



EB-2014-0077

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 Guelph Hydro
Electric Systems Inc. for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective January 1, 2015.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER

December 4, 2014

Guelph Hydro Electric Systems Inc. (“Guelph Hydro”) filed an application with the Ontario Energy Board (the “Board”) on August 13, 2014 under section 78 of the *Ontario Energy Board Act*, seeking approval for changes to the rates that Guelph Hydro charges for electricity distribution, effective January 1, 2015 (the “Application”).

Guelph Hydro last appeared before the Board with a cost of service application for the 2012 rate year in the EB-2011-0123 proceeding. To adjust its 2015 rates, Guelph Hydro selected the Price Cap Incentive Rate-setting option (the “Price Cap IR”) which provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service proceedings. The Application met the Board’s filing

requirements¹ for filings by rate-regulated electricity distributors (“distributors”) applying for annual rate adjustments under Price Cap IR.

The Board conducted a written hearing and Board staff participated in the proceeding. The Vulnerable Energy Consumers Coalition (“VECC”) applied for and was granted intervenor status and cost eligibility with respect to Guelph Hydro’s renewable generation funding adder. No letters of comment were received.

While the entire record in this proceeding has been considered by the Board, this decision will make reference only to such evidence as is necessary to provide context to the Board’s findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Disposition of Deferral and Variance Accounts for Class A Customers; and
- Green Energy Act Plan Funding Adder.

Price Cap Index Adjustment

The Price Cap IR option is a streamlined regulatory process designed to provide distributors with sufficient revenue to cover cost increases due to inflation while providing an incentive structure to drive productivity improvements.

Under the Price Cap IR option², distribution rates are adjusted by an inflation factor, less the sum of a productivity factor and a stretch factor. Based on its established method³, the Board has set the inflation factor for 2015 rates at 1.6% and the productivity factor remains zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6%, assigned based on a distributor’s cost evaluation ranking. The Board assigned Guelph Hydro a stretch factor of 0.3% based on the updated benchmarking

¹ Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (October 18, 2012); and Filing Requirements for Electricity Distribution Rate Applications (July 25, 2014)

² Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors (December 4, 2013)

³ As outlined in the Report cited at footnote 2 above.

study for use for rates effective in 2015⁴.

As a result, the net price cap index adjustment for Guelph Hydro is 1.30% (i.e. 1.6 % - (0% + 0.30%)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- 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.

Rural or Remote Electricity Rate Protection Charge

As of the date of this Decision and Rate Order, the Board has not issued a decision on the Rural or Remote Electricity Rate Protection (“RRRP”) charge for 2015. In the event that a new charge is established for 2015, the RRRP rate order will supersede this Decision and Rate Order with respect to the RRRP charge currently set at \$0.0013/kWh.

Shared Tax Savings Adjustments

The Board has determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate⁵.

⁴ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2013 Benchmarking Update.” Pacific Economics Group LLC. July, 2014.

⁵ Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors (September 17, 2008)

The tax reduction will be allocated to customer rate classes on the basis of the Board-approved distribution revenue from Guelph Hydro's last cost of service proceeding.

The Application identified a total tax savings of \$46,034 resulting in a shared amount of \$23,017 to be refunded to rate payers.

In its submission, Board staff noted that the Shared Tax-Savings portion of the Rate Generator Model reflects the Revenue Requirement Work Form from the Board's cost of service decision in EB-2011-0123. Board staff had no concerns with the information as filed.

The Board approves the disposition of the shared tax savings of \$23,017 based on a volumetric rate rider using annualized consumption for all customer classes over a one-year period from January 1, 2015 to December 31, 2015.

Retail Transmission Service Rates

Electricity distributors are charged for transmission costs at the wholesale level and then pass on these charges to their distribution customers through their Retail Transmission Service Rates ("RTSRs"). Variance accounts 1584 and 1586 are used to capture differences in the rate that a distributor pays for wholesale transmission service relative to the retail rate that the distributor is authorized to charge when billing its customers.

