



**Ontario Energy Board  
Commission de l'énergie de l'Ontario**

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**DECISION AND RATE ORDER**

**EB-2016-0097**

**OAKVILLE HYDRO ELECTRICITY  
DISTRIBUTION INC.**

**Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2017.**

**By Delegation, Before: Lynne Anderson**

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**January 5, 2017**

# 1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order for Oakville Hydro Electricity Distribution Inc.'s Incentive Regulation Mechanism application for 2017 rates.

Oakville Hydro Electricity Distribution Inc. (Oakville Hydro) serves about 67,000 mostly residential and commercial electricity customers in the Town of Oakville. The company is seeking the Ontario Energy Board's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

Distributors may choose one of three Ontario Energy Board (OEB) rate-setting methods. Oakville Hydro has selected the Price Cap Incentive rate setting (Price Cap IR) option that has a five-year term. Rates are set through a cost of service rebasing application for the first year and are adjusted mechanistically through an Incentive Regulation Mechanism (IRM application) for each of the ensuing four years. The price cap adjustment is based on inflation and the OEB's assessment of a distributor's efficiency.

Oakville Hydro filed an IRM application with the OEB on August 15, 2016 to seek approval for changes to its distribution rates to be effective January 1, 2017. Oakville Hydro last appeared before the OEB with a cost of service application for 2014 in the EB-2013-0159 proceeding.

The OEB addresses the following issues with respect to Oakville Hydro's IRM application in this Decision and Rate Order.

- Price Cap Adjustment
- Regulatory Charges
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Request to Establish a Deferral Account for Incremental Costs Associated with the Implementation of Monthly Billing
- Cost Allocation Study
- Implementation and Order

Oakville Hydro applied for a rate increase of 1.60% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.60% price cap adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

Oakville Hydro also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. Last year, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<sup>1</sup> Accordingly, the fixed monthly charge for 2017 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue distributors collect from residential customers.

This Decision on Oakville Hydro's IRM application will result in a monthly increase of \$1.12 for a residential customer consuming 750 kWh.

The OEB approves the adjustments made to Oakville Hydro's application, and the associated rates calculated, as a result of this proceeding.

## 2 THE PROCESS

The OEB follows a standard, streamlined process for IRM applications under Price Cap IR.

The OEB first prepares a rate model that includes information from past proceedings and annual reporting requirements. The distributor then reviews and updates the model and includes it with its application.

On August 15, 2016, Oakville Hydro submitted its IRM application supported by written evidence and a completed rate model. Questions were asked and answers were provided by Oakville Hydro through emails and phone calls. Based on this information, a decision was drafted and provided to Oakville Hydro on December 22, 2016. Oakville Hydro was given the opportunity to provide its comments on the draft for consideration prior to finalizing this Decision.

## 3 ORGANIZATION OF THE DECISION

The OEB has organized this Decision into sections to reflect the issues that were considered in making its findings.<sup>2</sup> Each section outlines the OEB's reasons for approving or denying the proposals included in the application and affecting 2017 rates.

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<sup>1</sup> Board Policy: A New Distribution Rate Design for Residential Electricity Customers, EB-2012-0410, April 2, 2015

<sup>2</sup> See list of issues in the Introduction, p.1

The last section addresses the steps to implement the final rates that flow from this Decision.

## 4 PRICE CAP ADJUSTMENT

The price cap adjustment follows an OEB-approved formula that includes annually updated components for inflation and the OEB's expectations of efficiency and productivity gains.<sup>3</sup> The formula is an *inflation minus X-factor* rate adjustment, which is intended to incent innovation and efficiency. The OEB has set the inflation factor for 2017 rates at 1.9% based on its established formula.<sup>4</sup>

The X-factors for individual distributors have two parts: a productivity element established from a historical analysis of industry cost performance; and a stretch factor based on a distributor's efficiency relative to its expected costs. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors an incentive to improve efficiency or else experience declining net income.

Based on industry conditions over the historical study period, the productivity factor has been set at zero percent. A stretch factor is assigned based on the distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, a range of stretch factors has been set from 0.0% to 0.6%.<sup>5</sup> The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Higher stretch factors are applied to distributors in accordance with their cost performance relative to expected levels, to reflect the incremental productivity gains that distributors are expected to achieve.

