as supported by the completion of the related sections of the OEB issued 2025 IRM Rate Generator Model.
3. Continuation of the Wholesale Market Service Rate, Capacity Based Recovery (CBR) Class B, Rural Rate Protection Charge, the Standard Supply Service Charge, Specific Service Charges, MicroFIT Service Charge, Retail Service Charges, the Smart Metering Entity Charge and Loss Factors as approved in PUC's 2023 COS Application (EB-2022-0059).
4. Rate Riders for LRAM-eligible amounts, as previously approved by the OEB.
5. Rate Riders for Sault Smart Grid Project Recovery (2025) as approved in the 2023 COS Application [EB-2022-0059].
6. Rate Riders for Embedded Generation Adjustment as approved in the 2023 COS Application [EB-2022-0059].

PUC will post its 2025 IRM Application and related information as required by the OEB on its website www.ssmruc.com.

This Application will affect all ratepayers in PUC's service territory. PUC requests that, pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this proceeding be conducted by way of written hearing. If the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2025, PUC requests that the

Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until such time as the 2025 rates are approved. If the effective date does not coincide with the Board's decided implementation date for 2025 Distribution Rates and Charges, PUC requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

Table 1 below summarizes PUC's 2025 proposed distribution rates, as compared to current approved rates.

Table 1 – 2025 Current and Proposed Distribution Rates

Rate Class	Current MFC (\$)	Current Volumetric Charge (\$/kWh)	Price Cap Index	Proposed MFC (\$)	Proposed Volumetric Charge (\$/kWh)
Residential	\$ 40.08	\$ -	3.30%	\$ 41.40	\$ -
General Service Less than 50 kW	\$ 23.32	\$ 0.0333	3.30%	\$ 24.09	\$ 0.034
General Service 50 to 4,999 kW	\$ 128.82	\$ 8.7325	3.30%	\$ 133.07	\$ 9.021
Unmetered Scattered Load	\$ 14.29	\$ 0.0497	3.30%	\$ 14.76	\$ 0.051
Sentinel Lighting	\$ 4.55	\$ 42.438	3.30%	\$ 4.70	\$ 43.839
Street Lighting	\$ 1.75	\$ 11.430	3.30%	\$ 1.81	\$ 11.807

3. Annual Adjustment Mechanism

PUC seeks to increase its rates, effective May 1, 2025, based on a mechanistic rate adjustment using the OEB-approved inflation minus X-factor formula applicable to Price Cap IR applications. On June 20, 2024, the OEB issued the GDP-IPI inflation factor of 3.6% to be used in the 2025 IRM Rate Generator model. In addition, on August 6, 2024, the OEB issued the Incentive Rate Setting: 2024 Benchmarking Update for Determination of 2024 Stretch Factor Rankings (EB-2010-0379) to be used in the 2025 IRM Rate applications. Each year, the OEB benchmarks electricity distributors' total cost performance. The rankings from the benchmarking results for the current year's electricity distributors are used to assign stretch factors. The stretch factor forms part of the annual IRM process and is used to determine whether a distributor's rates will be adjusted. The benchmarking update using 2023 data determines the stretch factor assignments to be used in the 2025 rate-setting process.

In the most recent stretch factor rankings, PUC has been assigned to Cohort III, therefore, PUC has populated the IRM Rate Generator Model using the inflation factor of 3.6%, productivity factor of 0.00% and a stretch factor of 0.30% for a total price index adjustment of 3.30%.

The annual adjustment mechanism will apply to distribution rates (fixed and variable charges) uniformly across customer rate classes, the specific charge for access to the power poles – per pole/year, and the Retailer Service Charges, which are adjusted for the inflation factor each year.

4. Revenue-to-Cost Ratio Adjustment

PUC is not proposing to adjust the revenue-to-cost ratios and therefore has not completed the 2025 IRM Revenue to Cost Ratio Adjustment Model.

5. Rate Design for Residential Customers

PUC transitioned to the 100% fixed monthly distribution charge for Residential customer class in its 2020 IRM Rate Application. PUC notes that the rate impact on any customer class does not exceed the 10% threshold and therefore no bill impact mitigation is required.

6. Proposed Retail Transmission Service Rates

PUC is applying for an increase in the network service rates. The increase is calculated using the 2025 IRM Rate Generator Model issued by the OEB that applies historical wholesale and retail consumption to current and future wholesale and retail rates.

For clarity, the RTSR's only include the Network Service Rate. PUC's customers are not subject to the Transformation Connection Service Rate as PUC owns the transformation stations connected to Hydro One's network.

On June 27, 2024, the OEB issued a letter regarding 2024 Uniform Transmission Rates (EB-2024-0183). The OEB directed distributors to update their 2025 application with the updated rates. PUC has updated the 2025 rates in the 2025 IRM Rate Generator Model.

Table 2 below summarizes PUC's 2025 proposed RSTR - Network rates, as compared to current approved rates.

Table 2 – Current and Proposed Retail Transmission Service Rates

Rate Class	Current RTSR - Network (\$)	Proposed RTSR - Network (\$)
Residential (kWh)	\$ 0.0093	\$ 0.0093
General Service <50 kW (kWh)	\$ 0.0087	\$ 0.0087
General Service > 50kW (kW)	\$ 3.5087	\$ 3.4987
General Service >50 kW Interval Metered (KW)	\$ 4.4128	\$ 4.4002
Unmetered Scattered Load (kWh)	\$ 0.0087	\$ 0.0087
Sentinel Lighting (kW)	\$ 2.6596	\$ 2.6521
Street Lighting (kW)	\$ 2.6465	\$ 2.6390

7. Review and Disposition of Group 1 Deferral and Variance Account Balances

Reconciliation of 2.1.7 RRR to DVA Continuity Schedule

The following Table 3 provides the variances identified in the Rate Generator model in “Tab 3. Continuity Schedule”.

