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# **DECISION AND RATE ORDER**

**EB-2019-0026**

## **CHAPLEAU PUBLIC UTILITIES CORPORATION**

**Application for rates and other charges to be effective May 1, 2020**

**By Delegation, Before: Pascale Duguay**

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**April 16, 2020**

# 1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Chapleau Public Utilities Corporation (Chapleau Public Utilities) for new rates effective May 1, 2020.

Chapleau Public Utilities serves approximately 1,200 mostly residential and commercial electricity customers in the Town of Chapleau. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licensed 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 [Handbook for Utility Rate Applications](#).

Chapleau Public Utilities' application is based on a Price Cap Incentive Rate-setting option (Price Cap IR), with a five-year term. The Price Cap IR option involves the setting of rates through a cost of service application in the first year. Mechanistic price cap adjustments, based on inflation and the OEB's assessment of the distributor's efficiency, are typically then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly total bill increase of \$3.68 before taxes and the Ontario Electricity Rebate<sup>1</sup> for a residential customer consuming 750 kWh, effective May 1, 2020.

The estimated monthly total bill continues to include the effect of the Distribution Rate Protection (DRP) program. The DRP program caps the base distribution charge for certain residential customers in the province of Ontario. Chapleau Public Utilities is one of eight electricity distributors in Ontario to which the DRP applies.<sup>2</sup> This tax-funded program has been in effect since July 2017 and the current monthly distribution charge is capped at \$36.86. If there is a change to the DRP cap as of July 1, 2020, there could be a further bill impact for residential customers.

Chapleau Public Utilities has also applied to change the composition of its distribution service rates. Residential distribution service rates have historically included 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>3</sup> In Chapleau Public Utilities' 2019 cost of service rate proceeding,<sup>4</sup> in order to

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<sup>1</sup> O. Reg. 363/16, s. 3, effective November 1, 2019

<sup>2</sup> O. Reg. 198/17, s. 2

<sup>3</sup> OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers", EB-2012-0410, April 2, 2015

<sup>4</sup> EB-2018-0087, Settlement Proposal, May 22, 2019

mitigate the customers' bill impact, the OEB approved a five-year period for Chapleau Public Utilities to transition its residential rates to fully fixed structure. Therefore, Chapleau Public Utilities started the transition to fully fixed residential rates in 2019. This is the second year of Chapleau Public Utilities' transition and, accordingly, Chapleau Public Utilities' residential rates will be adjusted by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

## 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 hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.<sup>5</sup> A distributor will then review and complete the Rate Generator Model, and include it with its application.

Chapleau Public Utilities filed its application on November 25, 2019 under section 78 of the OEB Act and in accordance with the Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements) and [Addendum to Filing Requirements for Electricity Distribution Rate Applications](#).

The application was supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

## 3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Chapleau Public Utilities' proposals relating to each of them:

- Price Cap Adjustment

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<sup>5</sup> The Rate Generator Model is a Microsoft Excel workbook that is used to update 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. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

- Revenue-to-Cost Ratio Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges<sup>6</sup> and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

## 4 PRICE CAP ADJUSTMENT

Chapleau Public Utilities seeks to increase its rates, effective May 1, 2020, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to Chapleau Public Utilities are set out in Table 4.1, below. Inserting these components into the formula results in a 1.55% increase to Chapleau Public Utilities' rates: **1.55% = 2.00% - (0.00% + 0.45%)**.

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<sup>6</sup> Specific service charges have been amended by the OEB through: the Report of the OEB – “Wireline Pole Attachment Charges”, EB-2015-0304, Issued March 22, 2018; and, the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2019-0280 issued November 28, 2019 for energy retailer service charges, and the cover letter dated November 28, 2019 “Inflation Adjustment for Energy Retailer Service Charges (EB-2019-0280) and Wireline Pole Attachment Charge (EB-2015-0304) for Electricity Distributors”, established the adjustments effective January 1, 2020.

