

## **DECISION AND RATE ORDER**

EB-2024-0044

NIAGARA-ON-THE-LAKE HYDRO INC.

Application for rates and other charges to be effective January 1, 2025

**BEFORE:** David Sword

**Presiding Commissioner** 

Fred Cass
Commissioner

## 1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Niagara-on-the-Lake Hydro Inc. (NOTL Hydro) charges to distribute electricity to its customers, effective January 1, 2025.

As a result of this Decision, there will be a monthly total bill decrease of \$1.61 for a residential customer with a monthly consumption of 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

## 2. CONTEXT AND PROCESS

NOTL Hydro filed its application on August 13, 2024 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with <u>Chapter 3 (Incentive Rate-Setting Applications)</u> of the OEB's *Filing Requirements for Electricity Distribution Rate Applications* (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) used by the OEB.<sup>1</sup> It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing adjustment years.

The OEB follows a standardized and streamlined process for processing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. A distributor then reviews, completes, and includes the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

NOTL Hydro serves approximately 9,700 mostly residential and commercial electricity customers in the Town of Niagara-on-the-Lake.

Notice of the application was issued on September 3, 2024. There were no intervenors. The OEB made no provision for cost awards in this proceeding.

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

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

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<sup>&</sup>lt;sup>1</sup> Each of these options is explained in the OEB's <u>Handbook for Utility Rate Applications</u>.

## 3. DECISION OUTLINE

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

- Annual Adjustment Mechanism
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Group 2 Deferral and Variance Accounts

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

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges<sup>2</sup> and loss factors, which are out of the scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

<sup>&</sup>lt;sup>2</sup> Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the OEB's Decision and Order in EB-2024-0226, September 26, 2024, established the adjustment for energy retailer service charges, effective January 1, 2025; and the OEB's Decision and Order in EB-2024-0227, issued September 26, 2024, established the 2025 Wireline Pole Attachment Charge, effective January 1, 2025.

## 4. ANNUAL ADJUSTMENT MECHANISM

NOTL Hydro has applied to change its rates, effective January 1, 2025. The proposed rate change is based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.<sup>3</sup>

The components of the Price Cap adjustment formula applicable to NOTL Hydro are set out in the table below. Inserting these components into the formula results in a 3.45% increase to NOTL Hydro's rates: 3.45% = 3.60% - (0.00% + 0.15%).

	Components	Amount
Inflation factor <sup>4</sup>		3.60%
Lana, V fantau	Productivity factor <sup>5</sup>	0.00%
Less: X-factor	Stretch factor (0.00% to 0.60%) <sup>6</sup>	0.15%

**Table 4.1: Price Cap IR Adjustment Formula** 

An inflation factor of 3.60% applies to all IRM applications for the 2025 rate year. The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that varies among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income. The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all IRM applications for the 2025 rate year. The stretch factor component of the X-factor is one of five stretch factor groupings established by the OEB, ranging from 0.00% to 0.60%. The stretch factor assigned to any distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to NOTL Hydro is 0.15%, resulting in a rate adjustment of 3.45%.

Decision and Rate Order December 12, 2024

<sup>&</sup>lt;sup>3</sup> The adjustment does not apply to the following components of delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges (other than the Wireline Pole Attachment charge), and microFIT charge.

<sup>&</sup>lt;sup>4</sup> OEB Letter, 2025 Inflation Parameters, issued June 20, 2024

<sup>&</sup>lt;sup>5</sup> Report of the Ontario Energy Board – "Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors" EB-2010-0379, December 4, 2013

<sup>&</sup>lt;sup>6</sup> Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update", prepared by Pacific Economics Group LLC., August 6, 2024

## **Findings**

NOTL Hydro's request for a 3.45% rate increase is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and NOTL Hydro's new rates shall be effective January 1, 2025.