### Findings

The OEB assigned Oakville Hydro a stretch factor of 0.30% based on the updated benchmarking study for use for rates effective in 2017.<sup>6</sup> The resulting net price cap adjustment for Oakville Hydro is 1.60% (i.e. 1.9% - (0% + 0.30%)).

The 1.60% adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

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<sup>3</sup> Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

<sup>4</sup> As outlined in the Report cited at footnote 3 above

<sup>5</sup> Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2015 Benchmarking Update." Pacific Economics Group LLC. July 2016

<sup>6</sup> As outlined in the Report cited at footnote 5 above

## 5 REGULATORY CHARGES

Customers are charged a number of fees to cover the costs associated with various programs and wholesale market services.

The Rural or Remote Electricity Rate Protection (RRRP) program is designed to provide financial assistance to eligible customers located in rural or remote areas where the cost of providing electricity service, and therefore the rates, greatly exceeds those elsewhere in the province of Ontario. The RRRP program cost is recovered from all electricity customers in the province through a charge that is reviewed annually and approved by the OEB.

Wholesale market service (WMS) charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid, as well as the costs of the IESO's Capacity Based Recovery (CBR) initiative. Individual electricity distributors recover the WMS charges from their customers through the WMS rate.

Distributors bill Class A customers their share of the actual CBR charge based on their contribution to peak demand. Accordingly, the WMS rate applied to these customers by distributors does not contain that portion of the WMS rate applicable to CBR.

The Ontario Electricity Support Program (OESP) is a program to deliver on-bill rate assistance to low income electricity customers. All Ontario customers contribute to the OESP through the OESP charge.

These four regulatory charges are components of the Regulatory Charge on customers' bills and are established annually by the OEB through a separate order.

### Findings

The OEB has determined that the RRRP charge for 2017 shall be \$0.0021 per kWh. The WMS rate used by rate-regulated distributors to bill their Class A customers shall continue to be \$0.0032 per kWh. For Class B customers a CBR component of \$0.0004 per kWh is added to the WMS rate for a total of \$0.0036 per kWh. The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; in addition, the OESP charge will remain the same at \$0.0011 per kWh.

These changes are effective January 1, 2017 for all distributors as a result of the generic orders that were part of the OEB's separate decisions. The Tariff of Rates and Charges flowing from this Decision and Rate Order has been updated so as to reflect

these new regulatory charges.

## 6 RETAIL TRANSMISSION SERVICE RATES

Electricity distributors use Retail Transmission Service Rates (RTSRs) to pass along the cost of transmission service to their distribution customers. The RTSRs are adjusted annually to reflect the revised costs as calculated by the application of the current Uniform Transmission Rates (UTRs) to historical transmission deliveries. The UTRs are established annually by a separate OEB order. Partially embedded distributors, such as Oakville Hydro, must also adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which in this case is Hydro One Networks Inc. Distributors may apply to the OEB annually to approve the RTSRs they propose to charge their customers.

### Findings

The OEB approves the RTSRs as adjusted in this application to reflect current applicable rates. As is typical for distributors whose rates are set as of January 1, these RTSRs are based on previous year's rates as the OEB has not yet adjusted UTRs and Hydro One sub-transmission class rates for 2017. The differences between the previous and the new 2017 RTSRs, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

## 7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

### Deferral and Variance Accounts

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB's policy<sup>7</sup> is to review and dispose of the distributor's Group 1 account balances if they exceed (as a debit or credit) the pre-set disposition threshold of \$0.001

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<sup>7</sup> Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

per kWh during the IR plan term. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may dispose of balances below this threshold if its proposal to do so is justified.

Oakville Hydro's 2015 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2016 is a debit of \$904,868. This amount represents a total debit claim of \$0.0006 per kWh, which does not exceed the preset disposition threshold. Oakville Hydro proposes to dispose of this debit amount over a one-year period for the following reasons:

- The balance of the Global Adjustment variance account of \$1,556,189 (or \$0.002 per kWh) meets the pre-set disposition threshold of \$0.001 per kWh, and the disposition of the Global Adjustment variance account impacts a distinct group of customers.
- Oakville Hydro also considers the disposition of the Global Adjustment variance account to be timely in light of the enrollment of its two Class A customers in the Industrial Conservation Initiative (ICI) program effective July 1, 2015.
- Although the credit balance of the Group 1 deferral and variance accounts, excluding account 1589 – Global Adjustment is below the disposition threshold, the resulting deferral and variance account rate riders round to a number that is greater than zero.

