



Ontario
Energy
Board | Commission
de l'énergie
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DECISION AND RATE ORDER

EB-2022-0037

HEARST POWER DISTRIBUTION COMPANY LIMITED

**Application for rates and other charges to be effective
May 1, 2023**

BEFORE: **Michael Janigan**
 Presiding Commissioner

David Sword
Commissioner

March 23, 2023

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Hearst Power Distribution Company Limited (Hearst Power) charges to distribute electricity to its customers, effective May 1, 2023.

As a result of this Decision, there will be a monthly total bill increase of \$1.74 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2. CONTEXT AND PROCESS

Hearst Power filed its application on October 17, 2022 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.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.¹ 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 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.

Hearst Power serves approximately 2,700 mostly residential and commercial electricity customers in the Town of Hearst.

Notice of the application was issued on November 8, 2022. There were no intervenors.

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

Hearst Power responded to interrogatories from OEB staff. A final submission on the application was filed by OEB staff. A reply submission was filed by Hearst Power on February 15, 2023.

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

3. DECISION OUTLINE

The following issues are addressed in this Decision, together with the OEB's findings.

- Annual Adjustment Mechanism
- Retail Transmission Service Rates

Instructions for implementing Hearst Power'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 charges² and loss factors, which are beyond the 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.

² 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 in EB-2022-0220, issued November 3, 2022 established the adjustment for energy retailer service charges, effective January 1, 2023; and the Decision and Order EB-2022-0221, issued November 3, 2022, established the 2023 Wireline Pole Attachment Charge, effective January 1, 2023.

4. ANNUAL ADJUSTMENT MECHANISM

Hearst Power has applied to change its rates, effective May 1, 2023, 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.³

The components of the Price Cap adjustment formula applicable to Hearst Power are set out in the table below. Inserting these components into the formula results in a 3.70% increase to Hearst Power's rates: **3.70% = 3.70 - (0.00% + 0.00%)**.

Table 4.1: Price Cap IR/Annual IR Adjustment Formula

Components		Amount
Inflation factor ⁴		3.70%
Less: X-factor	Productivity factor ⁵	0.00%
	Stretch factor (0.00% to 0.60%) ⁶	0.00%

An inflation factor of 3.70% applies to all IRM applications for the 2023 rate year. 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 over a historical study period and applies to all IRM applications for the 2023 rate year. The stretch factor component of the X-factor is distributor-specific. The OEB has established five stretch factor groupings, ranging from 0.00% to 0.60%. The stretch factor assigned to any distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Hearst Power is 0.00%, resulting in a rate adjustment of 3.70%.

³ 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.

⁴ [OEB Letter, 2023 Inflation Parameters, issued October 20, 2022](#)

⁵ 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

⁶ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2021 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2022

2021 Regulatory Return on Equity

Chapter 3 of the Filing Requirements states that for the Price Cap IR and Annual IR index rate-setting options, a regulatory review may be triggered if a distributor's earnings are outside of a dead band of +/- 300 basis points from the OEB-approved Return on Equity (ROE). A distributor whose earnings are in excess of the dead band is expected to refrain from seeking an adjustment to its base rates through a Price Cap IR or Annual IR Index plan. If a distributor whose earnings are in excess of the dead band nevertheless applies for an increase to its base rates, the OEB expects it to substantiate its reasons for doing so.⁷

For 2021, Hearst Power's regulatory ROE of 20.43% is 1,209 basis points above the deemed ROE of 8.34% approved by the OEB in its 2021 cost of service proceeding,⁸ putting Hearst Power's 2021 ROE well above the 300 basis point dead band.

Based on the OEB's Filing Requirements, Hearst Power would be expected to refrain from seeking a price cap adjustment in this application. However, Hearst Power requested the price cap adjustment and explained that the 2021 overearning was mainly driven by:

1. The revenue from the rate riders for the recovery of the 2014-2020 Lost Revenue Adjustment Mechanism variance account (LRAMVA) balance of \$53,000 that was included in the 2021 distribution revenue.
2. An increase in other revenues due to the completion of a large private pole line project of \$56,000 that was recorded in account 4325 as extra jobbing revenues.⁹

OEB staff submitted that it does not object to Hearst Power's request for a price cap adjustment in this rate application, subject to Hearst Power's confirmation that the revenue from the large private pole project was one-time in nature, i.e., this revenue has not been incurred in 2022 and would not likely occur in the subsequent years until Hearst Power's next rebasing application.

Regarding the first driver – Hearst Power's LRAMVA rate rider revenue of \$53,000 related to lost revenues associated with 2014 to 2020 – OEB staff agreed with the LRAMVA adjustment. OEB staff submitted that the \$53,000 amount is for the recovery of lost revenues relating to prior years but was recognized in Hearst Power's 2021

⁷ Chapter 3 Filing Requirements, Electricity Distribution Rate Applications - 2022 Edition for 2023 Rate Applications, May 24, 2022, p. 22-23

⁸ EB-2020-0027, Decision and Order, May 27, 2021

⁹ Manager's Summary, p. 19

distribution revenue when the OEB approved the disposition of the LRAMVA balance in Hearst Power's 2021 cost of service proceeding.

Regarding the second driver of the other revenue – the large private pole line project¹⁰ – in its submission, OEB staff requested Hearst Power to confirm that this revenue was one-time in nature. In its reply submission, Hearst Power confirmed that the specific large private pole line project and its corresponding revenue was a one-time occurrence in 2021.¹¹

Excluding the impact of the two drivers (11.27%) on the 2021 achieved ROE, Hearst Power's 2021 achieved ROE is 9.16%, which is within the 300 basis points of the deemed ROE of 8.34% approved by the OEB in Hearst Power's 2021 cost of service proceeding.

