



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

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# **DECISION AND RATE ORDER**

**EB-2023-0058**

## **WESTARIO POWER INC.**

**Application for electricity distribution rates and other charges  
beginning January 1, 2024**

**BEFORE: Fred Cass**  
Presiding Commissioner

**Patrick Moran**  
Commissioner

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**April 30, 2024**



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## 1 OVERVIEW

This is the OEB's Decision and Rate Order on an application filed by Westario Power Inc. (Westario Power) seeking approval for changes to the rates Westario Power charges for electricity distribution effective January 1, 2024.

Westario Power filed a settlement proposal, dated April 5, 2024, that reflected a comprehensive settlement between Westario Power and participating intervenors (collectively, the Parties) on all issues included on the approved Issues List.<sup>1</sup>

OEB staff filed a submission supporting the settlement proposal on April 17, 2024. OEB staff submitted that the settlement proposal was in the public interest and would result in just and reasonable rates for customers of Westario Power.

For the reasons described in this Decision and Rate Order, the OEB approves the settlement proposal as filed.

As a result of this Decision and Rate Order, it is estimated that, for a typical residential customer with a monthly consumption of 750 kWh, the distribution bill impact (excluding pass-through costs) will be a reduction of \$0.55 (1.8%). A typical residential customer would see a total bill reduction (including taxes and the Ontario Electricity Rebate) of \$0.12 (0.1%) per month for 2024.

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<sup>1</sup> The Issues List approved in the [OEB's Decision on Issues](#) List dated June 20, 2023.

## 2 PROCESS

The OEB's *Renewed Regulatory Framework for Electricity*<sup>2</sup> and *Handbook for Utility Rate Applications*<sup>3</sup> provide distributors with performance-based rate application options that support the cost-effective planning and efficient operation of a distribution network. This framework provides an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

On November 3, 2023, Westario Power filed a cost of service application with the OEB under section 78 of the *Ontario Energy Board Act, 1998*. The application requested OEB approval of Westario Power's proposed electricity distribution rates for five years, using the Price Cap Incentive Rate-setting (Price Cap IR) option described in the OEB's *Renewed Regulatory Framework for Electricity*. Under the Price Cap IR option, with an approved 2024 Test Year, Westario Power would be eligible to apply to have its 2025-2028 rates adjusted mechanistically, based on inflation and the OEB's assessment of Westario Power's efficiency.

The application was accepted by the OEB as complete on November 17, 2023. The OEB issued a Notice of Hearing on November 27, 2023, inviting parties to apply for intervenor status. School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC), and Hydro One Networks Inc. were granted intervenor status. SEC and VECC applied for and were granted eligibility for cost awards.

The OEB did not receive any letters of comment about this proceeding.

The OEB issued Procedural Order No. 1 on January 11, 2024. This order established, among other things, the timetable for a written interrogatory discovery process and a settlement conference.

OEB staff filed an Issues List that had been agreed to by all Parties for the OEB's consideration on January 19, 2024. The OEB approved the proposed Issues List on February 26, 2024. Westario Power responded to the interrogatories and follow-up questions submitted by OEB staff and intervenors.

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<sup>2</sup> Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach, October 18, 2012

<sup>3</sup> Handbook for Utility Rate Applications, October 13, 2016

A settlement conference was held on March 6 and 7, 2023. Westario Power, SEC, and VECC participated in the settlement conference. OEB staff attended the conference but was not a party to the settlement.

Westario Power filed a settlement proposal covering all issues on April 5, 2024. The settlement proposal is attached as Schedule A to this Decision and Rate Order.

On April 17, 2024, OEB staff filed a submission in support of the settlement proposal.

### 3 DECISION ON THE SETTLEMENT PROPOSAL

#### Findings

The OEB accepts the settlement proposal as filed. In the exercise of its statutory authority to fix or approve just and reasonable rates under section 78 of the OEB Act, and in the context of the statutory objectives set out in section 1 of the OEB Act, the OEB has concluded that implementation of the settlement proposal should result in reasonable outcomes for Westario Power and its customers. In particular, the OEB notes the following provisions of the settlement proposal:

- The 2024 Test Year OM&A expenditures budget of \$6.8 million (excluding property taxes) reflects a reduction of \$185,000 from the amount proposed by Westario Power in its application and represents an increase of 16%, or 2.6% compounded annually, from Westario Power's 2018 OEB-approved OM&A amount.
- The capital expenditures budget for the 2024 Test Year of \$6.3M reflects a reduction of \$450,000 (6.7%) from the amount proposed by Westario Power in its application and the in-service capital additions budget has been reduced by \$447,000 from the amount proposed by Westario Power.
- The 2024 Test Year service revenue requirement of \$13.4 million and base revenue requirement of \$12.6 million (which is \$537,000 less than Westario Power's proposal) reflect the reductions in 2024 Test Year OM&A and capital set out above, as well as changes to revenue offsets, depreciation, cost of capital, working capital allowance and PILS.
- The provisions of the settlement proposal result in a bill reduction of \$0.12 per month for a typical residential customer consuming 750 kWh per month and bill impacts for all customer classes that range between a 1.4% decrease and a 0.5% increase on a total bill basis.

The OEB's findings on other specific issues arising in this proceeding are as set out under the headings that follow.

#### Load Profiles

The OEB agrees with the submission by OEB staff that Westario Power should be directed to update its load profiles at its next rebasing proceeding and should take any necessary steps to ensure that it will be able to do so. The updating of load profiles at

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Westario Power's next rebasing proceeding is addressed in the OEB's Rate Order below.

### **GOCA Variance Account**

On October 31, 2023, the OEB established a generic deferral and variance account that may be used by licensed, rate-regulated electricity distributors to record the variance between locate costs resulting from Bill 93, the *Getting Ontario Connected Act, 2022* (GOCA) and the approved cost included in base rates. The Decision and Order issued for the GOCA variance account (GOCA Decision) stated that "the account is not available for utilities that have reflected Bill 93 in their most recent rebasing applications".<sup>4</sup> As part of this settlement, the Parties agreed that Westario Power would continue to have the generic GOCA variance account available to it following this rebasing proceeding.

OEB staff did not take issue with the Parties' agreement regarding the continued availability of the GOCA variance account in this proceeding because the agreed-upon annual OM&A locates cost assumed no impact. OEB staff submitted that the GOCA variance account should be closed upon disposition of any balances in this account in Westario Power's next rebasing application because, with five years' experience, the utility should be able to forecast, more accurately, the impacts of GOCA and any such variances should be handled like variances in any other operating program.

The OEB accepts the proposed continuation of the GOCA variance account. As for OEB staff's submission about Westario Power's next rebasing application, the OEB notes that, in its decision approving establishment of a generic, sector-wide GOCA Variance Account, the OEB said that the GOCA Variance Account will only be available to a utility until the end of its IRM period.<sup>5</sup> In Westario Power's next rebasing application, the OEB expects Westario Power to include its plan to close out the GOCA variance account.

### **Account 1592 – PILs and Tax Variances, Sub-Account CCA Changes**

OEB staff made submissions about disposition of the credit balance recorded in Account 1592. This credit balance includes audited results to December 31, 2022, forecasted results for 2023 and interest to April 30, 2024. OEB staff noted that typically

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<sup>4</sup> EB-2023-0143 Decision and Order, October 31, 2023, at page 9.

<sup>5</sup> *Ibid.*

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only audited account balances are disposed of, but OEB Staff supported disposition of the Account 1592 balance that includes forecasted results.

The OEB accepts the proposal to dispose of the credit balance recorded in Account 1592 including forecasted amounts. The OEB agrees with OEB staff's submission that disposition of the full credit balance at this time furthers regulatory efficiency and is preferable to carrying over any or all of the credit balance to Westario Power's next cost of service proceeding, in which the OEB will approve 2029 rates. While the OEB has no reason to anticipate that audited amounts will differ materially from forecasted amounts recorded in the account, should such a difference materialize, the OEB expects that it will be dealt with by Westario Power in accordance with the provisions of section 2.9 of Chapter 2 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*.



