



**EB-2012-0245**

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

**AND IN THE MATTER OF** an application by Sioux Lookout  
Hydro Inc. for an order or orders approving or fixing just  
and reasonable distribution rates related to Smart Meter  
deployment, to be effective September 1, 2012.

**BEFORE:** Ken Quesnelle  
Presiding Member

Marika Hare  
Member

**DECISION AND ORDER**  
**August 23, 2012**

**Introduction**

Sioux Lookout Hydro Inc. ("SLHI"), a licensed distributor of electricity, filed an application (the "Application") with the Ontario Energy Board (the "Board") on May 4, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that SLHI charges for electricity distribution, to be effective September 1, 2012.

SLHI is seeking Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder revenues collected from May 1, 2006 to April 30, 2012. SLHI requested approval of proposed Smart Meter Disposition Riders and Smart Meter Incremental Revenue Requirement Rate Riders effective September 1, 2012. The Application is based on the Board's policy and practice with respect to recovery of smart meter costs, as documented in the Board's *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition* ("Guideline G-2011-0001").

The Board issued its Letter of Direction and Notice of Application and Hearing (the “Notice”) on May 16, 2012. The Vulnerable Energy Consumers’ Coalition (“VECC”) was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Costs Incurred with Respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs; and
- Implementation.

### **Costs Incurred with Respect to Smart Meter Deployment and Operation**

In the Application, SLHI sought the following approvals:

- Smart Meter Disposition Riders (“SMDRs”) – An actual cost recovery rate of \$1.85 per Residential customer per month, and \$2.16 per GS < 50 kW customer per month. SLHI proposed that these rate riders be effective for two years (September 1, 2012 to August 31, 2014). These rate riders will collect the difference between the 2006 to December 31, 2011 revenue requirement related to smart meters deployed as of December 31, 2011, plus interest on operations, maintenance and administration and depreciation expenses, and the Smart Meter Funding Adder (“SMFA”) revenues collected from 2006 to April 30, 2012 and corresponding interest on the principal balance of SMFA revenues.
- Smart Meter Incremental Revenue Requirement Rate Riders (“SMIRRs”) – A forecasted cost recovery rate rider of \$4.59 per Residential customer per month, and \$5.31 per GS < 50 kW customer per month for the period September 1, 2012 to April 30, 2013, or to the effective date of SLHI’s 2013 cost of service rates. This rate rider will collect the 2012 incremental revenue requirement related to smart meter costs to be incurred from January 1, 2012 to December 31, 2012.

As of December 31, 2010, SLHI had completed 100% of smart meter installations to existing Residential and GS < 50 kW customers. No smart meters were installed for

any other customer classes. The smart meter costs up to December 31, 2011 have been audited by an external auditor, and the audited financial statements were included with the Application.

In response to interrogatories, SLHI made corrections to various data in the Smart Meter Model and revised its proposed rate riders.

SLHI's costs in aggregate and on a per meter basis are summarized in the following table. The average total cost per meter to December 31, 2011, including costs beyond minimum functionality is \$312.24. Including the forecast 2012 costs, the average cost per meter is \$338.90.

	2007	2008	2009	2010	2011	2012	Total		
<b>Capital</b>	\$4,157	\$17,305	\$644,147	\$49,563	\$13,088		\$728,260		
<b>OM&amp;A</b>				\$46,835	\$69,846	\$72,125	\$188,806		
<b>Number of Smart Meters</b>				2,648	58		2,706		
							<b>Total</b>	<b>Average per Meter</b>	
							<b>Capital and OM&amp;A</b>	\$917,066	\$338.90
							<b>Capital Only</b>	\$728,260	\$269.13

Both Board staff and VECC observed that SLHI's average costs per meter were considerably higher than the average smart meter costs previously reported by the Board in the following documents.

- Appendix A of the smart meter combined proceeding decision (EB-2007-0063), issued on September 21, 2007, which lists a combined capital and operating basis cost range of \$123.59 to \$189.96 for a limited number of utilities serving built-up areas and for a limited time period from 2006 to mid-2007. Hydro One Networks Inc.'s costs of \$479.47 per meter are excluded from the range due in part for the need for more communications infrastructure and increased costs to install smart meters for customers over a large and less dense service area.
- A Board issued Monitoring Report (March 3, 2011) on Smart Meter Investment to September 2010 ("the Monitoring Report"). The Monitoring Report summarized the total smart meter related investments of 78 distributors, as of September 30, 2010, and showed an average cost of \$226.92 per smart meter.

