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Energy | de l'énergie
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DECISION AND RATE ORDER

EB-2021-0013

CHAPLEAU PUBLIC UTILITIES CORPORATION

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

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

March 24, 2022

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Chapleau Public Utilities Corporation (Chapleau Public Utilities) charges to distribute electricity to its customers, effective May 1, 2022.

As a result of this Decision, there will be a monthly total bill increase of \$1.25 for a residential customer consuming 750 kWh, effective May 1, 2022. This change does not factor in applicable taxes or the Ontario Electricity Rebate but includes impacts resulting from the Distribution Rate Protection program. The applicant is one of eight electricity distributors in Ontario to which this tax-funded program applies. The program has been in effect since July 2017, and currently caps monthly distribution charges at \$36.86.¹

The OEB is also approving Chapleau Public Utilities' request to change the composition of its distribution service rates. Residential distribution service rates have historically included a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed rate structure over a four-year period beginning in 2016.² Chapleau Public Utilities deferred filing rate applications for a three-year period from 2016 to 2018. As a result, Chapleau Public Utilities did not implement the OEB's policy until 2019. In Chapleau Public Utilities' 2019 cost of service rate proceeding,³ in order to mitigate the customers' bill impact, the OEB approved a five-year period for Chapleau Public Utilities to transition its residential customers to fully fixed structure. Therefore, Chapleau Public Utilities started the transition to fully fixed residential rates in 2019. This is the fourth year of the transition period. The monthly fixed rate portion of residential rates has increased, and the variable usage rate has decreased. This rate change does not affect the total revenue that Chapleau Public Utilities collects from its residential customers.

¹ EB-2021-0189, Decision and Order, June 24, 2021

² OEB Policy – "[A New Distribution Rate Design for Residential Electricity Customers](#)", EB-2012-0410, April 2, 2015

³ EB-2018-0087, Settlement Proposal, May 22, 2019

2 CONTEXT AND PROCESS

Chapleau Public Utilities filed its application on November 1, 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](#) (Filing Requirements). 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.⁴ 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.

Chapleau Public Utilities serves approximately 1,200 mostly residential and commercial electricity customers in the Town of Chapleau.

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

⁴ 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
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design

Instructions for implementing Chapleau Public Utilities' 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 charges⁵ 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.

⁵ Certain service charges are subject to annual 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 Decision and Order EB-2021-0302, issued December 16, 2021, established the 2022 Wireline Pole Attachment Charge, effective January 1, 2022.

4 ANNUAL ADJUSTMENT MECHANISM

Chapleau Public Utilities has applied to change its rates, effective May 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.⁶

The components of the Price Cap IR adjustment formula applicable to Chapleau Public Utilities are set out in the table below. Inserting these components into the formula results in a 2.85% increase to Chapleau Public Utilities' rates: **2.85% = 3.30% - (0.00% + 0.45%)**.

Table 4.1: Price Cap IR Adjustment Formula

| Components | | Amount |
|-------------------------------|---------------------------------------|--------|
| Inflation Factor ⁷ | | 3.30% |
| X-Factor | Productivity ⁸ | 0.00% |
| | Stretch (0.00% to 0.60%) ⁹ | 0.45% |

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

⁶ 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.

⁷ EB-2021-0212, Decision and Order, November 18, 2021

⁸ 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

⁹ 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, 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 Chapleau Public Utilities is 0.45%, resulting in a rate adjustment of 2.85%.

Findings

Chapleau Public Utilities' request for a 2.85% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Chapleau Public Utilities' new rates shall be effective May 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

Chapleau Public Utilities is partially embedded within Hydro One Networks Inc.'s distribution system.

To recover its cost of transmission services, Chapleau Public Utilities 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

Chapleau Public Utilities' proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved UTRs and host-RTSRs.¹⁰

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that new UTRs or host-RTSRs take effect during Chapleau Public Utilities' 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).

¹⁰ EB-2021-0276, Decision and Rate Order, December 16, 2021; EB-2021-0032, Decision and Rate Order, December 14, 2021

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 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.¹¹ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Chapleau Public Utilities' Group 1 accounts eligible for disposition, including interest projected to April 30, 2022, is a debit of \$41,082, and pertains to variances accumulated during the 2019 to 2020 calendar years. This amount represents a total debit claim of \$0.0018 per kWh, which exceeds the disposition threshold. Chapleau Public Utilities has requested disposition of this amount 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).¹² A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹³ 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.

Chapleau Public Utilities had no Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

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

¹² For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹³ 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](#).

Findings

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

The OEB approves the disposition of a debit balance of \$41,082 as of December 31, 2020, including interest projected to April 30, 2022 for Group 1 accounts on a final basis.

Table 6.1 identifies the principal and interest amounts, which the OEB approves for disposition.