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## 4 IMPLEMENTATION

In accordance with the settlement proposal, Westario Power's new rates will be effective May 1, 2024.

As part of the settlement proposal, Westario Power filed tariff sheets and detailed supporting material.

The final approved Tariff of Rates and Charges is attached as Schedule B to this Decision and Rate Order.

SEC and VECC are eligible to apply for cost awards in this proceeding. The OEB has made provision in this Decision and Rate Order for SEC and VECC to file their cost claims.

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## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Settlement Proposal in Schedule A is approved.
2. The Tariff of Rates and Charges set out in Schedule B of this Decision and Rate Order is approved as final effective May 1, 2024. The Tariff of Rates and Charges will apply to electricity consumed, or estimated to have been consumed, on or after May 1, 2024. Westario Power shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.
3. In its next cost of service application, Westario Power Inc. shall provide customer load profiles based on its most recent customer data as part of its cost allocation evidence.
4. SEC and VECC shall submit their cost claims to the OEB and forward a copy to Westario Power Inc. by **May 10, 2024**. Intervenors may include a claim for one hour to review the draft rate order.
5. Westario Power Inc. shall file with the OEB and forward to intervenors any objections to the claimed costs by **May 17, 2024**.
6. Intervenors to which Westario Power Inc. filed an objection to the claimed costs, shall file with the OEB and forward to Westario Power Inc. any responses to any objections for cost claims by **May 24, 2024**.
7. Westario Power Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

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-2023-0058** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

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- 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](mailto:registrar@oeb.ca) for assistance.
  - Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

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, Andrew Frank at [Andrew.Frank@oeb.ca](mailto:Andrew.Frank@oeb.ca) and OEB Counsel, James Sidlofsky at [James.Sidlofsky@oeb.ca](mailto:James.Sidlofsky@oeb.ca).

**DATED** at Toronto April 30, 2024

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar

**SCHEDULE A**  
**DECISION AND RATE ORDER**  
**SETTLEMENT PROPOSAL**  
**WESTARIO POWER INC.**  
**EB-2023-0058**  
**APRIL 30, 2024**

**EB-2023-0058**

**IN THE MATTER OF** the Ontario Energy Board Act, 1998,  
S.O. 1998, c.15, (Schedule B);

**AND IN THE MATTER OF** an application by  
Westario Power Inc.  
For an order approving just and reasonable rates and  
Other charges for electricity distribution beginning  
May 1, 2024.

**Westario Power Inc.**

**Settlement Proposal**

Filed: April 5, 2024

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## LIST OF ATTACHMENTS

WPI has filed revised models as evidence to support this Settlement Proposal. The models have been filed through the OEB's e-filing service and include:

1. OEB Chapter 2 Appendices
2. Revenue Requirement Workform
3. Income Tax PILs Model
4. Load Forecast Model
5. Cost Allocation Model
6. DVA Continuity Schedule
7. RTSR Model
8. Tariff Schedule and Bill Impact Model
9. Proposed Tariff of Rates and Charges



## SETTLEMENT PROPOSAL

Westario Power Inc. (the Applicant or WPI) filed a Cost-of-Service application with the Ontario Energy Board (the OEB) on November 3, 2023, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the Act), seeking approval for changes to the rates that WPI charges for electricity distribution, to be effective January 1, 2024 (OEB file number EB-2023-0058) (the Application).

The OEB issued a Letter of Direction and Notice of Application on November 27, 2023. In Procedural Order No. 1, dated December 11, 2023, the OEB approved the Vulnerable Energy Consumers Coalition (VECC), the School Energy Coalition (SEC) and Hydro One Networks Inc. as intervenors.

The Procedural Order also indicated the prescribed dates for the written interrogatories, WPI's responses to interrogatories, a Settlement Conference, and various other elements in the proceeding.

On January 19, 2024, OEB Staff, on behalf of all the parties, submitted a proposed issues list (the Issues List) to the OEB for approval. The OEB approved the Issues List on February 26, 2024.

WPI filed its interrogatory responses with the OEB on February 22, 2024.

The Settlement Conference was convened on March 6, 2024, in accordance with the OEB's Rules of Practice and Procedure (the Rules) and the OEB's Practice Direction on Settlement Conferences. VECC, SEC and OEB Staff participated in the Settlement Conference. Hydro One Networks Inc. did not participate in the Settlement Conference.

Michelle Dagnino acted as the facilitator for the Settlement Conference.

WPI, VECC and SEC (collectively referred to as the Parties), reached a full, comprehensive settlement regarding WPI's 2024 Cost of Service Application. The details and specific components of the settlement are detailed in this Settlement Proposal. This document is called a Settlement Proposal because it is a proposal by the Parties presented to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. In entering into this Settlement Proposal, the Parties understand and agree that pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that the Settlement Conference was confidential in accordance with the OEB's Practice Direction on Settlement Conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the specific rules with respect to confidentiality and privilege are as set out in the Practice Direction on Settlement Conferences, as amended on February 17, 2021. The Parties have interpreted the revised Practice Direction on Settlement Conferences to mean that the documents and other information provided during the Settlement Conference itself, the discussion of each issue, the offers and counteroffers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the Parties agree that attendees are deemed to include, in this context, persons who were not in attendance at the Settlement Conference but were a) any persons or entities that the Parties engaged to assist them with the Settlement Conference, and b) any persons or entities from whom the attendees' sought instructions with respect to the negotiations, in each case provided those persons are subject to the same obligations of confidentiality and privilege as those persons actually in attendance. OEB staff also participated in the Settlement Conference. The role adopted by OEB staff is set out in page 5 of the Practice Direction on Settlement Conferences. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction on Settlement Conferences, OEB staff who did participate in the Settlement Conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding. This Settlement Proposal provides a brief description of each of the settled issues, as applicable, together with references to the evidence. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to interrogatories, all other components of the record up to and including the date hereof, and the additional information included by the Parties in this Settlement Proposal and the attachments and appendices to this document.

Included with the Settlement Proposal are attachments that provide further support for the proposed settlement, including responses to Pre-Settlement Clarification questions (Clarification Responses). The Parties acknowledge that the attachments were prepared by WPI. The Parties have reviewed the attachments and are relying on the accuracy of the attachments and the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the final approved Issues List.

According to section 6 of the Practice Direction on Settlement Conferences, the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any such adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB accepts may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

If the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all the Parties must agree with any revised Settlement Proposal as it relates to that issue, or take no position, prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not WPI is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Where, in this Settlement Proposal, the Parties accept the evidence of WPI, or agree to any issue, term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

## SUMMARY

The Parties were able to reach agreement on all aspects of the Application with respect to capital costs, operations, maintenance & administration (OM&A) costs, revenue requirement-related issues, including the accuracy of the revenue requirement determination and the application of OEB policies and practices.

In reaching this Settlement Proposal, the Parties have been guided by the Filing Requirements for 2024 rates and the approved Issues List.

The Parties have described below, in detail, areas where they have settled an issue by agreeing to adjustments to the Application as updated.

This Settlement Proposal will, if accepted, result in a total bill reduction of \$0.12 per month for the typical residential customer consuming 750 kWh per month. The financial impact of the Settlement Proposal is to reduce the total revenue requirement requested of \$13,089,920 by \$537,178 to \$12,552,742.

A Revenue Requirement Work Form (RRWF) incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, WPI has agreed to certain adjustments to its original Application. The changes are described in the following sections.

