



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2025-0040

ESSEX POWERLINES CORPORATION

Application for rates and other charges to be effective January 1, 2026

BY DELEGATION, BEFORE: Darryl Seal
Manager
Electricity Distribution I

December 11, 2025

1. OVERVIEW

The Ontario Energy Board (OEB) is approving changes to the rates that Essex Powerlines Corporation (Essex Powerlines) charges to distribute electricity to its customers, effective January 1, 2026.

As a result of this Decision and Rate Order, there will be a monthly total bill increase of \$7.44 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

Essex Powerlines filed its application on August 14, 2025 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with [Chapter 3 \(Incentive Rate-Setting Applications\)](#) 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.¹ It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing adjustment years.

The OEB follows a standardized and streamlined process for processing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. The 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.

Essex Powerlines serves approximately 31,500 mostly residential and commercial electricity customers in the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington, and the Town of Tecumseh.

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

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

3. DECISION OUTLINE

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

- Annual Adjustment Mechanism
- Revenue-to-Cost Ratio Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts

Instructions for implementing Essex Powerlines' new rates and charges are set out in the final section of this Decision and Rate Order.

This Decision and Rate Order does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges² and loss factors, which are out of the scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

² Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the OEB's Decision and Order in EB-2025-0199, June 19, 2025, established the adjustment for energy retailer service charges, effective January 1, 2026; and the OEB's Decision and Order in EB-2025-0200, issued June 19, 2025, established the 2026 Wireline Pole Attachment Charge, effective January 1, 2026.

4. ANNUAL ADJUSTMENT MECHANISM

Essex Powerlines has applied to change its rates, effective January 1, 2026. 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.³

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

Table 4.1: Price Cap IR Adjustment Formula

| Components | | Amount |
|-------------------------------|--|--------|
| Inflation factor ⁴ | | 3.70% |
| Less: X-factor | Productivity factor ⁵ | 0.00% |
| | Stretch factor (0.00% to 0.60%) ⁶ | 0.00% |

An inflation factor of 3.70% applies to all IRM applications for the 2026 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 2026 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

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

⁴ OEB Letter, 2026 Inflation Parameters, issued June 11, 2025

⁵ Report of the Ontario Energy Board – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

⁶ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2024 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 18, 2025

against other distributors in Ontario. The 2024 benchmarking update places Essex Powerlines in Group I with a related stretch factor of 0%.⁷

Findings

Essex Powerlines' request for a 3.70% rate increase is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Essex Powerlines' new rates shall be effective January 1, 2026.

⁷ *Ibid*

5. REVENUE-TO-COST RATIO ADJUSTMENTS

A revenue-to-cost ratio measures the relationship between the revenues that a distributor expects to receive from a class of customers and the level of costs allocated to that class. A distributor may implement an adjustment to its revenue-to-cost ratios during an IRM term, in accordance with OEB-established target ranges, if the adjustment was approved by the OEB in a previous cost of service or standalone proceeding.⁸

In this proceeding, Essex Powerlines proposed an increase to the revenue-to-cost ratio for the Sentinel Lighting service classification as approved in its 2025 cost of service application. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratios for the General Service 50 to 4,999 kW, Unmetered Scattered Load and Embedded Distributor service classifications.⁹

Table 5.1 outlines the revenue-to-cost ratio adjustments proposed by the Essex Powerlines for the 2026 rate year.

Table 5.1: Proposed Revenue-to-Cost Ratio Adjustments

| Rate Classification | Current 2025 Ratio (%) | Proposed 2026 Ratio (%) |
|---|------------------------|-------------------------|
| Residential Service | 94.18 | 94.18 |
| General Service Less than 50 kW Service | 118.65 | 118.65 |
| General Service 50 to 4,999 kW Service | 120.51 | 120.27 |
| Unmetered Scattered Load Service | 120.51 | 120.18 |
| Sentinel Lighting Service | 57.97 | 68.22 |
| Street Lighting Service | 94.18 | 94.18 |
| Embedded Distributor | 120.51 | 120.27 |

⁸ Report of the OEB – “Application of Cost Allocation for Electricity Distributors.” EB-2007-0667, November 28, 2007; and, Report of the Board – “Review of Electricity Distribution Cost Allocation Policy.” EB-2010-0219, March 31, 2011

⁹ EB-2024-0022 / EB-2024-0096, Decision and Order, October 15, 2024

Findings

The OEB approves Essex Powerlines' revenue-to-cost ratio adjustments for the 2026 rate year in accordance with Table 5.1 above. The OEB finds that the proposed adjustments are consistent with the OEB's decision on Essex Powerlines' last cost of service application.

