

DECISION AND RATE ORDER

EB-2018-0055

NEWMARKET-TAY POWER DISTRIBUTION LTD.

Application for rates and other charges to be effective May 1, 2019

**BEFORE: Allison Duff
Presiding Member**

**Michael Janigan
Member**

April 18, 2019

1 INTRODUCTION AND SUMMARY

Through this Decision and Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Newmarket-Tay Power Distribution Ltd. (Newmarket-Tay Power) on November 9, 2018, as amended during the course of the proceeding.

On August 23, 2018, Newmarket-Tay Power was granted OEB approval (MAADs decision¹) to purchase and amalgamate with Midland Power Utility Corporation (Midland Power). In the MAADs decision, Newmarket-Tay Power was granted a 10-year deferral period to maintain two separate rate zones, Newmarket-Tay Power Main and Midland Power, until the rates are rebased.² In this proceeding, Newmarket-Tay Power filed separate IRM models for each of the rate zones.

Newmarket-Tay Power serves about 42,300 mostly residential and commercial electricity customers in the Towns of Newmarket and Midland. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

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

For the Newmarket-Tay Power Main rate zone, the proposed rate change utilizes the Annual IR Index option to set rates for 2019. The Annual IR Index is based on inflation less the OEB's highest stretch factor assessment of a distributor's efficiency.

For the Midland Power rate zone, the proposed rate change utilizes the 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 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 decrease before taxes of \$1.71 in the Newmarket-Tay Power Main rate zone, and a monthly increase before taxes of \$0.71 in the Midland Power rate zone, for a residential customer consuming 750 kWh, effective May 1, 2019.

¹ Decision and Order, EB-2017-0269, August 23, 2018

² Electricity Distributor Licence, ED-2007-0624, Last Amendment on September 17, 2018

Newmarket-Tay Power has also applied to change the composition of its distribution service rates for both rate zones. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.³ Accordingly, in 2019 the final upward adjustment, exceeding the mechanistic adjustment alone, in this decision has been made and now the distribution rates for both rate zones have transitioned to a fully fixed structure. There is no longer a variable usage rate for this class of customer in either rate zone. This policy change does not affect the total revenue that distributors collect from residential customers.

2 THE PROCESS

The OEB follows a standardized and streamlined process for hearing IRM applications filed under the Annual IR Index and Price Cap IR option. In each adjustment year, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application.

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

Newmarket-Tay Power filed its application on November 9, 2018 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act) and in accordance with the Filing Requirements. Notice of Newmarket-Tay Power's application was issued on December 3, 2018. No parties responded to the Notice. OEB staff was a participant in the proceeding.

The application was supported by pre-filed written evidence and completed Rate Generator Models. During the course of the proceeding, the applicant responded to interrogatories and, where required, updated and clarified the evidence. Final submissions on the application were filed by Newmarket-Tay Power and OEB staff.

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

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues and provides reasons for approving or denying Newmarket-Tay Power's proposals relating to each of them:

- Price Cap Adjustment
- Shared Tax Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account Balance
- Residential Rate Design
- Disposition of Deferral and Variance Account 1576

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 charges⁴ 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 ADJUSTMENTS

Newmarket-Tay Power seeks to increase its rates, effective May 1, 2019, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Annual Index and Price Cap IR applications.

The inflation factor of 1.50% applies to all Annual IR Index and Price Cap IR applications for the 2019 rate year.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Annual IR Index and Price Cap IR applications

⁴ The most recent proceedings where approval was granted to change specific service charges are 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.

for the 2019 rate year.

Newmarket-Tay Power Main Rate Zone – Annual IR Index

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. For Annual IR Index applications, the OEB applies a default stretch factor of 0.60%.

The components of the Annual IR Index adjustment formula applicable to the Newmarket-Tay Power Main rate zone are set out in Table 4.1. Inserting these components into the formula results in a 0.90% increase to Newmarket-Tay Power Main rate zone's rates: $0.90\% = 1.50\% - (0.00\% + 0.60\%)$.