WPI has provided the following tables summarizing the Application and highlighting the changes to its Rate Base and Capital, Operating Expenses, and Revenue Requirement as between WPI's Application as filed, the interrogatory process and this Settlement Proposal.

**Table 1 – Summary of 2024 Revenue Requirement**

	Application Nov 3 2023	IRR Feb 22 2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
Long Term Debt	3.62%	3.62%	0.00%	3.62%	0.00%
Short Term Debt	4.79%	6.23%	1.44%	6.23%	0.00%
Return on Equity	9.36%	9.21%	-0.15%	9.21%	0.00%
Controllable Expenses	\$7,020,725	\$7,020,725	\$0	\$6,835,725	-\$185,000
Power Supply Expense	\$50,496,893	\$54,181,734	\$3,684,842	\$53,788,562	-\$393,172
Total Eligible Distribution Expenses	\$57,517,618	\$61,202,460	\$3,684,842	\$60,624,288	-\$578,172
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	\$0
<b>Total Working Capital Allowance ("WCA")</b>	<b>\$4,313,821</b>	<b>\$4,590,184</b>	<b>\$276,363</b>	<b>\$4,546,822</b>	<b>-\$43,363</b>
Gross Fixed Assets (avg)	\$86,096,163	\$84,233,580	-\$1,862,583	\$84,010,183	-\$223,396
Accumulated Depreciation (avg)	\$18,547,003	\$18,000,799	-\$546,204	\$17,941,005	-\$59,794
Net Fixed Assets (avg)	\$67,549,160	\$66,232,781	-\$1,316,379	\$66,069,178	-\$163,603
Working Capital Allowance	\$4,313,821	\$4,590,184	\$276,363	\$4,546,822	-\$43,363
<b>Rate Base</b>	<b>\$71,862,982</b>	<b>\$70,822,965</b>	<b>-\$1,040,016</b>	<b>\$70,616,000</b>	<b>-\$206,965</b>
Regulated Rate of Return	5.96%	5.96%	0.00%	5.96%	\$0
<b>Regulated Return on Capital</b>	<b>\$4,284,910</b>	<b>\$4,221,198</b>	<b>-\$63,712</b>	<b>\$4,208,863</b>	<b>-\$12,336</b>
OM&A Expenses	\$6,971,717	\$6,971,717	\$0	\$6,786,717	-\$185,000
Property Taxes	\$49,008	\$49,008	\$0	\$49,008	\$0
Depreciation Expense	\$2,409,135	\$2,208,429	-\$200,706	\$2,088,841	-\$119,588
PILs	\$218,219	\$280,161	\$61,942	\$224,325	-\$55,836
Revenue Offset	-\$843,069	-\$839,663	\$3,406	-\$805,012	\$34,651
<b>Revenue Requirement</b>	<b>\$13,089,920</b>	<b>\$12,890,850</b>	<b>-\$199,070</b>	<b>\$12,552,742</b>	<b>-\$338,109</b>
Revenue Sufficiency/Deficiency	\$833,571	\$523,206	-\$310,365	\$173,887	-\$349,319

Based on the foregoing, and the evidence and rationale provided below, the Parties accept this Settlement Proposal as appropriate and recommend its acceptance by the OEB. Table 2 below illustrates the updated bill impacts that would result from the acceptance of this Settlement Proposal.

**Table 2 - Bill Impact Summary**

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
Residential - RPP	kwh	-\$0.55	-1.8%	-\$2.66	-6.1%	-\$0.11	-0.2%	-\$0.12	-0.1%
GS less than 50 kw - RPP	kwh	-\$1.57	-2.7%	-\$7.19	-8.1%	-\$1.04	-0.9%	-\$1.08	-0.3%
GS 50 to 4,999 kw - Non-RPP (Other)	kw	-\$52.92	-7.2%	-\$323.38	-23.9%	-\$119.80	-5.2%	-\$150.08	-1.4%
Unmetered scattered load - Non-RPP (other)	kwh	-\$0.20	-1.4%	-\$1.82	-8.8%	-\$0.57	-2.2%	-\$0.59	-0.8%
Sentinel lighting - Non-RPP (other)	kw	-\$61.76	-0.8%	-\$201.96	-2.5%	\$18.79	0.2%	\$19.04	0.2%
Street lighting - Non-RPP (other)	kw	\$62.36	1.6%	-\$8.00	-0.2%	\$36.48	0.9%	\$37.38	0.5%
Residential - Non-RPP (retailer)	kwh	-\$0.55	-1.8%	-\$3.99	-9.0%	-\$1.45	-2.6%	-\$1.47	-1.1%

The chart below outlines the rates that comprise the Sub-Totals 'A', 'B', 'C', and Total Bill in Table 2 above:

Subtotal A	Sub-Total B - Distribution (includes Sub-Total A)	Sub-Total C - Delivery (including Sub-Total B)	Total Bill - Sub-Total C and Items below
Monthly Service Charge	Line Losses on Cost of Power	RTSR - Network	Wholesale Market Service Charge (WMSC)
Distribution Volumetric Rate	Total Deferral/Variance Account Rate Riders	RTSR - Connection and/or Line and Transformation Connection	Rural and Remote Rate Protection (RRRP)
Fixed Rate Riders	CBR Class B Rate Riders		Standard Supply Service Charge
Volumetric Rate Riders	GA Rate Riders		Ontario Electricity Support Program (OESP) if applicable
	Low Voltage Service Charge		Commodity
	Smart Meter Entity Charge (if applicable)		HST
	Additional Fixed Rate Riders		OER (if applicable)
	Additional Volumetric Rate Riders		

## **SETTEMENT PROPOSAL BY ISSUE NUMBER**

### **1. CAPITAL SPENDING AND RATE BASE**

#### **1.1 Are the proposed capital expenditures and in-service additions appropriate?**

##### **Full Settlement**

The Parties agree to WPI's proposed forecast Capital Expenditures as proposed subject to a reduction in the System Renewal budget of \$450,000 to reflect uncertainty as to whether all of the planned System Renewal projects will be able to proceed on the forecast timetable.

With respect to in-service additions, the Parties agree to proposed forecast in-service additions subject to the following adjustments:

- a) The Work-In-Progress (WIP) at the end of 2023 of \$1,363,207 that, per the application, was originally forecast to remain as WIP throughout 2024 will be recognized as a 2024 in-service addition, to reflect the fact that the project to which that WIP relates to will now go into service in Q1 2024;
- b) Of the settled \$6,288,296 2024 capital budget, WPI will reflect \$1,360,000 of that spending as new WIP in 2024.

The result of the settlement, therefore, is a reduction in the Capital Budget for 2024 (net of capital contributions) from \$6,738,296 to \$6,288,296, and a reduction in the in-service additions (net of capital contributions) from \$6,738,296 to \$6,291,502.