**Table 4.1: Price Cap IR Adjustment Formula**

Components		Amount
Inflation Factor <sup>7</sup>		2.00%
X-Factor	Productivity <sup>8</sup>	0.00%
	Stretch (0.00% – 0.60%) <sup>9</sup>	0.45%

The inflation factor of 2.00% applies to all Price Cap IR applications for the 2020 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 Price Cap IR and Annual IR Index applications for the 2020 rate year.

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The 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. The stretch factor assigned to Chapleau Public Utilities is 0.45%.

<sup>7</sup> For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications webpage - October 31, 2019.

<sup>8</sup> Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors”, EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013

<sup>9</sup> The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2018 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 15, 2019.

## Findings

The OEB finds that Chapleau Public Utilities' request for a 1.55% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Chapleau Public Utilities' new rates shall be effective May 1, 2020.

The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.<sup>10</sup>

## 5 REVENUE-TO-COST RATIO ADJUSTMENTS

A revenue-to-cost ratio measures the relationship between the revenues that a distributor expects to receive from a class of customers and the level of costs allocated to that class. Generally, an increase to the revenue-to-cost ratio of one rate class will result in a decrease to the ratio of one or more of the other rate classes. A distributor may seek to adjust its revenue-to-cost ratios during an IRM term, in accordance with OEB-established target ranges, if the adjustment was approved by the OEB in a previous proceeding.<sup>11</sup>

In this proceeding, Chapleau Public Utilities proposes an increase to the revenue-to-cost ratios for the Residential service classification. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratios for the Unmetered Scattered Load and Street Lighting service classifications. These adjustments are to implement a previous decision from the OEB.<sup>12</sup>

Table 5.1, below, outlines the revenue-to-cost ratios for which the applicant seeks approval for the 2020 rate year.

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<sup>10</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, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

<sup>11</sup> Report of the OEB – “Application of Cost Allocation for Electricity Distributors”, EB-2007-0667, November 28, 2007; and, Report of the Board – “Review of Electricity Distribution Cost Allocation Policy”, EB-2010-0219, March 31, 2011

<sup>12</sup> EB-2018-0087, Settlement Agreement, May 22, 2019

**Table 5.1: Revenue-to-Cost Ratios**

<b>Rate Classification</b>	<b>2019 Ratio (%)</b>	<b>Proposed 2020 Ratio (%)</b>
RESIDENTIAL	93.00	93.82
GENERAL SERVICE LESS THAN 50 KW	118.00	118.00
GENERAL SERVICE 50 TO 4,999 KW	99.00	99.00
UNMETERED SCATTERED LOAD	150.00	120.00
SENTINEL LIGHTING	101.00	101.00
STREET LIGHTING	345.00	233.00

## Findings

The OEB agrees that the proposed adjustments for the 2020 rate year are consistent with the OEB's findings in its decision for Chapleau Public Utilities' 2019 rates. Chapleau Public Utilities' revenue-to-cost ratios are approved, as set out in Table 5.1 above.

## 6 RETAIL TRANSMISSION SERVICE RATES

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

Chapleau Public Utilities is partially embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the currently approved rates that it pays for transmission services included in Table 6.1 and Table 6.2.

**Table 6.1: UTRs<sup>13</sup>**

<b>UTRs (2020)</b>	<b>per kW</b>
Network Service Rate	\$3.92
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.97

**Table 6.2: Hydro One Networks Inc. Sub-Transmission Host-RTSRs<sup>14</sup>**

<b>Sub-Transmission Host RTSRs (2020)</b>	<b>per kW</b>
Network Service Rate	\$3.40
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80

## Findings

Chapleau Public Utilities' proposed adjustment to its RTSRs is approved. Chapleau Public Utilities' RTSRs were adjusted to reflect the OEB-approved interim 2020 UTRs and host-RTSRs.

The OEB finds that the interim 2020 UTRs and Hydro One Networks Inc.'s 2020 host sub-transmission RTSRs were incorporated into the rate model to adjust the RTSRs that Chapleau Public Utilities will charge its customers.

