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# **DECISION AND RATE ORDER**

## **EB-2020-0038**

### **LONDON HYDRO INC.**

**Application for rates and other charges to be effective May 1, 2021**

**By Delegation, Before: Pascale Duguay**

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**[ date ]**

# 1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by London Hydro Inc. (London Hydro) for new rates effective May 1, 2021.

London Hydro serves approximately 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 licensed 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 [Handbook for Utility Rate Applications](#).

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 application in the first year. Mechanistic price cap adjustments, based on inflation and the OEB's assessment of the distributor's efficiency, are typically then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of this Decision, there will be a monthly total bill increase of \$0.52 for a residential customer consuming 750 kWh, effective May 1, 2021. The increase does not factor in applicable taxes or the Ontario Electricity Rebate.<sup>1</sup>

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<sup>1</sup> O.Reg 363/16. S. 3, effective November 1, 2019

## 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 hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.<sup>2</sup> A distributor will then review and complete the Rate Generator Model, and include it with its application.

London Hydro filed its application on December 1, 2020 under section 78 of the OEB Act and in accordance with the OEB's [Filing Requirements for Electricity Distribution Rate Applications, Chapter 3 - Incentive Rate-Setting Applications](#) (Filing Requirements).

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to OEB staff questions through emails and, where required, updated and clarified the evidence.

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<sup>2</sup> The Rate Generator Model is a Microsoft Excel workbook that is used to update 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. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

### 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 Balance

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges<sup>3</sup> and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

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<sup>3</sup> Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2020-0285, issued December 3, 2020 established the adjustment for energy retailer service charges, effective January 1, 2021. The Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

## 4 PRICE CAP ADJUSTMENT

London Hydro seeks to change its rates, effective May 1, 2021, 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 1.90% increase to London Hydro's rates: **1.90% = 2.20% - (0.00% + 0.30%)**.

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

Components		Amount
Inflation Factor <sup>4</sup>		2.20%
X-Factor	Productivity <sup>5</sup>	0.00%
	Stretch (0.00% to 0.60%) <sup>6</sup>	0.30%

A maximum inflation factor of 2.20% applies to all Price Cap IR applications for the 2021 rate year, provided that a utility does not elect a lower inflation factor to be used.

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 and Annual IR Index applications for the 2021 rate year.

The stretch factor component of the X-factor is distributor-specific. The OEB has

<sup>4</sup> For the 2021 Inflation Factor, see Ontario Energy Board 2021 Electricity Distribution Rate applications webpage – November 9, 2020

<sup>5</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013

<sup>6</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2019 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2020

established five stretch factor groupings, each within a range from 0.00% to 0.60%. The 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 0.30%.

In light of the continued uncertainty regarding the severity and duration of the COVID-19 emergency, and its impact on electricity utilities and customers alike, for 2021 rate adjustment applications, the OEB allowed utilities the discretion of applying either the calculated inflation factor in accordance with the OEB-approved methodology or a lower value. Utilities were also given the discretion to forego the inflationary increase entirely.<sup>7</sup>

The OEB required all utilities that filed (or were planning to file) 2021 rate adjustment applications to file a letter on the record of their rates proceedings, indicating the inflation factor that the utility has elected.

On February 5, 2021, London Hydro filed a letter advising the OEB that it is electing an inflation factor of 2.20% for 2021 rates, resulting in a rate adjustment of 1.90%.<sup>8</sup>

## Findings

The OEB finds that London Hydro's request for a 1.90% rate adjustment is in accordance with the annually updated parameters set by the OEB, as well as the process established for the implementation of the 2021 inflation factor. The adjustment is approved, and London Hydro's new rates shall be effective May 1, 2021.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.<sup>9</sup>

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<sup>7</sup> [OEB Letter, 2021 Inflation Parameters, issued November 9, 2020](#)

<sup>8</sup> EB-2020-0038, Letter re: London Hydro's 2021 Inflation Factor, February 5, 2021

<sup>9</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, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors and microFIT charge.

## 5 RETAIL TRANSMISSION SERVICE RATES

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

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

**Table 5.1: UTRs<sup>10</sup>**

UTRs (2021)	per kW
Network Service Rate	\$4.67
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$2.53

### Findings

London Hydro's proposed adjustment to its RTSRs is approved. The OEB notes that the OEB-approved 2021 UTRs were incorporated into the rate model to adjust the RTSRs that London Hydro will charge its customers.