The Group 1 balance includes a Global Adjustment (GA) account balance of \$1,556,189. Ontario electricity customers' costs for the commodity portion of their electricity service reflect the sum of two charges: the price of electricity established by the operation of the IESO administered wholesale market, and the GA. The GA charge consists of the difference between the market price and the rates paid to regulated and contracted generators, and conservation and demand management (demand response) program costs. The GA is established monthly and varies in accordance with market conditions.

Most customers pay the GA charge based on the amount of electricity they consume in a month (kWh); these customers are referred to as Class B. Customers who participate in the Industrial Conservation Initiative, are referred to as Class A. The costs for the GA are recovered from Class A and Class B customers in different ways:

- Class A customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long

billing period that starts in July every year. Distributors settle with Class A customers billed based on the actual GA costs resulting in no variance.

- Class B customers are billed GA based on the IESO published GA price. For Class B customers, distributors track any difference between the billed amounts and actual cost in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customers groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Oakville Hydro proposed the recovery of the Global Adjustment variance account balance of \$1,556,189 as at December 31, 2015, including interest to December 31, 2016, as follows:

- \$1,466,473 from customers who were Class B customers for the entire period from January 2013 to December 2015, through a kWh rate rider.
- \$89,717 from customers formerly in Class B during the period January 2013 to June 2015 who were reclassified to Class A in July 2015; to be disposed through 12 equal monthly charges.

The Group 1 balance also includes the recovery of Capacity Based Recovery (CBR) costs related to Demand Response (DR) providers contracted under the wholesale energy market Demand Response 3 (DR3) program. Distributors paid CBR charges to the IESO in 2015 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2015.

In this application, Oakville Hydro, had customers who were part of Class A during the period from July 2015 to December 2015 so the balance of this account should be disposed through a separate rate rider for Class B customers. However, in its responses to OEB staff questions, Oakville Hydro confirmed that the balance in account 1580 sub-account CBR Class B is not significant and notes that the rate riders calculated are zero at all four decimal places. Oakville Hydro proposes to transfer the balance in sub-account CBR Class B into account 1595 Disposition and Recovery/Refund of Regulatory Balances (2017) for future disposition.



**Findings**

The balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements*. The OEB approves the disposition of a debit balance of \$904,868 as of December 31, 2015, including interest projected to December 31, 2016 for Group 1 accounts.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

**Group 1 Deferral and Variance Account Balances**

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance (\$) A</b>	<b>Interest Balance (\$) B</b>	<b>Total Claim (\$) C=A+B</b>
LV Variance Account	1550	734,970	21,518	756,488
Smart Meter Entity Variance Charge	1551	78,549	3,900	82,450
RSVA - Wholesale Market Service Charge	1580	(3,985,276)	(91,460)	(4,076,737)
Variance WMS - Sub-account CBR Class B	1580	(11,074)	(122)	(11,196)
RSVA - Retail Transmission Network Charge	1584	541,277	36,700	577,977
RSVA - Retail Transmission Connection Charge	1586	204,027	14,299	218,326
RSVA - Power	1588	1,658,706	(47,317)	1,611,388
RSVA - Global Adjustment	1589	1,480,043	76,146	1,556,189
Disposition and Recovery of Regulatory Balances (2010)	1595	(774,181)	799,682	25,501
Disposition and Recovery of Regulatory Balances (2012)	1595	129,790	(17,581)	112,209
Disposition and Recovery of Regulatory Balances (2013)	1595	(12,002)	47,901	35,899
Disposition and Recovery of Regulatory Balances (2014)	1595	46,127	(29,754)	16,373

<b>Total Group 1 Excluding Global Adjustment - Account 1589</b>		(1,389,087)	737,766	(651,321)
<b>Total Group 1 Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B</b>		(1,378,013)	(737,887)	(640,126)
<b>Total Group 1</b>		90,956	813,912	904,868

The balance of each Group 1 account 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 Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. 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. Oakville Hydro should ensure these adjustments are included in the reporting period ending March 31, 2017 (Quarter 1).

