



EB-2013-0157

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

AND IN THE MATTER OF an application by North Bay
Hydro Distribution Limited for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2014.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION and RATE ORDER
February 20, 2014

North Bay Hydro Distribution Limited (“North Bay Hydro”) filed an application with the Ontario Energy Board (the “Board”) on August 30, 2014 under section 78 of the Act, seeking approval for changes to the rates that North Bay Hydro charges for electricity distribution, effective May 1, 2014 (the “Application”).

The Application met the Board’s requirements as detailed in the *Report of the Board: Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (the “RRFE Report”) dated October 18, 2012 and the *Filing Requirements for Electricity Distribution Rate Applications* (the “Filing Requirements”) dated July 17, 2013. North Bay Hydro selected the Price Cap Incentive Rate-Setting (“Price Cap IR”) option to adjust its 2014 rates. The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between cost of service applications. North Bay Hydro last appeared before the Board with a full cost of service application for the 2010 rate year in the EB-2009-0270

proceeding. In this proceeding, North Bay Hydro also seeks approval for smart meter cost recovery.

The Board conducted a written hearing and Board staff participated in the proceeding. The Vulnerable Energy Consumers Coalition (“VECC”) applied for and was granted intervenor status and cost eligibility with respect to the proposed smart meter cost recovery. Mr. D.D. Rennick applied for and was granted intervenor status. As an individual intervenor, Mr. Rennick was informed that he may be eligible to recover out-of-pocket costs for photocopying or for travel to attend Board related events if required. No letters of comment were received.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Rate Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances; and
- Smart Meter Cost Recovery

Price Cap Index Adjustment

The Board issued the *Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors* (the “Price Cap IR Report”) which provides the 2014 rate adjustment parameters for distribution companies selecting either the Price Cap IR or Annual IR Index option.

Distribution rates under the Price Cap IR option are adjusted by an inflation factor, less a productivity factor and a stretch factor. The inflation factor for 2014 rates is 1.7%. Based on the total cost benchmarking model developed by Pacific Economics Group Research, LLC, the Board determined that the appropriate value for the productivity factor is zero percent. The Board also determined that the stretch factor can range from 0.0% to 0.6% for distributors selecting the Price Cap IR option, assigned based on a distributor’s cost evaluation ranking. In the Price Cap IR Report, the Board assigned North Bay Hydro a stretch factor of 0.3%.

As a result, the net price cap index adjustment for North Bay Hydro is 1.4% (i.e. 1.7% - (0% + 0.3 %)). The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. The price cap index adjustment does not apply to the components of delivery rates set out in the list below.

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Electricity Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFit Charge; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection Charge

The Board issued a Decision and Rate Order (EB-2013-0396) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2014. The Board determined that the RRRP charge to be paid by all rate-regulated distributors and collected by the Independent Electricity System Operator shall be increased to \$0.0013 per kWh effective May 1, 2014, from the current \$0.0012 per kWh. The draft Tariff of Rates and Charges flowing from this Decision and Rate Order reflects the new RRRP charge.

Shared Tax Savings Adjustments

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors*, the Board determined that a 50/50 sharing of the impact of legislated tax changes between shareholders and ratepayers is appropriate. The tax reduction will be allocated to customer rate classes on the basis of the last Board approved cost of service distribution revenue.

The Application originally included a tax sharing credit of \$54,006 to be refunded to customers over one year. North Bay Hydro’s calculations were based on a 2010

corporate tax rate of 28.72%, which incorporated \$34,000 in tax credits applicable to 2010 and a capital tax rate of 0.15%. The calculation of savings in 2014 did not incorporate any tax credits.

Mr. Rennick submitted that using an effective tax rate of 28.72% in 2010 dictates that the tax credits must be incorporated into the calculation for 2014, resulting in a tax savings of \$71,006. Mr. Rennick further submitted that, due to similar errors made in North Bay Hydro's 2011, 2012 and 2013 IRM applications, under payments of \$17,000 resulted in each of the three years. As a result, the appropriate amount to be refunded in 2014 was \$122,006 ($\$71,006 + (\$17,000 * 3)$).

