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Energy
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DECISION AND RATE ORDER

EB-2021-0023

ESSEX POWERLINES CORPORATION

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

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

April 7, 2022

1 OVERVIEW

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

As a result of this Decision, there will be a monthly total bill increase of \$6.33 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate.

2 CONTEXT AND PROCESS

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

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

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. A distributor will then review, complete, and include the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

Essex Powerlines serves approximately 30,000 mostly residential and commercial electricity customers in the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington and the Town of Tecumseh.

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

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

3 DECISION OUTLINE

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

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

Instructions for implementing Essex Powerlines' new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges² and loss factors, which are out of scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

² Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2021-0301, issued November 25, 2021 established the adjustment for energy retailer service charges, effective January 1, 2022; and the Decision and Order EB-2021-0302, issued December 16, 2021, set the 2022 Wireline Pole Attachment Charge, effective January 1, 2022.

4 ANNUAL ADJUSTMENT MECHANISM

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

The components of the Price Cap adjustment formula applicable to Essex Powerlines are set out in the table below. Inserting these components into the formula results in a 3.15% increase to Essex Powerlines' rates: **3.15% = 3.30% - (0.00% + 0.15%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁴		3.30%
X-Factor	Productivity ⁵	0.00%
	Stretch (0.00% to 0.60%) ⁶	0.15%

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

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

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

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

⁴ EB-2021-0212, Decision and Order, November 18, 2021

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

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

over a historical study period and applies to all IRM applications for the 2022 rate year. The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, ranging from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Essex Powerlines is 0.15%, resulting in a rate adjustment of 3.15%.

Findings

Essex Powerlines' request for a 3.15% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Essex Powerlines' new rates shall be effective May 1, 2022.

5 RETAIL TRANSMISSION SERVICE RATES

Essex Powerlines is fully embedded within Hydro One Network Inc.'s distribution system.

To recover its cost of transmission services, Essex Powerlines requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the host distributor RTSRs currently in effect.

Findings

Essex Powerlines' proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current OEB-approved sub-transmission host-RTSRs.⁷

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

⁷ EB-2021-0032, Decision and Rate Order, December 14, 2021

6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed. OEB policy states that Group 1 account balances should be disposed if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed.⁸ If the net balance does not exceed the threshold, a distributor may still request disposition.

The 2020 year-end net balance for Essex Powerlines' Group 1 accounts eligible for disposition, excluding Account 1588 – RSVA Power and Account 1589 – RSVA Global Adjustment (GA), and including interest projected to April 30, 2022, is a debit of \$4,212,664 and pertains to variances accumulated during the 2019 to 2020 calendar years. This amount represents a total claim of \$0.0079 per kWh, which exceeds the disposition threshold. Essex Powerlines has requested interim disposition of this amount over a one-year period.

In Essex Powerlines' approved settlement proposal in its 2018 rates proceeding, parties agreed to disposition of its 2016 Group 1 balances on a final basis.⁹ In Essex Powerlines' 2020 IRM proceeding, the OEB did not approve disposition of Essex Powerlines' 2017 and 2018 Group 1 balances, due to concerns with Accounts 1588 and 1589, relating to the accounting treatment of unbilled to actual revenue differences.¹⁰ Subsequently, in Essex Powerlines' 2021 IRM application,¹¹ Essex Powerlines responded to the directions in the OEB's decision and order for its 2020 rates and also clarified that it has reviewed the 2017 and 2018 Account 1588 and 1589 balances in the context of the OEB's accounting guidance for these accounts, noting that it did not find any other systemic issues during its review. However, Essex Powerlines was still in the process of reviewing its 2019 balances and was also in the process of engaging a third-party review of its improved Standard Operating Procedures (SOP) with respect to its approach to its regulatory accounting oversight, as part of its Management Action Plan. Therefore, Essex Powerlines requested and was approved interim disposition of its 2017 and 2018 Group 1 balances. In the associated decision and order, the OEB stated that when Essex Powerlines requests disposition of its 2019 Group 1 balances, it expects Essex Powerlines to bring forth the results of its review of the 2019 Group 1 balances and of its SOP, including whether outcomes of these reviews impact the 2017 to 2018 balances being disposed in that proceeding.

⁸ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

⁹ EB-2017-0039

¹⁰ EB-2019-0034

¹¹ EB-2020-0021

As noted above, in the current proceeding, Essex Powerlines is requesting interim disposition of its 2019 and 2020 Group 1 balances, excluding Accounts 1588 and 1589. During the course of this proceeding, Essex Powerlines withdrew its disposition request of Accounts 1588 and 1589 to allow for further analysis of these accounts to be undertaken as a result of OEB staff questions on these accounts.¹²

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Capacity Based Recovery (CBR) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for CBR charges based on their monthly consumption totals as a standalone charge. The balance in the CBR Class B variance account is attributable to all Class B customers.

