



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2025-0039

FESTIVAL HYDRO INC.

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

BEFORE: **Shahrzad Rahbar**
Presiding Commissioner

December 16, 2025

1. OVERVIEW

The Ontario Energy Board (OEB) is approving a rate increase for Festival Hydro Inc. (Festival Hydro) effective January 1, 2026.

As a result of this Decision and Rate Order, it is estimated that for a typical residential customer with a monthly consumption of 750 kWh, the distribution increase (excluding pass through costs) will be \$2.07 (5.8%) per month. A typical residential customer would see a total bill impact (excluding taxes and the Ontario Electricity Rebate) of \$6.58 (4.3%) increase per month for 2026.

Festival Hydro also applied for approval of 2026 rate riders to correct Group 1 Deferral and Variance Accounts (DVAs) previously disposed of on a final basis. The OEB is denying Festival Hydro's request as the proposed recovery of the DVA balances constitutes impermissible retroactive ratemaking and does not fall within the limited circumstances in which the OEB will allow retroactive ratemaking corrections to pass-through variance accounts.

2. CONTEXT AND PROCESS

Festival Hydro 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 application also included a request for rate riders to correct Group 1 DVAs previously disposed of on a final basis.

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.

Festival Hydro serves approximately 22,500 mostly residential and commercial electricity customers in the City of Stratford, and the surrounding Towns of St. Marys, Seaforth, Brussels, Dashwood, Hensall, and Zurich.

Notice of the application was issued on September 2, 2025. There were no intervenors.

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

Festival Hydro responded to interrogatories and supplementary interrogatories from OEB staff. Final submissions on the application were filed by OEB staff and Festival Hydro on November 19, 2025 and November 20, 2025, respectively.

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
- Retail Transmission Service Rates
- Low Voltage Service Rates
- Group 1 DVA
- Correction of Rate Rider Calculations for Previously Disposed Group 1 DVA Balances

Instructions for implementing Festival Hydro's 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 certain 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

Festival Hydro 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 IR adjustment formula applicable to Festival Hydro are set out in the table below. Inserting these components into the formula results in a 3.40% increase to Festival Hydro's rates: **3.40% = 3.70% - (0.00% + 0.30%)**.

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	0.30%

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 against other distributors in Ontario.

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

OEB staff submitted that it has no concerns with Festival Hydro's proposed price cap adjustment.⁷

Findings

Festival Hydro's request for a 3.40% rate increase is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Festival Hydro's new rates shall be effective January 1, 2026.

⁷ OEB Staff Submission, November 19, 2025, p. 1

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. Festival Hydro is partially embedded within Hydro One Network Inc.'s (Hydro One) distribution system.

On October 9, 2025, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2026. The OEB also announced that an embedded distributor should update its Retail Transmission Service Rates (RTSRs) with Hydro One's proposed host-RTSRs.⁸

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 2026. 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 adjustment to 2026 UTRs to reflect remaining approvals to a transmitter's revenue requirement will be tracked in these accounts and recovered over time.

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

OEB staff submitted that it has no concerns with Festival Hydro's proposed adjustment to its RTSRs.⁹

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.

⁸ EB-2025-0232, OEB Letter "2026 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates", issued October 9, 2025

⁹ OEB Staff Submission, November 19, 2025, p. 2

Findings

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

The RTSRs have been adjusted based on the preliminary UTRs and proposed host-RTSRs for Hydro One.¹⁰

If final UTRs and/or final host-RTSRs 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).

In accordance with the OEB's March 31, 2025 report, Festival Hydro 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.

¹⁰ EB-2025-0232, OEB Letter "2026 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates", issued October 9, 2025

6. LOW VOLTAGE SERVICE RATES

Festival Hydro is partially embedded within Hydro One's distribution system.

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

OEB staff submitted that it has no concerns with Festival Hydro's proposed adjustment to its Low Voltage service rates.¹¹

Findings

Festival Hydro's proposed adjustments to its Low Voltage Service Rates are approved. These rates have been updated based on the current OEB-approved host distributors' sub-transmission rates. In the event that the OEB updates the approved host sub-transmission rates for Hydro One during Festival Hydro's 2026 rate year, any resulting differences are to be captured in Account 1550 (LV Variance Account).

¹¹ OEB Staff Submission, November 19, 2025, p. 2

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 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.¹² If the net balance does not exceed the threshold, a distributor may still request disposition.¹³

The 2024 year-end net balance for Festival Hydro's Group 1 accounts eligible for disposition, including interest projected to December 31, 2025, is a debit of \$3,348,686, and pertains to variances accumulated during the 2024 calendar year. This amount represents a total claim of \$0.0055 per kWh, which exceeds the pre-set disposition threshold of \$0.001 per kWh.