Table 3 – Reconciliation of Deferral and Variance Account Balances

Account Descriptions	USoA #	Total Principal (December 31, 2023)	Total Interest (December 31, 2023)	Total Principal and Interest	2.1.7 RRR Balances (December 31, 2023)	Variance
Smart Metering Entity Charge Variance Account	1551	\$ (159,391)	\$ (7,050)	\$ (166,441)	\$ (166,441)	\$ 0
RSVA - Wholesale Market Service Charge	1580	\$ 1,297,125	\$ 100,402	\$ 1,397,526	\$ 1,359,576	\$ (37,950)
Variance WMS – Sub-account CBR Class B	1580	\$ (24,916)	\$ (13,034)	\$ (37,950)	\$ -	\$ 37,950
RSVA - Retail Transmission Network Charge	1584	\$ 252,003	\$ 31,707	\$ 283,709	\$ 283,709	\$ (0)
RSVA - Power	1588	\$ (132,303)	\$ 9,815	\$ (122,488)	\$ (122,488)	\$ (0)
RSVA - Global Adjustment	1589	\$ 402,938	\$ 37,000	\$ 439,938	\$ 439,938	\$ (0)
1595 Disposition (2018)	1595	\$ 99,481	\$ (73,670)	\$ 25,811	\$ 25,811	\$ 0
1595 Disposition (2019)	1595	\$ 103,267	\$ (127,752)	\$ (24,485)	\$ (24,485)	\$ (0)
1595 Disposition (2021)	1595	\$ 10,128	\$ 2,407	\$ 12,535	\$ 12,535	\$ 0
1595 Disposition (2022)	1595	\$ (79,992)	\$ 21,458	\$ (58,533)	\$ (58,534)	\$ (0)
1595 Disposition (2023)	1595	\$ (521,817)	\$ (20,218)	\$ (542,035)	\$ (542,035)	\$ -
Total - Group 1 Accounts		\$ 1,246,523	\$ (38,936)	\$ 1,207,587	\$ 1,207,587	\$ (1)
LRAM	1568	\$ 93,857	\$ 4,133	\$ 97,990	\$ 90,375	\$ (7,615)
Total - DVAs		\$ 1,340,381	\$ (34,803)	\$ 1,305,578	\$ 1,297,962	\$ (7,616)

The variance for the RSVA – Wholesale Market Service Charge is not a difference between the continuity and the RRRs – the IRM Model is double counting the CBR Class B balance in the RSVA – Wholesale Market Service Charge. It is included in the main account and the sub-account.

The variance for the Lost Revenue Adjustment Mechanism (“LRAM”) account is due to an error in our audited financial statement mapping for carrying costs. This will be corrected in PUC’s 2024 Financial statements to properly map the interest expense as a balance sheet item.

Except for the above noted variances, all balances agree to the RRR balances filed for December 31, 2023.

Disposition of Deferral and Variance Accounts

PUC’s Group 1 Deferral and Variance Account balances filed in this 2025 IRM Application total a credit balance of \$(114,976) equivalent to \$0.0002 per kWh, as calculated in “Tab 4. Billing Det. For Def-Var” in the 2025 IRM Rate Generator Model. The Threshold Test calculation outlined in

the EDDVAR Report is +/- \$0.001 per kWh. PUC's total Group 1 Deferral and Variance Account balances does not meet the threshold test; therefore, PUC is not requesting to dispose of the Group 1 DVA balances with this rate application.

PUC confirms that no adjustments were made to its Group 1 DVA Account balances that were previously approved by the OEB on a final basis. Projected interest was determined using OEB's prescribed interest rates. PUC last claimed Group 1 Account Balances in its 2024 IRM Application.

The following Table 4 provides the variances identified in the Rate Generator model of "Tab 3. Continuity Schedule".

Table 4 – Proposed Disposition of Group 1 Deferral and Variance Accounts

Group 1 Accounts	USoA #	Principal Balances Adjusted for Disposition during 2024	Total Interest (Projected)	Total Claim for Disposition
Smart Metering Entity Charge Variance Account	1551	\$ (66,187)	\$ (10,972)	\$ (77,159)
RSVA - Wholesale Market Service Charge	1580	\$ (582,350)	\$ 49,385	\$ (532,965)
RSVA - Retail Transmission Network Charge	1584	\$ (15,854)	\$ 32,764	\$ 16,910
RSVA - Power (excluding Global Adjustment)	1588	\$ (87,280)	\$ 22,433	\$ (64,847)
RSVA - Global Adjustment	1589	\$ 448,370	\$ 61,252	\$ 509,622
LRAM	1568	\$ 26,658	\$ 6,805	\$ 33,463
Total Group 1 Account		\$ (276,643)	\$ 161,667	\$ (114,976)
Total Claim (including Account 1568)	\$ (114,976)			
Total Claim for Threshold Test (All Group 1 Account)	\$ (148,439)			
Threshold Test (Total Claim per kWh)	(0.0002) Claim does not meet the threshold test.			

Please refer to the section on LRAM for PUC's disposal claim for this amount separately from Group 1 Accounts.

8. Commodity Accounts 1588 and 1589

On May 23, 2023, the OEB updated the Ultra-Low Overnight ("ULO") price plan. PUC confirms that it is recording all transactions in Accounts 1588 and 1589 in the year(s) in accordance with the respective versions of the Accounting Guidance. In this current application, PUC is not requesting disposition of its 2023 Group 1 accounts.

Final Disposition Requests after Implementation of Accounting Guidance

PUC's Accounts 1588 RSVA Power and 1589 RSVA GA balances were last approved for disposition on a final basis for December 31, 2022, balances in PUC's 2024 IRM Application (EB-2024-0048).

In this current application, PUC is not requesting disposition of its 2023 commodity pass through accounts.

Class A Customers

Class A customers are billed their share of the actual Global Adjustment, charged by the IESO, based on their individual Peak Demand Factor and as such the balance in USoA 1589 RSVA – Global Adjustment for Class A customers is zero.

Class B Customers

For non-RPP Class B customers, the RSVAGA captures the difference between the amounts billed by the distributor using the IESO's Global Adjustment 1st estimate, and the actual amount paid by the distributor to the IESO for those customers. The manner in which the balance in the RSVAGA is disposed of is dependent on whether a customer was a non-RPP Class B customer for the full year the RSVAGA balance relates to or whether they transitioned between Class A and Class B during that year. PUC has not had any customer transition between Class A and Class B during this period.

9. Global Adjustment Workform

The GA Analysis Workform ("GA Workform") is provided as a live excel file. The GA Workform compares the principal activity in the general ledger for the RSVAGA to the expected principal balance based on monthly GA volumes, revenue, and costs. The GA Workform provides a tool to assess if the principal activity in the RSVAGA in a specific year is reasonable.

In 2023, the principal activity recorded in Account 1589 was a debit balance of \$448,370 excluding dispositions. This represents 0.2% of PUC's 2023 IESO purchases which is within the OEB's threshold (+/- 1% of IESO purchases). The principal activity recorded in Account 1588 was a credit balance of \$87,280, excluding dispositions. This represents -0.1% of the PUC's 2023 IESO purchases which is within the OEB's threshold (+/- 1% of IESO purchases).