The difference resulting from the approval of final 2020 UTRs will be captured in Accounts RSVA – Retail Transmission Network charge 1584 and Retail Transmission Connection charge 1586.

<sup>13</sup> EB-2019-0296, Decision and Interim Rate Order, December 19, 2019

<sup>14</sup> EB-2019-0043, Decision and Order, December 17, 2019



## 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 disposed.<sup>15</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>16</sup> If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for Chapleau Public Utilities' Group 1 accounts including interest projected to April 30, 2020 is a debit of \$141,700. This amount represents a total debit claim of \$0.0058 per kWh, which exceeds the disposition threshold. Chapleau Public Utilities has requested disposition of this debit amount over a one-year period.

### *a) Global Adjustment Variance Account*

One of the components of the commodity costs billed by the Independent Electricity System Operator (IESO), which is included in Group 1 accounts, is the Global Adjustment (GA).<sup>17</sup>

Different customer groups pay the GA in different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates customers pay. Therefore, there is no separate variance account for the GA.
- "Class A" customers are allocated GA costs based on the percentage their demand contributes to the top five Ontario system peaks. As distributors settle with Class A customers based on actual GA costs, there is no resulting variance.

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<sup>15</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>16</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

<sup>17</sup> The GA is established monthly by the IESO to reflect the difference between the wholesale market price for electricity and regulated rates for:

- Ontario Power Generation's nuclear and hydroelectric generating stations
- payments for building or refurbishing infrastructure such as gas-fired and renewable facilities and other nuclear
- contracted rates paid to a number of generators across the province
- the cost of delivering conservation programs.

- "Class B" non-RPP customers are billed GA based on the electricity they consume in a month at the IESO published GA price. Distributors track any difference between the billed amounts and actual costs for these customers in the GA Variance Account for disposal, once audited.

Chapleau Public Utilities proposes the recovery of its GA variance account balance of \$25,363 as at December 31, 2018, including interest to April 30, 2020, in accordance with the following table.

**Table 7.1: Recovery of GA Variance**

Proposed Amounts	Proposed Method for Recovery
\$25,363 recovered from customers who were Class B for the entire period from January 2014 to December 2018	per kWh rate rider

*b) Capacity Based Recovery Class B Sub-account*

The balance of the Group 1 accounts includes the Capacity Based Recovery (CBR) sub-account for Class B customers of a credit of \$546, relating to the IESO's wholesale energy market for the CBR program. Chapleau Public Utilities had no Class A customers during the period from January 2018 to December 2018 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.

*c) Group 1 Accounts*

The Group 1 accounts being sought for disposition (excluding global adjustment) include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges and Commodity Power Charges. These Group 1 accounts have a total debit balance of \$116,337, which results in a charge to customers. This balance combined with the balance for the global adjustment account results in the total debit balance for Group 1 accounts of \$141,700.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.<sup>18</sup> Chapleau Public

<sup>18</sup> Electricity Reporting and Record-Keeping Requirements, Version dated May 3, 2016

Utilities further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.<sup>19</sup>

In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.<sup>20</sup> The OEB issued accounting guidance<sup>21</sup> on the commodity accounts on February 21, 2019. In this letter, the OEB indicated that it expects distributors to consider the accounting guidance in the context of historical balances that have not yet been disposed on a final basis. Distributors are expected to make any adjustments needed prior to filing for final disposition.

In its 2019 rate proceeding, Chapleau Public Utilities received approval to dispose of the 2017 year-end total Group 1 balances on an interim basis, except for Account 1588 and Account 1589. The OEB had concerns with the Account 1588 and Account 1589 balances and, in its decision and rate order,<sup>22</sup> the OEB stated that it expected Chapleau Public Utilities to perform a detailed internal review to ensure that the determination of the Account 1588 and Account 1589 balances is consistent with the new accounting guidance.

