



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

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**DECISION AND RATE ORDER**

**EB-2017-0083**

**WEST COAST HURON ENERGY INC.**

**Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2018.**

**By Delegation, Before: Pascale Duguay**

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**March 22, 2018**

## 1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by West Coast Huron Energy Inc. (West Coast Huron Energy) on November 6, 2017, as amended during the course of the proceeding.

West Coast Huron Energy serves about 4,000 mostly residential and commercial electricity customers in the Town of Goderich. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's [Chapter 3 Filing Requirements for Incentive Rate-Setting Applications](#) (the Filing Requirements).

West Coast Huron Energy's application is based on the Annual IR Index option to set rates for 2018. The Annual IR Index is based on inflation less the OEB's highest stretch factor assessment of a distributor's efficiency. In accordance with the OEB-approved 2018 parameters for an Annual IR Index adjustment, West Coast Huron Energy applied for an increase of 0.60% to distribution rates.

As a result of the OEB's findings in this Decision, there will be a monthly bill decrease of \$2.20 for a residential customer consuming 750 kWh, effective May 1, 2018.

West Coast Huron Energy has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.<sup>1</sup> Accordingly, the fixed monthly charge for 2018 has once again been adjusted upward in this Decision by more than the mechanistic price cap adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

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<sup>1</sup> OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers" EB-2012-0410, April 2, 2015

## 2 THE PROCESS

This Decision is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998* (the OEB Act).

The OEB follows a standardized and streamlined process for IRM applications filed under the Annual IR Index option. In each adjustment year of an Annual IR Index term, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application. During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required.

The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

West Coast Huron Energy filed its application on November 6, 2017, under section 78 of the OEB Act and in accordance with the Filing Requirements. West Coast Huron Energy supported its application with written evidence and a completed rate model. Questions were asked of, and answers were provided by, West Coast Huron Energy through emails and phone calls with the OEB. Based on this information, a draft decision was prepared and provided to West Coast Huron Energy on March 13, 2018. West Coast Huron Energy was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

## 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying West Coast Huron Energy's proposals relating to each of them:

- Price Cap Adjustment
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Other Matters

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

## 4 PRICE CAP ADJUSTMENT

West Coast Huron Energy seeks to increase its rates, effective May 1, 2018, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Annual IR Index applications.

The components of the Annual IR Index adjustment formula applicable to West Coast Huron Energy are set out in Table 4.1, below. Inserting these components into the formula results in a 0.60% increase to West Coast Huron Energy's rates: **0.60% = 1.20% - (0.00% + 0.60%)**.

**Table 4.1: Annual IR Index Adjustment Formula**

Components		Amount
Inflation Factor <sup>2</sup>		1.20%
X-Factor	Productivity <sup>3</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>4</sup>	0.60%

The inflation factor of 1.20% applies to all Annual IR Index applications for the 2018 rate year.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Annual IR Index applications for the 2018 rate year.

The OEB has established five stretch factor groupings, each within a range from 0.00%

<sup>2</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

<sup>3</sup> Ibid.

<sup>4</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2017

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 most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

## Findings

The OEB finds that West Coast Huron Energy's request for a 0.60% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and West Coast Huron Energy's new rates shall be effective May 1, 2018.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.<sup>5</sup>

## 5 SHARED TAX ADJUSTMENTS

In any adjustment year of an Annual IR Index term, a change in legislation may result in a change to the amount of taxes payable by a distributor. For IRM applications, the OEB has long held that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate in these situations. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from a distributor's last COS proceeding.

The application identifies a total tax change of \$1,018, resulting in a shared amount of \$509 to be distributed to rate payers. The allocated tax sharing amount is so small that it does not result in rate riders for every rate class.

## Findings

The OEB approves the tax refund of \$509.

The allocated tax sharing amount does not produce a rate rider in one or more rate

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<sup>5</sup> Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: 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.

classes, therefore the OEB directs West Coast Huron Energy to record the OEB-approved tax sharing amount into Account 1595 for disposition at a later date.

## 6 RETAIL TRANSMISSION SERVICE RATES

Distributors charge retail transmission service rates (RTSRs) to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

West Coast Huron Energy is transmission connected and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 6.1.