6. 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. Essex Powerlines is fully embedded within Hydro One Networks Inc.'s (Hydro One) distribution system.

On August 29, 2025, Hydro One filed its 2026 distribution Custom IR update application with proposed new Sub-Transmission (ST) rates. By letter dated October 9, 2025,¹⁰ the OEB noted that distributors with January 1 rates affected by Hydro One's host-RTSRs should update their 2026 rate applications with Hydro One's proposed ST RTSRs. The OEB also stated that distributors with January 1 rates should update their 2026 rate applications to reflect preliminary Uniform Transmission Rates (UTRs), which were announced by the OEB on the same date. Accordingly, Essex Powerlines updated its RTSRs based on Hydro One's proposed host-RTSRs and UTRs based on the 2026 preliminary UTRs.

To recover its cost of transmission services, Essex Powerlines requests approval to adjust the RTSRs that it charges its customers in accordance with the proposed host-RTSRs for Hydro One.

On March 31, 2025, the OEB issued a report on the design of a new Electric Vehicle Charging Rate (EVC Rate), *Electric Vehicle Charging Rate Overview – Final Report*. The EVC Rate reduces the RTSRs that participating electric vehicle charging stations pay. The report requires electricity distributors to begin offering the EVC Rate to eligible customers in 2026, once their OEB-approved 2026 distribution rates become effective.

Findings

Essex Powerlines' proposed adjustment to its RTSRs is approved.

The RTSRs have been adjusted based on the proposed host-RTSRs for Hydro One.

If final host-RTSRs differ from the 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).

¹⁰ 2026 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates - OEB File Number: EB-2025-0232, October 9, 2025

In accordance with the OEB's March 31, 2025 report, Essex Powerlines will provide eligible electric vehicle charging station customers with the option to elect to be charged the RTSRs on the basis of the EVC Rate.

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts (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.¹¹ If the net balance does not exceed the threshold, a distributor may still request disposition.¹²

The 2024 year-end net balance for Essex Powerlines' Group 1 accounts eligible for disposition, including interest projected to December 31, 2025, is a debit of \$1,520,739 and pertains to variances accumulated during the 2024 calendar year. This amount represents a total claim of \$0.0027 per kWh, which exceeds the pre-set disposition threshold of \$0.001 per kWh.

Essex Powerlines has requested disposition of this amount over a one-year period.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers. Customers pay different costs, 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 one-year 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).¹³ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁴ 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.

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

¹¹ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative" (EDDVAR), EB-2008-0046, July 31, 2009

¹² OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

¹³ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁴ All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

During the period in which variances accumulated, Essex Powerlines 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. Essex Powerlines 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.¹⁵ The amounts allocated to each transition customer are proposed to be recovered by way of 12 equal monthly installments charges.

Findings

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

The OEB approves the disposition of a debit balance of \$1,520,739 as of December 31, 2024, including interest projected to December 31, 2025, for Group 1 accounts on a final basis.

Table 7.1 identifies the principal and interest amounts, which the OEB approves for disposition.