In the current proceeding, Chapleau Public Utilities indicates that it has completed the internal review of its Account 1588 and Account 1589 balances, as was required by the OEB.<sup>23</sup> Chapleau Public Utilities confirms that the effective date of its alignment of its balances with the new accounting guidance was January 1, 2014.<sup>24</sup> The most recent year in which Accounts 1588 and 1589 were approved for disposition on a final basis related to 2013 balances in Chapleau Public Utilities' 2015 rate proceeding.<sup>25</sup>

Chapleau Public Utilities has also confirmed that there are no remaining systemic issues with the RPP settlement or related accounting processes for Group 1 deferral and variance accounts that have been identified from the review of the new accounting guidance, retroactive back to January 1, 2014.<sup>26</sup>

In its amended application, Chapleau Public Utilities requested final disposition of its balances covering the 2014 to 2018 period.<sup>27</sup> However, Chapleau Public Utilities

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<sup>19</sup> Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)", EB-2008-0046, July 31, 2009

<sup>20</sup> OEB letter to all rate-regulated licensed electricity distributors – "Re: OEB's Plan to Standardize Processes to Improve Accuracy of Commodity Pass-Through Variance Accounts", July 20, 2018

<sup>21</sup> Accounting Procedures Handbook Update – Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019

<sup>22</sup> EB-2018-0087, Decision and Rate Order, June 6, 2019, page 6

<sup>23</sup> Amended Application, December 17, 2019, Page 14

<sup>24</sup> Staff Question-5, February 19, 2020

<sup>25</sup> EB-2014-0063, Decision and Rate Order, March 19, 2015, page 6

<sup>26</sup> Staff Question-6, February 19, 2020

<sup>27</sup> Amended Application, December 17, 2019, page 15

submitted a letter to the OEB on February 21, 2020, to request an amendment of its application to seek disposition of its Group 1 deferral and variance accounts on an interim basis, instead of on a final basis.

In the February 21 letter, Chapleau Public Utilities stated that due to the size of the adjustments to balances over the 2014 to 2018 periods, it prefers to wait until its 2019 year-end external audit is complete. Chapleau Public Utilities stated that it will request final disposition of its Group 1 balances in its next proceeding for its 2021 rates and will also address the outcome of the external audit. Chapleau Public Utilities further stated that it will submit details regarding its principal adjustments in its 2021 rate application, as well as provide summary journal entries that are required for each fiscal year, as confirmed by its external auditor.

### Findings

The OEB finds that the account balances appear reasonable and confirms that the threshold calculation is correct.

The OEB also finds that Chapleau Public Utilities' proposal to seek disposition of its Group 1 accounts on an interim basis in the current proceeding is appropriate given that the distributor will:

- Wait until its 2019 year-end external audit is complete before requesting final disposition; and
- Request final disposition of its Group 1 balances in its next proceeding for its 2021 rates where the distributor will:
  - address the outcome of the external audit
  - submit details regarding its principal adjustments, as well as provide summary journal entries that are required for each fiscal year, as confirmed by its external auditor

The OEB approves the disposition of a debit balance of \$141,700 as of December 31, 2018, including interest projected to April 30, 2020 for Group 1 accounts on an interim basis.

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

**Table 7.2: 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>
LV Variance Account	1550	23,930	(770)	23,159
Smart Meter Entity Variance Charge	1551	(103)	-	(103)
RSVA - Wholesale Market Service Charge	1580	(5,967)	759	(5,207)
Variance WMS - Sub-account CBR Class B	1580	(541)	(5)	(546)
RSVA - Retail Transmission Network Charge	1584	(8,370)	(235)	(8,605)
RSVA - Retail Transmission Connection Charge	1586	4,654	170	4,824
RSVA - Power	1588	95,068	7,747	102,815
RSVA - Global Adjustment	1589	23,833	1,530	25,363
<b>Totals for all Group 1 accounts</b>		132,505	9,196	141,700

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>28</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. Chapleau Public Utilities shall ensure these adjustments are included in the reporting period ending June 30, 2020 (Quarter 2).