Table 4.1: Newmarket-Tay Power Main Rate Zone - Annual Index IR Adjustment Formula

Components		Amount
Inflation Factor ⁵		1.50%
X-Factor	Productivity ⁶	0.00%
	Stretch (0.00% – 0.60%) ⁷	0.60%

Midland Power Rate Zone – Price Cap IR

The stretch factor component of the X-factor is distributor specific for the Price Cap IR option. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor, up to 0.60%, 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 the Midland Power rate zone is 0.45%.

⁵ For 2019 Inflation factor see Ontario Energy Board 2019 Electricity Distribution Rate applications - Updates November 23, 2018.

⁶ 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.

⁷ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2017 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2018.

The components of the Price Cap IR Index adjustment formula applicable to the Midland Power rate zone are set out in Table 4.2. Inserting these components into the formula results in a 1.05% increase to the Midland Power rate zone's rates: **1.05% = 1.50% - (0.00% + 0.45%)**.

Table 4.2: Midland Power Rate Zone - Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁸		1.50%
X-Factor	Productivity ⁹	0.00%
	Stretch (0.00% – 0.60%) ¹⁰	0.45%

Findings

The OEB finds that Newmarket-Tay Power's request for a 0.90% rate adjustment to the Newmarket-Tay Power Main rate zone and a 1.05% to the Midland Power rate zone is in accordance with the annually updated parameters set by the OEB. The adjustments are approved and Newmarket-Tay Power's new rates shall be effective May 1, 2019.

The adjustments apply to distribution rates (fixed and variable charges) uniformly across all customer classes.¹¹

5 SHARED TAX ADJUSTMENTS

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

⁸ Refer to footnote 5.

⁹ Refer to footnote 6.

¹⁰ Refer to footnote 7.

¹¹ 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.

distribution revenue by rate class from a distributor's last cost of service proceeding.

For the Newmarket-Tay Power Main rate zone, the application identifies an \$81,937 reduction in the amount of taxes Newmarket-Tay Power would pay in the 2019 rate year. Therefore, an amount of \$40,969 is to be refunded to rate payers.

For the Midland Power rate zone, the application identifies a total tax change of \$2,034, resulting in a shared amount of \$1,017 to be distributed to rate payers. Since the allocated tax sharing amount does not produce a rate rider in one or more rate classes, the Rate Generator Model does not compute rate riders.

Findings

For the Newmarket-Tay Power Main rate zone, the OEB approves the tax refund of \$40,969 to customers. This amount shall be disposed through a fixed monthly rate rider for residential customers, and through riders calculated on a volumetric basis for all other customers over a one-year period from May 1, 2019 to April 30, 2020.

For the Midland Power rate zone, the allocated tax sharing amount of \$1,017 does not produce a rate rider in one or more rate classes. As a result, the OEB directs Newmarket-Tay Power to record the OEB-approved tax sharing amount of \$1,017 into Account 1595 Sub-account Principal Balances Approved for Disposition in 2019, by June 30, 2019 for disposition at a later date.

6 RETAIL TRANSMISSION SERVICE RATES

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

Newmarket-Tay Power Main Rate Zone

The Newmarket-Tay Power Main rate zone is partially embedded within Hydro One Networks Inc.'s distribution system. The applicant is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 6.1 and Table 6.2.

Table 6.1: UTRs¹²

Current Approved UTRs (2019)	per kW
Network Service Rate	\$3.71
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.94
Transformation Connection Service Rate	\$2.25

Table 6.2: Hydro One Networks Inc. Sub-Transmission Host-RTSRs¹³

Current Approved Sub-Transmission Host RTSRs (2017)	per kW
Network Service Rate	\$3.19
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$1.75

Midland Power Rate Zone

The Midland Power rate zone is fully embedded within Hydro One Networks Inc.'s distribution system. The applicant is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 6.3.

Table 6.3: Hydro One Networks Inc. Sub-Transmission Host-RTSRs¹⁴

Current Approved Sub-Transmission Host RTSRs (2017)	per kW
Network Service Rate	\$3.19
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77
Transformation Connection Service Rate	\$1.75

¹² Decision and Interim Rate Order, EB-2018-0326, December 20, 2018.

¹³ Decision and Order, EB-2016-0081, December 21, 2016.

¹⁴ Ibid.