**Table 3 - 2024 Capital Expenditures**

	<b>Application Nov 3 2023</b>	<b>IRR Feb 22 2024</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal</b>	<b>Variance over IRR</b>
<b>2023 Fixed Asset Continuity</b>					
Opening	\$76,119,333	\$76,256,075	\$136,743	\$76,256,075	\$0
Additions	\$8,276,849	\$6,624,315	-\$1,652,534	\$6,624,315	\$0
Disposals		<b>-\$652,751</b>	-\$652,751	<b>-\$652,751</b>	\$0
2023 WIP removed				<b>-\$1,363,207</b>	
Closing	<b>\$84,396,182</b>	<b>\$82,227,639</b>	-\$2,168,543	<b>\$80,864,432</b>	\$0
<b>Accumulated Depreciation</b>					
Opening	\$15,161,306	\$14,893,391	-\$267,915	\$14,893,391	\$0
Additions	\$2,181,129	\$2,003,193	-\$177,935	\$2,003,193	\$0
Disposals	\$0	\$0	\$0	\$0	
Closing	<b>\$17,342,435</b>	<b>\$16,896,585</b>	-\$445,851	<b>\$16,896,585</b>	\$0
<b>2024 Fixed Asset Continuity</b>					
Opening	\$82,727,015	\$80,864,432	-\$1,862,583	\$80,864,432	\$0
Additions	\$6,738,296	\$6,738,296	\$0	\$7,651,503	-\$446,793
Disposals	\$0	\$0	\$0	\$0	\$0
2024 WIP removed				<b>-\$1,360,000</b>	
Closing	<b>\$89,465,311</b>	<b>\$87,602,728</b>	-\$1,862,583	<b>\$87,155,935</b>	-\$446,793
<b>Accumulated Depreciation</b>					
Opening	\$17,342,435	\$16,896,585	-\$445,851	\$16,896,585	\$0
Additions	\$2,409,135	\$2,208,429	-\$200,706	\$2,088,841	-\$119,588
Disposals	\$0	\$0	\$0		
Closing	<b>\$19,751,570</b>	<b>\$19,105,013</b>	-\$646,557	<b>\$18,985,425</b>	-\$119,588
System Access	\$1,793,662	\$1,793,662	\$0	\$1,793,662	\$0
System Renewal	\$4,982,283	\$4,982,283	\$0	\$4,535,489	-\$446,794
System Service	\$353,295	\$353,295	\$0	\$353,295	\$0
General Plant	\$490,196	\$490,196	<b>\$0</b>	\$490,196	\$0
<b>Total Expenditures</b>	<b>\$7,619,436</b>	<b>\$7,619,436</b>	<b>\$0</b>	<b>\$7,172,642</b>	<b>-\$446,794</b>
Capital Contribution included in System Access	<b>-\$881,140</b>	<b>-\$881,140</b>	\$0	<b>-\$881,140</b>	\$0
<b>Total Expenditures</b>	<b>\$6,738,296</b>	<b>\$6,738,296</b>	<b>\$0</b>	<b>\$6,291,502</b>	<b>-\$446,794</b>

The Parties acknowledge WPI's comprehensive business and investment planning efforts and accept the evidence of WPI that the level of planned capital expenditures over the course of its Distribution System Plan and the rationale for planning and pacing choices are appropriate to maintain system reliability, service quality objectives and the reliable and safe operation of the distribution system.



## **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

## **IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
  
- Exhibit 2 Rate Base
  - 2-Staff-5 to Staff-29
  - 2.0-VECC to 2.0-VECC -19
  - 2-SEC-8 to 2-SEC-15

## **Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
  
- Exhibit 2 - Rate Base
  - 2-Staff-50 to 2-Staff-56
  - SEC-34 to SEC-37

## **Supporting Parties**

- VECC, SEC

## **Parties Taking No Position**

- None

## 1.2 Are the proposed rate base and depreciation amounts appropriate?

### Full Settlement

For the purpose of settlement, the Parties agree that WPI's proposed 2024 rate base and depreciation amounts are appropriate subject to the following adjustments:

- a) The Parties agree to a 2024 rate base of \$70,616,000 for the purposes of setting rates, which reflects WPI's updated forecast in-service additions for 2023, the reductions in 2024 Capital Budget as set out under issue 1.1, the closing of 2023 WIP to rate base in 2024 and the forecast of new 2024 WIP as set out under Issue 1.1, and the working capital amount as updated to reflect the terms of this Settlement Proposal.
- b) The Parties agree to an updated depreciation expense of \$2,088,841 which reflects the update to the 2024 opening fixed assets based on WPI's updated forecast in-service additions for 2023 and the updated 2024 Capital Budget and in-service additions.

**Table 1 – Summary of 2024 Revenue Requirement** further outlines the updated depreciation expense values.

**Table 4 – 2024 Working Capital**

Particulars	Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRs
Controllable Expenses	\$7,020,725	\$7,020,725	\$0	\$6,835,725	-\$185,000
Cost of Power	\$50,496,893	\$54,181,734	\$3,684,842	\$53,788,562	-\$393,172
Working Capital Base	\$57,517,618	\$61,202,460	\$3,684,842	\$60,624,288	-\$578,172
Working Capital Rate %	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance	\$4,313,821	\$4,590,184	\$276,363	\$4,546,822	-\$43,363

**Table 5 – 2024 Rate Base**

Particulars	Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRs
Gross Fixed Assets (avg)	\$86,096,163	\$84,233,580	-\$1,862,583	\$84,010,183	-\$223,396
Accumulated Depreciation (avg)	-\$18,547,003	-\$18,000,799	\$546,204	-\$17,941,005	\$59,794
Net Fixed Assets (avg)	\$67,549,160	\$66,232,781	-\$1,316,379	\$66,069,178	-\$163,603
Allowance for Working Capital	\$4,313,821	\$4,590,184	\$276,363	\$4,546,822	-\$43,363
<b>Total Rate Base</b>	<b>\$71,862,982</b>	<b>\$70,822,965</b>	<b>-\$1,040,016</b>	<b>\$70,616,000</b>	<b>-\$206,965</b>

### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 2 Rate Base
  - 2-Staff-5 to Staff-29
  - 2.0-VECC to 2.0-VECC -19
  - 2-SEC-8 to 2-SEC-15

### Clarification Questions

- Exhibit 1 - Administration
  - SEC-31 to SEC-33

- Exhibit 2 - Rate Base
  - 2-Staff-50 to 2-Staff-56
  - SEC-34 to SEC-37

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

## 2. OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS (OM&A)

### 2.1 Are the proposed OM&A expenditures appropriate?

#### Full Settlement

The Parties have agreed that WPI's proposed 2024 OM&A budget is appropriate, subject to a reduction of \$185,000, resulting in a 2024 Test Year Budget of \$6,786,717. The reduction is to be applied on an envelope basis, subject only to a specific reduction in the budget for locate services of \$34,000, a reduction which is further discussed under issue 6.1.

As shown in Table 6 the OM&A expenses have increase by 16.79% as compared to the last Board approved budget of \$5,811,033 in 2018. This represents an annual growth rate of approximately 2.62% per year. Based on this budget WPI will achieve a cohort 2 efficiency rating in the test year on a forecast basis. The Parties believe that this 2.65% reduction to the updated budget results in an OMA budget that will allow WPI to provide an appropriate level of service to its customers.

**Table 6 - 2024 Test Year OM&A Expenses**

	<b>Application Nov 3 2023</b>	<b>IRR Feb 22,2024</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal</b>	<b>Variance over IRs</b>
Operations	\$670,580	\$670,580	\$0	\$636,580	-\$34,000
Maintenance	\$1,879,524	\$1,879,524	\$0	\$1,779,524	-\$100,000
Billing and collecting	\$1,079,683	\$1,079,683	\$0	\$1,079,683	\$0
Community Relations	\$35,422	\$35,422	\$0	\$35,422	\$0
Administration & General +LEAP	\$3,306,508	\$3,306,508	\$0	\$3,255,508	-\$51,000
<b>Total</b>	<b>\$6,971,717</b>	<b>\$6,971,717</b>	<b>\$0</b>	<b>\$6,786,717</b>	<b>-\$185,000</b>

(OM&A expenses in Table 6 were reduced as part of the settlement proposal in operations, maintenance and administration & general expenses for illustrative purposes only, subject to the specific reduction in the budget for locate services of \$34,000, which is further reflected under issue 6.1

	<b>Board Approved</b>	<b>2024</b>	<b>Variance from 2018BA</b>
Operations	\$580,760	\$636,580	\$55,820
Maintenance	\$1,386,773	\$1,779,524	\$392,751
Billing and collecting	\$1,132,000	\$1,079,683	-\$52,317
Community Relations	\$31,000	\$35,422	\$4,422
Administrative and General	\$2,680,500	\$3,255,508	\$575,008
<b>Total</b>	<b>\$5,811,033</b>	<b>\$6,786,717</b>	<b>\$975,684</b>

## **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – OM&A

## **IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
  
- Exhibit 2 Rate Base
  - 2-Staff-5 to Staff-29
  - 2.0-VECC to 2.0-VECC -19
  - 2-SEC-8 to 2-SEC-15

## **Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
  
- Exhibit 2 - Rate Base
  - 2-Staff-50 to 2-Staff-56
  - SEC-34 to SEC-37

## **Supporting Parties**

- VECC, SEC

## **Parties Taking No Position**

- None

**2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?**

**Full Settlement**

The Parties confirm that WPI does not have or require a shared services cost allocation methodology as it does not share services with any affiliates.