Board staff submitted that, due to the nature of SLHI's service territory, higher costs for installation and communication services would be expected. However, Board staff questioned whether these factors support the claimed costs that are significantly above the average.

SLHI was part of the Northwest Group (Thunder Bay Hydro Distribution Inc. ("TBHDI"), Kenora Hydro Electric Corporation Ltd. ("Kenora"), Fort Frances Power Corporation ("Fort Frances"), Atikokan Hydro Inc. ("Atikokan") and SLHI), that contracted with several service providers, principally Util-Assist, to assist with implementation of the smart meter programs, including aspects of the smart meter program that are beyond minimum functionality. It was not clear from the Application whether the costs were shared equally or pro-rated on some basis.

To date, the Board has reviewed the smart meter costs for three of the other utilities in the Northwest Group. The last member of the group, Fort Frances, has recently filed an application seeking approval and disposition of its smart meter costs. The Board is considering that application under EB-2012-0327.

Board staff observed that SLHI's per meter costs are significantly higher than those of TBHDI, \$212.25 per meter,<sup>1</sup> and Kenora, \$212 per meter.<sup>2</sup> While these costs are similar, VECC submitted in the Kenora proceeding that the costs did not include costs beyond minimum functionality.

SLHI's per meter costs are lower than those reported by Atikokan in its 2012 cost of service application.<sup>3</sup> In that proceeding both Board staff and VECC submitted that Atikokan's smart meter costs were much higher than average. Board staff submitted that the Board should disallow 20% of Atikokan's smart meter costs to bring the costs to approximately \$350 per meter. VECC proposed recovery of 50% of the proposed costs with recovery of the remainder subject to an audit. In its decision issued on June 18, 2012, the Board stated:

*The Board agrees with the concerns raised by Board staff and VECC in their submissions. The significant increases in the smart meter costs identified in responses to interrogatories is concerning. Considering that Atikokan's smart meter costs were reviewed, albeit not in the context of a*

<sup>1</sup> Thunder Bay Hydro Distribution Inc. Disposition and Recovery of Smart Meter Costs, EB-2012-0015

<sup>2</sup> Kenora Hydro Electric Corporation Ltd. 2011 Cost of Service Rates, EB-2010-0135

<sup>3</sup> Atikokan Hydro Inc. 2012 Cost of Service Rates, EB-2011-0293

*detailed review of the prudence of all costs, in the context of an application for an increased Smart Meter Funding Adder in mid-2010 [EB-2010-0185], the Board expected more detailed evidence on smart meter costs in this Application.*

*The Board will accept VECC's proposal and allow for recovery of 50% of the requested smart meter costs at this time. The Board will direct the Regulatory Accounting and Audit branch of the Board to conduct an audit of Atikokan's smart meter costs. The results of the audit will be considered by the Board with respect to the final amounts to be authorized for recovery in a future application to be filed by Atikokan no later than 6 months from the completion of the subject audit.*

In the current proceeding, Board staff observed that both Atikokan and SLHI are classified as "small northern low undergrounding" utilities, and Kenora is classified as a "small northern medium undergrounding" utility, while TBHDI is classified as a "mid size northern" utility. Board staff also observed that there are cost challenges to deploying smart meters in Northwestern Ontario. However, Board staff submitted that, despite the different characteristics of utilities within the Northwest Group, the collaboration would have been expected to achieve economies of scale and reduce administrative burden and its costs. Board staff noted that size may be one contributing factor to SLHI's higher per meter costs, particularly with respect to recovery of fixed costs that may be invariant to size (number of customers). Board staff also noted that SLHI has elected to forgo the 2012 return on equity and that this is favourable to ratepayers and is to some extent an offset to the higher per meter costs. Accordingly, Board staff did not take issue with SLHI's smart meter costs. Board staff submitted that SLHI should support its prospective operating costs related to the installed smart meters in its 2013 cost of service applications, and that operating efficiencies and savings should also be reflected.