The OEB approves these balances to be disposed through the following rate riders/charges:

- Deferral and Variance Account Balances (excluding Global Adjustment) Rate Rider
- Class B Global Adjustment Rate Rider
- Reclassified Class A/B Global Adjustment Charge

The OEB agrees with the proposal to transfer the balance in sub-account CBR Class B into account 1595 Disposition and Recovery/Refund of Regulatory Balances (2017) for future disposition. The rate riders/charges will be in effect over a one-year period from January 1, 2017 to December 31, 2017.

### *Global Adjustment*

Implicit in this approval, the OEB approves the proposed disposition of the GA debit balance of \$89,717 relating to the customers who were reclassified between Classes A and B. This amount, as of December 31, 2015 and including interest projected to December 31, 2016, will be recovered as part of Group 1 account disposition through a separate charge.

In accordance with EDDVAR, this balance is to be disposed over a one year period from January 1, 2017 to December 31, 2017. Oakville Hydro has requested a 12-month disposition period: This is consistent with the general expectation that distributors settle the amount through 12 equal adjustments to bills. The OEB approves the principal and interest amounts<sup>8</sup> requested by Oakville Hydro for the customers who were reclassified between Class A and B.

## 8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy<sup>9</sup> stipulates that electricity distributors will transition residential customers to a fully fixed monthly distribution service charge over a four year period starting in 2016. This year's IRM applications are once again required to adjust the distribution rates to increase the fixed charge and decrease the variable charge consistent with the policy.

The OEB expects the applicant to apply two tests to evaluate whether mitigation (generally a lengthening of the transition period) for customers in the transition is required. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10<sup>th</sup> percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Oakville Hydro's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.38. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

### Findings

The OEB finds that the increases to the monthly fixed charge and to low consumption residential consumers are below the thresholds set in the OEB policy and approves the increase as proposed by the applicant and calculated in the final rate model.

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<sup>8</sup> Approved as per Oakville Hydro's 2017 IRM Rate Generator Model, tab 6a

<sup>9</sup> Ibid page 2

## 9 REQUEST TO ESTABLISH A DEFERRAL ACCOUNT FOR INCREMENTAL COSTS ASSOCIATED WITH THE IMPLEMENTATION OF MONTHLY BILLING

In its application, Oakville Hydro requested that the OEB approve the establishment of a deferral account to record the net incremental costs associated with a transition to monthly billing. Oakville Hydro provided a draft Accounting Order for approval.

As per section 2.9.6 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*,<sup>10</sup> an application seeking approval for a new deferral account must demonstrate that the account meets the eligibility tests of causation, materiality and prudence.

On April 15, 2015 the OEB announced that by the end of 2016, all electricity distributors in Ontario will be required to bill their customers on a monthly basis. The OEB noted that a distributor could apply for a deferral account for incremental administration costs. Prudently incurred capital expenditures would be included in rate base at the next cost of service application.<sup>11</sup>

Oakville Hydro indicated that in its 2014 cost of service application, Oakville Hydro had proposed to transition to monthly billing for its Residential and General Service less than 50 kW customers in 2014. However, during the course of the proceeding, Oakville Hydro considered it prudent to engage its customers in further dialogue prior to the implementation of monthly billing. In the settlement agreement to the 2014 cost of service application, Oakville Hydro removed its OM&A costs associated with the transition to monthly billing from its revenue requirement<sup>12</sup> and therefore states that the associated costs are outside of the base on which rates were derived.

With respect to materiality, in its application, Oakville Hydro estimated that the incremental costs associated with the transition to monthly billing will be \$580,000. These estimated costs include incremental internal and external resource costs, ongoing mailing costs and the cost of preparing a lead lag study. Oakville Hydro has also estimated that the reductions in bad debt expense (\$40,000) and improved cash flow (\$155,000) will offset the costs by \$195,000 for a net increase in costs of \$385,000. The net incremental cost of \$385,000 is in excess of Oakville Hydro's materiality threshold of approximately \$184,000 as determined from its OEB Approved 2014 cost of service application. Oakville Hydro indicates that it will consider requesting approval,

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<sup>10</sup> Chapter 2; Filing Requirements for Electricity Distribution Rate Applications – 2016 Edition for 2017 Rate Applications, July 14, 2016

<sup>11</sup> Notice of Amendment to a Code: Amendments to the Distribution System Code, EB-2014-0198

<sup>12</sup> Settlement Agreement, EB-2013-0159, page 27

in its next cost of service application, of a credit for customers who sign up for electronic billing.