Festival Hydro has requested disposition of this amount over a one-year period.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers. 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).¹⁴ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁵ 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.

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

¹² Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative" (EDDVAR), EB-2008-0046, July 31, 2009

¹³ OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review ("EDDVAR Report"), released July 2009 (EB-2008-0046)", issued July 25, 2014

¹⁴ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁵ 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, Festival 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. Festival 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.¹⁶ The amounts allocated to each transition customer are proposed to be recovered by way of 12 equal monthly installments charges/payments.

OEB staff submitted that it has no concerns with Festival Hydro's request for disposition of the \$3,348,686. OEB staff indicated that it does not object to the disposition request of Accounts 1588 and 1589, noting that while Account 1588 slightly exceeds the 1% reasonability threshold, even after removing reconciliation items and principal adjustments, and Account 1589 meets the threshold, the variances have been explained through reconciliation items and principal adjustments. OEB staff emphasized the need for Festival Hydro to provide clear explanations of process changes and maintain consistency between pre-filed evidence and interrogatory responses in future applications.

In its reply submission, Festival Hydro agreed with OEB staff's submission and confirmed that in future rate applications it will:

1. Provide sufficient explanation in pre-filed applications for any process changes affecting the calculation or disposition of DVA balances; and
2. Ensure thorough and accurate responses to interrogatories, maintaining consistency between pre-filed evidence and interrogatory responses.

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 \$3,348,686 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.

¹⁶ 2026 IRM Rate Generator Model, Tab 6.1a "GA Allocation" and Tab 6.2a "CBR B_Allocation"

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	59,389	2,718	62,107
Smart Metering Entity Charge Variance Account	1551	(19,341)	(896)	(20,237)
RSVA - Wholesale Market Service Charge	1580	(207,291)	(4,839)	(212,130)
Variance WMS - Sub-account CBR Class B	1580	166,655	8,389	175,044
RSVA - Retail Transmission Network Charge	1584	955,558	49,849	1,005,407
RSVA - Retail Transmission Connection Charge	1586	418,567	22,963	441,531
RSVA – Power	1588	1,239,709	51,562	1,291,271
RSVA - Global Adjustment	1589	562,287	50,858	613,146
Disposition and Refund of Regulatory Balances (2022)	1595	(19,601)	12,149	(7,452)
Total for Group 1 Accounts		3,155,933	192,753	3,348,686

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*.¹⁷ 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,

¹⁷ 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, 2026 to December 31, 2026.¹⁸

¹⁸ 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. CORRECTION OF RATE RIDER CALCULATIONS FOR PREVIOUSLY DISPOSED GROUP 1 DVA BALANCES

Festival Hydro requested approval of rate riders to correct Group 1 DVAs previously disposed of on a final basis. In its application, Festival Hydro disclosed that the DVA and GA rate riders approved in its 2024 IRM proceeding¹⁹ were not correctly calculated due to macros in the Rate Generator Model being disabled for cybersecurity reasons. Although the approved disposition amounts were correctly entered, they did not propagate to the rate rider calculation tabs, resulting in discrepancies between approved disposition amounts and billed rates.

On a net basis, Festival Hydro's customers were undercharged by \$158,079. Festival Hydro proposes to record this adjustment in Account 1595 (2024) and recover the amount through two corrective rate riders for the: (1) 2024 DVA balances; and (2) 2024 GA balances. The proposed rate riders are designed to correct the rate rider calculation error from the 2024 IRM proceeding and ensure recovery of the amounts that were not fully collected. Festival Hydro proposes that any residual balance will be disposed of in its 2030 rate application.

OEB staff reviewed the rate rider calculation correction and submitted that Festival Hydro's approach was reasonable as it reflects the rates actually charged and aligns with OEB guidance on post-disposition adjustments. Further, OEB staff submitted that Festival Hydro's plan to record the adjustment in Account 1595 (2024) and dispose of the corrected residual balance in Account 1595 (2024) in 2030 was appropriate.

In its reply submission, Festival Hydro agreed with OEB staff's recommendation that retroactive recovery is appropriate in this case.²⁰

Findings

The OEB denies Festival Hydro's request to recover, through 2026 rates, the \$158,079 associated with Group 1 DVA and GA rate riders that were approved and disposed of on a final basis in its 2024 IRM proceeding. The OEB finds that the proposed recovery constitutes impermissible retroactive ratemaking and does not fall within the limited circumstances in which the OEB will allow retroactive corrections to pass-through variance accounts.

