

EB-2010-0080

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

AND IN THE MATTER OF an application by Erie Thames Powerlines Corporation for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2011.

By Delegation, before: Allan Fogwill

DECISION AND ORDER

Introduction

Erie Thames Powerlines Corporation ("Erie Thames"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board"), received on November 17, 2010, under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Erie Thames charges for electricity distribution, to be effective May 1, 2011.

Erie Thames is one of 80 electricity distributors in Ontario regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, Erie Thames is one of the electricity distributors that will have its rates adjusted for 2011 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports contained the relevant guidelines for 2011 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 9, 2010 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Erie Thames' rate application was given through newspaper publication in Erie Thames' service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment or requests for interventions were received. Board staff participated in the proceeding. The application proceeded by way of a written hearing.

While I have considered the entire record in this proceeding, this Decision and Order makes reference only to such evidence as is necessary to provide context to my findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Smart Meter Funding Adder;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Late Payment Penalty Litigation Costs.

Price Cap Index Adjustment

Erie Thames' rate application was filed on the basis of the Filing Requirements. In fixing new distribution rates and charges for Erie Thames, I have applied the policies described in the Filing Requirements and the Reports.

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Erie Thames' utility specific stretch factor 0.6%. Based on the final 2010 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore -0.02 %. The rate model reflects this price cap index adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.

The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders:
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural Rate Protection Charge;
- Standard Supply service Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors:
- Specific Service Charges;
- MicroFIT Service Charge; and
- Retail Service Charges.

Changes in the Federal and Provincial Income Tax Rates

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* dated September 17, 2008, the Board determined that a 50/50 sharing of the impact of currently known legislated changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate for the 3rd Generation IRM applications. This was based on a decision of the Board in a proceeding in relation to natural gas distributors' (EB-2007-0606/615) incentive regulation applications in which tax as a Z-factor was being considered. In that decision, the Board found that a 50/50 sharing is appropriate because it recognizes that tax changes already flow to some extent through the inflation factor, though the precise timing and quantum of the tax reduction during a current IRM period is not known.

The calculated annual tax reduction over the plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider derived using annualized consumption by customer class underlying the Board-approved base rates.

In 2011, the maximum income tax rate is 28.25%, the minimum rate for those distributors eligible for both the federal and Ontario small business deduction is 15.50%, and the blended tax rate varies for certain distributors that are only eligible for the Ontario small business deduction. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% of the total change from those taxes included in the most recent cost of service base distribution rates.

I find that a 50/50 sharing of the impact of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate and shall be effected by means of a rate rider over a one-year period.

Smart Meter Funding Adder

On October 22, 2008 the Board issued the *Guideline for Smart Meter Funding and Cost Recovery* which sets out the Board's filing requirements in relation to the funding and recovery of costs associated with smart meter activities conducted by electricity distributors.

Erie Thames requested to change its current smart meter funding adder ("SMFA") from \$1.00 to \$1.74 per metered customer per month.

It is noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board (G-2008-0002). Also, the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, not fully fund prior capital investment.

The Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. For those distributors that are scheduled to file a cost-of-service application for 2012 distribution rates, the Board expects that they will apply for the disposition of smart meter costs and subsequent inclusion in rate base. For those distributors that are scheduled to remain on IRM, the Board expects these distributors to file an application with the Board seeking final approval for smart meter related costs. I will approve Erie Thames' SMFA of \$1.74 per metered customer per month from May 1, 2011 to April 30, 2012. This new SMFA will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Erie Thames' variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

I have not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Erie Thames applies for the recovery of these costs on a final basis, if applicable.

Retail Transmission Service Rates

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

On July 8, 2010 the Board issued revision 2.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the "RTSR Guideline"). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2011. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and

1586. In order to assist electricity distributors in the calculation of the distributor's specific RTSRs, Board staff provided a filing module. On January 18, 2011, the Board issued its Rate Order for Hydro One Transmission (EB-2010-0002) which adjusted the UTRs effective January 1, 2011. The new UTRs are shown in the following table:

Table 1 – Uniform Transmission Rates	kW Monthly Rates		Change
	Jan 1, 2010	Jan 1, 2011	
Network Service Rate	\$2.97	\$3.22	+8.4%
Connection Service Rates			
Line Connection Service Rate	\$0.73	\$0.79	
Transformation Connection Service Rate	\$1.71	\$1.77	
			+4.9%

Each distributor's rate application model has been adjusted to incorporate these changes.

Based on the filing module provided by Board staff and the new UTRs effective January 1, 2011 noted in the table above, I approve the changes to the RTSRs calculated in the filing module.