Findings

The OEB approves Hearst Power's request to change its rates as filed based on the approved rate adjustment formula.

The OEB finds Hearst Power's over earnings the result of extenuating circumstances that are unlikely to be repeated.

¹⁰ Manager's Summary, p. 19

¹¹ Hearst Power's Reply Submission, February 15, 2023

5. RETAIL TRANSMISSION SERVICE RATES

Hearst Power is connected to Hydro One Networks Inc.'s (Hydro One's) transmission system, and pays transmission rates based on the OEB-approved Uniform Transmission Rates (UTRs). Hearst Power is also partially embedded within Hydro One's distribution system. As a result, it pays retail transmission service rates (RTSRs) to Hydro One.

To recover its cost of transmission services, Hearst Power requests approval to adjust the RTSRs that it charges its customers in accordance with the UTRs and the host distributor RTSRs currently in effect.

Findings

Hearst Power's proposed adjustment to its RTSRs is approved. The RTSRs have been adjusted based on the current OEB-approved UTRs and host-RTSRs.¹²

UTRs and host-RTSRs are typically approved annually by the OEB. In the event that new UTRs and host-RTSRs take effect during Hearst Power's 2023 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).

¹² EB-2022-0250, Decision and Order, December 8, 2022; EB-2021-0110, Decision and Rate Order, November 29, 2022

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 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 can justify why the balances should not be disposed.¹³ If the balance does not exceed the threshold, a distributor may still request disposition.¹⁴

The 2021 year-end net balance for Hearst Power's Group 1 accounts that are eligible for disposition, including interest projected to April 30, 2023, is a credit of \$66,109, and pertains to variances accumulated during the 2020 and 2021 calendar year. This amount represents a total claim of \$0.0009 per kWh, which does not exceed the disposition threshold, and Hearst Power has not requested disposition.

Findings

The OEB finds that the account balances appear reasonable, and the threshold calculation is correct. No disposition is required at this time, as the disposition threshold has not been exceeded and the distributor did not request disposition.

¹³ Report of the OEB – “Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR).” EB-2008-0046, July 31, 2009

¹⁴ OEB letter, “Update to the Electricity Distributors’ Deferral and Variance Account Review (“EDDVAR Report”), released July 2009 (EB-2008-0046)”, issued July 25, 2014

7. 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 7.1.

Table 7.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0007
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0041
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 and WMS rates were set by the OEB on December 8, 2022.¹⁵

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 at \$0.42 on September 8, 2022.¹⁶

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,¹⁷ 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 December 8, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2023 calendar year.¹⁸

¹⁵ EB-2022-0269, Decision and Order, December 8, 2022

¹⁶ EB-2022-0137, Decision and Order, September 8, 2022

¹⁷ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

¹⁸ OEB Letter, issued December 8, 2022

8. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hearst Power Distribution Company Limited's new final distribution rates shall be effective May 1, 2023, in accordance with the Tariff of Rates and Charges set out in Schedule A.
2. The Tariff of Rates and Charges is deemed draft until Hearst Power Distribution Company Limited has complied with the procedural steps set out below.
3. Hearst Power Distribution Company Limited shall review the Tariff of Rates and Charges and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by March 28, 2023.
4. This Decision and Rate Order will be considered a final rate order if Hearst Power Distribution Company Limited does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3.
5. If the OEB receives a submission from Hearst Power Distribution Company Limited to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to issuing a final rate order.
6. Hearst Power Distribution Company Limited shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number **EB-2022-0037** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\)](#)

[Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.

- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Vithooshan Ganesanathan at Vithooshan.Ganesanathan@oeb.ca, and OEB Counsel, James Sidlofsky at James.Sidlofsky@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, March 23, 2023

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
HEARST POWER DISTRIBUTION COMPANY LIMITED
TARIFF OF RATES AND CHARGES
EB-2022-0037
MARCH 23, 2023

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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

EB-2022-0037

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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	\$	30.53
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0083
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0069

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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

EB-2022-0037

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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	\$	23.55
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0080
Low Voltage Service Rate	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0078
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	60.24
Distribution Volumetric Rate	\$/kW	1.8956
Low Voltage Service Rate	\$/kW	0.6093
Retail Transmission Rate - Network Service Rate	\$/kW	3.1657
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4575

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

INTERMEDIATE USER SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less 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 the utility'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.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	253.55
Distribution Volumetric Rate	\$/kW	1.4150
Low Voltage Service Rate	\$/kW	0.7187
Retail Transmission Rate - Network Service Rate	\$/kW	3.5408
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.8986

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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)	\$	13.09
Distribution Volumetric Rate	\$/kW	14.1818
Low Voltage Service Rate	\$/kW	0.4766
Retail Transmission Rate - Network Service Rate	\$/kW	2.3994
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9220

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the utility'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)	\$	5.04
Distribution Volumetric Rate	\$/kW	2.7918
Low Voltage Service Rate	\$/kW	0.4668
Retail Transmission Rate - Network Service Rate	\$/kW	2.3875
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8826

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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

EB-2022-0037

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 utility'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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Hearst Power Distribution Co. Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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 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

Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	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	\$	40.00
Reconnection at pole - during regular hours		time and materials

Other

Temporary service install and remove - overhead - no transformer		time and materials
Temporary service install and remove - underground - no transformer		time and materials
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	36.05

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TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2023

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EB-2022-0037

RETAIL SERVICE CHARGES (if applicable)

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.

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	\$	111.66
Monthly fixed charge, per retailer	\$	44.67
Monthly variable charge, per customer, per retailer	\$/cust.	1.11
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.66
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.66)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.56
Processing fee, per request, applied to the requesting party	\$	1.11
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)	\$	4.47
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)	\$	2.23

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	1.0598
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0494