Findings

The proposed adjustments to the RTSRs for Newmarket-Tay Power Main rate zone are approved. The RTSRs were adjusted based on the current host-RTSRs and the UTRs current at the time of the filing. The OEB finds that the new 2019 UTRs are to be incorporated into the rate model to adjust the RTSRs that Newmarket-Tay Power will charge its customers accordingly.

The proposed adjustments to the Midland Power rate zone's RTSRs are approved. The RTSRs were adjusted based on the current host-RTSRs.

For each rate zone, the differences resulting from the approval of new 2019 RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

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.¹⁵ 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.¹⁶ If the balance does not exceed the threshold, a distributor may elect to request disposition.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account balance. Costs for the commodity portion of electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.¹⁷

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.

¹⁵ 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.

¹⁶ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative" EB-2008-0046, July 31, 2009.

¹⁷ The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as “Class A” customers. These customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- “Class B” non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on an IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Group 1 Balances - Newmarket-Tay Power Main Rate Zone

The 2017 actual year-end total balance for the Newmarket-Tay Power Main rate zone's Group 1 accounts, including interest projected to April 30, 2019, is a debit of \$631,146. This amount represents a total debit claim of \$0.0010 per kWh, which meets the disposition threshold. Included in the balance of the Group 1 accounts is the GA account balance of \$1,219,133.¹⁸

Newmarket-Tay Power proposes the recovery of its GA variance account balance of \$1,219,133 as at December 31, 2017, including interest to April 30, 2019, in accordance with Table 7.1.

¹⁸ The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

Table 7.1: Recovery of GA Variance

Proposed Amounts	Proposed Method for Recovery
\$1,114,126 recovered from customers who were Class B for the entire period from January 2013 to December 2017	per kWh rate rider
\$105,007 from customers formerly in Class B during the period January 2017 to June 2017 who were reclassified to Class A	12 equal installments ¹⁹

The balance of the Group 1 accounts includes \$504,925 for the recovery of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market for Capacity Based Recovery program. Distributors pay CBR charges to the IESO and recorded these to a dedicated sub-account. The disposition of this sub-account depends on whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2017.

The Newmarket-Tay Power Main rate zone had Class A customers during the period from July 2017 to December 2017 so the utility applied to have the balance of this account disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

As some customers were reclassified between Class A and Class B during the period from January 2017 to December 2017, Newmarket-Tay Power requested recovery of a portion of CBR Class B costs by way of 12 equal installments.²⁰

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Low Voltage Charges, Smart Metering Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges and Commodity Power Charges. These Group 1 accounts have a total credit balance of \$1,092,912, which results in a refund to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.²¹ Newmarket-Tay

¹⁹ 2019 IRM Rate Generator Model Tab 6.1a "GA Allocation".

²⁰ 2019 IRM Rate Generator Model Tab 6.2a "CBR B_Allocation".

²¹ Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

Power further notes that its proposal for a one-year disposition period is in accordance with the OEB's policy.²²

Special Purpose Audit

The OEB required Newmarket-Tay Power to conduct a third-party special purpose audit of its Group 1 accounts for the period 2013 through 2017²³.

The Audit Report found that the correcting credits of (\$1,758,697) and the revised account balances from January 1, 2013 to December 31, 2017 were prepared in accordance with the *Accounting Procedures Handbook for Electricity Distributors*²⁴ and other OEB guidance.²⁵

Further, Newmarket-Tay Power confirmed that it has made a number of process changes²⁶ and reorganized its general ledger to be compliant with the OEB's Accounting Procedures Handbook, recording transactions for Accounts 1588 and 1589 in separate general ledger accounts.²⁷

Based on the Audit Report and the responses provided by the applicant to address concerns raised by OEB staff during the interrogatory process, OEB staff submitted that it had no concerns with the disposition of the December 31, 2017 Group 1 account balances.

Findings

The OEB approves the disposition of a debit balance of \$631,146 as of December 31, 2017, including interest projected to April 30, 2019, for Group 1 accounts on an interim basis. Table 7.2 provides the principal and interest amounts approved for disposition.