10. Disposition of Account 1595

PUC is not requesting the disposition of any Account 1595 sub-accounts in this rate proceeding as it does not have any residual balances eligible for disposition currently. According to the OEB's Chapter 3 filing requirements Distributors only become eligible to seek disposition

of residual balances of Account 1595 sub-accounts two years after the expiry of the rate rider. Residual balances in Account 1595 are only disposed of once. PUC has completed its review of Account 1595 balances and has not identified any sub-accounts that are eligible for disposition in this rate proceeding.

11. Wholesale Market Participants

A Wholesale Market Participant (“WMP”) refers to any entity that participates directly in any of the Independent Electricity System Operator (“IESO”) administered markets; and therefore, should not be allocated balances related to transmission network and connection charges and disposition/refund of regulatory balances. PUC confirms that none of its customers are WMPs and therefore separate rate riders do not apply.

12. Capacity Based Recovery

PUC follows the approach identified in the Filing Requirements to address the disposition of CBR variances. In this current application, PUC is not requesting disposition of its 2023 CBR.

13. Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)

In accordance with the OEB’s filing requirements, a distributor with a non-zero balance in the LRAMVA should seek disposition as part of their IRM application.

In its 2023 COS (EB-2022-0059) PUC was approved a rate rider for a one-year disposition of the LRAMVA for lost revenue for the 2018 and 2019 program years, with persistence through 2022.

PUC was issued a rate rider to collect these amounts up to April 30, 2024. To claim the correct final amount for disposition, PUC has included the rate riders collected from January 1, 2024, to April 30, 2024 in cell “BM46” in Tab 3. Continuity Schedule of the 2025 IRM Rate Generator Model.

Table 5 provides the amounts approved for each rate class and actual amounts collected with interest projected to April 30, 2024. PUC is requesting a rate rider for the disposition of the remaining amounts in this account to clear the amount to zero.

Table 5 – LRAM Disposition

Rate Class	2023 COS Application		Rate Rider Collected to April 30, 2024			
	kW/kWh/#customers	Allocated 1568	Actual kW/kWh/#customers	Actual Recovery in Rate Riders	% Allocation	Remaining Balance 1568
RESIDENTIAL SERVICE	282,922,375	\$ 44,507	337,764,382	\$ 56,715	33%	\$ 11,064
GENERAL SERVICE LESS THAN 50 KW SERVICE	86,539,469	\$ (110,221)	113,511,135	\$ (125,566)	-73%	\$ (24,496)
GENERAL SERVICE 50 to 4,999 kW SERVICE	575,372	\$ 263,903	609,070	\$ 240,382	140%	\$ 46,895
	370,037,216	\$ 198,189	451,884,587	\$ 171,531	100%	\$ 33,463
LRAM unrecovered				\$ 26,658		
Carrying costs				\$ 6,805		
LRAM claimed for Disposition				\$ 33,463		

14. Rate Rider for PUC Sault Smart Grid Project Recovery Mechanism

As part of PUC's 2023 COS Application (EB-2022-0059), the OEB approved a SSG Project Recovery Mechanism for all rate classes. The full detail of the mechanism is outlined in Appendix G – 2023 COS - Sault Smart Grid Project (EB-2022-0059, pg60-69). PUC is required to true-up for the period of May 1, 2023, to April 30, 2028, the net recovery for the SSG Project during this period after considering the lower of:

- total rate riders collected from May 1, 2023, to April 30, 2028
- the sum of 2023 to 2027 revenue requirements, where the annual revenue requirement is the lower of i) the recalculated revenue requirement based on the actual SSG Project capital costs and in-service dates, and ii) the settled forecasted revenue requirement used to calculate the SSG Recovery Mechanism Rate Rider.

PUC is proposing to use the Rate Riders calculated and approved in the 2023 COS Application [EB2022-0059] for Sault Smart Grid Project for the May 1, 2025, to April 30, 2026, period, as provided in Table 6.

Table 6 – Sault Smart Grid Rate Riders

2025 (effective from May 1, 2025 to April 30, 2026)					
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 3.46	-
GS < 50 kW	3400	86,539,469	kWh	\$ 2.01	0.0029
GS >50 to 4,999 kW	344	575,372	kW	\$ 11.11	0.7424
Street Lighting	8037	7,200	kW	\$ 0.15	0.9855
Sentinel Lighting	317	566	kW	\$ 0.39	3.6592
Unmetered and Scattered	25	878,528	kWh	\$ 1.23	0.0043
Total		370,923,511			

15. Rate Rider for Embedded Generation

As part of PUC's 2023 COS Application (EB-2022-0059), the OEB approved an embedded generation rate rider refund of (\$.0004/kWh) for all rate classes. This rate rider was to address the systematic over collection of the WMS and RRRP from customers relative to the obligation to the Independent Electricity System Operator ("IESO"). The over collection is driven, in part, by embedded generation for which PUC is not required to pay the WMS or RRRP to the IESO. The rate rider is calculated by calculating the forecasted energy from embedded generation.

PUC is proposing to continue the Rate Rider for Embedded Generation Adjustment as approved in the 2023 COS Application [EB-2022-0059]. As this is related to Regulatory charges, the annual adjustment mechanism will not be applied.

16. Tax Changes

PUC has completed the OEB's 2025 IRM Rate Generator Model (Tab "8. STS-Tax Change" to calculate the difference between the taxes included in PUC's 2023 COS rate application as approved by the OEB (EB-2022-0059) and the taxes expected for 2025. There is no change in the tax rate therefore the incremental tax sharing calculated in the model is zero and results in no tax sharing required.

17. Regulatory Charges

PUC's current 2024 approved Tariff of Rates and Charges includes several rates to be charged to customers to cover the costs associated with various programs and wholesale market services. The rates are each a component of the "Regulatory Charge" on a customer's bill and established by the OEB annually through a separate generic rate order. Regulatory rates to be charged include:

- The current 2024 RRRP rate of \$0.0014 per kWh was set by the OEB on December 7, 2023. The RRRP charge is a source of revenue for identified rural and remote electricity distributors to allow them to reduce the amount of revenue they would otherwise have to charge some of their customers to distribute electricity.
- The current rates for WMS, billed to Class A and B customers, and for CBR, billed to Class B customers are \$0.0045 per kWh and \$0.0007 per kWh, respectively. Distributors bill Class A customers their share of the actual CBR charge based on their contribution to peak demand.
- Wholesale market service (WMS) charges are designed for distributors to recover costs charged by the Independent Electricity System Operator (IESO) for the operation of the IESO-administered markets and the operation of the IESO-controlled grid, as well as the

costs of the IESO's CBR initiative. Electricity distributors recover the WMS charges from customers through the WMS rate.