The Board has issued guidelines⁶ which outline the information that the Board requires electricity distributors to file in order to adjust their RTSRs for 2015. The RTSR guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates and the revenues generated under existing RTSRs. Similarly, partially embedded distributors, such as Guelph Hydro, must adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributor, which is Hydro One Networks Inc.

Given the timing of rates decisions, distributors whose rates are set as of January 1 typically derive their RTSRs using the previous year's Uniform Transmission Rates because updated ones are not yet available. As with past years, the Board has not yet adjusted Uniform Transmission Rates and Hydro One sub-transmission class rates for

⁶ Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates, revision 4.0 (June 28, 2012)

2015. The Board will therefore approve the RTSRs as adjusted in this Application so that they reflect the current applicable rates. The differences arising from the new 2015 rates, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The Board's policy on deferral and variance accounts⁷ provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh, whether in the form of a debit or credit, is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed. If the balances are below this threshold, the distributor may propose to dispose of balances.

Guelph Hydro's 2013 actual year-end total balance for Group 1 accounts including interest projected to December 31, 2014 is a debit of \$6,965,880. This amount results in a total debit claim of \$0.0042 per kWh, which exceeds the preset disposition threshold. Guelph Hydro proposes to dispose of this debit amount over a one-year period.

In its submission, Board staff noted that the principal balances as of December 31, 2013 reconcile with the balances reported as part of the *Reporting and Record-Keeping Requirements*. Accordingly, Board staff had no issue with Guelph Hydro's request to dispose of its 2013 Deferral and Variance Account balances at this time.

Board staff calculated the bill impacts for the general service rate classes between 50 kW and 4,999 kW based on a one-year recovery period as follows:

Total bill impacts for the GS 50 to 999 kW class:

- 100 kW consumption: 8.53%
- 500 kW consumption: 8.73%
- 1,000 kW consumption: 8.76%

Total bill impacts for the GS 1,000 to 4,999 kW class:

- 1,000 kW consumption: 7.63%
- 2,500 kW consumption: 7.67%
- 4,999 kW consumption: 7.68%

⁷ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

Board staff noted that the bill impacts appeared substantial and indicated that a two-year recovery period may help mitigate the impacts for both of these general service classes.

In its reply submission, Guelph Hydro noted that its next cost of service proceeding is scheduled for 2016 rates and that a two-year disposition period of the deferral and variance accounts in question would overlap the 2016 rate changes, and could lead to high rate impacts for these classes in 2016. Conversely, a one year disposition period for the deferral and variance accounts proposed to be disposed in this Application could help to mitigate the 2016 bill impacts.

The balances proposed for disposition are the same as the amounts reported as part of the Board's *Reporting and Record-Keeping Requirements*. The Board approves the disposition of a debit balance of \$6,965,880 as of December 31, 2013, including interest as of December 31, 2014 for Group 1 accounts. These balances are to be disposed over a one-year period from January 1, 2015 to December 31, 2015 to coincide with Guelph Hydro's next cost of service application. The Board notes that the bill impact is below the 10% limit often used by the Board to determine acceptability of the impact. In addition, a one-year disposition period minimizes inter-generational inequity.

The following table identifies the principal and interest amounts which the Board approves for disposition.

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C = A + B
LV Variance Account	1550	17,489	168	17,656
Smart Meter Entity Variance Charge	1551	62,203	1,616	63,820
RSVA - Wholesale Market Service Charge	1580	(961,981)	6,615	(995,366)
RSVA - Retail Transmission Network Charge	1584	517,305	(11,516)	505,789
RSVA - Retail Transmission Connection Charge	1586	(112,262)	(8,634)	(120,896)
RSVA - Power	1588	861,186	(1,463)	859,723
RSVA - Global Adjustment	1589	4,829,630	87,698	4,917,328
Disposition and Recovery of Regulatory Balances (2008)	1595	13	(1,177)	(1,164)

Disposition and Recovery of Regulatory Balances (2010)	1595	(1,175)	254	(921)
Disposition and Recovery of Regulatory Balances (2012)	1595	1,135,286	544,624	1,679,910
Total Group 1 Excluding Global Adjustment – Account 1589		1,518,064	530,488	2,048,552
Total Group 1		6,347,694	618,186	6,965,880

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Guelph Hydro should ensure these adjustments are included in the reporting period ending March 31, 2015 (Quarter 1).

