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# **DECISION AND RATE ORDER**

**EB-2021-0031**

**HYDRO HAWKESBURY INC.**

**Application for rates and other charges to be effective  
January 1, 2022**

**BY DELEGATION, BEFORE: Alex Share**  
Manager  
Incentive Rate-setting & Regulatory Accounting

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**December 9, 2021**

## 1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Hydro Hawkesbury Inc. (Hydro Hawkesbury) charges to distribute electricity to its customers, effective January 1, 2022.

As a result of this Decision, there will be a monthly total bill increase of \$1.92 for a residential customer consuming 750 kWh, effective January 1, 2022. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

## 2 CONTEXT AND PROCESS

Hydro Hawkesbury filed its application on August 20, 2021 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.<sup>1</sup> It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing four adjustment years.

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. A distributor will then review, complete, and include the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

Hydro Hawkesbury serves approximately 6,700 mostly residential and commercial electricity customers in Town of Hawkesbury.

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

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<sup>1</sup> Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

### 3 DECISION OUTLINE

Each of the following issues is addressed in this Decision, together with the OEB's findings.

- Annual Adjustment Mechanism
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts

Instructions for implementing Hydro Hawkesbury's new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges<sup>2</sup> and loss factors, which are out of scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

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<sup>2</sup> Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2021-0301, issued November 25, 2021, established the adjustment for energy retailer service charges, effective January 1, 2022; and the Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

## 4 ANNUAL ADJUSTMENT MECHANISM

Hydro Hawkesbury has applied to change its rates, effective January 1, 2022, based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.<sup>3</sup>

The components of the Price Cap IR adjustment formula applicable to Hydro Hawkesbury are set out in the table below. Inserting these components into the formula results in a 3.30% increase to Hydro Hawkesbury's rates: **3.30% = 3.30% - (0.00% + 0.00%)**.

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

Components		Amount
Inflation Factor <sup>4</sup>		3.30%
X-Factor	Productivity <sup>5</sup>	0.00%
	Stretch (0.00% to 0.60%) <sup>6</sup>	0.00%

An inflation factor of 3.30% applies to all IRM applications for the 2022 rate year.

On August 6, 2021, the OEB issued a Notice on its own motion to initiate a proceeding to consider the inflation factor to be used to set rates for electricity transmitters and electricity and natural gas distributors for the year 2022. The OEB issued its Decision and Order on November 18, 2021, establishing the 2022 inflation factor.

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

<sup>3</sup> The adjustment does not apply to the following components of delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

<sup>4</sup> EB-2021-0212, Decision and Order, November 18, 2021

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

<sup>6</sup> Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2020 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2021

over a historical study period and applies to all IRM applications for the 2022 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 stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Hydro Hawkesbury is 0.00%, resulting in a rate adjustment of 3.30%.

### **Findings**

Hydro Hawkesbury's request for a 3.30% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Hydro Hawkesbury's new rates shall be effective January 1, 2022.

## 5 SHARED TAX ADJUSTMENTS

In any adjustment year of an IRM term, a change in legislation may result in a change to the amount of taxes payable by a distributor. The impacts of such legislated tax changes are shared equally between shareholders and customers.<sup>7</sup> The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from the distributor's last cost of service proceeding.

The application identifies a total tax decrease of \$233, resulting in a shared amount of \$117 to be refunded to ratepayers.

This allocated tax sharing amount does not produce a rate rider to the fourth decimal place, in one or more rate classes. In such situations where the Rate Generator Model does not compute rate riders, distributors are required to transfer the entire OEB-approved tax sharing amount into the Disposition and Recovery of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

### Findings

The OEB approves the tax refund of \$117.

As the allocated tax sharing amount does not produce a rate rider in one or more rate classes, the OEB directs Hydro Hawkesbury to record the credit amount of \$117 into Account 1595 - Sub-account Principal Balances Approved for Disposition in 2022.