VECC generally agreed with Board staff's analysis but questioned whether SLHI's significantly higher per meter costs were fully explained and stated that the variability within the cohort was not clear. Similar to the Board's decision in Atikokan's 2012 cost of service proceeding, VECC submitted that the Board should undertake an audit of SLHI's smart meter program in order to fully understand SLHI's higher than average per meter costs. VECC submitted that, in the interim, SLHI should be allowed to recover 50% of its proposed smart meter costs.

SLHI confirmed in its reply submission that Util-Assist costs, software maintenance costs and professional fees were shared equally among all the Northwest utilities. As the costs were shared equally, the per unit costs are higher for SLHI because of its smaller customer count. SLHI submitted that, if it were to contract for services alone, the costs would have been even higher. SLHI also confirmed that its service territory is low density with approximately 2,750 customers in 536 square km, which presents smart meter infrastructure challenges. SLHI noted that 19 collectors (gatekeepers) were required in order to be able to communicate with all of the smart meters for remote reading of deployed smart meters.

With respect to VECC's suggested audit, SLHI submitted that the cost sharing among the Northwest Group and the nature of SLHI's service territory sufficiently explain why the per meter costs are higher than average. SLHI submitted that the benefits of undertaking an audit would result in unnecessarily higher costs to the proceeding.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select (a) vendor(s) for the procurement and/or installation of smart meters and related systems.

Subject to comments found in the sections below, the Board finds that SLHI's documented costs, as revised in response to interrogatories and in SLHI's reply submission, related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable.

The Board agrees with Board staff and VECC that SLHI's per meter costs are significantly higher than provincial averages, but the Board finds that the costs reflect the nature of the service territory, its topography and low customer density. The Board finds that SLHI's per meter costs are reasonable with respect to its neighbouring utilities in the Northwest Group. SLHI's per meter costs within that group appear to be largely dependent on equal sharing of smart meter service provider costs amongst the utilities. The Board notes that there was no evidence to indicate that costs would be lower if SLHI had contracted for services on its own.

The Board observes that SLHI provided a more detailed explanation of its high cost per meter in argument. It is the Board's expectation that this information regarding the predominant cost drivers of smart meter expenses should have been included in

the Application. The Board agrees with Board staff that SLHI should support its prospective operating costs related to the installed smart meters in its 2013 cost of service application, and that operating efficiencies and savings should also be reflected.

#### Costs Beyond Minimum Functionality

SLHI's application included a request to recover \$13,088 in capital costs and \$16,671 in OM&A costs beyond minimum functionality. On a per meter basis, the cost would be \$11.12. Board staff observed that the costs appeared to be low and invited SLHI to comment on the matter. VECC did not file a submission on these costs. In reply submission, SLHI confirmed that these costs were incurred for TOU rate implementation and MDM/R integration. Specifically, the costs were for consulting fees, customer education materials and staff training.

The Board has approved these types of beyond minimum functionality costs in this range previously. The Board will allow SLHI's beyond minimum functionality costs to be recovered.

#### Level of Audited Costs

As noted above, SLHI's smart meter costs up to December 31, 2011 have been audited by an external auditor. The audited costs represent 92% of the total costs SLHI seeks to recover in the Application, and thus meets the expectation stated in Guideline G-2011-0001, that the majority (i.e. 90% or more) of the total program costs for which the distributor is seeking recovery will be audited. Neither Board staff nor VECC had issues with the level of audited costs.

The Board has no concerns with the level of audited costs.

#### **Cost Allocation**

Initial smart meter funding was provided by a uniform SMFA collected from all metered customers, and there was no specific Board direction for recording of costs and revenues by class.