<sup>10</sup> EB-2020-0251, Decision and Order, December 17, 2020

## 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>11</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>12</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2019 actual year-end total balance requested for disposition for London Hydro's Group 1 accounts including interest projected to April 30, 2021 is a debit of \$2,717,953.<sup>13</sup> This amount consists of cumulative transactions from 2017 to 2019, as London Hydro last disposed of its Group 1 account balances as of December 31, 2016 as part of its 2018 rates proceeding.<sup>14</sup> The Group 1 account balance includes a balance in Account 1595 (2017) that is proposed for disposition in this proceeding.

This balance represents a total debit claim of \$0.0009 per kWh, which does not exceed the disposition threshold. London Hydro has requested disposition of this debit amount over a one-year period.

### a) *Global Adjustment Variance Account*

One of the components of the commodity costs billed by the Independent Electricity System Operator (IESO), which is included in Group 1 accounts, is the Global Adjustment (GA).<sup>15</sup>

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<sup>11</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>12</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

<sup>13</sup> Rate Generator Model, Tab 3, filed February 11, 2021

<sup>14</sup> EB-2017-0059, Decision and Rate Order, March 22, 2018

<sup>15</sup> The GA is established monthly by the IESO to reflect the difference between the wholesale market price for electricity and regulated rates for:

- Ontario Power Generation's nuclear and hydroelectric generating stations
- payments for building or refurbishing infrastructure such as gas-fired and renewable facilities and other nuclear
- contracted rates paid to a number of generators across the province
- the cost of delivering conservation programs.



Different customer groups pay the GA in different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates customers pay. Therefore, there is no separate variance account for the GA.
- "Class A" customers are allocated GA costs based on the percentage their demand contributes to the top five Ontario system peaks. As distributors settle with Class A customers based on actual GA costs, there is no resulting variance.
- "Class B" non-RPP customers are billed GA based on the electricity they consume in a month at the IESO published GA price. Distributors track any difference between the billed amounts and actual costs for these customers in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances which are recorded in Group 1 accounts should be responsible for paying (or receiving credits) for their disposal. A customer's movement from one group to another should not prevent that customer from paying/receiving a debit/credit balance.

London Hydro proposes the recovery of its GA balance, a debit of \$4,866,165 as of December 31, 2019, including projected interest to April 30, 2021, in accordance with the following table.

**Table 6.1: Recovery of GA Variance**

<b>Proposed Amounts</b>	<b>Proposed Method for Recovery</b>
\$4,326,703 recovered from customers who were Class B for the entire period from January 2017 to December 2019	per kWh rate rider
\$383,474 recovered from customers formerly in Class B during the period between January 2017 and June 2019 who were reclassified to Class A	12 equal installments <sup>16</sup>
\$104,038 recovered from customers formerly in Class B, who were reclassified to Class A, and subsequently reclassified back to Class B between January 2017 and December 2019	12 equal installments <sup>17</sup>

<sup>16</sup> 2021 IRM Rate Generator Model, Tab 6.1a "GA Allocation"

<sup>17</sup> Ibid

\$51,950 recovered from customers formerly in Class A during the period from January 2018 to June 2019 who were reclassified to Class B	12 equal installments <sup>18</sup>
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*b) Capacity Based Recovery Class B Sub-account*

The balance of the Group 1 accounts includes the Capacity Based Recovery (CBR) sub-account for Class B customers, in a credit amount of \$444,792, relating to the IESO's wholesale energy market for the CBR program.

London Hydro had Class A customers during the period from January 2017 to December 2019. It applied to have the balance of the CBR sub-account disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

As some customers were reclassified between Class A and Class B during the period from January 2017 to December 2019, London Hydro requested to credit a portion of CBR Class B costs by way of 12 equal installments.<sup>19</sup>

London Hydro requests to dispose of all historical CBR Class B balances that accumulated since the beginning of 2016.<sup>20</sup> The CBR Class B balance consists of variances that have accumulated from 53 transition customers between 2016 and 2019. In the 2018 rates proceeding, the 2016 CBR Class B variance was previously transferred into Account 1595 (2018) for disposition at a later date,<sup>21</sup> as those amounts did not generate a rate rider. To date, this balance remains in Account 1595 (2018).