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<sup>7</sup> On July 25, 2019, the OEB issued a [letter](#) providing accounting guidance with respect to changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM proceedings, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor's next cost of service rate proceeding. A distributor's request for disposition of shared tax adjustment amounts in an IRM application should, therefore, be comprised only of impacts for tax changes unrelated to CCA.

## 6 RETAIL TRANSMISSION SERVICE RATES

Hydro Hawkesbury is partially embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, Hydro Hawkesbury requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the Uniform Transmission Rates (UTRs) and host distributor RTSRs currently in effect.

### Findings

Hydro Hawkesbury's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved UTRs and host-RTSRs.<sup>8</sup>

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that new UTRs or host-RTSRs take effect during Hydro Hawkesbury's 2022 rate year, any resulting differences (from the prior-approved UTRs and host-RTSRs) are to be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

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<sup>8</sup> EB-2021-0176, Decision and Rate Order, June 24, 2021; EB-2020-0030, Decision and Rate Order, December 17, 2020



## 7 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 those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.<sup>9</sup> If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Hydro Hawkesbury's Group 1 accounts eligible for disposition, including interest projected to December 31, 2021, is a credit of (\$775,405), and pertains to variances accumulated during the 2020 calendar year. This amount represents a total credit claim of \$0.0057 per kWh, which exceeds the disposition threshold. Hydro Hawkesbury seeks relief from the requirement to dispose certain Group 1 accounts in the 2022 rate year despite the account balances exceeding the disposition threshold.

In response to OEB staff questions regarding the magnitude of the balance in Account 1588 (which is generally not expected to be large), Hydro Hawkesbury explained that it relied upon an external firm to assist with the accounting related to Accounts 1588 and 1589, and that the firm would require considerable time, effort, and additional costs to investigate these variances. Consequently, Hydro Hawkesbury is seeking an exemption from disposing of the balances in Accounts 1588 and 1589 until it has had a chance to work with the firm to provide accurate explanations for the variances.<sup>10</sup>

Hydro Hawkesbury is requesting disposition of the remaining Group 1 account balances (excluding Accounts 1588 and 1589) in the credit amount of \$195,460, inclusive of interest projected to December 31, 2021, over a one-year period.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Global Adjustment (GA) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for GA charges based on their monthly consumption totals, either as a standalone charge or embedded in the Regulated Price Plan (RPP).<sup>11</sup> A similar mechanism applies to Class A

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<sup>9</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

<sup>10</sup> Response to OEB Staff Question 8, October 18, 2021

<sup>11</sup> For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

and Class B customers for Capacity Based Recovery (CBR) charges.<sup>12</sup> The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

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

During the period in which variances accumulated, Hydro Hawkesbury had customers transition between Class A and Class B. 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. Hydro Hawkesbury has proposed to allocate a portion of the CBR Class B balances to its transition customers, based on their customer-specific consumption levels.<sup>13</sup> The amounts allocated to each transition customer are proposed to be refunded, by way of 12 equal monthly installments.

## Findings

The OEB approves Hydro Hawkesbury's request to defer disposition of the balances, as of December 31, 2020, in Accounts 1588 and 1589. The OEB finds Hydro Hawkesbury's request to be reasonable and encourages the utility to work with its external accounting firm to investigate the variances in these accounts in closer detail. The OEB expects Hydro Hawkesbury to bring forth the results of this review, including any resulting adjustments made to the Account 1588 and 1589 balances, as part of its application for 2023 rates.

The balances proposed for disposition have been reconciled with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.

The OEB approves the disposition of a credit balance of \$195,460 as of December 31, 2020, including interest projected to December 31, 2021, for Group 1 accounts (excluding Accounts 1588 and 1589) on a final basis.

Table 7.1 identifies the principal and interest amounts, which the OEB approves for disposition.

