



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

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**DECISION AND RATE ORDER**

**EB-2017-0059**

**LONDON HYDRO INC.**

**Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.**

**By Delegation, Before: Theodore Antonopoulos**

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**March 22, 2018**

# 1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by London Hydro Inc. (London Hydro) on October 5, 2017, as amended during the course of the proceeding.

London Hydro serves about 155,500 mostly residential and commercial electricity customers in the city of London. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's [Chapter 3 Filing Requirements for Incentive Rate-Setting Applications](#) (the Filing Requirements).

London Hydro's application is based on a Price Cap Incentive Rate-setting option (Price Cap IR) with a five-year term. The Price Cap IR option involves the setting of rates through a cost of service (COS or rebasing) application in the first year. Mechanistic price cap adjustments, based on inflation and the OEB's assessment of the distributor's efficiency, are then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly bill decrease of \$1.97 for a residential customer consuming 750 kWh, effective May 1, 2018.

London Hydro has 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. In 2015, 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 2018 has once again been adjusted upward in this Decision by more than the mechanistic price cap adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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

## 2 THE PROCESS

This Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

The OEB follows a standardized and streamlined process for IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application. During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required.

The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

London Hydro filed its application on October 5, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. London Hydro supported its application with written evidence and a completed rate model. Questions were asked of, and answers were provided by, London Hydro through e-mails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to London Hydro on March 12, 2018. London Hydro was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

## 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying London Hydro's proposals relating to each of them:

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account
- Residential Rate Design
- Advanced Capital Module Rate Riders

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

## 4 PRICE CAP ADJUSTMENT

London Hydro seeks to increase its rates, effective May 1, 2018, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to London Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 1.05% increase to London Hydro's rates:  $1.05\% = 1.20\% - (0.00\% + 0.15\%)$ .

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

| Components                    |                                      | Amount |
|-------------------------------|--------------------------------------|--------|
| Inflation Factor <sup>2</sup> |                                      | 1.20%  |
| X-Factor                      | Productivity <sup>3</sup>            | 0.00%  |
|                               | Stretch (0.00% – 0.60%) <sup>4</sup> | 0.15%  |

The inflation factor of 1.20% applies to all Price Cap IR applications for the 2018 rate year.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2018 rate year.

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The

<sup>2</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

<sup>3</sup> Ibid.

<sup>4</sup> The stretch factor groupings are based on the “”, prepared by Pacific Economics Group LLC., July 2017

stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to London Hydro is 0.15%.

## Findings

The OEB finds that London Hydro's request for a 1.05% Price Cap IR adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and London Hydro's new rates shall be effective May 1, 2018.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.<sup>5</sup>

## 5 RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

London Hydro is transmission connected and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 5.1.

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<sup>5</sup> Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: 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, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

Table 5.1: UTRs<sup>6</sup>

| Current Approved UTRs (2018)           | per kWh |
|--|---------|
| Network Service Rate                   | \$3.61  |
| <u>Connection Service Rates</u>        |         |
| Line Connection Service Rate           | \$0.95  |
| Transformation Connection Service Rate | \$2.34  |

**Findings**

London Hydro’s proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the UTRs current at the time of the filing. The OEB finds that the new 2018 UTRs are to be incorporated into the rate model to adjust the RTSRs that LDC will charge its customers accordingly.

**6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS**

In each year of an IRM term, the OEB will review a distributor’s Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.<sup>7</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.<sup>8</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2016 actual year-end total balance for London Hydro’s Group 1 accounts including interest projected to April 30, 2018 is a credit of \$4,190,221. This amount represents a total credit claim of \$0.0013 per kWh, which exceeds the disposition threshold. London Hydro proposes the disposition of this credit amount over a one-year period.

<sup>6</sup> Decision and Rate Order, EB-2017-0359, February 1, 2018

<sup>7</sup> 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.

<sup>8</sup> Report of the OEB – “Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR)” EB-2008-0046, July 31, 2009

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account credit balance of \$1,374,148. A customer's costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.<sup>9</sup>

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.
- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as Class A customers. These 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. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- Class B non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on the IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer 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.

London Hydro proposes the refund of its GA variance account credit balance of \$1,374,148 as at December 31, 2016, including interest to April 30, 2018, in accordance with the following table.