**Evidence References**

None

**IR Responses**

None

**Clarification Questions**

- None

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

### 3. COST OF CAPITAL, PILS, AND REVENUE REQUIREMENT

#### 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?

##### Full Settlement

The Parties agree to WPI's proposed cost of capital parameters as reflected below, which are based on, where appropriate, the OEB's cost of capital parameters for 2024 Cost of Service applications.

**Table 7 - 2024 Cost of Capital Calculation**

Particulars	Application Nov 3 2023	Application Nov 3 2023	IRR Feb 22,2024	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Settlement Proposal	Variance over IRs
<b>Debt</b>								
Long-term Debt	3.62%	\$1,456,671	3.62%	\$1,435,589	-\$21,081	0.00%	\$1,431,394	-\$4,195
Short-term Debt	4.79%	\$137,689	6.23%	\$176,491	\$38,801	6.23%	\$175,975	-\$516
<b>Total Debt</b>		<b>\$1,594,360</b>		<b>\$1,612,080</b>	<b>\$17,720</b>		<b>\$1,607,369</b>	<b>-\$4,711</b>
<b>Equity</b>								
Common Equity	9.36%	\$2,690,550	9.21%	\$2,609,118	-\$81,432	9.21%	\$2,601,493	-\$7,625
Preferred Shares	0.00%	\$0	0.00%	\$0	\$0	0.00%		
<b>Total Equity</b>		<b>\$2,690,550</b>		<b>\$2,609,118</b>	<b>-\$81,432</b>		<b>\$2,601,493</b>	<b>-\$7,625</b>
<b>Total</b>	<b>5.96%</b>	<b>\$4,284,910</b>	<b>5.96%</b>	<b>\$4,221,198</b>	<b>-\$63,712</b>	<b>5.96%</b>	<b>\$4,208,863</b>	<b>-\$12,336</b>

##### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 5 – Cost of Capital and Capital Structure

##### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 5 – Cost of Capital
  - 5-Staff-38 to 5-SEC-24

##### Clarification Questions

- Exhibit 1 - Administration
  - SEC-31 to SEC-33



- Exhibit 5 – Cost of Capital
  - SEC-40

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

### 3.2 Is the proposed PILs (or Tax) amount appropriate?

#### Full Settlement

The Parties accept WPI’s updated calculations of forecast PILs in this Settlement Proposal.

A summary of the updated PILs calculation is presented in Table 8 below.

**Table 8 - 2024 Income Taxes**

	Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRs
Income Taxes (Grossed up)	\$218,219	\$280,161	\$61,942	\$224,325	-\$55,836

An updated Income Tax/PILs Model has been submitted in Live Excel format as part of this Settlement Proposal.

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

#### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
  
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - 6-Staff-39 to 6-Staff-42
  - 6.0-VECC-40
  - 6-SEC-25

#### Clarification Questions

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
  
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - VECC-51
  - 6-Staff-57

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

### 3.3 Is the proposed Other Revenue forecast appropriate?

#### Full Settlement

As part of the responses to the IRRs, Other Revenues were revised to reflect actuals for 2023. A number of accounts were omitted by accident in the process of responding to the IRRs. This error was rectified in the pre-settlement clarification inquiries. As part of the adjustments agreed upon in the settlement, the revenues from pole leasing were also revised.

The Parties agree that WPI's other revenue forecast as updated through the Settlement proposal is appropriate.

A summary of the updated Revenue Offsets are presented in Table 9 below.

**Table 9 - 2024 Revenue Offsets**

	Application Nov 3 2023	IRR Feb 22 2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
Specific Service Charges	\$304,838	\$454,838	\$150,000	\$304,838	-\$150,000
Late Payment Charges	\$97,137	\$97,137	\$0	\$97,137	\$0
Other Distribution Revenues	\$383,614	\$275,788	-\$107,826	\$424,571	\$148,783
Other Income and Deductions	\$57,480	\$11,900	-\$45,580	-\$21,534	-\$33,434
<b>Total</b>	<b>\$843,069</b>	<b>\$839,663</b>	<b>-\$3,406</b>	<b>\$805,012</b>	<b>-\$34,651</b>

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

#### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - 6-Staff-39 to 6-Staff-42
  - 6.0-VECC-40
  - 6-SEC-25

#### Clarification Questions

- Exhibit 1 - Administration

- SEC-31 to SEC-33
  
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - VECC-51
  - 6-Staff-57

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

**3.4 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?**

**Full Settlement**

The Parties accept the evidence of WPI that all impacts of any changes to accounting standards, policies, estimates, and adjustments have been properly identified in the Application and the interrogatories and have been recorded and treated appropriately in the rate-making process.

**Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

**IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
  
- Exhibit 4 – Operating Costs
  - 4-Staff-34 to 4-Staff-37
  - 4.0 -VECC -27 to 4.0 -VECC -36
  - 4-SEC-18 to 4-SEC-23
  
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - 6-Staff-39 to 6-Staff-42
  - 6.0-VECC-40
  - 6-SEC-25

**Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
  
- Exhibit 4 – Operating Costs
  - 4-Staff-57
  - SEC-38 to SEC-39
  - SEC-41
  
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - VECC-51

- 6-Staff-57

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

### 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

#### Full Settlement

The Parties agree that the methodology used by WPI to calculate the Revenue Requirement is appropriate. A summary of the adjusted Base Revenue Requirement of \$12,522,742 reflecting adjustments and settled issues is presented in Table 10 - 2024 Revenue Requirement Summary below.

**Table 10 - 2024 Revenue Requirement Summary**

	Application Nov 3 2023	IRR Feb 22 2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
Long Term Debt	3.62%	3.62%	0.00%	3.62%	0.00%
Short Term Debt	4.79%	6.23%	1.44%	6.23%	0.00%
Return on Equity	9.36%	9.21%	-0.15%	9.21%	0.00%
Controllable Expenses	\$7,020,725	\$7,020,725	\$0	\$6,835,725	-\$185,000
Power Supply Expense	\$50,496,893	\$54,181,734	\$3,684,842	\$53,788,562	-\$393,172
Total Eligible Distribution Expenses	\$57,517,618	\$61,202,460	\$3,684,842	\$60,624,288	-\$578,172
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	\$0
<b>Total Working Capital Allowance ("WCA")</b>	<b>\$4,313,821</b>	<b>\$4,590,184</b>	<b>\$276,363</b>	<b>\$4,546,822</b>	<b>-\$43,363</b>
Gross Fixed Assets (avg)	\$86,096,163	\$84,233,580	-\$1,862,583	\$84,010,183	-\$223,396
Accumulated Depreciation (avg)	\$18,547,003	\$18,000,799	-\$546,204	\$17,941,005	-\$59,794
Net Fixed Assets (avg)	\$67,549,160	\$66,232,781	-\$1,316,379	\$66,069,178	-\$163,603
Working Capital Allowance	\$4,313,821	\$4,590,184	\$276,363	\$4,546,822	-\$43,363
<b>Rate Base</b>	<b>\$71,862,982</b>	<b>\$70,822,965</b>	<b>-\$1,040,016</b>	<b>\$70,616,000</b>	<b>-\$206,965</b>
Regulated Rate of Return	5.96%	5.96%	0.00%	5.96%	\$0
<b>Regulated Return on Capital</b>	<b>\$4,284,910</b>	<b>\$4,221,198</b>	<b>-\$63,712</b>	<b>\$4,208,863</b>	<b>-\$12,336</b>
OM&A Expenses	\$6,971,717	\$6,971,717	\$0	\$6,786,717	-\$185,000
Property Taxes	\$49,008	\$49,008	\$0	\$49,008	\$0
Depreciation Expense	\$2,409,135	\$2,208,429	-\$200,706	\$2,088,841	-\$119,588
PILs	\$218,219	\$280,161	\$61,942	\$224,325	-\$55,836
Revenue Offset	-\$843,069	-\$839,663	\$3,406	-\$805,012	\$34,651
<b>Revenue Requirement</b>	<b>\$13,089,920</b>	<b>\$12,890,850</b>	<b>-\$199,070</b>	<b>\$12,552,742</b>	<b>-\$338,109</b>
Revenue Sufficiency/Deficiency	\$833,571	\$523,206	-\$310,365	\$173,887	-\$349,319