<sup>28</sup> Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

The OEB approves these balances to be disposed through interim rate riders, as calculated in the Rate Generator Model. The interim rate riders will be in effect over a one-year period from May 1, 2020 to April 30, 2021.<sup>29</sup>

## 8 RESIDENTIAL RATE DESIGN

Chapleau Public Utilities 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>30</sup> Distributors, such as Chapleau Public Utilities, who are in a transition period that is greater than four years, are required to continue with this transition until the monthly service charge is fully fixed.

In August 2018, Chapleau Public Utilities filed its cost of service application with the OEB for its 2019 rates.<sup>31</sup> Before this cost of service application was filed, Chapleau Public Utilities had deferred its rebasing application for three years (originally scheduled for the rate year 2016). In the 2019 cost of service proceeding, the OEB approved a five-year period for Chapleau Public Utilities to transition its residential rates to fully fixed structure. The five-year transition period was approved to mitigate the customers' bill impact. The 2020 rate year is the second year of the transition.

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.

Chapleau Public Utilities states that the implementation of the transition results in an increase to the fixed charge, prior to the price cap adjustment, of \$3.84. Moreover, the bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

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<sup>29</sup> 2020 IRM Rate Generator Model Tab 6.1 GA and Tab 7 Calculation of Def-Var RR

<sup>30</sup> As outlined in the Policy cited at footnote 3 above.

<sup>31</sup> EB-2018-0087, Chapleau Public Utilities' cost of service application, filed on August 31, 2018

## Findings

In the 2019 cost of service proceeding, the OEB approved a five-year period for Chapleau Public Utilities to transition its residential customers to a fully fixed monthly distribution rate, beginning in 2019.

The OEB finds that the proposed 2020 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 demonstrate that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

## 9 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with Chapleau Public Utilities' last cost of service decision, and to ensure that the 2019 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2018, are as reported by Chapleau Public Utilities 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.

**Table 9.1: Regulatory Charges**

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

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS

and CBR rates were set by the OEB on December 17, 2019.<sup>32</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 by the OEB on March 1, 2018.<sup>33</sup>

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,<sup>34</sup> the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs. In accordance with the established methodology, the OEB has calculated an updated value of \$4.55 per month<sup>35</sup> for the 2020 rate year. The Tariff of Rates and Charges attached as Schedule A reflects this updated charge.

#### **THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. Subject to paragraph 2, the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2020 for electricity consumed or estimated to have been consumed on and after such date.
2. In light of the COVID-19 emergency, the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved to be implemented November 1, 2020 if Chapleau Public Utilities Corporation notifies the OEB under paragraph 4 that it is electing to postpone the implementation of its new rates until November 1, 2020.
3. Any temporarily forgone distribution revenue associated with the postponement referred to in paragraph 2 may be tracked in Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues.
4. Chapleau Public Utilities Corporation shall, on or before April 23, 2020, file a letter with the OEB indicating whether it intends to postpone the implementation of the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order.

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<sup>32</sup> EB-2019-0278, Decision and Order, December 17, 2019

<sup>33</sup> EB-2017-0290, Decision and Order, March 1, 2018

<sup>34</sup> EB-2010-0219, Report of the Board: “Review of Electricity Distributor Cost Allocation Policy”, March 31, 2011

<sup>35</sup> OEB letter, issued February 24, 2020



5. If Chapleau Public Utilities Corporation elects not to postpone the implementation of the Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order, it shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final and interim rates.

All materials filed with the OEB must quote the file number, **EB-2019-0026**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available parties may email their documents to [boardsec@oeb.ca](mailto:boardsec@oeb.ca).

NOTE: The OEB is temporarily waiving the paper copy filing requirement until further notice. All communications should be directed to the attention of the Board Secretary and be received no later than 4:45 p.m. on the required date.