Review and Disposition of Group 1 Deferral and Variance Accounts

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

In Erie Thames' 2010 IRM decision and order (EB-2009-0222), the Board was concerned about the difference between the amount sought for disposition and the balances reported in Erie Thames' Reporting and Record-keeping Requirements ("RRR"). The Board approved the disposition of December 31, 2008 Group 1 account balances and projected interest to April 30, 2010 as reported by Erie Thames, but not on a final basis. The Board directed Erie Thames to bring forward to the Board any adjustments to the 2008 Group 1 account balances in its next rate proceeding, and stated that any adjustments be supported by a third party audit.

In its current application, Erie Thames filed a Special Purpose Auditors' Report indicating that adjustments were required to the amounts approved for disposition on an interim basis by the Board in its 2010 IRM application. The difference between the amounts approved on an interim basis and the revised balances were included in Erie Thames' 2011 IRM Deferral and Variance Account Workform. The details of these differences are as follows (\$'s):

Table 2 – Revised Deferral and Variance Account Balances – December 31, 2008

Account Description	Account Number	Total Claim in 2010 Decision	Lotal Revised Claim as per Third Party Audit	Difference
LV Variance Account	1550	247,876	244,916	- 2,960
RSVA - Wholesale Market Service Charge	1580	587, 188	- 653, 179	- 65, 991
RSVA - Retail Transmission Network Charge	1584	- 839	- 75,330	- 74, 491
RSVA - Retail Transmission Connection Charge	1586	518,879	- 558,988	- 40, 109
RSVA - Power (Excluding Global Adjustment)	1588	3,089,725	2,951,883	- 137,842
RSVA Power (Global Adjustment sub account)	1588	364, 270	350, 352	4, 918
Recovery of Regulatory Asset Balances	1590	717,724	- 701, 135	16, 589
	_	1,877,241	1,567,519	- 309,722

Erie Thames requested that the Board review and approve the disposition of its December 31, 2009 balances of Group 1 Deferral and Variance account balances, including interest as of April 30, 2011 since the preset disposition threshold of +/-\$0.0001 per kWh was exceeded. The reported amount for disposition, including interest is a debit of \$330,569.

In response to Board staff interrogatory #5, Erie Thames confirmed that its Group 1 account balances do not exceed the correct preset disposition threshold of +/- \$0.001 per kWh and rescinded its request to dispose of its Group 1 account balances.

Since Erie Thames' Group 1 account balances do not exceed the preset disposition threshold, I find that no disposition is required at this time.

Late Payment Penalty Litigation

In this application, Erie Thames requested the recovery of a one time expense of \$55,929 related to the late payment penalty ("LPP") costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario.

On October 29, 2010 the Board commenced a generic proceeding on its own motion to determine whether Affected Electricity Distributors¹, including Erie Thames, should be allowed to recover from their ratepayers the costs and damages incurred as a result of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-r0878) and as amended by addenda dated July 7, 2010 and July 8, 2010 in the late payment penalty class action and if so, the form and timing of such recovery. This proceeding was assigned file No. EB-2010-0295.

On February 22, 2011, the Board issued its Decision and Order and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The decision set out a listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery. The Board also directed Affected Electricity Distributors such as Erie Thames to file with the Board detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the EB-2010-0295 Decision and Order. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or cost of service application, as applicable. Erie Thames elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

I have reviewed Erie Thames' proposed rate riders and approve them as filed.

Rate Model

With this Decision, Erie Thames is being provided with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The entries in the rate model have been reviewed to ensure that they were in accordance with the 2010 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

¹ As defined in the Board's Decision and Order EB-2010-0295

THE BOARD ORDERS THAT:

- 1. Erie Thames' new distribution rates shall be effective May 1, 2011.
- 2. Erie Thames shall review the draft Tariff of Rates and Charges set out in Appendix A. Erie Thames shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.
- 3. If the Board receives a submission from Erie Thames confirming the completeness and accuracy pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final, effective May 1, 2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Erie Thames shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
- 4. If the Board receives a submission from Erie Thames to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Erie Thames and may issue a final Tariff of Rates and Charges.
- 5. Erie Thames shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0080**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, April 7, 2011 **ONTARIO ENERGY BOARD**

Original Signed By

Allan Fogwill Managing Director Planning & Business Services

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2010-0080

DATED: April 7, 2011

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

\$/kWh

0.0013

0.25

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Rural Rate Protection Charge

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.19
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.21
Distribution Volumetric Rate	\$/kWh	0.0126
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0008
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	0.0012
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0088 ´
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0057
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies 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. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Standard Supply Service - Administrative Charge (if applicable)