In its submission, Board staff proposed a Shared Tax Savings model which calculated a refund to customers of \$99,821. This calculation was based on data from North Bay Hydro's 2010 draft rate order, which included a corporate tax rate of 30.19%, separate tax credits of \$34,000 and a capital tax rate of 0.75%. The revised model also applied the \$34,000 tax credits in 2014. Board staff submitted that if the tax credits of \$34,000 were no longer applicable in 2014, North Bay Hydro would have a reasonable argument for excluding this amount from the 2014 calculations.

In its reply submission, North Bay Hydro agreed with Board staff's proposed calculation on which to base 2014 taxes. However, as North Bay Hydro indicated that it no longer qualified for tax credits, it revised Board staff's calculation by excluding the \$34,000 tax credits in 2014 to calculate a tax saving refund of \$77,341. North Bay Hydro further submitted it would be inappropriate to correct errors related to 2011, 2012 and 2013 as recommended by Mr. Rennick, as it would result in retroactive ratemaking.

The Board has reviewed the Shared Tax Savings models provided by Board staff and revised by North Bay Hydro, and agrees that the amount calculated for 2010 is consistent with the EB-2009-0270 draft rate order and provides the correct base to calculate 2014 tax savings. Since the tax credits are no longer applicable in 2014, the Board finds North Bay Hydro's revised shared tax refund of \$77,341 appropriate. The Board does not accept Mr. Rennick's proposal to refund the tax credits related to 2011, 2012 and 2013 as rates were established on a final basis. The principles of certainty and finality are a necessary component of effective rate regulation¹ and to allow adjustments to these final rates in 2014 would constitute retroactive ratemaking.

¹ EB-2013-0022, Decision and Order, Veridian Motion to review, April 25, 2013, p. 10

The Board approves the disposition of the shared tax savings of \$77,341 over a one-year period from May 1, 2014 to April 30, 2015 and the associated rate riders for all customer rate classes.

Retail Transmission Service Rates

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

The Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”) which outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2014. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new Uniform Transmission Rates (“UTR”) levels and the revenues generated under existing RTSRs. Similarly, embedded distributors must adjust their RTSRs to reflect any changes to the applicable Sub-Transmission RTSRs of their host distributor(s).

North Bay Hydro is a partially embedded distributor whose host is Hydro One.

The Board issued its Rate Order for Hydro One Transmission (EB-2012-0031) which adjusted the UTRs effective January 1, 2014, as shown in the following table:

2014 Uniform Transmission Rates

Network Service Rate	\$3.82 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.82 per kW
Transformation Connection Service Rate	\$1.98 per kW

The Board also approved new rates for Hydro One’s Sub-Transmission class, including the applicable RTSRs, effective January 1, 2014 (EB-2013-0141), as shown in the following table.

2014 Sub-Transmission RTSRs

Network Service Rate	\$3.23 per kW
Connection Service Rates	
Line Connection Service Rate	\$0.65 per kW
Transformation Connection Service Rate	\$1.62 per kW

The Board finds that these 2014 UTRs and Sub-Transmission class RTSRs are to be incorporated into the filing module.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

North Bay Hydro's 2012 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2014 is a credit of \$719,448. This amount results in a total credit claim of \$0.0013 per kWh, which exceeds the preset disposition threshold. North Bay Hydro proposes to dispose of this credit amount over a one-year period.

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	21,892	339	22,231
RSVA - Wholesale Market Service Charge	1580	(1,347,546)	(25,452)	(1,372,998)
RSVA - Retail Transmission Network Charge	1584	372,064	10,504	382,568
RSVA - Retail Transmission Connection Charge	1586	215,740	5,056	220,796
RSVA - Power	1588	(195,553)	(3,594)	(199,147)
RSVA - Global Adjustment	1589	219,425	7,678	227,103
Total Group 1 Excluding Global Adjustment – Account 1589		(933,402)	(13,148)	(946,550)
Total Group 1		(713,977)	(5,471)	(719,448)

The Board approves the Group 1 accounts credit balance of \$719,448 as of December 31, 2012, including interest as of April 30, 2014. These balances are to be disposed over a one-year period from May 1, 2014 to April 30, 2015.

The balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the transfer must be the same as the effective date for the associated rates, generally, the start of the rate year. North Bay Hydro should ensure these adjustments are included in the reporting period ending June 30, 2014 (Quarter 2).