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

Management Action Plan

As part of the approved settlement proposal in its 2018 rates proceeding, Essex Powerlines agreed to file a Management Action Plan in each IRM application until its next cost-based rate application to support disposition of its Group 1 deferral and variance accounts. The Management Action Plan addresses, among other areas, the status of Essex Powerlines' oversight of its regulatory accounting. Essex Powerlines provided an update to its Management Action Plan in the current application. With regards to the third-party review of its SOP, Essex Powerlines indicated that the review was delayed with the onset of the COVID-19 pandemic and is now resumed with an expected completion date in 2022.¹³ Essex Powerlines also indicated that it is requesting interim disposition of Group 1 balances (excluding Accounts 1588 and 1589), and that final disposition will be requested upon completion of the review.

Account 1595 (2015)

Included in Essex Powerlines' Group 1 accounts requested for disposition is Account 1595 (2015) in the debit amount of \$2,437,103. This balance consists of:

¹² Staff Questions 5,6, filed March 24, 2022

¹³ Staff Question 1, filed March 3, 2022

- i) a debit amount of \$639,389, representing a residual amount between the amounts approved for disposition in Essex Powerlines' 2015 IRM proceeding and rate riders collected or refunded,¹⁴
- ii) a debit amount of \$287,532 for carrying charges forecasted up to April 30, 2022,¹⁵ and
- iii) a debit amount of \$1,510,182 that pertains to a duplicated refund of the residual balance in Account 1590 – Recovery of Regulatory Asset Balances (the account formerly used for clearing deferral and variance accounts, prior to the establishment of Account 1595), of which Essex Powerlines is now seeking recovery.¹⁶ Essex Powerlines was first approved disposition of Account 1590 in its 2010 rates proceeding.¹⁷

Per an OEB Audit Report issued in March 2017, for the audit of Essex Powerlines' Group 1 and 2 accounts, Account 1590 was approved for disposition in Essex Powerlines' IRM application for 2015 rates but was brought forth by Essex Powerlines in error.¹⁸ This resulted in a duplicate refund to customers. Following this approved disposition, the balance in Account 1590 that represented a duplicate refund would have been transferred to Account 1595 (2015). The Audit Report stated that "the reconstructed continuity schedule for Account 1595 should reflect the true residual balance as of December 31, 2015. This would mean that the \$1.5 million that was over-refunded to customers would be recovered from customers."¹⁹ Therefore, Essex Powerlines recorded a debit \$1.5 million principal adjustment in Account 1595 (2015) so that the duplicate refund may now be requested for recovery in this proceeding.

Findings

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

The OEB approves the disposition of a debit balance of \$4,212,664 as of December 31, 2020, for Group 1 accounts excluding Account 1588 and Account 1589, including interest projected to April 30, 2022, on an interim basis. This includes the disposition of Account 1595 (2015), including the \$1.5 million that was previously over-refunded to customers. The 2017 and 2018 balances disposed of on an interim basis will remain interim.

¹⁴ Follow-up Staff Question 2 and Account 1595 Continuity Schedule, filed March 10, 2022

¹⁵ Ibid

¹⁶ Ibid and Staff Question 3a and 3b, filed March 10, 2022

¹⁷ EB-2009-0143 Draft Rate Order Essex_RateMaker_20100415.xls

¹⁸ Staff Question 3a and 3b, filed March 10, 2022

¹⁹ Staff Question 3b, filed March 10, 2022

When Essex Powerlines requests final disposition of its 2019 and 2020 Account 1588 and 1589 balances for the OEB's consideration, the OEB expects Essex Powerlines to address the outstanding OEB staff questions on these accounts raised in this proceeding including:

- The correlation between the expected GA volume variance and the actual loss factor experienced for 2019 and 2020
- The high Account 1588 balance for 2019 in comparison to Account 4705 – Power Purchased for 2019
- Confirmation that timing-related adjustments of meter reads that affected 2019 and 2020 did not affect 2017 and 2018

The OEB also expects Essex Powerlines to bring forth the results of its review of the 2019 balances and the results of the SOP review, including whether outcomes of these reviews impact the 2017 to 2018 balances that were previously disposed on an interim basis.