The current generic regulatory rates have been included in PUC's proposed 2025 Tariff of Rates and Charges in Appendix B.

18. Other Rate and Charges

Specific Service Charges, Retail Service Charges, Allowances, and Loss Factors

PUC's Tariff includes energy retailer charges. Energy retailer service charges refer to the charges that recover the cost of services provided by electricity distributors to electricity retailers or to customers, related to the supply of competitive electricity. In accordance with OEB's energy retailer service charges report, generic retailer service charges for rate-regulated electricity distributors are to be adjusted by an annual inflation factor. Energy retailer service charges have been adjusted by the known 2025 inflationary factor of 3.60% by the IRM Generator Model and appear in the proposed 2025 Tariff of Rates and Charges. The OEB issued EB-2023-0193 inflationary adjustment effective January 1, 2025, that confirms these rates.

In accordance with OEB's Wireline Pole Attachment Charges Report generic wireline pole attachment charges for rate-regulated electricity distributors are to be adjusted by an annual inflation factor. Wireline pole attachment charges have been adjusted by the known 2025 inflationary factor of 3.60% by the IRM Generator Model and appears in the proposed 2025 Tariff of Rates and Charges. The OEB issued EB-2024-0227 - Distribution Pole Attachment Charge for 2025, dated September 26, 2024, which confirms the rate of \$39.14 per attacher, per year, per pole.

MicroFIT Generator Rate

Each year, the OEB reviews the province-wide fixed monthly service charge related to the microFIT Generator Service Classification to ensure that it continues to reflect actual costs. It was last reviewed November 29, 2023, with a microFIT province-wide generator rate with a monthly service charge of \$4.55.

PUC is applying for the continuation of this rate at the province-wide uniform fixed monthly service charge currently set at \$4.55. This rate and charge amount has been included in PUC's proposed 2025 Tariff of Rates and Charges in Appendix C.

Rate Rider for Smart Metering Entity Charge

PUC's 2024 approved Tariff of Rates and Charges includes a Rate Rider for Smart Metering Entity Charge (SMC) of \$0.42 per smart meter per month applicable to all Residential and

General Service less than 50kW customers. On September 8, 2022, the OEB approved the application by the Independent Electricity System Operator (“IESO”), in its capacity as the Smart Metering Entity (SME), for a SMC of \$0.42 per smart meter per month for the 2023-2027 period (EB- 2022-0137). The OEB also issued a letter to all licensed electricity distributors outlining that the SMC is a pass-through amount to be charged by distributors to all applicable customers in the Residential and General Service <50kW classes.

The SMC of \$0.42 has been included on PUC’s proposed 2025 Tariff of Rates and Charges in Appendix C.

19. Z-Factor Claims and Incremental Capital Module (ICM)

PUC is not requesting a Z-Factor claim or an ICM in this proceeding.

20. Treatment of Costs for “eligible investments”

PUC submitted its 5-year Distribution System Plan (“DSP”) with its 2023 Cost of Service Rate Application (EB-2022-0059). As referenced within Section 2.3.9 of the DSP, PUC’s distribution system is capable of accommodating REG and no capital investments are needed for capacity upgrades to facilitate the connection of renewable energy generation plant at this time. Therefore, no requirement to establish deferral accounts for these types of costs or recovery of costs is requested or required.

21. Conservation and Demand Management Costs for Distributors

PUC’s CDM programs are funded through the IESO and therefore confirms that no CDM costs are included in distribution rates.

22. Specific Exclusions from IRM Applications

PUC confirms that it is not seeking items specifically excluded from the IRM rate application process, in this application.

23. Bill Impacts

Bill impacts were derived for each rate class using the 2025 IRM Rate Generator Bill Impact calculation in Sheet 20. A detailed listing of customer bill impacts is set out under Sheet 21 of the 2025 IRM Rate Generator Model.

No rate mitigation plans are necessary as a result of the bill impacts.

The customer bill impacts for all classes are provided in detail in the 2025 IRM Rate Generator Model, Tab 20. Bill impacts are summarized in Table 7 below.

Table 7 – Customer Class Bill Impact Summary

Rate Class	RPP/Non-RPP	Avg Monthly Volume		Total Current Bill	Total Proposed Bill	Total Bill Impact (\$)	Total Bill Impact (%)
		kWh	kW				
Residential	RPP	750	-	\$ 136.58	\$ 135.42	\$ (1.16)	-0.85%
General Service Less than 50 kW	RPP	2,300	-	\$ 393.09	\$ 387.94	\$ (5.15)	-1.31%
General Service 50 to 4,999 kW	Non-RPP	63,000	154	\$ 11,081.85	\$ 10,911.28	\$ (170.57)	-1.54%
Unmetered Scattered Load	RPP	2,600	-	\$ 475.43	\$ 470.71	\$ (4.72)	-0.99%
Sentinel Lighting	RPP	1,100	3	\$ 271.66	\$ 272.00	\$ 0.34	0.13%
Street Lighting	Non-RPP	210,100	588	\$ 50,407.99	\$ 50,881.94	\$ 473.95	0.94%

24. Conclusion

PUC respectfully requests approval for its Tariff of Rates and Charges as provided in Appendix C. The proposed rates for the distribution of electricity are both reasonable and prudent and reflect PUC's 2024 distribution rates adjusted for the Price Cap Index calculated based on the Price Escalator less the Productivity Factor and PUC's Stretch Factor as provided for in the 2025 IRM Rate Generator Model were used to calculate the 2025 distribution rates.



Certification of Evidence

As Vice President, Corporate Services of PUC Distribution Inc., I certify that, to the best of my knowledge, the evidence filed in support of this Application is accurate and complete; and complies with the Board's Filing Requirements for Electricity Distribution Rate Applications, 2024 Edition for 2025 Rate Applications - Chapter 3 Incentive Rate-Setting Applications, dated June 18, 2024.