Table 6.1: Group 1 Deferral and Variance Account Balances

| Account Name | Account Number | Principal Balance (\$) A | Interest Balance (\$) B | Total Claim (\$) C=A+B |
|--|-----------------------|-------------------------------------|------------------------------------|-----------------------------------|
| LV Variance Account | 1550 | 27,407 | 2,684 | 30,091 |
| Smart Meter Entity Variance Charge | 1551 | (270) | (7) | (276) |
| RSVA - Wholesale Market Service Charge | 1580 | (19,570) | (1,323) | (20,893) |
| Variance WMS - Sub-account CBR Class B | 1580 | (3,906) | (116) | (4,022) |
| RSVA - Retail Transmission Network Charge | 1584 | 9,289 | 139 | 9,428 |
| RSVA - Retail Transmission Connection Charge | 1586 | 5,269 | 194 | 5,462 |
| RSVA - Power | 1588 | (3,383) | 84 | (3,299) |
| RSVA - Global Adjustment | 1589 | 24,301 | 290 | 24,591 |
| Totals for Group 1 accounts | | 39,136 | 1,946 | 41,082 |

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.¹⁴ 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 May 1, 2022 to April 30, 2023.¹⁵

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

¹⁵ 2022 IRM Rate Generator Model Tab 6.1 GA and Tab 7 Calculation of Def-Var RR

7 RESIDENTIAL RATE DESIGN

Some residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.¹⁶ Distributors, such as Chapleau Public Utilities, who are in a transition period that is greater than four years, or who commenced transition in a later year, are required to continue with this transition until the monthly service charge is fully fixed.

Chapleau Public Utilities deferred its rebasing application, originally scheduled for 2016, for three consecutive years. During that period, Chapleau Public Utilities did not file IRM rate applications either. In August 2018, Chapleau Public Utilities filed its cost of service application with the OEB for its 2019 rates. The OEB approved a five-year period for Chapleau Public Utilities to transition its residential rates to fully fixed structure, starting in 2019 to mitigate the customers' bill impact.¹⁷ The 2022 rate year is the fourth year of the transition.

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

Chapleau Public Utilities submitted that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$4.10. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers. As noted in the overview of this Decision, Chapleau Public Utilities is one of eight electricity distributors in Ontario to which the DRP applies. Chapleau Public Utilities' previously approved 2021 fixed charge is \$45.50, which exceeds the current DRP-capped charge of \$36.86. As a result, residential customers are not exposed to any increases to the fixed charge.

¹⁶ OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers", EB-2012-0410, April 2, 2015

¹⁷ EB-2018-0087, Decision and Rate Order, June 6, 2019

Findings

The OEB finds that the proposed 2022 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact after DRP is considered for low consumption residential consumers, demonstrate that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

8 IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model 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 16, 2021.¹⁸

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, 2018.¹⁹

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁰ 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 January 26, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2022 calendar year.

¹⁸ EB-2021-0300, Decision and Order, December 16, 2021

¹⁹ EB-2017-0290, Decision and Order, March 1, 2018

²⁰ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

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 May 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Chapleau Public Utilities Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, March 24, 2022

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0013

DATED: March 24, 2022

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively by a single family unit, non-commercial. This can be a separately metered living accommodation, town-house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. 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 | \$ | 51.01 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Distribution Volumetric Rate | \$/kWh | 0.0040 |
| Low Voltage Service Rate | \$/kWh | 0.0016 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 | | |
| Applicable only for Non-RPP Customers | \$/kWh | 0.0048 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kWh | 0.0007 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0091 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0016 |

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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 | \$ | 37.40 |
| Smart Metering Entity Charge - effective until December 31, 2022 | \$ | 0.57 |
| Distribution Volumetric Rate | \$/kWh | 0.0281 |
| Low Voltage Service Rate | \$/kWh | 0.0016 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 | | |
| Applicable only for Non-RPP Customers | \$/kWh | 0.0048 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kWh | 0.0007 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0081 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0016 |

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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 | \$ | 205.80 |
| Distribution Volumetric Rate | \$/kW | 5.3382 |
| Low Voltage Service Rate | \$/kW | 0.5413 |
| Rate Rider for Disposition of Global Adjustment Account (2022) - effective until April 30, 2023 Applicable only for Non-RPP Customers | \$/kWh | 0.0048 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kW | 0.2368 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 3.3952 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 0.6156 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

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EB-2021-0013

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is un-metered. Such connections include cable TV, power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 | \$ | 18.28 |
| Distribution Volumetric Rate | \$/kWh | 0.0246 |
| Low Voltage Service Rate | \$/kWh | 0.0016 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kWh | 0.0007 |
| Retail Transmission Rate - Network Service Rate | \$/kWh | 0.0081 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kWh | 0.0016 |

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

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 | \$ | 11.69 |
| Distribution Volumetric Rate | \$/kW | 20.3299 |
| Low Voltage Service Rate | \$/kW | 0.4272 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kW | 0.2569 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.5734 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 0.4859 |

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, 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 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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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 | \$ | 1.42 |
| Distribution Volumetric Rate | \$/kW | 6.6225 |
| Low Voltage Service Rate | \$/kW | 0.4185 |
| Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 | \$/kW | 0.2530 |
| Retail Transmission Rate - Network Service Rate | \$/kW | 2.5606 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | \$/kW | 0.4760 |

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 |

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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

EB-2021-0013

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.

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MONTHLY RATES AND CHARGES - Delivery Component

| | | |
|----------------|----|------|
| Service Charge | \$ | 4.55 |
|----------------|----|------|

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0013

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

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Customer Administration

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Credit reference/credit check (plus credit agency costs) | \$ | 15.00 |
| Returned cheque (plus bank charges) | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Special meter reads | \$ | 30.00 |
| 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 | \$ | 65.00 |

Other

| | | |
|--|----|-------|
| Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments) | \$ | 34.76 |
|--|----|-------|

Chapleau Public Utilities Corporation

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2022

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EB-2021-0013

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.

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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 | 1.0705 |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0599 |