



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

DECISION AND RATE ORDER

EB-2015-0004

HYDRO OTTAWA LIMITED

Application for electricity distribution rates for the period from
January 1, 2016 to December 31, 2020

BEFORE: Emad Elsayed
Presiding Member

Allison Duff
Member

Christine Long
Member

December 22, 2015

TABLE OF CONTENTS

1	INTRODUCTION AND SUMMARY.....	1
2	THE PROCESS	3
3	DECISION ON CONSOLIDATED SETTLEMENT	5
3.1	DECISION ON THE CONSOLIDATED SETTLEMENT PROPOSAL.....	5
3.2	POLE ATTACHMENT CHARGE	6
3.3	POLE ATTACHMENT CHARGE VARIANCE ACCOUNT.....	6
4	IMPLEMENTATION	8
5	ORDER	10

SCHEDULE A

SCHEDULE B

SCHEDULE C

1 INTRODUCTION AND SUMMARY

This is a Decision of the Ontario Energy Board (OEB) on an application by Hydro Ottawa Limited (Hydro Ottawa) for permission to charge certain distribution rates to its customers from 2016 to 2020.

Hydro Ottawa owns and operates an electricity distribution system in Ontario, serving over 315,000 customers in the City of Ottawa and the Village of Casselman. There are approximately 285,000 residential, 24,000 small commercial (general service < 50 kW) and 3,500 industrial (general service > 50kW) customers and 11 large use customers. In addition, there are unmetered scattered load, street lighting, sentinel lighting and standby customers.

The rates approved in this Decision are set based on the OEB's determination of the revenue required to cover the cost of operating and maintaining Hydro Ottawa's distribution system at a level of service that meets the needs of its customers.

The OEB's policy for rate setting is set out in a report of the OEB entitled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (RRFE). The RRFE provides the distributor with performance based rate application options that support the cost effective planning and efficient operation of a distribution network. This framework provides an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

Hydro Ottawa asked the OEB to approve its rates for five years using the Custom Incentive Rate-setting (Custom IR) option. The parties to the proceeding reviewed and discussed the issues and have agreed on the appropriate rates and charges for Hydro Ottawa with the exception of the pole attachment charge. The OEB finds that Hydro Ottawa's application and the settlement proposal prepared by the parties meet the expectations of the RRFE for a Custom IR. The OEB accepts the settlement proposal and approves the rates and charges that arise from it. For a typical residential customer consuming 800 kWh a month, this Decision results in a change to base distribution charges as follows¹:

2016	2017	2018	2019	2020
-\$0.01	\$0.28	\$0.21	-\$0.14	-\$0.72

¹ Appendix 2-W, December 7, 2015

The OEB will issue a separate decision on the pole attachment charge in due course. Until that time, Hydro Ottawa will charge the current pole attachment charge of \$22.35 per attachment per year on an interim basis.

2 THE PROCESS

Hydro Ottawa filed this Custom IR application on April 29, 2015. If approved as originally submitted, Hydro Ottawa indicated that the amount it charges for electricity distribution each month for a typical residential customer using 800 kWh per month would increase as follows²:

2016	2017	2018	2019	2020
\$2.42	\$1.68	\$1.29	\$0.90	\$0.47

The OEB published a Notice of Application (the Notice) which included the proposed changes in charges for electricity distribution, in newspapers in Hydro Ottawa's service territory. Interested parties and affected parties were invited to apply for intervenor status. In response to the Notice, the OEB received 38 letters of comment and 10 parties requested intervenor status.

The OEB then issued a procedural order outlining the next steps in the process and identifying the intervenors as:

- Allstream Inc. (Allstream)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Mr. Sean Maguire
- Quebecor Media Inc. (Quebecor)
- Rogers Communications Partnership (Rogers)
- School Energy Coalition (SEC)
- Sustainable Infrastructure Alliance of Ontario (SIA)
- TELUS Communications Company (TELUS)
- Vulnerable Energy Consumers Coalition (VECC)

Hydro Ottawa made a presentation of its application to the OEB on July 7, 2015 in Ottawa. Parties also had the opportunity to ask Hydro Ottawa questions about its evidence in writing through interrogatories.

A Technical Conference was held on August 13, 2015, and continued on August 14, 2015 for the purpose of clarifying interrogatory responses from Hydro Ottawa. Another Technical Conference was held on August 25, 2015 which dealt specifically with the

² Appendix 2-W, April 29, 2015

evidence of Quebecor, Rogers, TELUS and Allstream relating to Hydro Ottawa's proposed pole attachment charge.