Smart Meter Cost Recovery

In this application, North Bay Hydro sought the following approvals:

- Smart Meter Disposition Riders of \$1.28 per month for Residential customers and \$7.79 per month for General Service Less Than 50 kW customers (“GS <50kW”) from May 1, 2014 to April 30, 2015; and
- Smart Meter Incremental Revenue Rate Riders of \$1.37 per month for Residential customers and \$3.20 per month for GS <50kW customers from May 1, 2014 until the effective date of North Bay Hydro’s next cost of service rate order. This rate rider will collect the incremental revenue requirement related to costs pertaining to smart meters deployed in 2009 to 2013.

North Bay revised its proposed class-specific riders as a result of responses to interrogatories as follows:

Smart Meter Rate Riders				
	SMDR (\$/month, from May 1, 2014 to April 30, 2015)		SMIRR (\$/month, from May 1, 2014 until the effective date of North Bay Hydro's next cost of service rate order)	
	Original	Revised	Original	Revised
Residential	\$ 1.28	\$ 1.33	\$ 1.37	\$ 1.37
GS <50 kW	\$ 7.79	\$ 7.85	\$ 3.20	\$ 3.20

Level of Unaudited Costs

North Bay Hydro's smart meter costs were audited as of 2012, recorded as actual until June 2013 and forecast for the remainder of 2013. As a result, approximately 87% of its total costs proposed for recovery were audited. The Board's Guideline² outlines the expectation that 90% or more of costs for which a distributor seeks recovery will be audited. Board staff and VECC submitted that 87% was acceptable as it was just below the threshold and the Board has approved smart meter cost recovery in other applications with similar percentages of audited costs.

The Board accepts North Bay Hydro's smart meter total cost evidence as the percent of unaudited costs is only slightly below the 90% threshold stated in the Guideline.

Prudence of Incurred Costs

North Bay Hydro's smart meter costs are as summarized as follows:

Smart Meter Costs		
		Average per Meter
Total (Capital + OM&A)	\$ 3,842,216	\$ 160.62
Capital Expenditures Only	\$ 3,429,679	\$ 143.38

VECC noted that North Bay Hydro's costs per meter are within the \$123.59 to \$189.96 range of other utilities, as provided in the Board's smart meters proceeding (EB-2007-0063). Further, North Bay Hydro's costs are below the sector average total of \$207.31 reported in the Board's *Sector Smart Meter Audit Review report* and the average total cost of \$226.92 reported by distributors in the Monitoring Report of Smart Meter Investment.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with government regulations, and overseen by the Fairness Commissioner, to select a vendor for the procurement and/or installation of smart meters and related systems, thereby imposing a significant degree of cost control discipline upon distributors, including North Bay Hydro.

² Guideline G-2011-0001, *Smart Meter Funding and Cost Recovery – Final Disposition, December 15, 2011*, ("The Guideline") Section 3.5, Page 18

The Board finds that North Bay Hydro's total capital expenditures and OM&A costs of \$3,842,216 are reasonable. As a result, the Board approves the revised Smart Meter Disposition Riders to be effective from May 1, 2014 until April 30, 2015, and Smart Meter Incremental Revenue Riders to be effective from May 1, 2014 until the effective date of North Bay Hydro's next cost of service rate order.

Costs Beyond Minimum Functionality

In its smart meter total cost calculation, North Bay Hydro included costs related to Time of Use rate implementation, Customer Information System upgrades, web presentation and provincial system integration. North Bay submitted that these costs were incurred to support the implementation of smart meters and the minimum functionality requirement. Specifically, North Bay Hydro incurred \$12,000 for security services, \$8,369.95 for a Customer Information System module to allow Time of Use billing and \$22,000 for a web presentment tool, for a total of \$42,370.³

VECC noted that other distributors classified these costs as "beyond minimum functionality" and recorded them separately in the Board's smart meter model. VECC submitted that North Bay Hydro should classify the \$42,370 as beyond minimum functionality to be consistent with other distributors. VECC acknowledged that the reclassification within the model would not affect the calculation of the Smart Meter Disposition Rider and Smart Meter Incremental Revenue Rate Rider.

In reply, North Bay Hydro maintained that it had classified costs correctly within the smart meter model.