Certification Regarding Personal Information

As Vice President, Corporate Services of PUC Distribution Inc., I certify that, to the best of my knowledge, PUC has robust processes and internal controls in place for the preparation, review, verification and oversight of the deferral and variance account balances being disposed, consistent with the certification in Chapter 1 of the filing requirements.

Certification Regarding Deferral and Variance Account Balances

As Vice President, Corporate Services of PUC Distribution Inc., I certify that, to the best of my knowledge, that the evidence filed in this Application does not include any personal information, as identified in the certification requirements for personal information in Chapter 1 of the filing requirements.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mark Faught', with a stylized flourish at the end.

K. Mark Faught, CPA, CMA
Vice President, Corporate Services

Dated at Sault Ste. Marie, Ontario, this 4th of October 2024

PUC Distribution 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-2023-0048

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	40.08
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	3.54
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025		
Applicable only for Non-RPP Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025	\$/kWh	0.0034
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	0.0094

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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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PUC Distribution Inc.
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EB-2023-0048

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 peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.32
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	2.06
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0333
Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025		
Applicable only for Non-RPP Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025	\$/kWh	0.0036
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 Recovery of SSG Project (2024) - effective until April 30, 2025	\$/kWh	0.0029
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0088

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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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GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly peak demand used for billing purposes over the past 12 months is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	128.82
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	11.39
Distribution Volumetric Rate	\$/kW	8.7325
Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025		
Applicable only for Non-RPP Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025	\$/kW	1.5301
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025		
Applicable only for Class B Customers	\$/kW	(0.0659)
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$/kW	0.7612
Retail Transmission Rate - Network Service Rate	\$/kW	3.5209
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.4281

Issued - March 21, 2024

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TARIFF OF RATES AND CHARGES
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EB-2023-0048

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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

PUC Distribution Inc.
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EB-2023-0048

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the Distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.29
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	1.26
Distribution Volumetric Rate	\$/kWh	0.0497
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	0.0037
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$/kWh	0.0044
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0088

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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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EB-2023-0048

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.55
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	0.40
Distribution Volumetric Rate	\$/kW	42.4383
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025		
Applicable only for Class B Customers	\$/kW	(0.0552)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025	\$/kW	1.2734
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$/kW	3.7518
Retail Transmission Rate - Network Service Rate	\$/kW	2.6689

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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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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 operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.75
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$	0.15
Distribution Volumetric Rate	\$/kW	11.4300
Rate Rider for Disposition of Global Adjustment Account (2024) - effective until April 30, 2025		
Applicable only for Non-RPP Customers	\$/kWh	(0.0003)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until April 30, 2025	\$/kW	1.2735
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until April 30, 2025		
Applicable only for Class B Customers	\$/kW	(0.0553)
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2025	\$/kW	1.0105
Retail Transmission Rate - Network Service Rate	\$/kW	2.6557

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment	\$/kWh	(0.0004)
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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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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EB-2023-0048

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses - applied to measured demand and 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.

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Customer Administration

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection charge - at meter - during regular hours	\$	65.00
Reconnection charge - at meter - after hours	\$	185.00
Reconnection charge - at pole - during regular hours	\$	185.00
Reconnection charge - at pole - after hours	\$	415.00

Other

Special meter reads	\$	30.00
Service call - customer-owned equipment		Time & Materials
Service call - after regular hours		Time & Materials
Temporary service - install & remove - overhead - no transformer		Time & Materials
Temporary service - install & remove - underground - no transformer		Time & Materials
Temporary service - install & remove - overhead - with transformer		Time & Materials
Specific charge for access to the power poles - \$/pole/year		
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	37.78
Removal of overhead lines - during regular hours		Time & Materials
Removal of overhead lines - after hours		Time & Materials
Roadway escort - after regular hours		Time & Materials

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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.

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	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	1.0462
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0357

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TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a single family unit, non-commercial. This can be a separately metered living accommodation, town house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	41.40
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	3.46
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0093

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2025

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

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 peak demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	24.09
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	2.01
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0344
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2025) - effective until April 30, 2026	\$/kWh	(0.0003)
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$/kWh	0.0029
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0087

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly peak demand used for billing purposes over the past 12 months is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Class A and Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	133.07
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	11.11
Distribution Volumetric Rate	\$/kW	9.0207

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2025) - effective until April 30, 2026	\$/kW	0.0883
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$/kW	0.7424
Retail Transmission Rate - Network Service Rate	\$/kW	3.4987
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.4002

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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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 peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the Distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.76
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	1.23
Distribution Volumetric Rate	\$/kWh	0.0513
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$/kWh	0.0043
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0087

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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approved schedules of Rates, Charges and Loss Factors

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential or General Service customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.70
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	0.39
Distribution Volumetric Rate	\$/kW	43.8388
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$/kW	3.6592
Retail Transmission Rate - Network Service Rate	\$/kW	2.6521

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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approved schedules of Rates, Charges and Loss Factors

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 operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined on accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.81
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$	0.15
Distribution Volumetric Rate	\$/kW	11.8072
Rate Rider for Recovery of SSG Project (2024) - effective until April 30, 2026	\$/kW	0.9855
Retail Transmission Rate - Network Service Rate	\$/kW	2.6390

MONTHLY RATES AND CHARGES - Regulatory Component

Rate Rider for Embedded Generation Adjustment - effective until next COS	\$/kWh	(0.0004)
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

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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approved schedules of Rates, Charges and Loss Factors

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses - applied to measured demand and 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

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
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PUC Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2025
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Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection charge - at meter - during regular hours	\$	65.00
Reconnection charge - at meter - after hours	\$	185.00
Reconnection charge - at pole - during regular hours	\$	185.00
Reconnection charge - at pole - after hours	\$	415.00

Other

Special meter reads	\$	30.00
Service call - customer-owned equipment		Time & Materials
Service call - after regular hours		Time & Materials
Temporary service - install & remove - overhead - no transformer		Time & Materials
Temporary service - install & remove - underground - no transformer		Time & Materials
Temporary service - install & remove - overhead - with transformer		Time & Materials
Specific charge for access to the power poles - \$/pole/year		39.14
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	39.14
Removal of overhead lines - during regular hours		Time & Materials
Removal of overhead lines - after hours		Time & Materials
Roadway escort - after regular hours		Time & Materials

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	\$	121.23
Monthly fixed charge, per retailer	\$	48.50

PUC Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2025
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Monthly variable charge, per customer, per retailer	\$/cust.	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.71)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.61
Processing fee, per request, applied to the requesting party	\$	1.20
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)	\$	4.85
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)	\$	2.42

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	1.0462
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0357

5.3 *Are the amounts proposed for inclusion in rate base for the Incremental Capital Module approved in EB-2018-0219/EB-2020-0249 and the proposed treatment of the associated true-up appropriate?*

Complete Settlement:

As part of the pre-settlement clarification responses, PUC revised its 2022 SSG Project cost estimate due to the delay in completion of the project. As set out below, the Parties have agreed to the revised value for the SSG Project, comprised of 2022 net book value and 2023 capital additions, that until its next rebasing application will be recovered outside of base rates through the SSG Project Recovery Mechanism.