**Table 6.1: UTRs<sup>6</sup>**

<b>Current Approved UTRs (2018)</b>	<b>per kWh</b>
Network Service Rate	\$3.61
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.95
Transformation Connection Service Rate	\$2.34

### Findings

West Coast Huron Energy's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the UTRs current at the time of the filing. The OEB finds that the new 2018 UTRs are to be incorporated into the rate model to adjust the RTSRs that West Coast Huron Energy will charge its customers accordingly.

## 7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be

<sup>6</sup> Decision and Rate Order, EB-2017-0359, February 1, 2018

disposed.<sup>7</sup> OEB policy requires that Group 1 accounts be disposed if they exceed (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.<sup>8</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2016 actual year-end total balance for West Coast Huron Energy's Group 1 accounts including interest projected to April 30, 2018 is a credit of \$182,620. This amount represents a total credit claim of \$0.0013 per kWh, which exceeds the disposition threshold. West Coast Huron Energy proposes the disposition of this credit amount over a one-year period.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account debit balance of \$104,887. A customer's costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.<sup>9</sup>

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.
- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as Class A customers. These customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- Class B non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are

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<sup>7</sup> Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

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

<sup>9</sup> The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

billed GA based on the IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

The following table identifies the deferral and variance account balances which West Coast Huron Energy proposes for disposition.

**Table 7.1: Group 1 Deferral and Variance Account Balances**

<b>Account Name</b>	<b>Account Number</b>	<b>Principal Balance (\$) A</b>	<b>Interest Balance (\$) B</b>	<b>Total Claim (\$) C=A+B</b>
Smart Meter Entity Variance Charge	1551	(2,366)	(34)	(2,400)
RSVA - Wholesale Market Service Charge	1580	(241,766)	(7,064)	(248,830)
Variance WMS - Sub-account CBR Class B	1580	28,873	854	29,727
RSVA - Retail Transmission Network Charge	1584	(18,710)	(571)	(19,281)
RSVA - Retail Transmission Connection Charge	1586	3,506	131	3,637
RSVA – Power	1588	(27,857)	(1,946)	(29,803)
RSVA - Global Adjustment	1589	101,131	3,756	104,887
Disposition and Recovery of Regulatory Balances (2014)	1595	(2,285)	(18,272)	(20,557)
<b>Totals for all Group 1 accounts</b>		(159,474)	(23,146)	(182,620)

West Coast Huron Energy proposes the recovery of its GA variance account debit balance of \$104,887 as at December 31, 2016, including interest to April 30, 2018, in accordance with the following table.



**Table 7.2: Recovery of GA Variance**

Proposed Amounts	Proposed Method for Recovery
\$104,887 recovered from customers who were Class B for the entire period from January 2015 to December 2016	per kWh rate rider

The balance of the Group 1 accounts includes a debit of \$29,727 for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market Demand Response 3 program. Distributors paid CBR charges to the IESO in 2016 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2016.

West Coast Huron Energy had no Class A customers during the period from January 2015 to December 2016 so it applied to have the balance of this account disposed along with Account 1580 - Wholesale Market Service Charge through the general Deferral and Variance Account rate rider.

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total credit balance of \$287,507, which results in a refund to customers.

In response to GA preliminary questions, West Coast Huron Energy described that up until the end of 2016 it settled RPP GA with the IESO based on the difference between the billed GA revenue and estimated GA expense based on consumption volumes multiplied by the GA 2<sup>nd</sup> estimated rate. West Coast Huron Energy indicated that it did not perform RPP settlement true-up as part of Form 1598 filed with the IESO prior to 2017. In 2017 West Coast Huron Energy noted that it became aware of the need to true-up GA expense to final GA rate as part of an internal review process regarding the GA settlement process with the IESO.<sup>10</sup> In addition, in response to further OEB staff questions, West Coast Huron Energy noted that these true-up adjustments were not recorded in the general ledger until 2017.<sup>11</sup>

<sup>10</sup> West Coast Huron Energy responses to Question 6 of GA Analysis Workform Preliminary Questions.