## **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

## **IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 4 – Operating Costs
  - 4-Staff-34 to 4-Staff-37
  - 4.0 -VECC -27 to 4.0 -VECC -36
  - 4-SEC-18 to 4-SEC-23
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - 6-Staff-39 to 6-Staff-42
  - 6.0-VECC-40
  - 6-SEC-25

## **Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
- Exhibit 4 – Operating Costs
  - 4-Staff-57
  - SEC-38 to SEC-39
  - SEC-41
- Exhibit 6 – Revenue Requirement and Revenue Deficiency or Sufficiency
  - VECC-51
  - 6-Staff-57

## **Supporting Parties**

- VECC, SEC

## **Parties Taking No Position**

- None

## 4. LOAD FORECAST

### 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

#### Full Settlement

The test year forecast calculations were revised to use the 2024 customer count as determined by the geomean rather than the linear regression used in the original application.

The Parties agree that the updated load forecast provided in response to interrogatories and Clarification Responses is appropriate for the purpose of setting rates, as set out in Tables 11 and 12 below.

**Table 11 – 2024 Test Year Billing Determinants**

Particulars	Determinant	Application Nov 3 2023	IRR Feb 22 2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
Residential	kWh	193,221,398	193,523,866	302,468	193,966,074	442207
General Service < 50 kW	kWh	70,181,854	70,281,525	99,671	70,658,032	376507
General Service > 50 to 4999 kW	kWh	177,439,811	177,691,807	251,997	177,981,278	289470
Unmetered Scattered Load	kWh	213,149	226,106	12,957	226,106	0
Sentinel Lighting	kWh	7,210	9,632	2,422	9,702	70
Street Lighting	kWh	2,494,298	3,026,171	531,873	3,024,694	-1477
<b>Total</b>		<b>443,557,720</b>	<b>444,759,108</b>	<b>1,201,388</b>	<b>445,865,885</b>	1106777
Residential	kW	0	0	0	0	0
General Service < 50 kW	kW	0	0	0	0	0
General Service > 50 to 4999 kW	kW	444,572	460,269	15,698	461,318	1049
Unmetered Scattered Load	kW	0	0	0	0	0
Sentinel Lighting	kW	16	18		18	0
Street Lighting	kW	6,650	8,038	1,388	8,034	-4
<b>Total</b>		<b>451,238</b>	<b>468,325</b>	<b>17,086</b>	<b>469,370</b>	1045

Table 12 below details the number of customers and devices for the test year.

**Table 12 - Number of Customers & Devices**

Particulars	Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRs
Residential	21,879	21,891	12	21,892	0
General Service < 50 kW	2,690	2,711	22	2,714	0
General Service > 50 to 4999 kW	154	168	14	170	0
Unmetered Scattered Load	47	48	1	48	0
Sentinel Lighting	8	9	1	9	0
Street Lighting	6,345	6,314	-31	6,311	0
<b>Total</b>	<b>31,123</b>	<b>31,142</b>	<b>19</b>	<b>31,144</b>	<b>0</b>

### Evidence References

- EXHIBIT 3 – Load and Customer Forecast

### IR Responses

- Exhibit 3 – Operating Revenue
  - 3-Staff-30 to 3-Staff-33
  - 3.0-VECC-16 to 3.0-VECC -26

### Clarification Questions

- VECC-58

### Supporting Parties

- VECC, SEC

### Parties Taking No Position

- None

## 5. COST ALLOCATION, RATE DESIGN, AND OTHER CHARGES

**5.1 Are the proposed cost allocation methodology, allocations, and revenue-to- cost ratios, appropriate?**

### Full Settlement

The Parties accept the results of WPI’s cost allocation methodology and its proposed revenue-to-cost ratios, as updated through the interrogatory process and to reflect changes resulting from this Settlement Proposal.

**Table 13 – Summary of 2024 Revenue-to-Cost Ratios**

Particulars	Application Nov 3 2023			IRR Feb 22,2024			Settlement Proposal		
	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance
Customer Class Name									
Residential	1.10	1.03	-0.07	1.06	1.01	-0.05	1.06	1.06	0.00
General Service < 50 kW	1.02	1.02	0.00	0.98	0.98	0.00	0.96	0.96	0.00
General Service > 50 to 4999 kW	0.69	0.90	0.22	0.82	1.03	0.20	0.83	0.83	0.00
Unmetered Scattered Load	1.08	1.08	0.00	0.90	0.87	-0.03	0.89	0.89	0.00
Sentinel Lighting	1.08	1.08	0.00	0.83	0.81	-0.01	0.80	0.80	0.00
Street Lighting	0.93	0.93	0.00	0.87	0.87	0.00	0.90	0.90	0.00

### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 7 – Cost Allocation

### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 7 – Cost Allocation
  - 7-Staff-43 to 7-Staff-45
  - 7.0-VECC-41 to 7.0-VECC-43
  - 7-SEC-26

### Clarification Questions

- Exhibit 1 - Administration
  - SEC-31 to SEC-33

- Exhibit 7 – Cost Allocation
  - VECC-52 to VECC-53
  - 7-Staff-59

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

## 5.2 Is the proposed rate design, including fixed/variable splits, appropriate?

### Full Settlement

The Parties accept WPI's approach to rate design including the proposed fixed/variable splits. In summary, WPI had maintained the status quo ratio between fixed and variable charges for all classes except for the GS>50 class, which WPI had kept at its existing fixed charge (as opposed to escalating it to maintain the status quo fixed/variable ratio) as that fixed charge is already above the OEB's policy range for fixed charges.

**Table 14 – Summary of 2024 Fixed to Variable Split**

Particulars		Application Nov 3 2023	Application Nov 3 2023	IRR Feb 22,2024	IRR Feb 22,2024	Settlement Proposal	Settlement Proposal
Customer Class Name	per	Fixed Split	Variable Split	Fixed Split	Variable Split	Fixed Split	Variable Split
Residential	kWh	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
General Service < 50 kW	kWh	53.76%	46.24%	56.45%	43.55%	50.93%	49.07%
General Service > 50 to 4999 kW	kW	21.16%	78.84%	23.75%	76.25%	31.02%	68.98%
Unmetered Scattered Load	kWh	41.67%	58.33%	40.69%	59.31%	40.76%	59.24%
Sentinel Lighting	kW	54.66%	45.34%	53.55%	46.45%	53.74%	46.26%
Street Lighting	kW	93.17%	6.83%	91.86%	8.14%	91.86%	8.14%

### Evidence References

- EXHIBIT 8 - Rate Design

### IR Responses

- Exhibit 8 – Rate Design
  - 8-Staff-47 to 8-Staff-48
  - 8.0-VECC to 8.0-VECC-47
  - 8-SEC-27 to 8-SEC-28

### Clarification Questions

- Exhibit 8 – Rate Design
  - VECC-54 to VECC-57
  - 8-Staff-60 to Staff-62

### Supporting Parties

- VECC, SEC

### Parties Taking No Position

- None

**5.3 Are the proposed Retail Transmission Service Rates (RTSR) and Low Voltage rates appropriate?**

**Full Settlement**

The Parties accept that the RTSR rates and Low Voltage rates as updated and presented in Table 15 and

Table 16 below are appropriate. With respect to Low Voltage rates WPI has recalculated the rates using the latest low voltage charge from Hydro One.