Table 5.3A
Addition of ICM Assets to SSG Rate Base
(Sault Smart Grid – EB-2018-0219/EB-2020-0249)

Accounts	Description	Additions 2022	Accumulated Amortization as of December 31, 2022	Net Book Value December 31, 2022
1820	Distribution Station Equipment	\$8,702,746	\$108,784	\$8,593,962
1830	Poles, Towers and Fixtures	\$461,127	\$5,124	\$456,003
1835	Overhead Conductors and Devices	\$893,956	\$7,450	\$886,506
1845	Underground Conductors and Devices	\$431,751	\$5,397	\$426,354
1850	Line Transformers	\$155,030	\$1,938	\$153,092
1980	System Supervisory Equipment	\$1,472,423	\$36,811	\$1,435,612
2440	Contributions and Grants	(\$3,090,576)	(\$38,632)	(\$3,051,944)
Total		\$9,026,456	\$126,871	\$8,899,586
Accounts	Description	2023 Additions	Accumulated Amortization as of December 31, 2023	Net Book Value December 31, 2023
1820	Distribution Station Equipment	\$14,211,278	\$503,994	\$22,410,030
1830	Poles, Towers and Fixtures	\$753,003	\$23,738	\$1,190,392
1835	Overhead Conductors and Devices	\$1,459,798	\$34,514	\$2,319,240
1845	Underground Conductors and Devices	\$705,033	\$25,004	\$1,111,780
1850	Line Transformers	\$253,158	\$8,978	\$399,210
1980	System Supervisory Equipment	\$2,404,415	\$170,542	\$3,706,296
2440	Contributions and Grants	(\$4,264,862)	(\$169,207)	(\$7,186,231)
Total		\$15,521,823	\$597,562	\$23,950,718

Table 5.3B below shows the ICM True-up Calculations for the SSG Project and the differences in amounts between the ICM decision EB-2018-0219/EB-2020-0249, Application and Interrogatories and the amounts agreed to by the Parties during settlement. A large portion of the 2022 capital work is being completed in 2023, it has resulted in a \$485,488 refund to customers for the ICM true-up calculation.

Table 5.3B
ICM True-Up Calculations
(Sault Smart Grid – EB-2018-0219/EB-2020-0249)

	ICM Decision (half year)	Application & Interrogatories	Settlement: 2022 year End (half year)
Capital Expenditures	\$33,495,218	\$29,972,849	\$17,641,397
Reduction for Materiality Threshold	\$5,414,316	\$5,414,316	\$5,414,316
<i>Maximum Eligible Amount</i>	\$28,080,902	\$24,558,533	\$12,227,081
	ICM Decision (half year)	Application & Interrogatories	Settlement: 2022 year End (half year)
Depreciation Expenses	\$695,799	\$600,448	\$253,741
<i>Maximum Eligible Amount</i>	\$347,900	\$300,224	\$126,871
PILS Impact	(\$206,565)	(\$63,115)	(\$26,678)
Return	\$734,276	\$631,604	\$266,934
Incremental Revenue Requirement	\$875,611	\$868,713	\$367,126
	ICM Decision	Application & Interrogatories	Settlement: 2022 year End (half year)
Rate Rider Revenues Actual/Projected		\$852,614	\$852,614
Incremental Revenue Requirement		\$868,713	\$367,126
Variance		\$16,099	(\$485,488)

Sault Smart Grid Project Recovery Mechanism (“SSG Project Recovery Mechanism”)

On April 29, 2021, PUC received approval from the OEB for the amended and restated Incremental Capital Module (“ICM”) application for new rates effective May 1, 2022 in EB-2020-0249/EB-2018-0219. The Sault Smart Grid Project (“SSG Project”) is a proposed community wide smart grid which will cover PUC’s entire service territory. The SSG Project is expected to transform PUC’s entire distribution system through an integrated project implementing various technologies such as Voltage/VAR Optimization, Distribution Automation and Advanced Metering Infrastructure.

The SSG Project carries a total net capital spend of \$24.5 million and represents approximately 1/4th of PUC’s total rate base. The SSG Project was initially expected to be fully completed and in

service by December 31, 2022, however due to unforeseen circumstances² PUC updated the estimate of project spending during the pre-settlement clarification responses which outlined a net project spend of \$9M in 2022 and the remaining \$15.5M in 2023. The 2023 SSG Project additions represents 14.6% of PUC's average net fixed assets.

In its pre-settlement clarification responses, PUC also brought forth an SSG Foregone Revenue Requirement Accounting Order intended to make PUC whole for the revenue requirement on the \$15.5 million of 2023 SSG additions due to application of the half-year rule to additions placed in service in the test year. Without the proposed account, PUC noted that it would be foregoing revenue requirement each year which could put the utility in an under earnings situation beginning in 2024 and substantially impair its cash flow. The Parties agreed that some form of mechanism was required to help PUC make up some of the shortfall in revenue requirement as a result of the SSG Project delay given its size and the fact the OEB has approved the project.

The SSG Project Recovery Mechanism is of unprecedented nature and one of a kind considering the large value the SSG Project itself, which was previously approved as ICM in EB-2020-0249/EB-2018-0219. The Parties agreed that the SSG Project Recovery Mechanism is not meant to be precedent and is being agreed to in the context of a full settlement, and is appropriate because of the SSG Project size, unique circumstances related to the project delay, and the previous approvals in EB-2020-0249/EB-2018-0219.