Service Charge	\$	18.94
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.38
Distribution Volumetric Rate	\$/kWh	0.0090
Low Voltage Service Rate	\$/kWh	0.0017
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0008
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	0.0015
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0081
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052
MONTHLY RATES AND CHARGES – Regulatory Component		

Wholesale Market Service Rate \$/kWh 0.0052 Rural Rate Protection Charge \$/kWh 0.0013

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

\$/kWh

\$/kWh

0.0052

0.0013

0.25

GENERAL SERVICE 50 to 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 to or greater than, 50 kW but less than 1,000 kW. Further servicing details are available in the distributor's Conditions of Service. 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 999 kW non-interval metered General Service 50 to 999 kW interval metered

APPLICATION

Wholesale Market Service Rate

Rural Rate Protection Charge

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	206.00
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	3.85
Distribution Volumetric Rate	\$/kW	1.1531
Low Voltage Service Rate	\$/kW	0.6188
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.1900
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	0.4117
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0206)
Retail Transmission Rate – Network Service Rate	\$/kW	3.6848
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8651
MONTHLY RATES AND CHARGES – Regulatory Component		
5 , .		

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

0.25

GENERAL SERVICE 1,000 to 2,999 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 to or greater than, 1,000 kW but less than 3,000 kW. Further servicing details are available in the distributor's Conditions of Service. 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 1.000 to 2.999 kW non-interval metered General Service 1,000 to 2,999 kW interval metered

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2,385.05
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	44.25
Distribution Volumetric Rate	\$/kW	2.4559
Low Voltage Service Rate	\$/kW	0.6655
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.4062
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	1.1358
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0362)
Retail Transmission Rate – Network Service Rate	\$/kW	4.0022
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0057
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

0.25

GENERAL SERVICE 3,000 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge Smart Meter Funding Adder – effective until April 30, 2012 Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 Distribution Volumetric Rate Low Voltage Service Rate Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012 Applicable only for Non-RPP Customers Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012 Rate Rider for Tax Change – effective until April 30, 2012 Retail Transmission Rate – Network Service Rate	\$ \$ \$ \$/kW \$/kW \$/kW \$/kW	1,404.58 1.74 36.07 0.8872 0.7102 0.2804 0.8173 (0.0149) 4.2197
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1404
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate Rural Rate Protection Charge	\$/kWh \$/kWh	0.0052 0.0013

Effective and Implementation Date May 1, 2011

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

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LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	9.741.16
Smart Meter Funding Adder – effective until April 30, 2012	\$	1.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	193.53
Distribution Volumetric Rate	\$/kW	1.9884
Low Voltage Service Rate	\$/kW	0.0639
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.4047
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	1.0732
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0208)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	4.4368
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	22751
MONTHLY RATES AND CHARGES – Regulatory Component		

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	2.74
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.07
Distribution Volumetric Rate	\$/kWh	0.0118
Low Voltage Service Rate	\$/kWh	0.0017
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0008
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	0.0013
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0081
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.10
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.10
Distribution Volumetric Rate	\$/kW	14.2127
Low Voltage Service Rate	\$/kW	0.4779
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	0.0457
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.2375)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8456
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4404

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kVVh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date May 1, 2011

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

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\$/kWh

0.0013

0.25

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connection load times the required lighting times established in the approved OEB street lighting load shape template. Street Lighting plant, facilities or equipment owned by the customer are subject to the ESA requirements. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Rural Rate Protection Charge

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

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

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.72
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.05
Distribution Volumetric Rate	\$/kW	10.6464
Low Voltage Service Rate	\$/kW	0.4779
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.2617
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	0.6862
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.1891)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8456
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.3806
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate	\$/kWh	0.0052

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Erie Thames Powerlines Corp.TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

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0.25

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 Distribution Volumetric Rate Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2012 Applicable only for Non-RPP Customers Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012 Rate Rider for Tax Change – effective until April 30, 2012 Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate	\$ \$/kW \$/kW \$/kW \$/kW \$/kW	2,219.42 35.21 1.6717 0.1647 0.5491 (0.0166) 5.3541 2.6450
MONTHLY RATES AND CHARGES – Regulatory Component		
Wholesale Market Service Rate Rural Rate Protection Charge	\$/kWh \$/kWh	0.0052 0.0013

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge \$ 5.25

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration		
Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Effective and Implementation Date May 1, 2011

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

EB-2010-0080

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail		
Settlement Code directly to retailers and customers, if not delivered electronically through the		
Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0427
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0322
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045