This approved balance does not include Account 1595. Newmarket-Tay Power did not request disposition of Account 1595 and the OEB finds this appropriate. In its next IRM application, Newmarket-Tay Power should file the results of its 2018 year-end audit and provide a detailed breakdown of the Account 1595 balance proposed for disposition.

²² Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

²³ OEB Decision and Rate Order, EB-2017-0062, April 12, 2018

²⁴ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

²⁵ Article 490 of the Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012, OEB Guidance and Frequently Asked Questions

²⁶ Response to OEB Staff IR #10a, February 11, 2019

²⁷ Updated response to OEB Staff IR #10a, February 26, 2019

**Table 7.2: Newmarket-Tay Power Main Rate Zone
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	657,362	28,331	685,693
Smart Metering Entity Variance Charge	1551	38,216	2,607	40,822
RSVA - Wholesale Market Service Charge	1580	(3,111,963)	(131,998)	(3,243,961)
Variance WMS - Sub-account CBR Class B	1580	487,036	17,889	504,925
RSVA - Retail Transmission Network Charge	1584	(476,132)	(9,632)	(485,764)
RSVA - Retail Transmission Connection Charge	1586	426,004	39,272	465,276
RSVA – Power	1588	1,366,310	78,711	1,445,021
RSVA - Global Adjustment	1589	1,162,970	56,163	1,219,133
Totals for all Group 1 accounts		549,802	81,344	631,146

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. 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. Newmarket-Tay Power shall ensure these adjustments are included in the reporting period ending June 30, 2019 (Quarter 2).

Last year, the OEB suspended its approvals of Group 1 rate riders on a final basis. As stated in its letter to the sector dated July 20, 2018, the OEB will determine whether the

riders will be approved on an interim basis or not approved at all (i.e. no disposition of account balances) on a case by case basis until further notice.²⁸

For the Newmarket-Tay Power Main rate zone, the OEB approves these balances to be disposed through interim rate riders and charges as calculated in the Rate Generator Model. The interim rate riders and charges will be in effect over a one-year period from May 1, 2019 to April 30, 2020.²⁹

Group 1 Balances - Midland Power Rate Zone

The 2017 actual year-end total balance for Midland Power rate zone's Group 1 accounts including interest projected to April 30, 2019 is a debit of \$362,374. This amount represents a total debit claim of \$0.0020 per kWh, which exceeds the disposition threshold. Included in the balance of the Group 1 accounts is the GA account balance of \$230,348.

Newmarket-Tay Power proposes the recovery of its GA variance account balance of \$230,348 as at December 31, 2017, including interest to December 31, 2018, in accordance with Table 7.3.

Table 7.3: Recovery of GA Variance

Proposed Amounts	Proposed Method for Recovery
\$164,193 recovered from customers who were Class B for the entire period from January 2017 to December 2017	per kWh rate rider
\$66,155 from customers formerly in Class B during the period July 2017 to December 2017 who were reclassified to Class A	12 equal installments ³⁰

The balance of the Group 1 accounts includes \$2,303 for the refund of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market for Capacity Based Recovery program. Distributors pay CBR charges to the IESO and record these to a dedicated sub-account. The disposition of this sub-account depends on whether or not a distributor had any customers who were part of Class A during the period from January 2017 to December 2017. The disposition is also

²⁸ 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.

²⁹ 2019 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR_Allocation and Tab 7 Calculation of Def-Var RR.

³⁰ 2018 IRM Rate Generator Model, Tab 6.1a “GA Allocation”.

depends on whether or not the Class B CBR rate riders in the 2019 IRM Rate Generator Model³¹ rounds to zero at the fourth decimal place in one or more rate classes.

Midland Power rate zone had Class A customers during the period from July 2017 to December 2017 but the CBR Class B rate riders calculated rounded to zero at the fourth decimal place in one or more of the rate classes. In this event, the entire Account 1580 sub-account CBR Class B is added to the Account 1580 WMS control account to be disposed through the general purpose Group 1 Deferral and Variance Account.

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider, include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. These Group 1 accounts have a total debit balance of \$132,026, which results in a charge to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.³² Newmarket-Tay Power further submits that its proposal for a one-year disposition period is in accordance with the OEB's policy.³³

OEB staff submitted that it supports the request to dispose of Midland Power rate zone's December 31, 2017 Group 1 DVA balances.