However, it was recognized by the Board that, as there would be differing costs in different customer classes, in large part due to the costs of the meters themselves and, to the extent that accurate data was available from the utility's records, the principle of

cost causality should support class-specific cost recovery. To this end, Guideline G-2011-0001 indicates that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. Further, in recent decisions, the Board has reviewed and approved the evolution of approaches for calculating class-specific rate riders.<sup>4</sup>

In its Application, SLHI proposed class-specific SMDRs and SMIRRs. In response to Board staff IR #10, SLHI recalculated the riders and determined class-specific SMDRs using the following cost allocation methodology:

- OM&A expenses have been allocated on the basis of the number of meters installed for each class;
- The Return and Amortization have been allocated on the basis of the capital costs of the meters installed for each class;
- PILs have been allocated based on the revenue requirement derived for each class before PILs; and
- SMFA revenues and interest on the principal calculated directly for the Residential and GS < 50 kW classes. The residual SMFA revenues and interest collected from other metered customer classes is then allocated 50:50 to the Residential and GS < 50 kW classes.

Board staff submitted that the revised class specific SMDRs were more reflective of cost causality and were consistent with the methodology approved by the Board in its decision for Power Stream Inc. (EB-2011-0128). VECC also supported the cost allocation methodology except that VECC submitted that the SMFA revenues collected from the GS > 50 kW customers should be returned to those customers.

SLHI disagreed with VECC's submission noting that, to date, the Board has approved allocation of SMFA collected from the GS > 50 kW customer classes to Residential and GS < 50 kW customer classes on a 50:50 basis or on the basis of the number of meters.

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<sup>4</sup> The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.



Board staff submitted that it had no concerns with the use of a 13% working capital allowance factor and the exclusion of return on equity for 2012 in the SMIRR calculation. Both Board staff and VECC submitted that the meter cost data and SMIRR allocation data filed in SLHI's interrogatory responses was not clear. In its reply, SLHI identified errors and inconsistencies in the interrogatory responses related to meter costs and filed updated calculations of class-specific SMIRRs.

In response to Board staff IR # 19, SLHI agreed that it would be appropriate to include the foregone revenue from May 1, 2012 to August 31, 2012 in the SMDR, similar to previous smart meter cost recovery proceedings.<sup>5</sup> Both Board staff and VECC submitted that allocation of the SMIRR for the foregone revenue was not clear. In its reply, SLHI filed an updated calculation of class-specific SMDRs correcting for the same errors and inconsistencies noted above.

The SMDRs and SMIRRs in the original Application and as recalculated in the reply submission are summarized below.

Class	SMDR (\$/month) Sept. 1 2012 to Aug. 31, 2014		SMIRR (\$/month) Sept. 1, 2012 to Rebasing	
	Original	SLHI Reply Submission	Original	SLHI Reply Submission
Residential	\$1.85	\$2.42	\$4.59	\$4.61
GS < 50 kW	\$2.16	\$3.09	\$5.31	\$5.18

The Board approves SLHI's revised cost allocation methodology and notes that it is consistent with the approach approved by the Board in PowerStream's smart meter cost recovery application (EB-2011-0128). The Board finds that the allocation of SMFA revenue collected from the GS > 50 kW class is appropriately allocated 50:50 to the Residential and GS < 50 kW classes.

The Board will approve an effective date of September 1, 2012 as proposed by SLHI and will approve an implementation date of September 1, 2012. Recovery of the SMDRs should be over a 24 month period from September 1, 2012 to August 31, 2014. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As SLHI is scheduled to rebase its rates for 2013, the Board notes that the SMIRR may be in effect from September 1, 2012 until April 30, 2013.

<sup>5</sup> Orangeville Hydro Limited Disposition and Recovery of Smart Meter Costs, EB-2012-0039

### **Stranded Meter Costs**

In its Application, SLHI proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2013 rates. SLHI estimated the net book value of stranded meters as of December 31, 2012 will be \$181,592. Neither VECC nor Board staff took issue with SLHI's proposal

The Board finds that SLHI's proposal is consistent with Guideline G-2011-0001.

### **Accounting Matters**

In granting its approval for the historically incurred costs and the costs projected for 2012, the Board considers SLHI to have completed its smart meter deployment. Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

SLHI is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance in this sub-account should be brought forward for disposition in SLHI's next cost of service application.

### **Implementation**

With this Decision, the Board is providing SLHI with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board approved Tariff of Rates and Charges as approved in SLHI's separate Incentive Regulation Mechanism application (EB-2011-0102) issued on April 19, 2012.