The Board will not require North Bay Hydro to adjust its smart meter model to reclassify costs. O.Reg. 425/06 and associated current Advanced Metering Infrastructure guidelines indicate that "beyond minimum functionality" include costs for TOU pricing implementation, web presentation, and other back-office enhancements for provincial system integration⁴. Although the Board agrees that \$42,369.95 relate to costs "beyond minimum functionality", reclassification within the model will have no impact on the calculation of the rate riders.

³ Board staff Interrogatories #9, #10 and #11

⁴ The Guideline, Section 3.4, Page 15

Cost Allocation

The Guideline states that class specific Smart Meter Disposition Riders should be calculated based on full cost causality, when practical and where data is available. North Bay Hydro indicated that it had segregated capital and OM&A costs, but did not track the costs to specific locations and installations, as it was not practical. North Bay Hydro calculated class specific Smart Meter Disposition Riders using the methodology contained in the smart meter model, which allocates operating expense and related interest on the basis of the number of meters per class.

Board staff noted that Smart Meter Funding Adder revenues were collected from all classes, including Sentinel Lights and Street Lights, which were not subject to a Smart Meter Funding Adder. Board staff requested that North Bay Hydro provide an explanation and any necessary corrections in its reply submission.

VECC submitted that North Bay Hydro's methodology was acceptable given the limited data, yet revenues collected from rate classes other than Residential and GS <50 kW should be returned, rather than a 50% allocation between Residential and GS <50kW customers.

In reply, North Bay Hydro submitted that the revenues shown for the Sentinel Lights and Street Lights classes were the result of an internal billing error. North Bay Hydro submitted that a corrected rate model was not required as the error was \$15,355 representing 1% of the total funding adder revenue and would have a minimal impact on the proposed riders.

The Board notes that there is a slight increase in the Smart Meter Disposition Rider in removing the \$15,355 in funding adder revenue attributed to the Sentinel Lights and Street Lights classes; however, the increase is minimal. As North Bay Hydro has chosen not to adjust its smart meter model further, the Board will accept the proposed Smart Meter Funding Adder revenue as calculated in the revised smart meter model.

The Board finds that North Bay Hydro's proposal for the equal sharing of GS > 50 kW Smart Meter Funding Adder revenues between the Residential and GS < 50 kW customers is consistent with Board policy and practice. As a result, the Board approves North Bay Hydro's class-specific riders as shown below:

Smart Meter Rate Riders		
Class	SMDR (\$/month, from May 1, 2014 to April 30, 2015)	SMIRR (\$/month, from May 1, 2014 until the effective date of North Bay Hydro's next cost of service rate order)
Residential	\$ 1.33	\$ 1.37
GS <50 kW	\$ 7.85	\$ 3.20

Submissions of Mr. Rennick

Mr. Rennick made a number of submissions related to North Bay Hydro's proposed smart meter costs and recovery. In particular, Mr. Rennick submitted North Bay Hydro included certain calculated costs that did not represent actual "costs", such as deemed interest, return on equity and PILs. Mr. Rennick further submitted that the amortization and return on capital proposed was inconsistent with the treatment of other capital assets. Mr. Rennick proposed that North Bay Hydro should use the cost of capital parameters approved by the Board each year, rather than the parameters approved in North Bay Hydro's last cost of service proceeding. He submitted that the Guideline for smart meter recovery was a guideline only, and that North Bay Hydro was free to submit its claim for cost recovery on any basis.

Mr. Rennick further submitted that North Bay Hydro should discontinue its Web Presentment initiative, as it failed to provide any tools to consumers that are not already available through monthly bills, appliance calculators or common sense.

In reply, North Bay Hydro submitted that the Web Presentment had gained the interest of 4,500 consumers and that the cost of the program was being recovered through existing rates. North Bay Hydro submitted that its proposals were consistent with the Board's Guideline and cost of capital parameters, and that departures from these policies must be justified on both a policy and an evidentiary basis.

With the policy exceptions noted above, the Board finds that North Bay Hydro's revised calculations utilizing the Board's smart meter model are appropriate. The Board finds no compelling reason to depart from the Guideline. Further, Mr. Rennick's proposal to adjust the cost of capital parameters each year is inconsistent with Board policy for IRM applications. Cost of capital adjustments are made in cost of service proceedings only,

and are carried through during the term of incentive regulation. The Board also notes that the costs of North Bay Hydro's Web Presentment initiative are not included for recovery in North Bay Hydro's smart meter application, and are therefore beyond the scope of a mechanistic and formulaic IRM proceeding. The Board will therefore make no determination regarding the eligibility for cost recovery of this initiative.