**Table 15 - 2024 RTSR Network and Connection Rates Charges**

Transmission - Network	Application Nov 3 2023	Application Nov 3 2023	IRR Feb 22,2024	IRR Feb 22,2024	Settlement Proposal	Settlement Proposal
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0091	\$1,922,289	0.0098	\$2,071,539	0.0098	\$2,024,022
General Service < 50 kW	0.0082	\$646,602	0.0089	\$696,806	0.0089	\$668,724
General Service > 50 to 4999 kW	3.4632	\$1,539,648	3.7220	\$1,713,136	3.7220	\$1,717,039
Unmetered Scattered Load	0.0082	\$1,952	0.0089	\$2,103	0.0089	\$2,140
Sentinel Lighting	2.6280	\$42	2.8241	\$51	2.8241	\$51
Street Lighting	2.6078	\$17,342	2.8027	\$22,528	2.8027	\$22,517
		<b>\$4,127,875</b>		<b>\$4,506,163</b>		<b>\$4,434,494</b>
Transmission - Connection						
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0071	\$1,502,974	0.0076	\$1,611,694	0.0076	\$1,574,725
General Service < 50 kW	0.0065	\$507,640	0.0069	\$544,361	0.0069	\$522,423
General Service > 50 to 4999 kW	2.5717	\$1,143,323	2.7503	\$1,265,890	2.7503	\$1,268,774
Unmetered Scattered Load	0.0065	\$1,532	0.0069	\$1,643	0.0069	\$1,672
Sentinel Lighting	2.0306	\$32	2.1716	\$39	2.1716	\$39
Street Lighting	1.9848	\$13,199	2.1226	\$17,062	2.1226	\$17,053
		<b>\$3,168,702</b>		<b>\$3,440,689</b>		<b>\$3,384,686</b>



**Table 16 - 2024 Low Voltage Rates**

Transmission - Network	Application Nov 3 2023	Application Nov 3 2023	IRR Feb 22,2024	IRR Feb 22,2024	Settlement Proposal	Settlement Proposal
Class Name	Rate	Impact on CoP	Rate	Impact on CoP	Rate	Impact on CoP
Residential	0.0045	\$930,795	0.0050	\$1,040,330	0.0037	\$708,010
General Service < 50 kW	0.0041	\$316,032	0.0045	\$351,379	0.0033	\$234,886
General Service > 50 to 4999 kW	1.6157	\$443,972	1.8061	\$496,295	1.2366	\$570,452
Unmetered Scattered Load	0.0041	\$954	0.0045	\$1,061	0.0033	\$752
Sentinel Lighting	1.2757	\$19	1.4261	\$21	0.9764	\$18
Street Lighting	1.2469	\$8,125	1.3939	\$9,083	0.9543	\$7,666
		<b>\$1,699,897</b>		<b>\$1,898,168</b>		<b>\$1,521,783</b>

### Evidence References

- EXHIBIT 8 - Rate Design

### IR Responses

- Exhibit 8 – Rate Design
  - 8-Staff-47 to 8-Staff-48
  - 8.0-VECC to 8.0-VECC-47
  - 8-SEC-27 to 8-SEC-28

### Clarification Questions

- Exhibit 8 – Rate Design
  - VECC-54 to VECC-57
  - 8-Staff-60 to Staff-62

### Supporting Parties

- VECC, SEC

### Parties Taking No Position

- None

## 5.4 Are the Proposed Loss Factors Appropriate?

### Full Settlement

The Parties accept the updated 2024 forecast loss factors, as set out below in table 17, as appropriate for the purpose of setting rates.

**Table 17 - 2024 Loss Factors**

Particulars	Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
Line Losses	1.0703	1.0703	0.0000	1.0694	-0.0009

### Evidence References

- EXHIBIT 8 – Rate Design

### IR Responses

- Exhibit 8 – Rate Design
  - 8-Staff-47 to 8-Staff-48
  - 8.0-VECC to 8.0-VECC-47
  - 8-SEC-27 to 8-SEC-28

### Clarification Questions

- Exhibit 8 – Rate Design
  - VECC-54 to VECC-57
  - 8-Staff-60 to Staff-62

### Supporting Parties

- VECC, SEC

### Parties Taking No Position

- None

## **5.5 Are the Specific Service Charges and Retail Service Charges appropriate?**

### **Full Settlement**

The Parties accept that WPI's proposed Specific Service Charges and Retail Service Charges as updated by the OEB on June 29, 2023<sup>1</sup> are appropriate.

### **Evidence References**

- EXHIBIT 8 - Rate Design

### **IR Responses**

- Exhibit 8 – Rate Design
  - 8-Staff-47 to 8-Staff-48
  - 8.0-VECC to 8.0-VECC-47
  - 8-SEC-27 to 8-SEC-28

### **Clarification Questions**

- Exhibit 8 – Rate Design
  - VECC-54 to VECC-57
  - 8-Staff-60 to Staff-62

### **Supporting Parties**

- VECC, SEC

### **Parties Taking No Position**

- None

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<sup>1</sup> <https://www.oeb.ca/sites/default/files/OEBltr-2024-inflation-updates-20230629.pdf>, June 29, 2023

## 5.6 Are rate mitigation proposals required and appropriate?

### Full Settlement

The Parties agree that, within the context of the Settlement Proposal, no rate mitigation is required.

### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 8 - Rate Design

### IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 8 – Rate Design
  - 8-Staff-47 to 8-Staff-48
  - 8.0-VECC to 8.0-VECC-47
  - 8-SEC-27 to 8-SEC-28

### Clarification Questions

- Exhibit 1 - Administration
  - SEC-31 to SEC-33
- Exhibit 8 – Rate Design
  - VECC-54 to VECC-57
  - 8-Staff-60 to Staff-62

### Supporting Parties

- VECC, SEC

### Parties Taking No Position

- None

## 6. DEFERRAL AND VARIANCE ACCOUNTS

### 6.1 Are the proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

#### Full Settlement

The Parties agree that WPI's proposals for deferral and variance accounts, including the updated balances (as presented in Table 18 below) are appropriate, including the proposed disposition of those accounts on a final basis, subject to the following adjustments:

- a) For the purpose of possible future use of the Getting Ontario Connected Act Variance Account, the Parties agree that the amount embedded in WPI's 2024 OM&A budget for locate costs is \$160,000, which represents WPI's forecast locate costs for 2024 assuming no impact as a result of the *Getting Ontario Connected Act*. This budget is inclusive of a \$34,000 reduction to the locate budget relative to the original application, a reduction that is included within the \$185,000 reduction to OM&A as discussed under Issue 2.1.
- b) The Parties agree that the Pole Attachment Revenue Variance Account and the Accelerated CCA Variance Accounts will be cleared to the end of 2023. WPI will close the Pole Attachment Revenue Variance Account upon disposition.
- c) The Parties agree that the balance in the Retail Cost Variance Accounts will be disposed of on a final basis and the accounts will be discontinued.
- d) The Parties have agreed to extend the disposition period for both the Group 1 and Group 2 accounts so that the related riders will expire on December 31, 2025. The Parties have, purely for the purposes of drafting the Settlement Proposal, assumed an implementation date of May 1, 2024 for the rates approved in this application, such that the assumed disposition period in the Settlement Proposal is 20 months. If the implementation date is April 1, 2024 the disposition period will be 21 months; to that end WPI has provided an alternate set of Rates and Bill Impacts based on a 21 month disposition period in the event rates are implemented for April 1, 2024. If the implementation period is June 1, 2024 or later WPI will provide an updated set of Rates and Bill Impacts to reflect an adjusted disposition period as necessary. The Parties have agreed to this change in order to avoid having more than one change in WPI's rates in 2025 (more specifically, this proposal will ensure that the riders will expire at the same WPI's 2026 rates are implemented, rather than in the middle of 2025).