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<sup>9</sup> The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

**Table 6.1: Recovery of GA Variance**

| Proposed Amounts  | Proposed Method for Recovery        |
|---|-------------------------------------|
| \$1,360,968 refunded to customers who were Class B for the entire period from January 2016 to December 2016                         | per kWh rate rider                  |
| \$13,179 refunded to customers formerly in Class A during the period January 2016 to December 2016 who were reclassified to Class B | 12 equal installments <sup>10</sup> |

The balance of the Group 1 accounts includes a credit of \$133,414 for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market Demand Response 3 program. Distributors paid CBR charges to the IESO in 2016 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 2016 to December 2016.

London Hydro had Class A customers so the balance of this sub-account should be disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers. Since the balance in the sub-account CBR Class B does not produce a rate rider at the fourth decimal place in one or more rate classes, the Rate Generator Model does not compute rate riders and London Hydro therefore applied to transfer the entire amount in sub-account 1580 CBR Class B into Account 1595 for disposition at a later date.

As some customers were reclassified between Class A and Class B during the period from January 2016 to December 2016, London Hydro requested refunding of a portion of CBR Class B costs by way of 12 equal installments.<sup>11</sup>

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges and Commodity Power Charges. These Group 1 accounts have a total credit balance of \$2,682,659, which results in a refund to customers.

<sup>10</sup> 2018 IRM Rate Generator Model, Tab 6.1a "GA Allocation"

<sup>11</sup> 2018 IRM Rate Generator Model, Tab 6.2 "CBR\_Allocation"



The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>12</sup> London Hydro further notes that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>13</sup>

## Findings

The OEB approves the disposition of a credit balance of \$4,190,221 as of December 31, 2016, including interest projected to April 30, 2018 for Group 1 accounts.

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

**Table 6.2: Group 1 Deferral and Variance Account Balances**

| Account Name                                 | Account Number | Principal Balance (\$) A | Interest Balance (\$) B | Total Claim (\$) C=A+B |
|--|----------------|--------------------------|-------------------------|------------------------|
| Smart Meter Entity Variance Charge           | 1551           | (23,295)                 | (504)                   | (23,800)               |
| RSVA - Wholesale Market Service Charge       | 1580           | (2,979,756)              | (67,914)                | (3,047,671)            |
| Variance WMS - Sub-account CBR Class B       | 1580           | (130,012)                | (3,402)                 | (133,414)              |
| RSVA - Retail Transmission Network Charge    | 1584           | 240,008                  | 5,451                   | 245,459                |
| RSVA - Retail Transmission Connection Charge | 1586           | (154,400)                | (1,089)                 | (155,489)              |
| RSVA – Power                                 | 1588           | 292,663                  | 6,178                   | 298,841                |
| RSVA - Global Adjustment                     | 1589           | (1,365,673)              | (8,475)                 | (1,374,148)            |
| <b>Totals for all Group 1 accounts</b>       |                | <b>(4,120,465)</b>       | <b>(69,756)</b>         | <b>(4,190,221)</b>     |

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of

<sup>12</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

<sup>13</sup> As outlined in the Report cited at footnote 8 above.

Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.<sup>14</sup> The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. London Hydro shall ensure these adjustments are included in the reporting period ending June 30, 2018 (Quarter 2).

The OEB approves these balances to be disposed through rate riders and payments as calculated in the Rate Generator Model. The rate riders and payments will be in effect over a one-year period from May 1, 2018 to April 30, 2019.<sup>15</sup>

## **7 THE LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE**

As part of the Ministry of Energy's conservation-first policy, distributors have an OEB licence requirement to ensure conservation and demand management (CDM) programs are available to their customers.<sup>16</sup> These programs result in reduced total energy consumption. To address the impact of the reduced consumption, OEB Policy established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual load and the last OEB-approved load forecast.<sup>17</sup> These differences are recorded by distributors at the rate class level.

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the

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<sup>14</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>15</sup> 2018 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a "GA Allocation", Tab 6.2 "CBR B", Tab 6.2a "CBR\_Allocation" and Tab 7 "Calculation of Def-Var RR"

<sup>16</sup> Conservation First: A Renewed Vision for Energy Conservation in Ontario, Ontario Ministry of Energy, 2013

<sup>17</sup> Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and, Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014

distributor. A request for the inclusion of lost revenues from demand response programs, as part of the LRAMVA, must be addressed through a COS application.<sup>18</sup>

London Hydro has applied to dispose its LRAMVA balance of \$763,199 associated with new CDM program savings in 2016, persisting savings from 2011 to 2015 in 2016, and carrying charges. This total includes \$27,546 related to savings adjustments for 2015 CDM programs that were not included in London Hydro's 2017 LRAMVA disposition (EB-2016-0091).