As noted above, it was agreed upon between PUC and intervenors that some mechanism was required to allow PUC to recover the revenue requirement for the \$15.5 million 2023 investment in the SSG Project as a result of delays PUC incurred in completing all SSG capital additions in 2022. The Parties agreed to the SSG Project Recovery Mechanism, which removes the entire SSG Project (comprised of 2022 net book value and 2023 capital additions) from PUC's rate base and calculates separate rate riders to recover the SSG revenue requirement until rebasing in 2028. The SSG Model shows the revenue requirement components including depreciation, PILs with the associated CCA (excluding 2022 CCA on 2022 additions which has been captured in the tax loss carry forwards and the ICM true-up calculation), and Return on Rate Base. The model then uses the 2023 Cost of Service Rate Application information (as adjusted by any relevant agreed upon changes in this settlement proposal) to allocate revenue requirement to each rate class and the same Fixed/Variable split for calculating the rate riders to be collected from customers. The following describes each component in detail.

1) SSG Project In Service Additions – For the purposes of calculating the rate rider, PUC will use a net project spend of \$9,026,457 for 2022 in service additions and \$15,521,823 for 2023 in service additions.

2) Depreciation – A straight line method is used for calculating depreciation which is in line with current PUC practices. 2023 Depreciation will be on a half year basis for the 2023 in service additions and full year basis for the 2022 in-service additions. In years 2024-2027 depreciation is

² For further explanation, please refer to Pre-Settlement Clarification Question CCC-55 in Appendix F.

set at an amount of \$687,641/year. The depreciation total is net of amortization of contributed capital.

3) CCA - The CCA calculation tab calculates actual CCA in each respective year to reflect the amount of CCA that PUC would deduct from its taxable income on its tax return from 2022 (the first year where there is CCA on the SSG Project) to 2027. The 2022 CCA is excluded from the SSG Recovery Mechanism as it has been accounted for through other mechanisms. In 2022, PUC will deduct approximately \$1,083,675 in CCA. Of this amount, \$361,075 has already been included as a deduction in the PILs of the ICM true up calculation outlined above. The remaining \$722,117 has been included in PUC's tax loss carry forward total that is to be refunded to customers as outlined in Issue 4.3 above. Therefore, the SSG Project Recovery Mechanism only considers the 2023 to 2027 PILs impact. Table E summarizes the total CCA for the SSG Project and where the amounts have been allocated.

Table E – CCA Calculation for SSG Project

Total CCA from 2022 to 2027	9,527,652
2022 CCA included in ICM True up	361,058
2022 CCA included in tax loss carry forward refund	722,117
Revised Total of CCA for SSG Project Recovery Mechanism	8,444,477
Smoothed Yearly	1,688,895

It has been agreed upon that the 2022-2027 aggregate of \$8,444,477 will be smoothed across 2023-2027 to help balance the impacts of accelerated CCA.

4) Cost of Capital Parameters – The parties have agreed to use PUC's 2023 cost of capital parameters for calculating the return on rate base.

5) Incremental Revenue Requirement – The yearly incremental revenue requirement to calculate the basis of the rate rider is presented in Table F below.

Table F: Yearly Revenue Requirement¹

Incremental Revenue Requirement	2023	2024	2025	2026	2027
Return on Rate Base - Total	\$ 1,042,866	\$ 1,498,849	\$ 1,455,189	\$ 1,411,530	\$ 1,367,870
Amortization Expense - Total	\$ 470,691	\$ 687,641	\$ 687,641	\$ 687,641	\$ 687,641
Grossed-Up Taxes/PILs	\$ (217,497)	\$ (42,332)	\$ (51,615)	\$ (60,897)	\$ (70,179)
Incremental Revenue Requirement with CCA	\$ 1,296,060	\$ 2,144,158	\$ 2,091,216	\$ 2,038,274	\$ 1,985,332

¹ – The calculation of 2024-2027 revenue requirement will change once the SSG Project actual spending is reconciled.

6) Rate Design – PUC is proposing to collect SSG revenue requirement from customers in the same proportion as distribution revenue collected as from customers pursuant to the Settlement Proposal. The percentage allocations are shown in the Table G below reflect the as settled revenue requirement percentages that are applicable to the SSG Project.

Table G – Rate Design

Customer Class	Rev Requirement %
Residential	60.2%
GS < 50 kW	15.8%
GS >50 to 4,999 kW	22.6%
Street Lighting	1.0%
Sentinel Lighting	0.2%
Unmetered and Scattered	0.2%
Total	100.0%

7) Fixed/Volumetric Split – PUC is proposing a fixed/volumetric split that matches the splits agreed to in this Settlement Proposal for distribution revenue, as presented in Table H below for the 2023 Rate Year

Table H – Fixed/Volumetric Split

2023				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Volumetric Revenue	Fixed Revenue
Residential	0%	100%	\$ 45	\$ 779,792
GS < 50 kW	75%	25%	\$ 154,073	\$ 50,854
GS >50 to 4,999 kW	90%	10%	\$ 264,746	\$ 28,416
Street Lighting	33%	67%	\$ 4,398	\$ 9,009
Sentinel Lighting	58%	42%	\$ 1,284	\$ 924
Unmetered and Scattered	91%	9%	\$ 2,335	\$ 229
Total			\$ 426,880	\$ 869,224
2024				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Volumetric Revenue	Fixed Revenue
Residential	0%	100%	\$ 74	\$ 1,290,062
GS < 50 kW	75%	25%	\$ 254,894	\$ 84,131
GS >50 to 4,999 kW	90%	10%	\$ 437,986	\$ 47,011
Street Lighting	33%	67%	\$ 7,276	\$ 14,904
Sentinel Lighting	58%	42%	\$ 2,124	\$ 1,528
Unmetered and Scattered	91%	9%	\$ 3,862	\$ 379
Total			\$ 706,216	\$ 1,438,016

2025				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Volumetric Revenue	Fixed Revenue
Residential	0%	100%	\$ 72	\$ 1,258,209
GS < 50 kW	75%	25%	\$ 248,600	\$ 82,054
GS >50 to 4,999 kW	90%	10%	\$ 427,172	\$ 45,850
Street Lighting	33%	67%	\$ 7,096	\$ 14,536
Sentinel Lighting	58%	42%	\$ 2,072	\$ 1,491
Unmetered and Scattered	91%	9%	\$ 3,767	\$ 370
Total			\$ 688,778	\$ 1,402,509
2026				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Volumetric Revenue	Fixed Revenue
Residential	0%	100%	\$ 70	\$ 1,226,356
GS < 50 kW	75%	25%	\$ 242,306	\$ 79,976
GS >50 to 4,999 kW	90%	10%	\$ 416,357	\$ 44,689
Street Lighting	33%	67%	\$ 6,916	\$ 14,168
Sentinel Lighting	58%	42%	\$ 2,020	\$ 1,453
Unmetered and Scattered	91%	9%	\$ 3,672	\$ 360
Total			\$ 671,341	\$ 1,367,003
2027				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Volumetric Revenue	Fixed Revenue
Residential	0%	100%	\$ 68	\$ 1,194,502
GS < 50 kW	75%	25%	\$ 236,013	\$ 77,899
GS >50 to 4,999 kW	90%	10%	\$ 405,543	\$ 43,529
Street Lighting	33%	67%	\$ 6,737	\$ 13,800
Sentinel Lighting	58%	42%	\$ 1,967	\$ 1,415
Unmetered and Scattered	91%	9%	\$ 3,576	\$ 351
Total			\$ 653,904	\$ 1,331,496