Findings

The OEB approves the disposition of a debit balance of \$362,374 as of December 31, 2017, including interest projected to April 30, 2019, for Group 1 accounts on an interim basis. Table 7.5 provides the principal and interest amounts approved for disposition.

³¹ 2019 IRM Rate Generator Model, Tab 6.2 "CBR B".

³² Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016.

³³ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

**Table 7.5: Midland Power Rate Zone
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	261,175	9,090	270,264
Smart Metering Entity Variance Charge	1551	(2,803)	(96)	(2,899)
RSVA - Wholesale Market Service Charge	1580	(172,890)	(1,357)	(174,247)
Variance WMS - Sub-account CBR Class B	1580	(1,353)	(950)	(2,303)
RSVA - Retail Transmission Network Charge	1584	(31,966)	(1,294)	(33,260)
RSVA - Retail Transmission Connection Charge	1586	(17,015)	(1,224)	(18,240)
RSVA – Power	1588	74,216	4,451	78,667
RSVA - Global Adjustment	1589	222,585	7,763	230,348
Disposition and Recovery of Regulatory Balances (2015)	1595	-	(5,887)	(5,887)
Disposition and Recovery of Regulatory Balances (2016)	1595	87,522	(67,593)	19,929
Totals for all Group 1 accounts		419,471	(57,098)	362,374

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.³⁴ 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. Newmarket-Tay Power shall ensure these adjustments are included in the reporting period ending June 30, 2019 (Quarter 2).

Last year, the OEB suspended its approvals of Group 1 rate riders on a final basis. As stated in its letter to the sector dated July 20, 2018, the OEB will determine whether the

³⁴ Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012.

riders will be approved on an interim basis or not approved at all (i.e. no disposition of account balances) on a case by case basis until further notice.³⁵

For the Midland Power rate zone, the OEB approves these balances to be disposed through interim rate riders and charges as calculated in the Rate Generator Model. The interim rate riders and charges will be in effect over a one-year period from May 1, 2019 to April 30, 2020.³⁶

8 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

To address the effect on revenue of reduced consumption due to conservation and demand management (CDM) programs, OEB Policy established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture a distributor's revenue implications resulting from differences between actual load and the last OEB-approved load forecast.³⁷ These differences are recorded by distributors at the rate class level.

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor. A request for the inclusion of lost revenues from demand response programs as part of the LRAMVA, must be addressed through a cost of service application.³⁸

Newmarket-Tay Power originally applied to dispose of its LRAMVA debit balance of \$794,662 for its two rate zones, inclusive of carrying charges projected to December 30, 2018. Newmarket-Tay Power proposed to recover the LRAMVA balance in each of the two rate zones over a one-year period.

For the Newmarket-Tay Power Main rate zone, the LRAMVA debit balance of \$463,315 consists of lost revenues in 2017 from CDM programs delivered during the period from 2011 to 2017, and associated carrying charges. The full effect of conservation savings

³⁵ 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.

³⁶ 2019 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR_Allocation and Tab 7 Calculation of Def-Var RR.

³⁷ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014.

³⁸ Report of the Ontario Energy Board – “Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs.” EB-2016-0182, May 19, 2016.

was claimed as there were no forecasted conservation savings in the 2010 load forecast at the time Newmarket-Tay Power's last rebasing application in 2010.³⁹

For the Midland Power rate zone, the LRAMVA debit balance of \$331,347 consists of lost revenues in 2013-2017 from CDM programs delivered during the period from 2011 to 2017, and associated carrying charges. Actual conservation savings were compared against forecasted conservation savings of 3,299,236 kWh included in the 2013 load forecast, which was set out in Midland Power's 2013 cost of service application.⁴⁰

In response to OEB staff interrogatories, Newmarket-Tay Power revised its 2015 to 2017 savings inputs for the Midland rate zone LRAMVA to appropriately reflect the net verified savings verified by the IESO.⁴¹ In addition, the carrying charges on the LRAMVA balances in each rate zone were further updated erroneously to June 30, 2019 using the OEB's most recently approved prescribed interest rate.⁴²

OEB staff submitted that Newmarket-Tay Power's LRAMVA balances should include projected interest to April 30, 2019 as that would align with the start of the disposition period for the balance in the LRAMVA.