## 5. RETAIL TRANSMISSION SERVICE RATES

In Ontario, some distributors are connected directly to a licensed transmitter, while others may be embedded, or partially-embedded, within the distribution system of another licensed distributor. NOTL Hydro is transmission connected.

To recover its cost of transmission services, NOTL Hydro requests approval to adjust the Retail Transmission Service Rates (RTSRs) that it charges its customers in accordance with the Uniform Transmission Rates (UTRs) currently in effect. NOTL Hydro updated its RTSRs based on the preliminary UTRs (and if applicable, Hydro One's proposed host-RTSRs). The OEB sets the UTRs based on the approved revenue requirements for multiple transmitters. Preliminary UTRs are based on those revenue requirements that have already been approved for 2025. These preliminary UTRs are to be used for the setting of RTSRs to minimize the accumulation of variances in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge). The cost consequences of any future adjustments to 2025 UTRs to reflect remaining approvals to a transmitter's revenue requirement will be tracked in these accounts and recovered over time.

## **Findings**

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

The RTSRs have been adjusted based on the preliminary UTRs.<sup>7</sup>

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

<sup>&</sup>lt;sup>7</sup> EB-2024-0244, OEB Letter "2025 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates", issued November 1, 2024

## 6. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

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

The 2023 year-end net balance for NOTL Hydro's Group 1 accounts eligible for disposition, including interest projected to December 31, 2024, is a credit of \$128,224, and pertains to variances accumulated during the 2023 calendar year. This amount represents a total claim of \$0.0005 per kWh, which does not exceed the disposition threshold.

NOTL Hydro has requested disposition of this amount over a one-year period. Although the disposition request is below the threshold, NOTL Hydro states that disposition is practical as it ensures the refund aligns with the customers who contributed to the balances.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Global Adjustment (GA) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for GA charges based on their monthly consumption, either as a standalone charge or embedded in the Regulated Price Plan (RPP). A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges. The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed of through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

NOTL Hydro had one or more Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B variance account

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<sup>&</sup>lt;sup>8</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative" (EDDVAR), EB-2008-0046, July 31, 2009

<sup>&</sup>lt;sup>9</sup> OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

<sup>&</sup>lt;sup>10</sup> For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s <u>website</u>.

<sup>&</sup>lt;sup>11</sup> All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's website.

disposed of through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

During the period in which variances accumulated, NOTL Hydro had one or more customers transition between Class A and Class B. Under the general principle of cost causality, customer groups that cause variances that are recorded in Group 1 accounts should be responsible for paying the debits (or receiving credits) for their disposal. NOTL Hydro has proposed to allocate a portion of the GA and CBR Class B balances to its transition customers, based on their customer-specific consumption levels. The amounts allocated to each transition customer are proposed to be recovered by way of 12 equal monthly installments charges/payments.

In its submission, which was agreed to by NOTL Hydro, OEB staff supported the proposed final disposition of the Group 1 account balances.<sup>13</sup>

## **Findings**

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

The OEB approves the disposition of a credit balance of \$128,224 as of December 31, 2023, including interest projected to December 31, 2024, for Group 1 accounts on a final basis.

Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition.

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<sup>12 2025</sup> IRM Rate Generator Model, Tab 6.1a "GA Allocation" and Tab 6.2a "CBR B\_Allocation"

<sup>&</sup>lt;sup>13</sup> OEB Staff Submission, November 1, 2024 p. 3

Table 6.1: Group 1 Deferral and Variance Account Balances

Account Name and Number		Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Metering Entity Charge Variance Account	1551	(19,404)	(1,467)	(20,871)
RSVA - Wholesale Market Service Charge	1580	(291,243)	(18,799)	(310,043)
Variance WMS - Sub-account CBR Class B	1580	37,117	1,677	38,794
RSVA - Retail Transmission Network Charge	1584	73,119	6,152	79,271
RSVA - Retail Transmission Connection Charge	1586	(5,436)	(526)	(5,962)
RSVA – Power	1588	(18,205)	(2,947)	(21,152)
RSVA - Global Adjustment	1589	38,874	3,891	42,765
Disposition and Recovery/ Refund of Regulatory Balances (2019)	1595	0	12,713	12,713
Disposition and Recovery/ Refund of Regulatory Balances (2020)		36,024	20,238	56,261
Total for Group 1 accounts		(149,155)	20,931	(128,224)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*. <sup>14</sup> The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges,