In this proceeding, London Hydro has reversed the 2016 CBR Class B balance from Account 1595 (2018) and included this amount with the 2017 to 2019 disposition of CBR Class B balances in the Account 1580 sub-account.<sup>22</sup>

London Hydro explained that it appropriately included the 2016 CBR Class B balance for disposition with the 2017 to 2019 CBR Class B balances as many of the transition customers (who were Class B previously) have contributed to the 2016 CBR Class B variance.<sup>23</sup> London Hydro expressed concern that, if it did not do so, it would be

<sup>18</sup> 2021 IRM Rate Generator Model, Tab 6.1a "GA Allocation"

<sup>19</sup> 2021 IRM Rate Generator Model Tab 6.2a "CBR B\_Allocation"

<sup>20</sup> Application, pages 38-39

<sup>21</sup> EB-2017-0059, Decision and Rate Order, March 22, 2018

<sup>22</sup> Rate Generator Model, Tab 3, filed February 11, 2021

<sup>23</sup> Response to Staff Question 2 c), February 11, 2021

inappropriately holding the 2016 CBR Class B variance, while disposing the variances accumulated during subsequent years from 2017 to 2019.<sup>24</sup>

c) *Group 1 Accounts*

The Group 1 accounts being sought for disposition (excluding GA) include the following flow-through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and the Account 1595 residual balances. These Group 1 accounts have a total credit balance of \$2,148,212, which results in a refund to customers.<sup>25</sup> This balance combined with the debit balance for the GA account results in the total debit balance for Group 1 accounts of \$2,717,953.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>26</sup> London Hydro further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>27</sup>

Account 1595

Appendix A of the Filing Requirements states:

Applicants are expected to request disposition of residual balances in Account 1595 Sub-accounts for each vintage year only once, on a final basis. Distributors only become eligible to seek disposition of these residual balances two years after the expiry of the rate rider, (i.e. in the fourth rate year after the year the rate rider expires).

- May 1 rate year – If 2018 rate riders end on April 30, 2019, the balance of subaccount 1595 (2018) could be disposed of once the December 31, 2021 account balance has been audited. Therefore, sub-account 1595 (2018) would be eligible for disposition in the 2023 rate year.<sup>28</sup>

London Hydro's sub-account 1595 (2017) rate rider ended on April 30, 2018. According to the Filing Requirements (and the illustrative example), the 1595 (2017) account balance may be disposed of once the December 31, 2020 account balance has been

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<sup>24</sup> Application, page 39

<sup>25</sup> Rate Generator Model, Tab 3, filed February 11, 2021

<sup>26</sup> Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

<sup>27</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

<sup>28</sup> Filing Requirements For Electricity Distribution Rate Applications - 2020 Edition for 2021 Rate Applications, May 14, 2020, page 35

audited. Therefore, sub-account 1595 (2017) would be eligible for disposition in the 2022 rate year, and according to the Filing Requirements, it is not eligible for disposition in this proceeding.

London Hydro is seeking disposition of sub-account 1595 (2017) in a credit amount of \$189,610 in this proceeding, as the residual balance has been audited and no further transactions accumulated in this account since December 2018.<sup>29</sup>

#### Accounts 1588 and 1589

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.<sup>30</sup> The OEB issued accounting guidance<sup>31</sup> on the commodity accounts on February 21, 2019 (Accounting Guidance). In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

In its 2020 rates proceeding, London Hydro did not request disposition of its 2018 Group 1 accounts, as the cumulative 2017 and 2018 account balances did not exceed the OEB's materiality threshold. The OEB supported this request in its decision for London Hydro's 2020 rates.<sup>32</sup> In addition, the OEB noted that London Hydro will commit to providing supporting information for its Account 1588 and 1589 balances in its subsequent 2021 rates proceeding and address the deficiencies related to its settlement and accounting processes.<sup>33</sup>

In this proceeding, London Hydro responded to the OEB's concerns raised in its prior decision. Based on its review of the historical balances, London Hydro provided a detailed description of the process changes related to the commodity accounts and determined the necessary adjustments for each of the years from 2017 to 2019.

London Hydro confirmed that it has implemented the Accounting Guidance as of the year-end of 2020, and is confident that the balances in Accounts 1588 and 1589 accurately reflect the principal amounts for each customer group. As a result of its review, London Hydro has requested approval to dispose of its 2017 to 2019 Group 1 balances on a final basis.

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<sup>29</sup> Response to Staff Question-1 a), February 11, 2021

<sup>30</sup> OEB letter to all rate-regulated licensed electricity distributors – "Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts." July 20, 2018.