**Table 18 - DVA Balances for Disposition**

		Application Nov 3 2023	IRR Feb 22,2024	Variance over Original Filing	Settlement Proposal	Variance over IRR
LV Variance Account	1550	458,189	458,189	0	458,189	0
Smart Metering Entity Charge Variance Account	1551	(67,594)	(67,594)	0	(67,594)	0
RSVA - Wholesale Market Service Charge	1580	0	0	0	0	0
RSVA - Retail Transmission Network Charge	1584	819,565	819,565	0	819,565	0
RSVA - Retail Transmission Connection Charge	1586	178,793	178,793	0	178,793	0
RSVA - Power (excluding Global Adjustment)	1588	0	0	0	0	0
RSVA - Global Adjustment	1589	0	0	0	0	0
<b>Total Group 1 accounts above (excluding 1589)</b>		<b>1,388,953</b>	<b>1,388,953</b>	<b>0</b>	<b>1,388,953</b>	<b>0</b>
Deferred IFRS Transition Costs	1508	0	0	0	0	0
Pole Attachment Revenue Variance	1508	(376,327)	(375,844)	484	(420,482)	(44,638)
Retail Service Charge Incremental Revenue	1508	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	90,391	90,391	0	90,391	0
Retail Cost Variance Account - STR	1548	26,322	26,322	0	26,322	0
<b>Total of Group 2 Accounts above</b>		<b>(259,615)</b>	<b>(259,131)</b>	<b>484</b>	<b>(303,769)</b>	<b>(44,638)</b>
						0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	(558,903)	(547,143)	11,760	(539,665)	7,478
<b>Total of Account 1592</b>		<b>(558,903)</b>	<b>(547,143)</b>	<b>11,760</b>	<b>(539,665)</b>	<b>7,478</b>
<b>Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>1388952.934</b>	<b>1388952.934</b>	<b>0</b>	<b>1,388,953</b>	<b>0</b>
<b>Total Group 2 Accounts including 1592</b>		<b>(818,518)</b>	<b>(806,274)</b>	<b>12,244</b>	<b>(843,434)</b>	<b>(37,160)</b>

## Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 9 – Deferral and Variance Accounts

## IR Responses

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7
- Exhibit 9 – Deferral and Variance Accounts
  - 9-Staff-49 to 9-Staff-50
  - 9-SEC-29 to 9-SEC-30

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

## **7. OTHER**

### **7.1 Is the proposed effective date appropriate?**

#### **Full Settlement**

The Parties agree that WPI's new rates will be effective on the same day they are implemented, with WPI foregoing increases in its distribution rates for every month beyond January 1, 2024, that the new rates are not implemented. By way of reference, WPI can implement rates for the first of a month if its rates are approved within 8 days of the beginning of the following month. For example, if WPI receives approval of rates on or before May 8, 2024, it can implement new rates for April 1, 2024; if WPI receives approval of rates between May 9, 2024, and June 8, 2024, it can implement new rates for May 1, 2024. As described under issue 6.1 the Parties have, purely for the purposes of drafting the Settlement Proposal, assumed an implementation date of May 1, 2024, recognizing that the actual implementation change may be earlier or later depending on when rates are approved assuming the Settlement Proposal is accepted.

#### **Evidence References**

- EXHIBIT 1 – Administrative Documents

#### **IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7

#### **Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33

#### **Supporting Parties**

- VECC, SEC

#### **Parties Taking No Position**

- None



**7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?**

**Full Settlement**

The Parties accept that WPI's has responded appropriately to all outstanding OEB directions.

**Evidence References**

- EXHIBIT 1 – Administrative Documents

**IR Responses**

- Exhibit 1 – Administration
  - 1-Staff-1 to 1-Staff-4
  - 1.0-VECC-1 to 1.0-VECC-4
  - 1-SEC-1 to 1-SEC-7

**Clarification Questions**

- Exhibit 1 - Administration
  - SEC-31 to SEC-33

**Supporting Parties**

- VECC, SEC

**Parties Taking No Position**

- None

**SCHEDULE B**  
**DECISION AND RATE ORDER**  
**TARIFF OF RATES AND CHARGES**  
**WESTARIO POWER INC.**

**EB-2023-0058**

**APRIL 30, 2023**

**Westario Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2024**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2023-0058

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to customers residing in residential dwelling units taking energy at 600 volts or less, with energy generally supplied as single phase, 3-wire, 60 Hertz, having a nominal voltage of 120/240 volts. 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	\$	31.74
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$	(0.99)
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0037
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0098
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0076

## 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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Westario Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2024**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2023-0058

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to general service buildings, defined as buildings that are used for purposes other than single-family dwellings, taking energy at 600 volts or less, requiring a connection with a connected load of less than 50 kW, and including Town Houses and Condominiums that require centralized bulk metering, whose average monthly maximum demand is less than, or is forecast 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 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	\$	30.83
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0137
Low Voltage Service Rate	\$/kWh	0.0033
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kWh	0.0019
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$/kWh	(0.0012)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0089
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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Westario Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2024**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2023-0058

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to general service buildings, defined as buildings that are used for purposes other than single-family dwellings, requiring a connection with a connected load greater than 50 kW but less than 5,000 kW, 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. 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	\$	258.64
Distribution Volumetric Rate	\$/kW	2.7807
Low Voltage Service Rate	\$/kW	1.2366
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kW	0.7562

Issued - April 30, 2024

**Westario Power Inc.**  
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Rate Rider for Dispositon of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$/kW	(0.3535)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7220
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.7503

**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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EB-2023-0058

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 600 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. 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

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	5.73
Distribution Volumetric Rate	\$/kWh	0.0213
Low Voltage Service Rate	\$/kWh	0.0033
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kWh	0.0020
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$/kWh	(0.0010)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0089
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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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.

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	6.48
Distribution Volumetric Rate	\$/kW	33.5343
Low Voltage Service Rate	\$/kW	0.9764
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kW	1.0565
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$/kW	(0.7300)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8241
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1716

### 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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



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## 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 photocells. 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. 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

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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 (per connection)	\$	6.47
Distribution Volumetric Rate	\$/kW	5.4044
Low Voltage Service Rate	\$/kW	0.9543
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2025	\$/kW	0.7379
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 Accounts (2024) - effective until December 31, 2025	\$/kW	0.1594
Retail Transmission Rate - Network Service Rate	\$/kW	2.8027
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1226

### 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	0.0014
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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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

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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)

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## SPECIFIC SERVICE CHARGES

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### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	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 charge - at meter - during regular hours	\$	65.00
Reconnection charge - at meter - after regular hours	\$	185.00
Reconnection charge - at pole - during regular hours	\$	185.00
Reconnection charge - at pole - after regular hours	\$	415.00

### Other

Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	37.78

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## RETAIL SERVICE CHARGES (if 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	\$	117.02
Monthly fixed charge, per retailer	\$	46.81
Monthly variable charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
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)	\$	4.68
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)	\$	2.34

## 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	1.0694
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0588