<sup>&</sup>lt;sup>14</sup> Article 220, Account Descriptions, *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012

and payments, as applicable, will be in effect over a one-year period from January 1, 2025 to December 31, 2025. 15

 $^{\rm 15}$  2025 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B\_Allocation and Tab 7 Calculation of Def-Var RR

## 7. GROUP 2 DEFERRAL AND VARIANCE ACCOUNTS

NOTL Hydro requested the disposition of Account 1508 - Other Regulatory Assets, Sub-account – Large Use Customer Revenue Variance Account in the credit amount of \$62,938 over one year, starting from January 1, 2025.

In NOTL Hydro's 2024 cost of service application, <sup>16</sup> the OEB approved the continuation of the Account 1508 Sub-account – Large Use Customer Revenue Variance Account to track variances in estimated variable distribution revenue from 5,000 KW demand. This sub-account, formerly known as the Specified Customer Revenue Variance Account (SCRVA), was first established in NOTL Hydro's 2019 cost of service application<sup>17</sup> to capture variances between actual distribution revenue and the forecasted distribution revenue for a specific Large Use customer.

For further historical context on the account in reference in this proceeding, NOTL Hydro had a 2022 application <sup>18</sup> regarding changes to the Large Use Service Retail Transmission Rates and an amendment of the SCRVA. The OEB approved the modification made to the SCRVA which was to amend the SCRVA into a general variance account applicable to all Large Use customers and also approved to change the name to "Large Use Customer Revenue Variance Account". The OEB agreed that this amended account would be consistent with the original purpose of the variance account that was established to address load uncertainty. It also noted that NOTL Hydro regarded the new customer's load with greater uncertainty, compared to the load of the former Large Use customer for which the account was established.<sup>19</sup>

In NOTL Hydro's 2024 cost of service application, the OEB approved the continuation of the Large Use Customer Revenue Variance account and also attached a draft accounting order for the Large Use Customer Revenue Variance account from the original proposal. It stated that "[a] rate rider will be determined for all customer classes including the Large User class."<sup>20</sup>

OEB staff supported the disposition of the proposed 2023 balance in Account 1508 subaccount Large Use Customer Revenue Variance Account as OEB staff noted no issues from the proposed balance in 2023. OEB staff also supported NOTL Hydro's proposal of

<sup>17</sup> EB-2018-0056

<sup>&</sup>lt;sup>16</sup> EB-2023-0041

<sup>&</sup>lt;sup>18</sup> EB-2022-0158, Decision and Order, August 18, 2022

<sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> EB-2023-0041, Niagara-on-the-Lake Hydro's 2024 Cost of Service Decision and Order, Schedule B Decision and Order Accounting Order for Specified Customer Revenue Variance Account.

allocating the balance in the account to customer classes based on distribution revenues in the classes.<sup>21</sup>

In its reply submission, NOTL Hydro was in agreement with OEB staff's submission.

### **Findings**

The OEB approves NOTL Hydro's proposed disposition of the 2023 balance in Account 1508 sub-account Large Use Customer Revenue Variance Account in the credit amount of \$62,938. The OEB notes that the proposed approach to disposition is consistent with that established in NOTL Hydro's 2024 cost of service application.

<sup>&</sup>lt;sup>21</sup> OEB Staff Submission, November 1, 2024, pp. 2-3

## 8. IMPLEMENTATION

This Decision and Order is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the following regulatory rates and charges set out in Table 8.1.