<sup>31</sup> Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019.

<sup>32</sup> EB-2019-0052, Decision and Rate Order, April 16, 2020

<sup>33</sup> Ibid

## Findings

The OEB approves the disposition of a debit balance of \$2,907,563 as of December 31, 2019, including interest projected to April 30, 2021, for Group 1 accounts on a final basis. The approved disposition excludes the Account 1595 (2017) residual balance. Under the Filing Requirements, this sub-account is not yet eligible for disposition in this proceeding and the OEB finds there is no compelling reason to deviate from the Filing Requirements at this time.

With regard to the disposition of the 2016 CBR Class B balance, the OEB notes that it has previously approved the transfer of the 2016 CBR Class B balance to Account 1595 (2018) for disposition at a later time. The OEB accepts London Hydro's proposal to transfer these amounts back to Account 1580 and dispose of a cumulative CBR Class B balance (from 2016 to 2019) to its applicable transition customers through monthly installment payments in order to minimize intergenerational inequities.

With regard to the Account 1588 and 1589 balances, the OEB finds that London Hydro has demonstrated in this proceeding that it has taken the necessary steps to be in compliance with the OEB's Accounting Guidance.

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	(182,813)	(9,045)	(191,858)
RSVA - Wholesale Market Service Charge	1580	(4,145,234)	(211,449)	(4,356,683)
Variance WMS - Sub-account CBR Class B	1580	(424,764)	(20,028)	(444,792)
RSVA - Retail Transmission Network Charge	1584	2,097,956	140,799	2,238,755
RSVA - Retail Transmission Connection Charge	1586	(84,534)	34,334	(50,200)
RSVA - Power	1588	940,102	(5,054)	935,047
RSVA - Global Adjustment	1589	4,579,063	287,102	4,866,165
Disposition and Recovery of Regulatory Balances (2016)	1595	106,065	(194,936)	(88,871)
<b>Totals for Group 1 accounts (excluding Account 1589)</b>		(1,693,223)	(265,379)	(1,958,602)
<b>Totals for all Group 1 accounts</b>		2,885,840	21,723	2,907,563

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.<sup>34</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.

<sup>34</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

The OEB approves these balances to be disposed through final rate riders, charges and payments as calculated in the Rate Generator Model. The final rate riders, charges and payments will be in effect over a one-year period from May 1, 2021 to April 30, 2022.<sup>35</sup>

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<sup>35</sup> 2021 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B\_Allocation and Tab 7 Calculation of Def-Var RR.

## 7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

A distributor's conservation and demand management (CDM) programs may result in reduced overall consumption. To address this, the OEB established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA), which captures a distributor's revenue implications resulting from differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast.<sup>36</sup> These differences are recorded by distributors at the rate class level.

Beginning on January 1, 2015, distributors delivered CDM programs to their customers through the Conservation First Framework (CFF). On March 20, 2019, the CFF was revoked.<sup>37</sup> Shortly thereafter, the OEB advised that electricity distributors would continue to have access to a lost revenue adjustment mechanism for conservation program activities undertaken under the CFF.<sup>38</sup> The OEB provided direction to distributors seeking to claim program savings up to December 31, 2019 related to CFF programs or other programs they deliver.<sup>39</sup>

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 distributor.

London Hydro applied to dispose of its LRAMVA debit balance of \$905,045. The balance consists of lost revenues realized in 2017 from CDM programs delivered during the period from 2011 to 2017, and carrying charges.

In this proceeding, London Hydro clarified that it included the impact of actual 2011 to 2015 persistence in the LRAMVA balance, as these amounts were not recovered in rates since it last rebased. As an outcome of the settlement in its 2017 cost of service proceeding, London Hydro added back historical CDM savings (2006 to 2015) to the 2017 load forecast.<sup>40</sup> This resulted in a higher load forecast and lower rates charged to customers. As the impact of persistence was not accounted for in its load forecast, London Hydro therefore requests to recover the 2011-2015 persisting savings through the LRAMVA.

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<sup>36</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.