In its reply submission, Newmarket-Tay Power confirmed that the LRAMVA balance to be disposed of should be a debit of \$675,935 inclusive of carrying charges up to April 30, 2019, comprised of a debit of \$208,927 recoverable from the Midland Power rate zone and a debit of \$467,008 recoverable from the Newmarket-Tay Power Main rate zone. Newmarket-Tay Power filed the final versions of the LRAMVA workforms in support of these amounts as part of its reply submission.

Findings

The OEB finds that Newmarket-Tay Power calculated the revised LRAMVA balance in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of Newmarket-Tay Power's revised LRAMVA debit balance of \$675,935, as set out in Table 8.1, over a one-year period.

³⁹ Decision and Rate Order, EB-2009-0269, February 24, 2011

⁴⁰ Decision and Order, EB-2012-0147, January 17, 2013

⁴¹ Response to OEB Staff IR #21

⁴² Responses to OEB Staff IRs #12 and 23

Table 8.1 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings (\$) A	Forecasted CDM Savings (\$) B	Carrying Charges (\$) C	Total Claim (\$) D=(A-B)+C
LRAMVA – Newmarket-Tay Power Main rate zone	1568	452,235	0	14,773	467,008
LRAMVA - Midland Power rate zone	1568	462,659	261,384	7,652	208,927
Total LRAMVA - Newmarket-Tay Power	1568	914,894	261,384	22,425	675,935

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.⁴³ For both rate zones, there is no longer a variable usage rate for this class of customer.

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 \$4.00. 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 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Newmarket-Tay Power submits that the implementation of the transition results in an increase to the fixed charge prior to the Annual IR Index/Price Cap adjustment of \$3.00 for the Newmarket-Tay Power Main rate zone and \$3.63 for the Midland Power rate zone. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

⁴³ As outlined in the Policy cited at footnote 3 above.

Findings

The distributor has now completed its transition to a fully fixed rate structure for both of its rate zones.

The OEB finds that the proposed 2019 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charges and total bill impacts 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 Models.

10 DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNT 1576

Newmarket-Tay Power Main Rate Zone Only

Newmarket-Tay Power requested disposition of its 2017 credit balance in Account 1576 of \$1,603,325 on an interim basis over a one-year period. (In accordance with OEB policy, Newmarket-Tay Power changed its depreciation and capitalization policies effective January 1, 2012 and it records the financial differences arising from this change in Account 1576 for future disposition to customers.)

Newmarket-Tay Power notes that no carrying charges have been applied to this balance and it will also continue to use this account until its next cost of service rate application.

OEB staff submitted that it had no concerns with the data supporting the disposition of the deferral and variance Account 1576 balance for Newmarket-Tay Power. OEB staff supported the request to return \$1,603,325 to Newmarket-Tay Power Main rate zone customers over a proposed one-year period on an interim basis. OEB staff noted that the same rate rider derivation methodology was used and approved in Newmarket-Tay Power's 2018 application.

In light of the recent merger and the OEB's approval to defer Newmarket-Tay Power's rebasing for 10 years, OEB staff submitted an alternate approach to address the continued annual variance in Account 1576 for future applications in the interests of increased efficiency. OEB staff suggested that Newmarket-Tay Power can dispose the balance of Account 1576 based on a forecast to the end of 2019 in its 2020 IRM application on a final basis and, in the same application, apply to reduce base distribution rates such that the deferral account will no longer be required. This

alternative plan would also require the approval of prior year interim dispositions (2012-2017) to be approved on a final basis.

In its reply submission, Newmarket-Tay Power agreed with the alternate approach.

Findings

The OEB approves Newmarket-Tay Power's request to return \$1,603,325 to its customers over a one-year period, on an interim basis. The OEB also approves the proposed rate riders. Newmarket-Tay Power should consider its rate making alternatives to avoid annual dispositions of Account 1576, as suggested by OEB staff.