Accounting Matters

In granting its approval for the historically incurred costs and the costs projected for 2014, the Board considers North Bay Hydro to have completed its smart meter deployment. Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

North Bay Hydro is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in North Bay Hydro's next cost of service application.

Rate Model

With this Decision and Rate Order, the Board is providing North Bay Hydro with a rate model, applicable supporting models and a draft Tariff of Rates and Charges (Appendix A). The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2013 Board-approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. North Bay Hydro's new distribution rates shall be effective May 1, 2014.
2. North Bay Hydro shall review the draft Tariff of Rates and Charges set out in Appendix A and shall file with the Board, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.

3. If the Board does not receive a submission from North Bay Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the draft Tariff of Rates and Charges set out in Appendix A of this Decision and Rate Order will become final. North Bay Hydro shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
4. If the Board receives a submission from North Bay Hydro to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Rate Order, the Board will consider the submission of North Bay Hydro prior to issuing a final Tariff of Rates and Charges.
5. North Bay Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

COST AWARDS

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

1. VECC and Mr. Rennick shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. North Bay Hydro shall file with the Board and forward to VECC and Mr. Rennick any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC and Mr. Rennick shall file with the Board and forward to North Bay Hydro any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. North Bay Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2013-0157**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format.

Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, February 20, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Rate Order

Draft Tariff of Rates and Charges

Board File No: EB-2013-0157

DATED: February 20, 2014

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate 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 apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.64
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2015	\$	1.33
Smart Meter Incremental Revenue Requirement Rate Rider		
In effect until the effective date of the next cost of service-based rate order	\$	1.37
Distribution Volumetric Rate	\$/kWh	0.0131
Low Voltage Service Rate	\$/kWh	0.00004
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0017)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0008
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0057

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	21.69
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2015	\$	7.85
Smart Meter Incremental Revenue Requirement Rate Rider		
In effect until the effective date of the next cost of service-based rate order	\$	3.20
Distribution Volumetric Rate	\$/kWh	0.0167
Low Voltage Service Rate	\$/kWh	0.00004
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0017)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0008
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

GENERAL SERVICE 50 TO 2,999 KW SERVICE CLASSIFICATION

This classification includes non residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	293.97
Distribution Volumetric Rate	\$/kW	2.0966
Low Voltage Service Rate	\$/kW	0.0139
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.7138)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	0.3250
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.0242)
Retail Transmission Rate - Network Service Rate	\$/kW	2.7265
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0265

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

GENERAL SERVICE 3,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification includes non residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 3,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5,844.10
Distribution Volumetric Rate	\$/kW	1.1150
Low Voltage Service Rate	\$/kW	0.0154
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.9005)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	0.4101
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.0187)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8921
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2396

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.03
Distribution Volumetric Rate	\$/kWh	0.0162
Low Voltage Service Rate	\$/kWh	0.00004
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kWh	(0.0017)
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.42
Distribution Volumetric Rate	\$/kW	15.4370
Low Voltage Service Charge	\$/kW	0.0110
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.3591)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	0.1635
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.2297)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0665
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5993

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.88
Distribution Volumetric Rate	\$/kW	26.1255
Low Voltage Service Rate	\$/kW	0.0108
Rate Rider for Disposition of Deferral/Variance Accounts (2014) - effective until April 30, 2015	\$/kW	(0.6185)
Rate Rider for Disposition of Global Adjustment Account (2014) - effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kW	0.2816
Rate Rider for Application of Tax Change (2014) - effective until April 30, 2015	\$/kW	(0.4566)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0562
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5665

MONTHLY RATES AND CHARGES - Regulatory Component

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

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
----------------	----	------

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

Returned cheque charge (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	%	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	\$	165.00
Service call – customer owned equipment	\$	30.00

Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
--	----	-------

North Bay Hydro Distribution Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2014

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

EB-2013-0157

RETAIL SERVICE CHARGES (if applicable)

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

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.	1.37
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	1.0480
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0375