Oakville Hydro acknowledges in its application that the actual incremental costs associated with the implementation of monthly billing will be subject to a prudence review at the time of disposition of the balance of the deferral account.

## Findings

The OEB approves Oakville Hydro's request to establish a deferral account to record the net incremental costs associated with the transition to monthly billing. The OEB approved a similar deferral account in Toronto Hydro Electric System Limited's 2015 Custom IR application<sup>13</sup>.

Costs recorded in the account must be outside of the base on which its rates have been set. Oakville Hydro's forecast indicates that net incremental costs are expected to be material. The approval to establish and use the deferral account only provides a regulatory mechanism to track costs. Whether or not the costs recorded in the deferral account have been prudently incurred and are recoverable will be determined by the OEB at the time that Oakville Hydro seeks disposition of the account balance.

The purpose of this account is to capture the costs and benefits of the transition to monthly billing. It is not clear that the cost of doing a lead/lag study is solely related to this transition. Oakville Hydro may record the cost of the lead/lag study in the deferral account, but whether these costs are recoverable will be determined by the OEB based on the evidence filed by Oakville Hydro when it seeks to dispose of balances in this account.

Review of the account would be in Oakville Hydro's next cost based rate application (cost of service or Custom IR), expected for 2019 rates.

The deferral account will be used to record the incremental costs directly attributable to the transition to monthly billing, including the cost of incremental ongoing internal and external resources, postage, paper, envelopes and payment processing fees for the period from the effective date of the accounting order to the effective date of Oakville Hydro's next cost based rate order. The associated offsetting benefit shall include but not be limited to reductions in bad debt expense and working capital allowance.

The effective date for the deferral account will be January 1, 2016. While the deferral account would normally be effective the same date as the rates in this proceeding ( i.e. January 1, 2017), the OEB notes that rates for Oakville Hydro were approved for

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<sup>13</sup> EB-2014-0116

January 1, 2016 on an interim basis, allowing adjustments back to that date. The draft Accounting Order that Oakville Hydro filed with its application has been updated to reflect the effective date for the deferral account. The OEB approves the Accounting Order attached to this Decision and Rate Order as Schedule C.

## 10 COST ALLOCATION STUDY

The OEB approved a settlement proposal in Oakville Hydro's 2014 cost of service proceeding (EB-2013-0159). In the settlement proposal, Oakville Hydro and HVAC Coalition (HVACC) agreed to jointly retain an independent consultant to conduct a study of the cost allocation between Oakville Hydro and the water heating activities of Oakville Hydro Energy Service Inc. (OHESI); and between Oakville Hydro and its HVAC business operated by Sandpiper Energy Solutions Home Comfort Inc. (Sandpiper). The settlement proposal stipulated that Oakville Hydro would file the study with its 2016 IRM application. The parties acknowledged that the OEB would determine how it would proceed once the study was filed.

Oakville Hydro did not file the cost allocation study with its 2016 IRM application (EB-2015-0094) in August 2015. The OEB therefore deemed the application incomplete. Subsequently, Oakville Hydro and HVACC agreed to commence with the study and retained an independent consultant, Grant Thornton LLP. On this basis, the OEB proceeded with the 2016 IRM application in the absence of the cost allocation study.

In the Decision and Rate Order issued on January 14, 2016, the OEB approved Oakville Hydro's 2016 rates (effective and implemented as of January 1, 2016) on an interim basis. The rates were set as interim as Oakville Hydro had not yet filed the cost allocation study. Oakville Hydro filed the cost allocation study with the OEB on February 26, 2016. It is publicly available, with certain personal information redacted, on the record of the 2016 IRM proceeding.

The OEB is undertaking a review of the cost allocations practices between Oakville Hydro and its affiliates. The OEB notes that an IRM rate application is intended to be mechanistic, and cost allocation issues are normally not considered unless pursuant to a prior OEB decision. The decision as to whether this matter will be considered in an IRM rate application will not be made until the OEB has concluded its review. For this reason, rates will continue to be approved on an interim basis.