In response to OEB staff interrogatories, London Hydro agreed to remove the 2015 adjustment amount included with the current disposition, should it be ordered by the OEB. It is noted in the Chapter 3 filing requirements that adjustments to a past approved amount cannot be made.

On December 21, 2017, London Hydro notified the OEB that it was withdrawing its 2016 LRAMVA, as there are potentially significant adjustments to 2016 savings results that would be confirmed in the 2017 IESO Final Reports Report, once available.

## Findings

The OEB accepts London Hydro's request to withdraw the 2016 LRAMVA disposition request in this application.

## 8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.<sup>19</sup> The OEB requires that distributors filing IRM applications affecting 2018 rates continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service charge and decrease the variable charge consistent with the policy.

The OEB expects an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change

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<sup>18</sup> Report of the Ontario Energy Board – "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs" EB-2016-0182, May 19, 2016

<sup>19</sup> As outlined in the Policy cited at footnote 1 above.

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.

London Hydro notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.60. 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 proposed 2018 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

## 9 ADVANCED CAPITAL MODULE RATE RIDERS

In its application, London Hydro requested ACM rate riders to recover the 2018 capital contribution required to convert the Nelson Transformer Station (TS) from 13.8 kV to 27.6 kV, to replace a JD Edwards financial accounting system and to recover the cost of a true-up payment to Hydro One Networks Inc. based on a Connection and Cost Recovery Agreement (CCRA). London Hydro proposes to recover the costs by means of fixed rate riders, which would be in place until the effective date for rates based on London Hydro's next cost of service application. London Hydro is next scheduled to rebase its rates for 2022.

London Hydro identified the need for, nature and prioritization of these material capital projects in its 2017 cost of service application<sup>20</sup>, and sought advance approval for them as an ACM in that application. London Hydro's proposals were agreed to by parties as part of a settlement agreement which the OEB approved. London Hydro's current proposal is based on the OEB's policy on capital funding mechanisms as documented in OEB Reports.<sup>21</sup>

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<sup>20</sup> EB-2016-0091

<sup>21</sup> [Report of the Board on Policy Options for Funding Capital Investment: the Advanced Capital Module](#) (EB-2014-0219), September 18, 2014 and the [Report of the Board on Policy Options for Funding Capital Investments: Supplemental Report](#) (EB-2014-0219), January 22, 2016

In this application for 2018 rates under the Price Cap IR mechanism, London Hydro applied for the ACM rate riders to recover the costs of all three qualified and approved ACM capital projects. London Hydro has noted that there are no changes to the forecast costs and has confirmed the in-service (or payment) dates for all three projects to be in 2018.<sup>22</sup>

OEB staff questioned London Hydro on their proposal to charge ACM fixed monthly rate riders for all customer classes and asked London Hydro to comment on the appropriateness, based on principles of cost causality, of its fixed rate rider proposal. OEB staff also asked London Hydro about the practicality, with respect to the capabilities of London Hydro's billing system, of a scenario whereby the ACM rate rider is recovered through fixed and variable rate riders for GS < 50 kW and GS 50-4999 kW customer classes, and through monthly fixed rate riders for all other customer classes. London Hydro responded that it had no objection to applying the fixed/variable scenario, as provided by OEB staff. However, London Hydro maintained that its fixed monthly rate rider proposal was its preference.

## Findings

The OEB approves the commencement of ACM rate riders.

London Hydro addressed and satisfied the criteria of an approved ACM project. Specially, the company confirmed that:

- there are no changes to the timing and quantum of the forecasted capital costs from the forecasts provided in the approved 2017 settlement agreement
- the total capital cost of the three projects is below an appropriately updated maximum incremental capital amount
- the company has passed the earnings test.

The rate riders will be based on a fully fixed charge for the residential class, and a fixed/variable split for all other classes. This approach is consistent with the current rate design regime. In future, as the OEB evolves its rate design policy for other classes, the approach to rate riders that proxy revenue requirements may continue to evolve in order to align, as appropriate, with the rate design profile of base distribution rates.

Relative to the approved settlement agreement<sup>23</sup>, and with updated parameters and data on customers kWh and kW as provided in the application and in responses to questions from OEB staff, the OEB is satisfied with and accepts the amounts to be disposed through the fixed/variable approach described above. The rate riders will be in

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<sup>22</sup> The *Report of the Board on Policy Options for Funding Capital Investment: the Advanced Capital Module* (cited above), on page 12, defines a material change as 30% or more from the forecasted amount documented in the Distribution System Plan and applied for as a qualifying ACM project in the previous cost of service application.