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

Table 6.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	809,100	49,818	858,918
Smart Meter Entity Variance Charge	1551	(16,262)	(830)	(17,093)
RSVA - Wholesale Market Service Charge	1580	(314,045)	(11,841)	(325,886)
Variance WMS - Sub-account CBR Class B	1580	(76,578)	(3,533)	(80,111)
RSVA - Retail Transmission Network Charge	1584	633,643	48,010	681,653
RSVA - Retail Transmission Connection Charge	1586	621,977	36,103	658,080
Disposition and Recovery of Regulatory Balances (2015)	1595	2,149,571	287,532	2,437,103
Totals for Group 1 accounts		3,807,406	405,258	4,212,664

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.²⁰ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed through interim rate riders, charges, or payments, as calculated in the Rate Generator Model. The OEB notes that the total bill increase for the General Service 50 to 4,999 kW rate class is 11.58%. The OEB accepts this bill impact. The main driver for the increase is due to the Deferral and Variance Account rate riders, which includes the reflection of the disposition of Account 1595 (2015). Furthermore, the OEB accepts the one-year disposition period for the interim rate riders as incurring additional carrying charges over a longer disposition period would not be prudent given that the bill impact slightly exceeds 10%. The interim rate riders, charges, and payments, as applicable, will be in effect over a one-year period from May 1, 2022 to April 30, 2023.²¹

²⁰ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²¹ 2022 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

7 IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in the Table 7.1.

Table 7.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 16, 2021.²²

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.²³

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,²⁴ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On January 26, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2022 calendar year.

²² EB-2021-0300, Decision and Order, December 16, 2021

²³ EB-2017-0290, Decision and Order, March 1, 2018

²⁴ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

8 ORDER


THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Essex Powerlines Corporation shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, April 7, 2022

ONTARIO ENERGY BOARD

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 Digitally signed by Nancy
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Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0023

Dated: April 7, 2022

Essex Powerlines Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2022
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2021-0023

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account 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 quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartments building also qualify as residential customers. 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	\$	28.66
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0035
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0080
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0019
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0087
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Essex Powerlines Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2022
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EB-2021-0023

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly 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	\$	38.62
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0132
Low Voltage Service Rate	\$/kWh	0.0034
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0088
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0017
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Essex Powerlines Corporation
TARIFF OF RATES AND CHARGES
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EB-2021-0023

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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	\$	252.83
Distribution Volumetric Rate	\$/kW	2.4450
Low Voltage Service Rate	\$/kW	1.4462
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kW	(0.0502)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.2063)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	3.0569

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Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	0.6459
Rate Rider for the Disposition of Accounts 1584 & 1586 - Interval Metered - effective until October 31, 2023	\$/kW	0.8913
Retail Transmission Rate - Network Service Rate	\$/kW	3.0894
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0568
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.8056
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2808

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided with electricity by means of this distributor's facilities. 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 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 License 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.

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	\$	597.63
Distribution Volumetric Rate	\$/kW	1.3230
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kW	(0.0506)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	1.1071

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Essex Powerlines Corporation
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2022
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EB-2021-0023

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account 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 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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	9.58
Distribution Volumetric Rate	\$/kWh	0.0298
Low Voltage Service Rate	\$/kWh	0.0034
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kWh	0.0091
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kWh	0.0017
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Essex Powerlines Corporation
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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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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)	\$	3.40
Distribution Volumetric Rate	\$/kW	9.7547
Low Voltage Service Rate	\$/kW	0.9942
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kW	(0.0587)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	3.5026
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	1.0029
Retail Transmission Rate - Network Service Rate	\$/kW	2.3785
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5678

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. 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.

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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)	\$	3.55
Distribution Volumetric Rate	\$/kW	9.6338
Low Voltage Service Rate	\$/kW	0.9877
Rate Rider for Disposition of Capacity Based Recovery Account (2022) - effective until April 30, 2023 Applicable only for Class B Customers	\$/kW	(0.0528)
Rate Rider for Disposition of Deferral/Variance Accounts (2022) - effective until April 30, 2023	\$/kW	5.2985
Rate Rider for the Disposition of Accounts 1584 & 1586 - effective until October 31, 2023	\$/kW	0.7499
Retail Transmission Rate - Network Service Rate	\$/kW	2.3451
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5577

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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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	\$	4.55
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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 & energy	%	(1.00)

SPECIFIC SERVICE CHARGES**APPLICATION**

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

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Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment – per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection 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)	\$	34.76

Essex Powerlines Corporation

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	107.68
Monthly fixed charge, per retailer	\$	43.08
Monthly variable charge, per customer, per retailer	\$	1.07
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.64
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(0.64)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.54
Processing fee, per request, applied to the requesting party	\$	1.07
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.31
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.15

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0355
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0251