<sup>11</sup> West Coast Huron Energy responses to Question 1a) of OEB Staff Questions, dated January 18, 2018.

In the 2018 IRM Rate Generator model DVA Continuity Schedule, West Coast Huron Energy made a debit adjustment of \$430,927 to account 1588 RSVA - Power offset by a credit adjustment of \$430,927 to account 1589 RSVA – GA. The DVA continuity schedule adjustments are composed of an adjustment of \$161,836 in 2015 and \$269,091 in 2016.

The 2015 and 2016 adjustments is made up of various components and the majority of which include corrections relating to a RPP consumption error, a General Ledger GA allocation error relating to RPP/Non-RPP allocation, and a true adjustments for GA actual rate vs GA 2<sup>nd</sup> estimate rate.

OEB staff also noted that two of the adjustments made by West Coast Huron Energy presented related to the allocation of GA expense (i.e. IESO charge type 148) to RPP and Non-RPP customer groups. One adjustment was identified to correct an error of using one specific customer's consumption twice in determining the RPP and Non-RPP split.<sup>12</sup> The other adjustment was used to reflect the issue of using the consumption from a prior month to allocate the GA expense for the current month.<sup>13</sup>

## Findings

The OEB will not approve the disposition of the balances in accounts 1588 RSVA - Power and 1589 RSVA – GA at this time. The OEB understands that West Coast Huron Energy has not previously done RPP settlement true ups with the IESO but has commenced doing so in 2017. In order to ensure that West Coast Huron Energy's new RPP settlement true up process is working reasonably, the OEB will conduct an audit of West Coast Huron Energy's accounts 1588 RSVA - Power and 1589 RSVA – GA balances for the 2015, 2016 calendar years, including a review of the company's new true up process prior to the disposition of these balances on a final basis. While it is the OEB's normal practice to dispose of all group 1 accounts contemporaneously, the OEB notes that the amount remaining is a credit balance of \$257,705 which is higher than the total amount sought for disposition by West Coast Huron Energy, necessarily in excess of the pre-set disposition threshold of \$0.001 per kWh and therefore considered to be material. On that basis, the OEB will approve the disposition of a credit balance of \$257,705 as of December 31, 2016, including interest projected to April 30, 2018 for Group 1 account balances with the exclusion of the balances in accounts 1588 RSVA - Power and 1589 RSVA – GA.

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<sup>12</sup> West Coast Huron Energy responses to Question 8 of GA Analysis Workform Preliminary Questions.

<sup>13</sup> West Coast Huron Energy responses to Question 9 of GA Analysis Workform Preliminary Questions.

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 Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*.<sup>14</sup> 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. West Coast Huron Energy shall ensure these adjustments are included in the reporting period ending June 30, 2018 (Quarter 2).

The OEB approves these balances to be disposed through rate riders as calculated in the Rate Generator Model. The rate riders will be in effect over a one-year period from May 1, 2018 to April 30, 2019.

## 8 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.<sup>15</sup> The OEB requires that distributors filing IRM applications affecting 2018 rates continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service charge and decrease the variable charge consistent with the policy.

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

West Coast Huron Energy notes that the implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$3.74. The bill impacts

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<sup>14</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

<sup>15</sup> As outlined in the Policy cited at footnote 1 above.

arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

## Findings

The OEB finds that the proposed 2018 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

## 9 OTHER MATTERS

In addition to the matters discussed previously, West Coast Huron Energy sought approval for the following rates and charges<sup>16</sup> in its application:

- Continuance of the Allowances, Specific Services charges, Retail Service Charges and Loss Factors as approved in West Coast Huron Energy's 2013 Cost of Service Application (EB-2012-0175).

These rate and charges were approved by the OEB in previous proceedings. No further approval is required in this Decision to include these on West Coast Huron Energy's Tariff of Rates and Charges.