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<sup>12</sup> All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

<sup>13</sup> 2022 IRM Rate Generator Model, Tab 6.1a GA Allocation and Tab 6.2a CBR B\_Allocation

**Table 7.1: Group 1 Deferral and Variance Account Balances**

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance (\$) A</b>	<b>Interest Balance (\$) B</b>	<b>Total Claim (\$) C=A+B</b>
LV Variance Account	1550	17,188	295	17,483
Smart Meter Entity Variance Charge	1551	(3,198)	(38)	(3,237)
RSVA - Wholesale Market Service Charge	1580	(138,978)	(1,000)	(139,978)
Variance WMS - Sub-account CBR Class B	1580	(8,149)	(656)	(8,805)
RSVA - Retail Transmission Network Charge	1584	(37,646)	(707)	(38,352)
RSVA - Retail Transmission Connection Charge	1586	(22,115)	(455)	(22,571)
<b>Totals for Group 1 accounts</b>		<b>(192,898)</b>	<b>(2,561)</b>	<b>(195,460)</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 Account 1595. Such transfer shall be pursuant to the requirements specified in 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.

The OEB approves these balances to be disposed through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2022, to December 31, 2022.<sup>15</sup>

<sup>14</sup> Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>15</sup> 2022 IRM Rate Generator Model Tab 6.2 CBR B, Tab 6.2a CBR B\_Allocation and Tab 7 Calculation of Def-Var RR

## 8 IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 8.1.

**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>16</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>17</sup>

<sup>16</sup> EB-2020-0276, Decision and Order, December 10, 2020

<sup>17</sup> EB-2017-0290, Decision and Order, March 1, 2018

## 9 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Hydro Hawkesbury 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, December 9, 2021

### ONTARIO ENERGY BOARD

*Original Signed By*

Christine E. Long  
Registrar

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2021-0031**

**DATED: December 9, 2021**

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2022**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2021-0031

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.72
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0014
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0014)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0085
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0040

## 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

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2022**  
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## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.54
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0075
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0014)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0078
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035

### 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



**Hydro Hawkesbury Inc.**  
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## **GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION**

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

General Service 50 to 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

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

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

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

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

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

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

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

Service Charge	\$	108.00
Distribution Volumetric Rate	\$/kW	2.2483
Low Voltage Service Rate	\$/kW	0.5184

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Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kW	(0.0278)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.5267)
Retail Transmission Rate - Network Service Rate	\$/kW	3.1895
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4033

**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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## 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 the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	7.61
Distribution Volumetric Rate	\$/kWh	0.0045
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kWh	(0.0013)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0078
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035

### 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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EB-2021-0031

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.77
Distribution Volumetric Rate	\$/kW	4.1667
Low Voltage Service Rate	\$/kW	0.8183
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kW	(0.0221)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.4584)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2150

### 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

**Hydro Hawkesbury Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2022**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2021-0031

## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per Ontario Energy Board street lighting load shape. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

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

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

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

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

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

Service Charge (per connection)	\$	0.63
Distribution Volumetric Rate	\$/kW	6.8467
Low Voltage Service Rate	\$/kW	0.4007
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until December 31, 2022 Applicable only for Class B Customers	\$/kW	(0.0259)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until December 31, 2022	\$/kW	(0.4841)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4056
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0847

### **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

**Hydro Hawkesbury Inc.**  
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**microFIT SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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

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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	10.00
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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 and energy	%	(1.00)

**SPECIFIC SERVICE CHARGES**

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

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**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	20.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	40.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-payment of account**

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	30.00
Reconnection at meter - after regular hours	\$	165.00
Reconnection at pole - during regular hours	\$	100.00
Reconnection at pole - after regular hours	\$	300.00

**Other**

Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	44.50

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## 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.

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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.

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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	\$	107.68
Monthly fixed charge, per retailer	\$	43.08
Monthly variable charge, per customer, per retailer	\$/cust.	1.07
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.64
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.64)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.54
Processing fee, per request, applied to the requesting party	\$	1.07
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)	\$	4.31
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)	\$	2.15

## 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	1.0509
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0410