Disposition of Deferral and Variance Accounts for Class A Customers

As indicated in the Filing Requirements⁸, distributors must establish separate rate riders to recover the balances in the retail settlement variance accounts from Market Participants in order that they not be allocated any balances related to charges for which the Market Participants settle directly with the IESO (e.g. wholesale energy, wholesale market services).

The Board further determined that a distributor who serves Class A customers per Ontario Regulation 429/04 must propose an appropriate allocation for the recovery of the global adjustment variance balance based on its settlement process with the IESO.

Guelph Hydro noted that its settlement process with the IESO with respect to Class A customers in regard to the contribution to the balance of Account 1589 – Global Adjustment offsets to zero. Therefore, Guelph Hydro is not proposing to charge a rate rider for the disposition of this account to Class A customers. The Board agrees that no disposition of this account to Class A customers is required.

⁸ See footnote 1

Green Energy Act Plan Funding Adder

In Guelph Hydro's 2012 cost of service decision EB-2011-0123, the Board approved the Green Energy Act ("GEA") Plan Funding Adders from April 1, 2012 until March 31, 2015. The rate riders approved were as follows:

- April 1, 2012 to March 31, 2013: \$0.10
- April 1, 2013 to March 31, 2014: \$0.14
- April 1, 2014 to March 31, 2015: \$0.15

Prior to the filing of the current Application, it was brought to Guelph Hydro's attention that the approved GEA model from its previous cost of service application contained a formula error. As a result of this error, Guelph Hydro will over-collect an amount of \$4,702.75 from April 1, 2014 to December 31, 2014. In this proceeding, Guelph Hydro seeks to make corrections to its 2014 GEA Plan Funding Adder from January 1, 2015 until March 31, 2015, to rectify the over-collection.

Board staff noted that on page 18 of the Filing Requirements, the Board stated that "the cost recovered through the funding adder will be subject to a prudence review in the first cost of service application following the implementation of the funding adder".

Board staff submitted that the amount of over collection was immaterial and would be true-up in Guelph Hydro's next cost of service rates proceeding. Board staff submitted that Guelph Hydro should continue to apply the GEA Funding Adder that was approved in its previous cost of service proceeding (i.e. \$0.15).

VECC submitted that it is reasonable to wait until Guelph Hydro's next cost of service rate application for 2016 rates when the true-up of the GEA funding adder would be subject to a prudence review.

In its reply submission, Guelph Hydro agreed with the submissions of Board staff and VECC.

The Board finds it appropriate to defer this issue until Guelph Hydro's next cost of service application, pending a review and reconciliation of the funding adders.

Rate Model

With this Decision and Rate Order, the Board is providing Guelph Hydro with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model(s) to ensure that they were in accordance with the 2014 Board-approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Guelph Hydro's new distribution rates shall be effective January 1, 2015.
2. Guelph Hydro shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.
3. If the Board does not receive a submission from Guelph Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final. Guelph Hydro shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from Guelph Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the Board will consider the submission of Guelph Hydro prior to issuing a final Tariff of Rates and Charges.
5. Guelph Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

COST AWARDS

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Guelph Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **17 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Guelph Hydro any responses to any objections for cost claims within **24 days** from the date of issuance of the final Rate Order.
4. Guelph Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote the file number, EB-2014-0077 and be made electronically through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, December 4, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Draft Tariff of Rates and Charges