7) **Billing Determinants / Rate Rider Calculation** – PUC is proposing to use the billing determinants agreed to in this Settlement Proposal for distribution revenue, as presented in Table I below for the 2023 rate year. The rate riders will be updated annually in accordance with Table I below to reflect the annual revenue requirements calculated based on the project's forecasted costs as set out in the SSG Model.. .

Table I – Billing Determinants / Rate Rider Calculation

2023 (effective from May 1, 2023 to April 30, 2024)					
	Billing Determinants			Rate Riders	
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 2.14	0
GS < 50 kW	3400	86,539,469	kWh	\$ 1.25	0.0018
GS >50 to 4,999 kW	344	575,372	kW	\$ 6.88	0.4601
Street Lighting	8037	7,200	kW	\$ 0.09	0.6108
Sentinel Lighting	317	566	kW	\$ 0.24	2.2678
Unmetered and Scattered	25	878,528	kWh	\$ 0.76	0.0027
Total					
2024 (effective from May 1, 2024 to April 30, 2025)					
	Billing Determinants			Rate Riders	
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 3.54	0
GS < 50 kW	3400	86,539,469	kWh	\$ 2.06	0.0029
GS >50 to 4,999 kW	344	575,372	kW	\$ 11.39	0.7612
Street Lighting	8037	7,200	kW	\$ 0.15	1.0105
Sentinel Lighting	317	566	kW	\$ 0.40	3.7518
Unmetered and Scattered	25	878,528	kWh	\$ 1.26	0.0044
Total					
2025 (effective from May 1, 2025 to April 30, 2026)					
	Billing Determinants			Rate Riders	
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 3.46	0
GS < 50 kW	3400	86,539,469	kWh	\$ 2.01	0.0029
GS >50 to 4,999 kW	344	575,372	kW	\$ 11.11	0.7424
Street Lighting	8037	7,200	kW	\$ 0.15	0.9855
Sentinel Lighting	317	566	kW	\$ 0.39	3.6592
Unmetered and Scattered	25	878,528	kWh	\$ 1.23	0.0043
Total					

2026 (effective from May 1, 2026 to April 30, 2027)					
	Billing Determinants				
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 3.37	0
GS < 50 kW	3400	86,539,469	kWh	\$ 1.96	0.0028
GS >50 to 4,999 kW	344	575,372	kW	\$ 10.83	0.7236
Street Lighting	8037	7,200	kW	\$ 0.15	0.9606
Sentinel Lighting	317	566	kW	\$ 0.38	3.5666
Unmetered and Scattered	25	878,528	kWh	\$ 1.20	0.0042
Total					
2027 (effective from May 1, 2027 to April 30, 2028)					
	Billing Determinants				
Customer Class	# of Customers	Consumption	unit	Fixed Rate	Volumetric Rate
Residential	30340	282,922,375		\$ 3.28	0
GS < 50 kW	3400	86,539,469	kWh	\$ 1.91	0.0027
GS >50 to 4,999 kW	344	575,372	kW	\$ 10.54	0.7048
Street Lighting	8037	7,200	kW	\$ 0.14	0.9356
Sentinel Lighting	317	566	kW	\$ 0.37	3.4739
Unmetered and Scattered	25	878,528	kWh	\$ 1.17	0.0041
Total					

8) 2028 COS True up Calculation– The SSG Project Recovery Mechanism will be subject to an asymmetrical true-up mechanism for the period of May 1, 2023 to April 30, 2028, to the benefit of ratepayers, that will be tracked in the new variance account, Account 1508, Sub-account SSG Project Recovery Mechanism Variance Account. PUC’s net recovery for the SSG Project during this period after considering this sub-account will be the lower of

- total rate riders collected from May 1, 2023 to April 30, 2028
- the sum of 2023 to 2027 revenue requirements, where the annual revenue requirement is the lower of i) the recalculated revenue requirement based on actual SSG Project capital costs and in-service dates, and ii) the settled forecasted revenue requirement used to calculate the SSG Recovery Mechanism Rate Rider.

The full details of the true up calculation is outlined in Accounting Order attached as Appendix I – 2023 Cost of Service Application – The Sault Smart Grid Project Recovery Mechanism Variance Account.

As the revenue requirement included in the SSG Project Recovery Mechanism is intended to allow recovery of the costs of the SSG Project set out in Table D.1 above, but through a different recovery

mechanism than if the amount had been included in base rates, the Parties agree that PUC will make appropriate adjustments in its historical fixed assets continuity schedules so that the remaining net book value of the SSG Project related costs that should be added to PUC's rate base at its next rebasing is equal to the actual costs up to a maximum of the forecasted costs in Table D.1 under the Summary section. Any increase in costs from what has been forecasted in Table D.1, which will not be recovered through the SSG Project Recovery Mechanism, will be subject to a prudence review, if PUC seeks to add that additional amount to rate base at its next rebasing.

Evidence:

Application: Exhibit 1 Section 1.2.3, Exhibit 2 Section 2.2 and 2.8

IRRs: 2-Staff-13, 2-Staff-14, 2-Staff-17 through 2-Staff-20, 2-Staff-24 through 2-Staff-29; VECC-2 through VECC-9, VECC-54; CCC-16, CCC-17; SEC-7, SEC-9 and SEC-10

Appendices to this Settlement Proposal:

Appendix B – Updated Appendix 2-AB: Capital Expenditure Summary

Settlement Models:

PUC_2023_DVA_Continuity_Schedule_SETTLEMENT_FINAL

Clarification Responses: 2-Staff-119, 2-Staff-120, 9-Staff-130; SEC-2, CCC-55

Supporting Parties: All

Parties Taking No Position: None.