11 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model for each of the applicant's two rate zones, 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 the last cost of service decisions for Newmarket-Tay Power's two rate zones, and to ensure that the 2018 OEB-approved Tariff of Rates and Charges for the two rate zones, as well as the cost, revenue and consumption results from 2017, are as reported by Newmarket-Tay Power's two rate zones to the OEB.

The Rate Generator Models were adjusted, where applicable, to correct any discrepancies. In addition, the Rate Generator Models incorporate the rates set out in Table 11.1.

Table 11.1: Regulatory Charges

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

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

and CBR rates were set by the OEB on December 20, 2018⁴⁴

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, 2018.⁴⁵

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Newmarket-Tay Power Distribution Ltd.’s new final and interim distribution rates shall be effective May 1, 2019.
2. The Tariff of Rates and Charges set out in Schedule A and B shall be deemed *draft* until the parties have complied with the subsequent procedural steps.
3. Newmarket-Tay Power Distribution Ltd. shall review the Tariff of Rates and Charges set out in Schedule A and B and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, by April 26, 2019.
4. This Decision and Rate Order will be considered final if Newmarket-Tay Power Distribution Ltd. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3.
5. If the OEB receives a submission from Newmarket-Tay Power Distribution Ltd. to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to revising and issuing a final Tariff of Rates and Charges.
6. Newmarket-Tay Power Distribution Ltd. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

All filings to the OEB must quote the file number, EB-2018-0055 and be made electronically through the OEB’s web portal at <https://www.pes.oeb.ca/eservice/> in searchable/unrestricted PDF format. Two paper copies must also be filed at the OEB’s address provided below. Filings must clearly state the sender’s name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS

⁴⁴ Decision and Order, EB-2018-0294, December 20, 2018.

⁴⁵ Decision and Order, EB-2017-0290, March 1, 2018.

Document Guideline found at <https://www.oeb.ca/industry/tools-resources-and-links/e-filing-services>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on USB flash drive in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies.

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

ADDRESS

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

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

DATED at Toronto, April 18, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges for Newmarket-Tay Power Main Rate Zone

OEB File No: EB-2018-0055

DATED: April 18, 2019

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	27.61
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$	(1.74)
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$	(0.06)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0052
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0017)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	0.0009
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0068

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

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	31.01
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0203
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0052
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0018)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	0.0009
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$/kWh	(0.0001)
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$/kWh	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal or greater than, 50 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 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	\$	140.62
Distribution Volumetric Rate - Thermal Demand Meter	\$/kW	4.8511
Distribution Volumetric Rate - Interval Meter	\$/kW	4.9867
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers	\$/kWh	0.0052

Issued - April 18, 2019

Newmarket-Tay Power Distribution Ltd. For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kW	0.2304
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 Applicable only for Non-Wholesale Market Participants - Approved on an Interim Basis	\$/kW	(1.0680)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	0.3935
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	0.2928
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$/kW	(0.0138)
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$/kW	(0.9548)
Retail Transmission Rate - Network Service Rate	\$/kW	2.7219
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3865

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

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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	\$	17.91
Distribution Volumetric Rate	\$/kWh	0.0206
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	0.0009
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0018)
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$/kWh	(0.0003)
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$/kWh	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0061

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

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3.30
Distribution Volumetric Rate	\$/kW	12.6396
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kWh	0.0009
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	(0.0018)
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$/kWh	(0.0002)
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$/kW	(0.0026)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0536
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8829

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

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per Ontario Energy Board street lighting load shape. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3.24
Distribution Volumetric Rate	\$/kW	16.1088
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0052
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2020	\$/kW	5.6715
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	(0.6796)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until April 30, 2020 Applicable only for Class B Customers - Approved on an Interim Basis	\$/kW	0.3195
Rate Rider for Application of Tax Change (2019) - effective until April 30, 2020	\$/kW	(0.1847)
Rate Rider for Disposition of Account 1576 - effective until April 30, 2020	\$/kWh	(0.9563)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0726
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8428

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

Newmarket-Tay Power Distribution Ltd. For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

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

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.85)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

SPECIFIC SERVICE CHARGES

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 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.