Board File No: EB-2014-0077

DATED: December 4, 2014

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadraplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.49
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.18)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0176
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0007
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0003
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kWh	0.0020
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015		
Applicable only for Non RPP Customers	\$/kWh	0.0052
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0078
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.57
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Recovery of Stranded Meter Assets - effective until March 31, 2016	\$	0.73
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.50)
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0131
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0001
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kWh	0.0014
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015 Applicable only for Non RPP Customers	\$/kWh	0.0052
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 non-interval metered, General Service 50 to 999 kW interval metered. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	168.83
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(3.80)
Distribution Volumetric Rate	\$/kW	2.5750
Low Voltage Service Rate	\$/kW	0.0151
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0614
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0065
Rate Rider for Tax Change (2015) - effective until December 31, 2015	\$/kW	(0.0031)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015 Not Applicable to Wholesale Market Participants	\$/kW	0.5016
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015 Applicable only for Wholesale Market Participants	\$/kW	0.5650
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015 Applicable only for Non RPP Customers and excluding Wholesale Market Participants	\$/kW	1.9934
Retail Transmission Rate - Network Service Rate	\$/kW	2.9772
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.0882
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.1511
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2318

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal or greater than 1,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	643.80
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(46.33)
Distribution Volumetric Rate	\$/kW	3.4422
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0567
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0061
Rate Rider for Tax Change (2015) - effective until December 31, 2015	\$/kW	(0.0032)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kW	0.3209
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015 Applicable only for Non RPP Customers	\$/kW	2.3942
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.0882
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2318

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	942.35
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(151.18)
Distribution Volumetric Rate	\$/kW	2.3548
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0373
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kW	0.0099
Rate Rider for Tax Change (2015) - effective until December 31, 2015	\$/kW	(0.0021)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kW	0.4436
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.7293
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.6949

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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

EB-2014-0077

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the 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)	\$	5.92
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.0270
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kWh	0.0004
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) - effective until March 31, 2016	\$/kWh	0.0048
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kWh	0.0018
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015 Applicable only for Non RPP Customers	\$/kWh	0.0052
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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EB-2014-0077

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

No rates or 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.05
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.11)
Distribution Volumetric Rate	\$/kW	7.8039
Low Voltage Service Rate	\$/kW	0.0112
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.3253
Rate Rider for Tax Change (2015) - effective until December 31, 2015	\$/kW	(0.0141)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kW	1.1599
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015		
Applicable only for Non RPP Customers	\$/kW	1.8498
Retail Transmission Rate - Network Service Rate	\$/kW	2.2795
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6471

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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EB-2014-0077

STREET LIGHTING SERVICE CLASSIFICATION

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connection load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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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 Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.40
Green Energy Act Plan Funding Adder - effective April 1, 2014 until March 31, 2015	\$	0.15
Rate Rider for Disposition of Post Retirement Actuarial Gain - effective until March 31, 2025	\$	(0.01)
Distribution Volumetric Rate	\$/kW	9.5678
Low Voltage Service Rate	\$/kW	0.0135
Rate Rider for Disposition of Deferred PILs Variance Account 1562 - effective until March 31, 2016	\$/kW	0.0738
Rate Rider for Tax Change (2015) - effective until December 31, 2015	\$/kW	(0.0102)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until December 31, 2015	\$/kW	0.2922
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until December 31, 2015		
Applicable only for Non RPP Customers	\$/kW	1.8616
Retail Transmission Rate - Network Service Rate	\$/kW	2.7427
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9818

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Guelph Hydro Electric Systems Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2015

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EB-2014-0077

MICROFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority'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	\$	5.40
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Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.72)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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Customer Administration

Arrears certificate	\$	15.00
Returned cheque (plus bank charges)	\$	8.55
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at meter – during regular hours	\$	20.00
Disconnect/Reconnect at meter – after regular hours	\$	50.00
Disconnect/Reconnect at pole – during regular hours	\$	50.00
Disconnect/Reconnect at pole – after regular hours	\$	95.00

Other

Service call – customer owned equipment	\$	17.50
Service call – after regular hours	\$	95.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

Guelph Hydro Electric Systems Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2015

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EB-2014-0077

RETAIL SERVICE CHARGES (if applicable)

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

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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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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)	\$	2.00

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	1.0209
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0160
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0107
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0059