<sup>23</sup> EB-2016-0091

effect until the effective date of the next cost of service-based rate order and will be tracked in the variance accounts established for this purpose.

## 10 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with London Hydro's last COS decision, and to ensure that the 2017 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2016, are as reported by London Hydro to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

**Table 10.1: Regulatory Charges**

| <b>Rate</b>  | <b>per kWh</b> |
|--|----------------|
| Rural or Remote Electricity Rate Protection (RRRP)               | \$0.0003       |
| Wholesale Market Service (WMS) billed to Class A and B Customers | \$0.0032       |
| Capacity Based Recovery (CBR) billed to Class B Customers        | \$0.0004       |

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2017.<sup>24</sup>

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set at \$0.57 by the OEB on March 1, 2018, effective January 1, 2018 to December 31, 2022.<sup>25</sup> The Rate Generator Model has been adjusted to incorporate this rate.

<sup>24</sup> Decision and Order, EB-2017-0333, December 20, 2017

<sup>25</sup> Decision and Order, EB-2017-0290, March 1, 2018

**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 May 1, 2018 for electricity consumed or estimated to have been consumed on and after such date. London Hydro Inc. shall notify its customers of the rate changes no later than the first bill reflecting the new rates.

**DATED** at Toronto, March 22, 2018

**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-2017-0059**

**DATED: March 22, 2018**



**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0059

## 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. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should be based on such considerations as the estimated predominant consumption. Non IESO generation accounts, primarily net-metered accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation shall be classified as residential. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 22.17    |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 0.31     |
| Rate Rider for Smart Metering Entity Charge - effective until December 31, 2022   | \$     | 0.57     |
| Distribution Volumetric Rate  | \$/kWh | 0.0041   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kWh | (0.0009) |
| Retail Transmission Rate - Network Service Rate   | \$/kWh | 0.0049   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kWh | 0.0047   |

## 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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0059

### 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. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should 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 London Hydro's Conditions of Service.

#### APPLICATION

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

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

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

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

#### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 32.59    |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 0.41     |
| Rate Rider for Smart Metering Entity Charge - effective until December 31, 2022   | \$     | 0.57     |
| Distribution Volumetric Rate  | \$/kWh | 0.0109   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kWh | (0.0008) |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kWh | 0.0001   |
| Retail Transmission Rate - Network Service Rate   | \$/kWh | 0.0046   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kWh | 0.0042   |

#### 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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

## 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 determination of the billing demand and 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 199 kW non-interval metered

General Service 50 to 4,999 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 Global Adjustment is only applicable to non-RPP Class B customers. It 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 non-RPP Class B customers.

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

### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 159.20   |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order               | \$     | 2.01     |
| Distribution Volumetric Rate  | \$/kW  | 2.7488   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers                  | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019<br>Applicable only for Non-Wholesale Market Participants | \$/kW  | (0.3435) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | 0.0111   |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order               | \$/kW  | 0.0347   |
| Retail Transmission Rate - Network Service Rate   | \$/kW  | 1.6143   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kW  | 1.5254   |
| Retail Transmission Rate - Network Service Rate - Interval Metered  | \$/kW  | 2.0701   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered   | \$/kW  | 2.1256   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

**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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0059

### **GENERAL SERVICE 1,000 TO 4,999 KW (CO-GENERATION) SERVICE**

Embedded generation, co-generation or load displacement customers have the option to reserve demand capacity on the London Hydro distribution system for import load through mutual agreement/contract. For the embedded generation customers with a gross peak demand annual average of less than 1,000 kW and equal to or greater than 50 kW per month, the General Service 50 to 4,999 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. For the embedded generation customers with a gross peak demand annual average of less than 50 kW per month, the General Service Less Than 50 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 Global Adjustment is only applicable to non-RPP Class B customers. It 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 non-RPP Class B customers.

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

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

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 2,173.50 |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 27.46    |
| Distribution Volumetric Rate is applied to billed demand in excess of contracted amount (e.g. nameplate rating of the generation facility)  | \$/kW  | 3.7968   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | (0.1704) |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kW  | 0.0480   |
| Retail Transmission Rate - Network Service Rate   | \$/kW  | 2.3899   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kW  | 2.2484   |

#### **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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0059

## STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires London Hydro to provide backup service. The distribution Standby Power rate will be applied to all monthly kW's reserved. Further servicing details are available in London Hydro'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.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It 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 non-RPP Class B customers.