Table 7.1: Group 1 Deferral and Variance Account Balances

| Account Name and Number | | Principal Balance (\$) A | Interest Balance (\$) B | Total Claim (\$) C=A+B |
|---|------|-----------------------------|----------------------------|---------------------------|
| LV Variance Account | 1550 | 54,499 | (8,460) | 46,039 |
| Smart Metering Entity Charge Variance Account | 1551 | (23,897) | (6,201) | (30,098) |
| RSVA - Wholesale Market Service Charge | 1580 | (208,893) | (13,678) | (222,571) |
| Variance WMS - Sub-account CBR Class B | 1580 | 264,789 | 10,310 | 275,100 |
| RSVA - Retail Transmission Network Charge | 1584 | 60,128 | 23,696 | 83,824 |
| RSVA - Retail Transmission Connection Charge | 1586 | 63,916 | 22,485 | 86,401 |
| RSVA – Power | 1588 | 217,914 | 1,937 | 219,851 |

¹⁵ 2026 IRM Rate Generator Model, Tab 6.1a “GA Allocation” and Tab 6.2a “CB105,706R B_Allocation”

| | | | | |
|---|------|------------------|---------------|------------------|
| RSVA - Global Adjustment | 1589 | 1,145,725 | 105,706 | 1,251,431 |
| Disposition and Recovery/(Refund) of Regulatory Balances (2021) | 1595 | (152,494) | (36,743) | (189,237) |
| Total for Group 1 Accounts | | 1,421,687 | 99,052 | 1,520,739 |

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*.¹⁶ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2026 to December 31, 2026.¹⁷

¹⁶ Article 220, Account Descriptions, *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012

¹⁷ 2026 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

8. IMPLEMENTATION

This Decision and Rate Order is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the 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) | 0.0006 |
| Wholesale Market Service (WMS) billed to Class A and B Customers | 0.0041 |
| Capacity Based Recovery (CBR) billed to Class B Customers | 0.0006 |
| Charges | (\$) |
| Smart Metering Entity Charge | 0.42 |
| microFIT Charge | 5.00 |
| Standard Supply Service - Administrative Charge (if applicable) | 0.25 |

Each of the rates is a component of the “Regulatory Charge” on a customer’s bill and established separately by the OEB. The RRRP and WMS rates were set by the OEB on December 11, 2025.¹⁸

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, 2022.¹⁹

The Standard Supply Service Charge is a monthly fee set by the OEB that covers the administrative costs of your local electricity utility when you buy power directly from them under the Regulated Price Plan (RPP) instead of a third-party energy retailer. This fixed charge is uniform across all utilities in the province and is in addition to the

¹⁸ EB-2025-0299, Decision and Order, December 11, 2025

¹⁹ EB-2022-0137, Decision and Order, September 8, 2022

Wholesale Market Service charge.

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁰ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On November 27, 2025, the OEB issued a letter advising electricity distributors that the microFIT charge shall be \$5.00 for the duration of the 2026 rate year (January 1 to December 31, 2026).²¹

²⁰ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

²¹ OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued November 27, 2025

9. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2026, for electricity consumed or estimated to have been consumed on and after such date. Essex Powerlines Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. In accordance with the OEB's March 31, 2025 report, *Electric Vehicle Charging Rate Overview – Final Report*, Essex Powerlines Corporation will, as of January 1, 2026, provide eligible customers with the option to elect to be charged Retail Transmission Service Rates on the basis of the Electric Vehicle Charging Rate, subject to the standard terms and conditions set out in Appendix A of the report.

DATED at Toronto, December 11, 2025

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar

SCHEDULE A
DECISION AND RATE ORDER
ESSEX POWERLINES CORPORATION
TARIFF OF RATES AND CHARGES
EB-2025-0040
December 11, 2025

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously

approved schedules of Rates, Charges and Loss Factors

EB-2025-0040

RESIDENTIAL SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge | \$ | 35.21 |
| Smart Metering Entity Charge - effective until December 31, 2027 | \$ | 0.42 |
| Low Voltage Service Rate | \$/kWh | 0.0028 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kWh | (0.0001) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 2026 Applicable only for Class B Customers | \$/kWh | 0.0005 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0102 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0074 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0040

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|--------|
| Service Charge | \$ | 43.37 |
| Smart Metering Entity Charge - effective until December 31, 2027 | \$ | 0.42 |
| Distribution Volumetric Rate | \$/kWh | 0.0169 |
| Low Voltage Service Rate | \$/kWh | 0.0026 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers | \$/kWh | 0.0005 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0087 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0071 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