## 11 IMPLEMENTATION AND ORDER

### Rate Model

This Decision and Rate Order is accompanied by a rate model, applicable supporting model and a Tariff of Rates and Charges (Schedule A). Entries in the model were reviewed to ensure that they are in accordance with Oakville Hydro's EB-2013-0159 cost of service decision, the 2016 OEB-approved Tariff of Rates and Charges as well as the cost, revenue and consumption results from 2015 as reported by Oakville Hydro to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

### THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2017 for electricity consumed or estimated to have been consumed on and after such date. Oakville Hydro Electricity Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. Oakville Hydro Electricity Distribution Inc. shall establish Account 1508 Sub-account pursuant to the Accounting Order attached as Schedule C.

### ADDRESS

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**DATED** at Toronto, January 5, 2017

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary



**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2016-0097**

**DATED: January 5, 2017**

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

EB-2016-0097

### RESIDENTIAL SERVICE CLASSIFICATION

This class refers to the supply of electrical energy to detached and semi-detached residential buildings as well as farms as defined in the local zoning by-laws. Where the residential dwelling comprises the entire electrical load of a farm, it is defined as a residential service. Where electricity is provided to a combined residential and business (including agricultural usage) and the service does not provide for separate metering, the classification shall be at the discretion of Oakville Hydro and shall be based on such considerations as the estimated predominant 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	21.95
Rate Rider for Recovery of Stranded Meter Assets - effective until April 30, 2019	\$	0.77
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0082
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0079
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0056

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

### ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

#### APPLICATION

The application of the charges are in accordance with the Distribution System Code (Section 9) and subsection 79.2(4) of the Ontario Energy Board Act, 1998.

The application of these 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.

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;

“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

“household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;

“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

### MONTHLY RATES AND CHARGES

#### Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons; and
  - (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
- but does not include account-holders in Class E.

OESP Credit \$ (30.00)

#### Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit \$ (34.00)

#### Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
  - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
- but does not include account-holders in Class G.

OESP Credit \$ (38.00)

#### Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons; and
  - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
- but does not include account-holders in Class H.

OESP Credit \$ (42.00)

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

### Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

### Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;

(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or

(c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
- ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
- iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates

OESP Credit \$ (50.00)

### Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

### Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person ; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

### Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
- (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
- (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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### GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This class refers to customers who do not qualify as residential customers and whose monthly average peak demand in the preceding twelve months is less than 50kW. For new customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformation. Note: Apartment buildings or multi-unit complexes and subdivisions that are not individually metered are treated as General Service. 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	36.26
Rate Rider for Recovery of Stranded Meter Assets - effective until April 30, 2019	\$	2.27
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0161
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017		
Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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### GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This class refers to customers who do not qualify as residential customers whose monthly average peak demand in the preceding twelve months is in the range of 50 to 999 kW. There are two sub categories within this class, those being non-interval and interval metered accounts. For new customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformation. 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	123.74
Distribution Volumetric Rate	\$/kW	4.8388
Low Voltage Service Rate	\$/kW	0.1313
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.5669)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	0.3998
Retail Transmission Rate - Network Service Rate	\$/kW	2.7368
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8252
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9260
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9883

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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### GENERAL SERVICE 1,000 KW AND GREATER SERVICE CLASSIFICATION

This class refers to customers who do not qualify as residential customers whose monthly average peak demand in the preceding twelve months is equal to or greater than 1,000 kW. These accounts will all be interval metered accounts. For new customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformation. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

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

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

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

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.

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3,551.60
Distribution Volumetric Rate	\$/kW	2.8084
Low Voltage Service Rate	\$/kW	0.1313
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(0.2168)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8252
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9883

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly 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 X-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 and 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	10.26
Distribution Volumetric Rate	\$/kWh	0.0097
Low Voltage Service Rate	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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### SENTINEL LIGHTING SERVICE CLASSIFICATION

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.80
Distribution Volumetric Rate	\$/kW	47.6108
Low Voltage Service Rate	\$/kW	0.0255
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	0.0351
Retail Transmission Rate - Network Service Rate	\$/kW	0.5486
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.3860

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

### STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street lighting equipment owned by or operated for the Municipality, the Region or the Province of Ontario shall be classified as Street Lighting Service. Street Lighting plant, facilities, or equipment owned by the customer are subject to the Electrical Safety Authority (ESA) requirements and Oakville Hydro specifications. 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.85
Distribution Volumetric Rate	\$/kW	23.6498
Low Voltage Service Rate	\$/kW	0.1061
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(0.1163)
Retail Transmission Rate - Network Service Rate	\$/kW	2.2831
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6068