**DATED** at Toronto, April 16, 2020

**ONTARIO ENERGY BOARD**

*Original Signed By*

Christine E. Long  
Registrar and Board Secretary

**Schedule A**

**To Decision and Rate Order**

**Tariff of Rates and Charges**

**OEB File No: EB-2019-0026**

**DATED: April 16, 2020**

**Chapleau Public Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors.**

EB-2019-0026

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively by a single family unit, non-commercial. This can be a separately metered living accommodation, town-house, apartment, semi-detached, duplex, triplex or quadruplex with residential zoning. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	39.72
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until May 31, 2021	\$	(2.44)
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$	(3.35)
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$	0.42
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0112
Low Voltage Service Rate	\$/kWh	0.0016
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0042
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kWh	0.0048
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0018

**MONTHLY RATES AND CHARGES - Regulatory Component**

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

**Chapleau Public Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors.**

EB-2019-0026

### GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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

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

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	35.73
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0268
Low Voltage Service Rate	\$/kWh	0.0016
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0042
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kWh	0.0048
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kWh	0.0016
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$/kWh	0.0004
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until May 31, 2021	\$/kWh	0.0050
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$/kWh	(0.0032)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0018

#### MONTHLY RATES AND CHARGES - Regulatory Component

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

# Chapleau Public Utilities Corporation

## TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2020

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

EB-2019-0026

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

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	196.66
Distribution Volumetric Rate	\$/kW	5.1010
Low Voltage Service Rate	\$/kW	0.5413
Rate Rider for Disposition of Global Adjustment Account (2020) - effective until April 30, 2021 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0042
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kW	1.6898
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kW	0.6021
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$/kW	0.1527
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$/kW	(1.2109)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until May 31, 2021	\$/kW	0.3887
Retail Transmission Rate - Network Service Rate	\$/kW	2.5602
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.6650

#### MONTHLY RATES AND CHARGES - Regulatory Component

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

**Chapleau Public Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2020**  
**This schedule supersedes and replaces all previously**  
**approved schedules of Rates, Charges and Loss Factors.**

EB-2019-0026

**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 un-metered. Such connections include cable TV, power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	17.46
Distribution Volumetric Rate	\$/kWh	0.0235
Low Voltage Service Rate	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kWh	0.0048
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kWh	0.0018
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$/kWh	0.0004
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$/kWh	(0.0032)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0018

**MONTHLY RATES AND CHARGES - Regulatory Component**

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

**Chapleau Public Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2020**  
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EB-2019-0026

**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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	11.17
Distribution Volumetric Rate	\$/kW	19.4266
Low Voltage Service Rate	\$/kW	0.4272
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kW	1.7495
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kW	0.5127
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$/kW	0.1335
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$/kW	(1.0590)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9406
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5249

**MONTHLY RATES AND CHARGES - Regulatory Component**

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

**Chapleau Public Utilities Corporation**  
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EB-2019-0026

**STREET LIGHTING SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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

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

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

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	2.82
Distribution Volumetric Rate	\$/kW	13.1069
Low Voltage Service Rate	\$/kW	0.4185
Rate Rider for Disposition of Deferral/Variance Accounts (2020) - effective until April 30, 2021 - Approved on an Interim Basis	\$/kW	1.7034
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) excluding Global Adjustment - effective until May 31, 2021 - Approved on an Interim Basis	\$/kW	0.5829
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2019) - effective until May 31, 2021	\$/kW	0.1472
Rate Rider for Disposition of CGAAP to IFRS Transition Variance Account (2019) - effective until May 31, 2021	\$/kW	(1.1673)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9309
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.5142

**MONTHLY RATES AND CHARGES - Regulatory Component**

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



**Chapleau Public Utilities Corporation**  
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EB-2019-0026

**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.

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**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	4.55
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**ALLOWANCES**

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

**Chapleau Public Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2020**  
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**SPECIFIC SERVICE CHARGES**

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**Customer Administration**

Arrears certificate	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-Payment of Account**

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

**Other**

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	44.50
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**Chapleau Public Utilities Corporation**  
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EB-2019-0026

**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.

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	102.00
Monthly fixed charge, per retailer	\$	40.80
Monthly variable charge, per customer, per retailer	\$/cust.	1.02
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.61)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.51
Processing fee, per request, applied to the requesting party	\$	1.02
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.08
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.04

**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	1.0705
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0599