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EB-2025-0040

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

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

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

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0040

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|----------|
| Service Charge | \$ | 268.10 |
| Distribution Volumetric Rate | \$/kW | 2.5987 |
| Low Voltage Service Rate | \$/kW | 1.1388 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants | \$/kW | (0.0015) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kW | 0.0149 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers | \$/kW | 0.1569 |
| Retail Transmission Rate - Network Service Rate - Interval Metered | \$/kW | 4.4509 |
| Retail Transmission Rate - Network Service Rate - Interval Metered - EV CHARGING | \$/kW | 0.7567 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered | \$/kW | 3.1577 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered - EV CHARGING | \$/kW | 0.5368 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
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EB-2025-0040

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided with electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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 | \$ | 561.97 |
| Distribution Volumetric Rate | \$/kW | 1.2441 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kW | 0.0114 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers | \$/kW | 0.1772 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0040

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|--|--------|--------|
| Service Charge (per connection) | \$ | 9.80 |
| Distribution Volumetric Rate | \$/kWh | 0.0305 |
| Low Voltage Service Rate | \$/kWh | 0.0026 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kWh | 0.0001 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 2026 Applicable only for Class B Customers | \$/kWh | 0.0005 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0087 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0071 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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approved schedules of Rates, Charges and Loss Factors

EB-2025-0040

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|---|--------|----------|
| Service Charge (per connection) | \$ | 7.13 |
| Distribution Volumetric Rate | \$/kW | 20.5118 |
| Low Voltage Service Rate | \$/kW | 0.7827 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kW | (0.0018) |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers | \$/kW | 0.1900 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.7819 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.1705 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0040

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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) | \$ | 4.82 |
| Distribution Volumetric Rate | \$/kW | 13.0369 |
| Low Voltage Service Rate | \$/kW | 0.7777 |
| Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers | \$/kWh | 0.0070 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 | \$/kW | 0.0012 |
| Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers | \$/kW | 0.1707 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.7428 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 2.1566 |

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 | 0.0006 |
| Rural or Remote Electricity Rate Protection Charge (RRRP) | \$/kWh | 0.0006 |
| Standard Supply Service - Administrative Charge (if applicable) | \$ | 0.25 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0040

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 | \$ | 5.00 |
|----------------|----|------|

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

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EB-2025-0040

ALLOWANCES

| | | |
|---|-------|--------|
| Transformer Allowance for Ownership - per kW of billing demand/month | \$/kW | (0.60) |
| Primary Metering Allowance for Transformer Losses - applied to measured demand & energy | % | (1.00) |

SPECIFIC SERVICE CHARGES

APPLICATION

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

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Duplicate invoices for previous billing | \$ | 15.00 |
| Request for other billing information | \$ | 15.00 |
| Easement letter | \$ | 15.00 |
| Income tax letter | \$ | 15.00 |
| Account history | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Special meter reads | \$ | 30.00 |
| Meter dispute charge plus Measurement Canada fees (if meter found correct) | \$ | 30.00 |

Non-Payment of Account

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

Other

| | | |
|---|----|----------|
| Service call - customer owned equipment | \$ | 30.00 |
| Service call - after regular hours | \$ | 165.00 |
| Temporary service install & remove - overhead - no transformer | \$ | 500.00 |
| Temporary service install & remove - underground - no transformer | \$ | 300.00 |
| Temporary service install & remove - overhead - with transformer | \$ | 1,000.00 |
| Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) | \$ | 40.59 |

ESSEX POWERLINES CORPORATION

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0040

RETAIL SERVICE CHARGES (if applicable)

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.

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 | \$ | 125.72 |
| Monthly fixed charge, per retailer | \$ | 50.29 |
| Monthly variable charge, per customer, per retailer | \$ | 1.24 |
| Distributor-consolidated billing monthly charge, per customer, per retailer | \$ | 0.74 |
| Retailer-consolidated billing monthly credit, per customer, per retailer | \$ | (0.74) |
| Service Transaction Requests (STR) | | |
| Request fee, per request, applied to the requesting party | \$ | 0.63 |
| Processing fee, per request, applied to the requesting party | \$ | 1.24 |
| 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) | \$ | 5.03 |
| 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) | \$ | 2.51 |

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 | 1.0425 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0320 |