<sup>37</sup> On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

<sup>38</sup> Ontario Energy Board letter dated June 20, 2019

<sup>39</sup> Chapter 3 Filing Requirements, section 3.2.6.1

<sup>40</sup> Response to Staff Clarification Question 1, February 17, 2021



The actual conservation savings claimed by London Hydro under the CFF were determined by the IESO.<sup>41</sup> For CDM programs delivered prior to 2018, the IESO provided London Hydro with a Final Verified Results Report that summarized all annual CDM results. For CDM programs delivered in 2018 and until the end of the CFF in 2019, the IESO made monthly Participation and Cost Reports and detailed project-level data available to London Hydro.

Actual conservation savings were compared against London Hydro's forecasted conservation savings of 70,113,851 kWh included in the load forecast, which was set out in London Hydro's 2017 cost of service proceeding.<sup>42</sup>

## Findings

The OEB finds that London Hydro's LRAMVA balance has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of London Hydro's LRAMVA debit balance of \$905,045, as set out in Table 7.1 below.

**Table 7.1 LRAMVA Balance for Disposition**

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA	1568	1,496,097	644,390	53,338	905,045

<sup>41</sup> For CDM programs delivered from 2015 to 2017, the IESO provided distributors with a Final Results Report that summarized all savings results. For 2018, distributors accessed the Participant and Cost Reports and detailed project level data from the IESO to support LRAMVA applications.

<sup>42</sup> EB-2016-0091, Decision and Rate Order, March 23, 2017

## 8 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 cost of service decision and to ensure that the 2020 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2019, 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 8.1: Regulatory Charges**

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
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 10, 2020.<sup>43</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 by the OEB on March 1, 2018.<sup>44</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>45</sup> the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On February 25, 2021, the OEB announced that the microFIT charge for the 2021 rate year will remain at \$4.55 per month.<sup>46</sup>

<sup>43</sup> EB-2020-0276, Decision and Order, December 10, 2020

<sup>44</sup> EB-2017-0290, Decision and Order, March 1, 2018

<sup>45</sup> EB-2010-0219, Report of the Board "Review of Electricity Distribution Cost Allocation Policy", March 31, 2011

<sup>46</sup> OEB letter: Review of Fixed Monthly Charge for microFIT Generator Service Classification, issued February 25, 2021

**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, 2021 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 delivery of the first bill reflecting the new final rates.

**DATED** at Toronto, Month Day, 2021

**ONTARIO ENERGY BOARD**

Christine E. Long  
Registrar

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2020-0038**

**DATED: [Date]**

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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 Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	25.98
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
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0005)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0085
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0063

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.18
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	0.0114
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kWh	0.0002
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0004)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kWh	(0.0002)
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	0.0080
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	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## **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.

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 Global Adjustment and the HST.

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**

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

EB-2020-0038

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	166.96
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	2.8829
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	0.1325
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.4362)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	0.2489
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kW	(0.0629)
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	2.7915
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0376
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.5796
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.8393

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## **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.

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 Global Adjustment and the HST.

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**

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

EB-2020-0038

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	2,279.47
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	3.9819
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	0.1210
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.0613)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kW	(0.0274)
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	4.1324
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.0034

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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.

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Standby Charge is applied to the contracted amount (e.g. nameplate rating of the generation facility).	\$/kW	3.2889
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	0.1210
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.0716)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kW	(0.0434)
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

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## **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.

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 Global Adjustment and the HST.

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**

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

EB-2020-0038

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	21,499.20
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	2.3992
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	(0.4952)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.1846)
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
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.6669
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.8393

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.74
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	8.6979
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until April 30, 2022	\$/kW	(2.9708)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.1809)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kW	(0.0589)
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	2.4578
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7941

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.90
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	16.1272
Rate Rider for Disposition of Global Adjustment Account (2021) - effective until April 30, 2022 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kW	(0.1474)
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kW	(0.0611)
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	2.4610
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7966

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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

EB-2020-0038

## 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 Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.46
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	0.0211
Rate Rider for Disposition of Capacity Based Recovery Account (2021) - effective until April 30, 2022 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) - effective until April 30, 2022	\$/kWh	(0.0004)
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	0.0080
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	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2021**

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EB-2020-0038

### **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 Global Adjustment and the HST.

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

Service Charge	\$	4.55
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# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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## 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 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 (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	35.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

## OTHER

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 (with the exception of wireless attachments) - Approved on an Interim Basis	\$	44.50

# London Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2021

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EB-2020-0038

## 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 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	\$	104.24
Monthly Fixed Charge, per retailer	\$	41.70
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.52
Processing fee, per request, applied to the requesting party	\$	1.04
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)	\$	4.17
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.08

## 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