### **THE BOARD ORDERS THAT:**

1. SLHI's new distribution rates shall be effective September 1, 2012.

2. SLHI and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. SLHI and VECC shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive any submissions from SLHI and VECC pursuant to item 2 of this Decision and Order to the effect that inaccuracies were found or information was missing, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Order will become final effective September 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after September 1, 2012. SLHI shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives (a) submission(s) from SLHI or VECC to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission(s) and will issue a final Rate Order and Tariff of Rates and Charges.

### Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. SLHI shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to SLHI any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. SLHI shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2012-0245**, be made through the Board's web portal at, [www.pes.ontarioenergyboard.ca/eservice/](http://www.pes.ontarioenergyboard.ca/eservice/) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to [BoardSec@ontarioenergyboard.ca](mailto:BoardSec@ontarioenergyboard.ca). Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

**DATED** at Toronto, August 23, 2012

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**

**To Decision and Order**

**Draft Tariff of Rates and Charges**

**Board File No. EB-2012-0245**

**DATED: August 23, 2012**

# Sioux Lookout Hydro Incorporated

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2012**  
**Implementation Date September 1, 2012**

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

EB-2011-0102  
EB-2012-0245

## RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. 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 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 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	24.26
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until August 31, 2014	\$	2.42
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	4.61
Distribution Volumetric Rate	\$/kWh	0.0104
Low Voltage Service Rate	\$/kWh	0.0030
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0035)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non RPP Customers	\$/kWh	(0.0023)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013

## MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued August 23, 2012

# Sioux Lookout Hydro Incorporated

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2012**  
**Implementation Date September 1, 2012**

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

EB-2011-0102  
EB-2012-0245

### GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. 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 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 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	43.11
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until August 31, 2014	\$	3.09
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	5.18
Distribution Volumetric Rate	\$/kWh	0.0082
Low Voltage Service Rate	\$/kWh	0.0027
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0028)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non RPP Customers	\$/kWh	(0.0023)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0011

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Sioux Lookout Hydro Incorporated

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012  
Implementation Date September 1, 2012

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

EB-2011-0102  
EB-2012-0245

### GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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

- General Service 50 to 1,000 kW non-interval metered
- General Service 50 to 1,000 kW interval metered
- General Service >1,000 to 4,999 kW interval metered.

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 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 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	398.88
Distribution Volumetric Rate	\$/kW	1.3832
Low Voltage Service Rate	\$/kW	1.1187
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.8074)
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non RPP Customers	\$/kW	(0.8145)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4581
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000 kW	\$/kW	2.1260
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000 kW	\$/kW	0.5062

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued August 23, 2012



**Sioux Lookout Hydro Incorporated**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2012**  
**Implementation Date September 1, 2012**

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

EB-2011-0102  
EB-2012-0245

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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 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 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	21.50
Distribution Volumetric Rate	\$/kWh	0.0083
Low Voltage Service Rate	\$/kWh	0.0027
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0081)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0011

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Sioux Lookout Hydro Incorporated

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2012**  
**Implementation Date September 1, 2012**

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

EB-2011-0102  
EB-2012-0245

### 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 OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

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#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	9.87
Distribution Volumetric Rate	\$/kW	26.0218
Low Voltage Service Rate	\$/kW	0.8534
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(2.1406)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5114
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.3542

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Sioux Lookout Hydro Incorporated**  
**TARIFF OF RATES AND CHARGES**  
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EB-2011-0102  
EB-2012-0245

**microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority'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 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 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# Sioux Lookout Hydro Incorporated

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### ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.3741)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

#### APPLICATION

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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 Board, and amendments thereto as approved by the Board, or as specified herein.

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<b>Customer Administration</b>		
Statement of Account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Easement Letter	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	110.00
Disconnect/Reconnect Charge - At Meter After Regular Hours	\$	245.00
Disconnect/Reconnect at pole – during regular hours	\$	245.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	110.00
Install/Remove load control device – after regular hours	\$	245.00
Temporary service – install and remove – overhead – no transformer	\$	500.00
Temporary service – install and remove – underground – no transformer	\$	300.00
Temporary service – install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

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EB-2011-0102  
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## 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 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 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 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit 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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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)	\$	2.00

### 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	1.0642
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0535