¹⁹ EB-2023-0021

²⁰ Festival Hydro Reply Submission, November 20, 2025, p. 3

The prohibition against retroactive ratemaking is an important principle of energy regulation. Rates are set prospectively, and once approved on a final basis, they generally cannot be reopened to correct past errors. The Ontario Court of Appeal (the Court) has confirmed that, subject to certain exceptions, retroactive ratemaking is presumptively impermissible because it undermines certainty, predictability, and fairness by reallocating costs across different rate periods and customer cohorts²¹. The Court recognized only narrow exceptions to this rule, holding that adjustments affecting past periods may be permissible where the regulatory framework clearly contemplated that the amounts at issue remained subject to later disposition, such as where revenues are effectively “encumbered” within an inherently retrospective mechanism or tracked through DVAs that put parties on notice that final determination would occur later.²²

The OEB has applied these principles in its own decisions. In a North Bay Hydro Distribution Ltd. proceeding, the OEB denied recovery of corrected Retail Settlement Variance Account balances after those balances had been disposed of through a final rate order, holding that once rates and associated riders are final, the OEB has little authority to alter them retroactively.²³ The OEB further emphasized that the pass-through nature of variance accounts does not, on its own, justify reopening final determinations. Similarly, in Guelph Hydro Electric Systems Inc.’s application for 2017 rates, the OEB denied recovery of an omitted variance account amount, finding that correcting the error would require retroactively changing rates for a period for which rates had already been declared final, and that the risk of such errors rests with the distributor.²⁴

The OEB has issued guidance through its letter issued October 31, 2019 (Adjustments to Correct for Errors in Electricity Distributor “Pass-Through” Variance Accounts After Disposition) indicating that, in limited circumstances, it may consider post final disposition adjustments to certain pass-through variance accounts. That guidance does not establish a general entitlement to retroactive recovery. Rather, it contemplates a narrow exception to be applied on a case-by-case basis, having regard to factors such as the distributor’s control over the error, the frequency with which the distributor has made the error, any failure to follow guidance provided by the OEB, and the degree to which other distributors are making similar errors.

The OEB finds that, on balance, these circumstances are not present in this case, and a retroactive adjustment is not warranted. The error arose from Festival Hydro’s own implementation and review processes and was entirely within the distributor’s control.

²¹ *Union Gas Ltd. v. Ontario Energy Board*, 2015 ONCA 453 at paras. 81–86

²² *Ibid.*, paras. 88–91

²³ EB-2009-0113, Decision and Order, pp. 8–10

²⁴ EB-2016-0075, Decision and Order, pp. 11–13

The proposed correction would operate to recover amounts that were not collected as a result of that error. Festival Hydro did not properly fill out the Rate Generator Model, and this is not an error that other distributors appear to be making. In addition, the proposed recovery would be implemented in a later rate year for a period that has already been finally settled, giving rise to intergenerational equity concerns.

The guidance further recognizes that an asymmetrical approach may be appropriate, including circumstances where correcting an error would be to the benefit of the distributor, in which case the OEB may decline to approve part or all of the proposed correction and any associated carrying charges. The guidance also expressly preserves the OEB's discretion and is not intended to limit the OEB's authority in dealing with errors in any given case. The OEB notes that allowing recovery in the circumstances at hand would effectively shift the consequences of a distributor-controlled implementation error to customers after the relevant rate period has closed, with limited justification.

Accordingly, the OEB denies Festival Hydro's request to recover, through 2026 rates, amounts associated with the Group 1 DVA and GA rate riders that were disposed of on a final basis in 2024.

9. 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 9.1.

Table 9.1: 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, 2025.²⁵

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, 2022.²⁶

The Standard Supply Service Charge is a monthly fee set by the OEB that covers the administrative costs of an electricity distributor when customers buy power directly from them under the 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 Wholesale Market Service charge.

²⁵ EB-2025-0299, Decision and Order, December 11, 2025

²⁶ EB-2022-0137, Decision and Order, September 8, 2022

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁷ 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 continue to be \$5.00 for the duration of the 2026 rate year (January 1 to December 31, 2026).²⁸

²⁷ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

²⁸ OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued November 27, 2025

10. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Festival Hydro Inc.'s new final distribution rates shall be effective January 1, 2026, in accordance with this Decision and Rate Order.
2. The Tariff of Rates and Charges set out at Schedule A of this Decision and Rate Order is deemed draft until the following procedural steps have been complied with:
 - i. Festival 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 18, 2025.
 - ii. The Tariff of Rates and Charges will be considered final if Festival 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 Festival 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. Festival Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. In accordance with the OEB's March 31, 2025 report, *Electric Vehicle Charging Rate Overview – Final Report*, Festival Hydro Inc. 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.