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.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Account history	\$	15.00
Credit reference letter	\$	15.00
Credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable) - residential	\$	26.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account (See Note Below)

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	23.00
Disconnect/reconnect at meter - during regular hours	\$	50.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Disconnect/reconnect at pole - during regular hours	\$	185.00
Disconnect/reconnect at pole - after regular hours	\$	415.00
Install/remove load control device - during regular hours	\$	50.00
Install/remove load control device - after regular hours	\$	185.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service - install & remove - underground - no transformer	\$	500.00
Temporary service - install & remove - overhead - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	43.63

NOTE: Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019

Newmarket-Tay Power Distribution Ltd.

For Newmarket-Tay Power Main Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

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.

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

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

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	\$	40.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.00
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.60
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.60)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.50
Processing fee, per request, applied to the requesting party	\$	1.00
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)	\$	4.00
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)	\$	2.00

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	1.0383
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0279

Schedule B

To Decision and Rate Order

Tariff of Rates and Charges for Newmarket-Tay Power - Midland Power Rate Zone

OEB File No: EB-2018-0055

DATED: April 18, 2019

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account where energy is supplied to customers residing in residential dwelling units. Energy is generally supplied as a single phase, 3-wire, 60-Hertz, having a nominal voltage of 120/240 Volts and having only one Delivery Point per dwelling. For the purposes of calculating customer connection fees, the Basic Connection for Residential customers is defined as 100 amp 120/240 volt overhead service. A residential building is supplied at one service voltage per land parcel. Street Townhouses and Condominiums requiring centralization bulk metering are covered under General Service Classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	30.94
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0020
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0027
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2021	\$/kWh	0.0012
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Townhouses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one voltage per land parcel. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	23.03
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0170
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0027
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2021	\$/kWh	(0.0018)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service customers requiring a connection with a connected load equal to or greater than 50 kW and less than 5,000 kW. A General Service building is supplied at one service voltage per land parcel. Depending on the location of the building, primary supplies to transformers and Customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 2,400/4,160 volts 3 Phase 4Wire
- 4,800/8,320 volts 3 Phase 4 Wire
- 7,200/12,400 volts 3 Phase 4 Wire
- 8,000/13,800 volts 3 Phase 4 Wire
- 16,000/27,600 volts 3 Phase 4 Wire
- 44,000 Volts 3 Phase 3 Wire

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to 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 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.

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	65.09
Distribution Volumetric Rate	\$/kW	3.3170
Low Voltage Service Rate	\$/kW	0.7282
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0027
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2021	\$/kW	0.3006
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 Applicable only for Non-Wholesale Market Participants - Approved on an Interim Basis	\$/kW	(0.2117)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	0.5099
Retail Transmission Rate - Network Service Rate	\$/kW	2.4187
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8945

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	10.65
Distribution Volumetric Rate	\$/kWh	0.0114
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0027
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kWh	0.0007
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.94
Distribution Volumetric Rate	\$/kW	9.0935
Low Voltage Service Rate	\$/kW	0.5629
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until April 30, 2020 Applicable only for Non-RPP Customers - Approved on an Interim Basis	\$/kWh	0.0027
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until April 30, 2021	\$/kW	0.4140
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until April 30, 2020 - Approved on an Interim Basis	\$/kW	0.3278
Retail Transmission Rate - Network Service Rate	\$/kW	1.8243
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4646

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

microFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

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

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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 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.

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.

Customer Administration

Notification charge	\$	15.00
Account history	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00

Non-Payment of Account (See Note Below)

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Disconnect/reconnect at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Disconnect/reconnect at pole - during regular hours	\$	185.00
Disconnect/reconnect at pole - after regular hours	\$	415.00
Install/remove load control device - during regular hours	\$	65.00
Install/remove load control device - after regular hours	\$	185.00

Other

Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	43.63
Interval meter load management tool charge \$/month	\$	25.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00

Newmarket-Tay Power Distribution Ltd. For Former Midland Power Utility Rate Zone

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2019

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

EB-2018-0055

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.

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

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

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	\$	40.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.00
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.60
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.60)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.50
Processing fee, per request, applied to the requesting party	\$	1.00
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)	\$	4.00
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)	\$	2.00

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	1.0682
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0576