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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### EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

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

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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 the Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,298.54
Distribution Volumetric Rate	\$/kW	2.8940
Low Voltage Service Rate	\$/kW	0.1313
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until December 31, 2017 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until December 31, 2017	\$/kW	(0.2682)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8252
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9883

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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### microFIT SERVICE CLASSIFICATION

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

### APPLICATION

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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### ALLOWANCES

Transformer Allowance for General Service > 50 to 999kW customers that own their transformers (per kW of billing demand/month)	\$/kW	(0.50)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

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### SPECIFIC SERVICE CHARGES

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

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

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#### Customer Administration

Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Easement letter	\$	15.00
Account history	\$	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	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Disconnect/reconnect at pole - during regular hours	\$	185.00
Disconnect/reconnect at pole - after regular hours	\$	415.00

#### Other

Special meter reads	\$	30.00
Service call (after first service call in a 12-month period) - during regular hours	\$	30.00
Service call (after first service call in a 12-month period) - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary Service - install & remove - underground - no transformer	\$	300.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35

# Oakville Hydro Electricity Distribution Inc.

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

Approved on an Interim Basis

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

### RETAIL SERVICE CHARGES (if applicable)

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

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

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

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to the Ontario Energy Board approval, such as the Debt Retirement Charge, 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	\$	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	1.0376
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0272
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

**Schedule B**

**To Decision and Rate Order**

**List of Rates and Charges Not Affected by the Price Cap or Annual IR Index**

**OEB File No: EB-2016-0097**

**DATED: January 5, 2017**



The following rates and charges are not affected by the Price Cap or Annual IR Index:

- Rate riders
- Rate adders
- Low voltage service charges
- Retail transmission service rates
- Wholesale market service rate
- Rural or remote electricity rate protection charge
- Standard supply service – administrative charge
- Ontario Electricity Support Program
- Transformation and primary metering allowances
- Loss factors
- Specific service charges
- microFIT charge
- Retail service charges

**Schedule C**

**To Decision and Rate Order**

**Accounting Order**

**OEB File No: EB-2016-0097**

**DATED: January 5, 2017**

## Accounting Order

### **Account 1508 Other Regulatory Assets – Sub-account Monthly Billing Transition Costs**

Oakville Hydro shall establish this new deferral account effective January 1, 2016 to record the net incremental costs associated with the transition to monthly billing including the ongoing incremental costs for the period from the effective date of this Accounting Order until the effective date of Oakville Hydro's next cost based (cost of service or Custom IR) rate order. The implementation of monthly billing is for customers in its Residential and General Service less than 50 kW rate classes in accordance with the Distribution System Code as amended on April 15, 2015. Incremental costs shall include the costs of any one-time transition costs and incremental ongoing internal and external resources, postage, paper, envelopes and payment processing fees.

Incremental savings shall include but not be limited to reductions in bad debt expense and working capital allowance.

This sub-account will accrue carrying charges based on the OEB's prescribed interest rates.

The journal entries to be recorded are as follows:

*DR 1508      Other Regulatory Assets, Sub-account Monthly Billing Transition Costs*

*CR xxxx      OM&A Expenses*

*To record the incremental costs associated with the transition to monthly billing for the Residential and General Service less than 50 kW rate classes and the costs for the ongoing maintenance of monthly billing until the effective date of the next cost based rate order.*

*DR xxxx      OM&A Expenses*

*CR 1508      Other Regulatory Assets, Sub-account Monthly Billing Transition Costs*

*To record the offsetting benefits associated with the transition to monthly billing excluding the savings from reduced working capital allowance requirements for the Residential and General Service less than 50 kW rate classes.*

*DR 4080      Distribution Revenue*

*CR 1508      Other Regulatory Assets, Sub-account Monthly Billing Transaction Costs*

*To record the offsetting benefits associated with the transition to, and ongoing maintenance of monthly billing for the savings from reduced working capital allowance requirements.*

*DR 1508      Other Regulatory Assets, Sub-account Monthly Billing Transition Costs  
Carrying Charges*

*CR 4405      Interest and Dividend Income*

*To record carrying charges on the principal balance in the sub-account Monthly Billing Transition Costs*