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

Please quote file number, **EB-2025-0039** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

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

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Harshleen Kaur at Harshleen.Kaur@oeb.ca, and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

Email: registrar@oeb.ca

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

DATED at Toronto, December 16, 2025

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar

SCHEDULE A
DECISION AND RATE ORDER
FESTIVAL HYDRO INC.
TARIFF OF RATES AND CHARGES
EB-2025-0039
December 16, 2025

Festival Hydro Inc.
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-2025-0039

RESIDENTIAL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

Exceptions may be made for properties zoned for farming use, under the following conditions:

- (a) the principal use of the service is for the residence,
- (b) the service size is 200 amperes or less, and the service is 120/240 volt single phase.

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	\$	37.67
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kWh	0.0041
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	0.0119
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0067

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

Festival Hydro Inc.
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-2025-0039

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is less than 50 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Customers who are classed as General Service but consider themselves eligible to be classed as Residential must provide Festival Hydro Inc. with a copy of their tax assessment, which clearly demonstrates the zoning is for residential use only. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available 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	\$	38.11
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0192
Low Voltage Service Rate	\$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kWh	0.0042
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	0.0104
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Festival Hydro Inc.
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-2025-0039

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is equal to or greater than 50 kW but less than 5,000 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available the distributor's Conditions of Service.

APPLICATION

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

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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	282.86
Distribution Volumetric Rate	\$/kW	3.4377
Low Voltage Service Rate	\$/kW	0.2355
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	\$/kW	0.7226
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kW	1.0022

Festival Hydro Inc.
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-2025-0039

Rate Rider for Disposition of Capacity Based Recovery Account (2026)		
- effective until December 31, 2026 Applicable only for Class B Customers	\$/kW	0.1729
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	4.7713
Retail Transmission Rate - Network Service Rate - Interval Metered - EV CHARGING	\$/kW	0.8111
Retail Transmission Rate - Line and Transformation Connection Service Rate		
- Interval Metered (See Gross Load Billing Note)	\$/kW	2.7540
Retail Transmission Rate - Line and Transformation Connection Service Rate		
- Interval Metered (See Gross Load Billing Note) - EV CHARGING	\$/kW	0.4682

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

Gross Load Billing Note

The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 30, 1998, which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for loss.

Festival Hydro Inc.
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-2025-0039

LARGE USE SERVICE CLASSIFICATION

This classification refers to non-residential accounts whose monthly peak demand is equal to or greater than 5,000 kW, based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro Inc. to determine the proper rate classification. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available 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.

Festival Hydro Inc.
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-2025-0039

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	13,528.91
Distribution Volumetric Rate	\$/kW	1.9111
Low Voltage Service Rate	\$/kW	0.2693
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kW	2.7794
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	5.2828
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (See Gross Load Billing Note)	\$/kW	3.1491

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

Gross Load Billing Note

The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss adjusted demand supplied from the distribution system plus (b) the demand that is supplied by embedded generation installed after October 30, 1998, which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for loss.

Festival Hydro Inc.
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-2025-0039

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account 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, pedestrian cross-walk signals/beacons, 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.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	10.13
Distribution Volumetric Rate	\$/kWh	0.0132
Low Voltage Service Rate	\$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kWh	0.0043
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	0.0104
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Festival Hydro Inc.
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-2025-0039

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)	\$	3.56
Distribution Volumetric Rate	\$/kW	18.9475
Low Voltage Service Rate	\$/kW	0.1696
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kW	1.5266
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	\$/kW	0.1854
Retail Transmission Rate - Network Service Rate	\$/kW	3.4051
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9828

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

Festival Hydro Inc.
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-2025-0039

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. If connected to the municipal or the Province of Ontario street lighting system, decorative lighting and tree lighting services will be treated as a Street Lighting class of service. Decorative or tree lighting connected to Festival Hydro Inc.'s distribution system will be treated as a General Service Less Than 50 kW class 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 (per light)	\$	2.00
Distribution Volumetric Rate	\$/kW	5.9514
Low Voltage Service Rate	\$/kW	0.1661
Rate Rider for Disposition of Global Adjustment Account (2026) - effective until December 31, 2026 Applicable only for Non-RPP Customers	\$/kWh	0.0047
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	\$/kW	1.5633
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	\$/kW	0.1887
Retail Transmission Rate - Network Service Rate	\$/kW	3.3876
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9420

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

Festival Hydro Inc.
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-2025-0039

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
----------------	----	------

Festival Hydro Inc.
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-2025-0039

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
Bill Copy Charge	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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	Time & materials
Service call - after regular hours	Time & materials
Temporary service install & remove - overhead - no transformer	Time & materials
Temporary service install & remove - underground - no transformer	Time & materials
Temporary service install & remove - overhead - with transformer	Time & materials
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$ 40.59

Festival Hydro Inc.
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-2025-0039

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	1.0263
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.016
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045