**Table 8.1: Regulatory Rates and Charges** 

Rates	per kWh (\$)
Rural or Remote Electricity Rate Protection (RRRP)	0.0015
Wholesale Market Service (WMS) billed to Class A and B Customers	0.0041
Capacity Based Recovery (CBR) billed to Class B Customers	0.0004
Charges	(\$)
Smart Metering Entity Charge	0.42
Smart Metering Entity Charge microFIT Charge	0.42 10.00

Each of the rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP and WMS rates were set by the OEB on December 10, 2024.<sup>22</sup>

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on September 8, 2022.<sup>23</sup>

<sup>&</sup>lt;sup>22</sup> EB-2024-0282, Decision and Order, December 10, 2024

<sup>&</sup>lt;sup>23</sup> EB-2022-0137, Decision and Order, September 8, 2022

## 9. ORDER

#### THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. Niagara-on-the-Lake Hydro Inc.'s new final distribution rates shall be effective January 1, 2025, in accordance with this Decision and Rate Order.
- 2. The Tariff of Rates and Charges set out at Schedule A of this Decision and Rate Order is deemed draft until the following procedural steps have been complied with:
  - Niagara-on-the-Lake Hydro Inc. shall review the Tariff of Rates and Charges and shall file with the OEB a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by December 17, 2024.
  - ii. The Tariff of Rates and Charges will be considered final if Niagara-on-the-Lake Hydro Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 2.i.
  - iii. If the OEB receives a submission from Niagara-on-the-Lake Hydro Inc.to the effect that inaccuracies were found or information was missing pursuant to item 2.i, the OEB will consider the submission and issue a final Rate Order.
- 3. Niagara-on-the-Lake Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

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

Please quote file number, **EB-2024-0044** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online filing portal</u>.

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

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

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

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Kelli Benincasa at <a href="Melli.Benincasa@oeb.ca">Kelli.Benincasa@oeb.ca</a>, and OEB Counsel, Ljuba Djurdjevic at Ljuba.Djurdjevic@oeb.ca.

Email: registrar@oeb.ca

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

DATED at Toronto, December 12, 2024

**ONTARIO ENERGY BOARD** 

Nancy Marconi Registrar

# SCHEDULE A DECISION AND RATE ORDER

Niagara-on-the-Lake Hydro Inc.

**TARIFF OF RATES AND CHARGES** 

EB-2024-0044

**December 12, 2024** 

#### Effective and Implementation Date January 1, 2025

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

EB-2024-0044

#### RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### **APPLICATION**

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

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

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

Service Charge	\$	35.46
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$	(0.33)
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	(0.0010)
Rate Rider for Disposition of Capacity Based Recovery Account (2025)- effective until December 31, 2025 Applicable only for Class B Customers	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0115
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0014
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2025

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

EB-2024-0044

### GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

#### **APPLICATION**

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

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

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

Service Charge	\$	45.06
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0156
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	(8000.0)
Rate Rider for Disposition of Capacity Based Recovery Account (2025)- effective until December 31, 2025		
Applicable only for Class B Customers	\$/kWh	0.0002
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0105
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0014
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2024-0044

### **GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION**

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

#### **APPLICATION**

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

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

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

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

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

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

Service Charge	\$	322.05
Distribution Volumetric Rate	\$/kW	3.0493
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025 Applicable only for Non-RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	(0.2557)
Rate Rider for Disposition of Capacity Based Recovery Account (2025)- effective until December 31, 2025 Applicable only for Class B Customers	\$/kW	0.07390
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(0.0482)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.6346
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.0674

### Effective and Implementation Date January 1, 2025

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

#### EB-2024-0044

### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2024-0044

#### LARGE USE SERVICE CLASSIFICATION

This classification applies to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### **APPLICATION**

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

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

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

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

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

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

Service Charge	\$	4,221.78
Distribution Volumetric Rate	\$/kW	2.9095
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	(0.3589)
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(0.0259)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	6.1200
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	0.9500