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

### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kW  | 0.0396   |
| Standby Charge is applied to the contracted amount (e.g. nameplate rating of the generation facility).                                      | \$/kW  | 3.1360   |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | (0.1704) |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

## LARGE USE SERVICE CLASSIFICATION

This classification applies to an 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, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in London Hydro'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 Global Adjustment is only applicable to non-RPP Class B customers. It 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 non-RPP Class B customers.

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

### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |           |
|---|--------|-----------|
| Service Charge  | \$     | 20,499.65 |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 258.98    |
| Distribution Volumetric Rate  | \$/kW  | 2.2876    |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009)  |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kW  | 0.0289    |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | (0.4309)  |
| Retail Transmission Rate - Network Service Rate - Interval Metered  | \$/kW  | 2.1206    |
| Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered   | \$/kW  | 2.1256    |

### 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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Further servicing details are available in London Hydro's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge (per connection)   | \$     | 1.66     |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 0.02     |
| Distribution Volumetric Rate  | \$/kW  | 8.2935   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | (0.3025) |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kW  | 0.1048   |
| Retail Transmission Rate - Network Service Rate   | \$/kW  | 1.4214   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kW  | 1.3431   |

### 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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |



**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

**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 London Hydro's Conditions of Service.

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

|   |        |          |
|---|--------|----------|
| Service Charge (per connection)   | \$     | 4.67     |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 0.06     |
| Distribution Volumetric Rate  | \$/kW  | 15.3774  |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kW  | (0.3080) |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kW  | 0.1943   |
| Retail Transmission Rate - Network Service Rate   | \$/kW  | 1.4233   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kW  | 1.3450   |

**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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0059

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge (per connection)   | \$     | 2.34     |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$     | 0.03     |
| Distribution Volumetric Rate  | \$/kWh | 0.0202   |
| Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019<br>Applicable only for Non-RPP Customers    | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019  | \$/kWh | (0.0008) |
| Rate Rider for Recovery of Advanced Capital Module (2018) - effective until the effective date of the next cost of service-based rate order | \$/kWh | 0.0003   |
| Retail Transmission Rate - Network Service Rate   | \$/kWh | 0.0046   |
| Retail Transmission Rate - Line and Transformation Connection Service Rate  | \$/kWh | 0.0042   |

### 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 | 0.0003 |
| Standard Supply Service - Administrative Charge (if applicable)  | \$     | 0.25   |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0059

**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 London Hydro's Conditions of Service.

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

|                |    |      |
|----------------|----|------|
| Service Charge | \$ | 5.40 |
|----------------|----|------|

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0059

**ALLOWANCES**

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

**SPECIFIC SERVICE CHARGES**

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

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

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

**CUSTOMER ADMINISTRATION**

|   |    |       |
|---|----|-------|
| Easement letter   | \$ | 15.00 |
| Special meter reads   | \$ | 30.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Returned cheque (plus bank charges)   | \$ | 15.00 |
| Cellular meter read charge  | \$ | 30.00 |

**NON-PAYMENT OF ACCOUNT**

|  |    |        |
|--|----|--------|
| Late payment - per month                             | %  | 1.50   |
| Late payment - per annum                             | %  | 19.56  |
| Collection of account charge - no disconnection      | \$ | 10.00  |
| Disconnect/reconnect at meter - during regular hours | \$ | 35.00  |
| 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**

|  |    |        |
|--|----|--------|
| Meter interrogation charge   | \$ | 5.50   |
| Temporary service - install & remove - overhead - no transformer   | \$ | 500.00 |
| Temporary service - install & remove - underground - no transformer  | \$ | 300.00 |
| Service call - after regular hours   | \$ | 165.00 |
| Specific charge for access to the power poles - \$/pole/year<br>(with the exception of wireless attachments) | \$ | 22.35  |
| Install/remove load control device - during regular hours  | \$ | 65.00  |
| Install/remove load control device - after regular hours   | \$ | 185.00 |

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0059

## RETAIL SERVICE CHARGES (if applicable)

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

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

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

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the 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 | 1.0315 |
| Total Loss Factor - Secondary Metered Customer > 5,000 kW | 1.0146 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW   | 1.0212 |
| Total Loss Factor - Primary Metered Customer > 5,000 kW   | 1.0045 |