## 10 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, an applicable supporting model, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with West Coast Huron Energy's last COS decision, and to ensure that the 2017 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2016, are as reported by West Coast Huron Energy to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

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<sup>16</sup> West Coast Huron Energy' 2018 IRM Application, EB-2017-0083, November 6, 2017, Manager's Summary

**Table 10.1: Regulatory Charges**

<b>Rate</b>	<b>per kWh</b>
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0003
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0032
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 20, 2017.<sup>17</sup>

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 at \$0.57 by the OEB on March 1, 2018, effective January 1, 2018 to December 31, 2022.<sup>18</sup> The Rate Generator Model has been adjusted to incorporate this rate.

### **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, 2018 for electricity consumed or estimated to have been consumed on and after such date. West Coast Huron Energy Inc. shall notify its customers of the rate changes no later than the first bill reflecting the new rates.

**DATED** at Toronto, March 22, 2018

### **ONTARIO ENERGY BOARD**

Original signed by

Kirsten Walli  
Board Secretary

<sup>17</sup> Decision and Order, EB-2017-0333, December 20, 2017

<sup>18</sup> Decision and Order, EB-2017-0290, March 1, 2018

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2017-0083**

**DATED: March 22, 2018**

**West Coast Huron Energy Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0083

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. 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 Debt Retirement Charge, the Global Adjustment and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	29.57
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0058
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0032)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0066

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**West Coast Huron Energy Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors**

EB-2017-0083

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW and, Town Houses and Condominiums described in section 3.1.8 of the distributor's Conditions of Service that require centralized bulk metering. General Service Buildings are defined as buildings that are used for purposes other than single family dwellings. 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 Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	32.36
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0111
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0031)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# West Coast Huron Energy Inc.

## TARIFF OF RATES AND CHARGES

**Effective and Implementation Date May 1, 2018**

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

EB-2017-0083

### GENERAL SERVICE 50 TO 499 KW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Customers requiring a connection with a connected load, whose average monthly maximum demand used, for billing purposes, is, or is forecast to be, equal to or greater than 50 kW but less than 500 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 Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	155.11
Distribution Volumetric Rate	\$/kW	2.4246
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(1.0570)
Retail Transmission Rate - Network Service Rate	\$/kW	2.4421
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3237

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# West Coast Huron Energy Inc.

## TARIFF OF RATES AND CHARGES

**Effective and Implementation Date May 1, 2018**

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

EB-2017-0083

### GENERAL SERVICE 500 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Customers requiring a connection with a connected load, whose average monthly maximum demand used, for billing purposes, is, or is forecast to be, equal to or greater than 500 kW but less than 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the 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 Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,645.04
Distribution Volumetric Rate	\$/kW	1.1289
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(1.3729)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5938
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.5476

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**West Coast Huron Energy Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0083

## LARGE USE SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than 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.

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## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	9,895.57
Distribution Volumetric Rate	\$/kW	1.7813
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(0.1100)
Retail Transmission Rate - Network Service Rate	\$/kW	2.8723
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9130

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**West Coast Huron Energy Inc.**  
**TARIFF OF RATES AND CHARGES**  
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EB-2017-0083

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, decorative street lighting, bill boards, etc. The level of consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of unmetered load or periodic monitoring of actual consumption. 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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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	75.71
Distribution Volumetric Rate	\$/kWh	0.0672
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kWh	(0.0031)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**West Coast Huron Energy Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2018**  
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EB-2017-0083

## 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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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 Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	37.11
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(1.4059)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8506
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8350

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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**TARIFF OF RATES AND CHARGES**  
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EB-2017-0083

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connection load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Street lighting plant, facilities or equipment owned by the customer are subject to the ESA requirements. 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 Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.54
Distribution Volumetric Rate	\$/kW	24.8374
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	\$/kW	(1.3696)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8418
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8339

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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**TARIFF OF RATES AND CHARGES**  
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EB-2017-0083

**microFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

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

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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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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EB-2017-0083

**ALLOWANCES**

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

**SPECIFIC SERVICE CHARGES**

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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
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-Payment of Account**

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/reconnect at Meter - during regular hours	\$	65.00
Disconnect/reconnect at Meter - after regular hours	\$	185.00
Disconnect/reconnect at Pole - during regular hours	\$	185.00

**Other**

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35
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EB-2017-0083

## RETAIL SERVICE CHARGES (if applicable)

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

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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	1.0467
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0362
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045