EB-2024-0044

## Niagara-on-the-Lake Hydro Inc. TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2025

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

### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

#### Effective and Implementation Date January 1, 2025

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

EB-2024-0044

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

Service Charge (per customer)	œ.	25.70
·	\$	25.78
Distribution Volumetric Rate	\$/kWh	0.0070
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025		
Applicable only for Non-RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kWh	(8000.0)
Rate Rider for Disposition of Capacity Based Recovery Account (2025)- effective until December 31, 2025		
Applicable only for Class B Customers	\$/kWh	0.0002
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0105
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0014
MONTHLY RATES AND CHARGES - Regulatory Component		
• • •		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

#### Effective and Implementation Date January 1, 2025

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

EB-2024-0044

#### 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 by an approved Ontario Energy Board process. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### **APPLICATION**

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

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

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

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

Service Charge (per connection)	\$	8.22
Distribution Volumetric Rate	\$/kW	12.3501
Rate Rider for Disposition of Global Adjustment Account (2025) - effective until December 31, 2025		
Applicable only for Non-RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2025) - effective until December 31, 2025	\$/kW	(2.3871)
Rate Rider for Disposition of Capacity Based Recovery Account (2025)- effective until December 31, 2025		
Applicable only for Class B Customers	\$/kW	0.0713
Rate Rider for Disposition of Large Use Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(1.4399)
Retail Transmission Rate - Network Service Rate	\$/kW	3.2335
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.3431
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates. Charges and Loss Factors

EB-2024-0044

#### STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation or Load Displacement Storage that requires Niagara-on-the-Lake Hydro to provide back-up service. Standby Charges are to be applied to behind-the-meter generators that have a nameplate capacity greater than or equal to 500kW and are not IESO market participants or IESO program participants (FIT, MicroFIT, SOP etc.) which have their own metering and settlement conventions as per regulation and legislation. For the purpose of this rate classification the term "generator" shall include electricity storage devices used for the primary purpose of Load Displacement. 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 changes, 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**

Standby Charges are based on applicable monthly General Service > 50kW to 4,999 kW or Large Use Distribution Volumetric Charges, depending on the rate classification of the generator host facility.

Distribution Charges on the generator host facility's load account will be determined by multiplying the peak hourly delivered load as measured by the load account meter in kW by applicable variable charges for the rate class. Standby Charges will be determined by multiplying the peak coincident combined kW delivered by both the distribution system and the generator, less the peak hourly delivered load in kW of the host customer facility as measured by the generator host load account meter.

Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2024-0044

### microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Indepedent 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 \$ 10.00

### Effective and Implementation Date January 1, 2025

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

EB-2024-0044

### **ALLOWANCES**

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.56)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

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

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

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

4	C	Administration

Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Account history	\$	15.00
Credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	115.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	145.00
Non-Payment of Account		
Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily)	%	1.50
Reconnection at meter - during regular hours	\$	115.00
Reconnection at meter - after regular hours	\$	415.00
Reconnection at pole - during regular hours	\$	225.00
Reconnection at pole - after regular hours	\$	810.00
Other		
Service call - customer-owned equipment - during regular hours	\$	225.00
Service call - customer-owned equipment - after regular hours	\$	810.00
Temporary service - install & remove - overhead - no transformer	\$	Variable
Temporary service - install & remove - underground - no transformer	\$	Variable
Temporary service - install & remove - overhead - with transformer	\$	Variable
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	) \$	39.14

Effective and Implementation Date January 1, 2025

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

EB-2024-0044

## 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			
Monthly variable charge, per customer, per retailer		1.20			
Distributor-consolidated billing monthly charge, per customer, per retailer		0.71			
Retailer-consolidated billing monthly credit, per customer, per retailer		(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.

1.0374
1.0145
1.0274
1.0045