The OEB held a settlement conference to which all intervenors were invited as participants. Mr. Sean McGuire withdrew, and SIA did not attend. Quebecor, Rogers, and TELUS (the Carriers), and Allstream only participated on the issue of an appropriate charge for access to power poles.

On September 18, 2015, parties filed a proposal for settlement of all issues within Hydro Ottawa's Custom IR Application, except for (1) the pole attachment charge, which parties agreed should proceed to a hearing, and (2) Hydro Ottawa's working capital allowance. The parties agreed that settlement on the working capital allowance would await the completion of a lead/lag study being conducted by Hydro Ottawa. The Carriers and Allstream were not parties to the settlement proposal.

The OEB held an oral hearing on September 30, 2015 to provide an opportunity for the OEB to ask questions about the settlement proposal and for examination on the pole attachment charge issue. The oral hearing continued on October 16, 2015, with further examination on the pole attachment charge issue.

An amendment to the settlement proposal was filed on November 5, 2015. The amendment reflected the results of a lead/lag study and consequential revision to working capital allowance in the Custom IR term. In the Decision on Settlement and Procedural Order No. 11 issued on November 23, 2015, the OEB accepted the settlement proposal including the subsequent amendment of the working capital allowance. The OEB did not approve the confidentiality and privilege provisions in the settlement proposal or the capital costs set out in the settlement proposal for New Buildings and land.

A second amendment to the settlement proposal was filed on December 7, 2015. A revised, consolidated settlement proposal was also filed which reflected the September 18, 2015 settlement proposal and the two amendments (the consolidated settlement proposal).

In the course of this proceeding, Hydro Ottawa also updated the settlement proposal to reflect cost of capital parameters for 2016 applications, issued by the OEB on October 15, 2015, and to reflect the Rural or Remote Electricity Rate Protection charge and Wholesale Market Service charge established by the OEB on November 19, 2016.

3 DECISION ON CONSOLIDATED SETTLEMENT

This Decision and Rate Order determines Hydro Ottawa's rates for 2016 through 2020.

3.1 Decision on the Consolidated Settlement Proposal

As noted in the Process section of this Decision, the OEB accepted the majority of issues in the application in its Decision on Settlement Proposal and Procedural Order No. 11, issued November 23, 2015.

However, the OEB did not find sufficient evidence to determine prudence of the \$73 million cost estimate of the New Buildings and the \$19 million cost of land. While the OEB found that Hydro Ottawa had established the need for the New Buildings, the excess building and land capacity was not supported by the evidence.

Based on its review of the evidence, the OEB stated that it was prepared to approve Y-factor treatment³ based on the recovery of up to \$66 million combined for the proposed New Buildings and the land. The decision stated that “The \$66 million was determined by the OEB as a reasonable amount to enable Hydro Ottawa to proceed with the Request for Proposal process while ensuring that any additional cost of the New Buildings and the land is subject to a prudence review at a future date.”

In the consolidated settlement proposal, the parties accepted the OEB's decision to approve Y-factor treatment based on the recovery of up to \$66 million combined for the proposed New Buildings and the land. The parties also proposed to establish a deferral or variance account to record the value of the incremental revenue requirement in the event that Hydro Ottawa seeks to recover from its customers any total capital cost greater than \$66 million for the buildings and land (the New Facilities Account). The account would only capture revenue requirement amounts applicable to the period between the New Buildings being put in-service and the applicant's next rebasing application. Hydro Ottawa would apply to dispose of any balance in the New Facilities Account in the next re-basing proceeding. The amounts in the New Facilities Account would be subject to a prudence review.

³ Exh B-1-2, page 241 – “Y factors are mechanisms available under incentive regulation to accommodate revenue requirement pass throughs. HOL proposes to use a Y factor to pass along the costs associated with the construction of the administrative and operational buildings to ratepayers in the years that said costs are incurred. HOL proposes to use the Y factor rather than embed the full costs into revenue requirement because HOL does not know at this point in time a) the precise amount of costs that is to be recovered; b) when (ie. the year) said costs will be incurred and hence recoverable. HOL proposes to record the expenses incurred with the construction of its new facilities in a Y Factor Account.”

The consolidated settlement proposal also amended the provisions of the settlement proposal relating to confidentiality and privilege, which the OEB did not accept as initially proposed.

OEB staff submitted that the proposed New Facilities Account generally met the criteria for establishing a new account, and that it and the amendments regarding confidentiality and privilege were consistent with the Decision on Settlement Proposal and Procedural Order No. 11.

Findings

The OEB approves the Y-factor treatment based on the recovery of up to \$66 million combined for the proposed New Buildings and the land. The OEB also approves the proposed New Facilities Account. These approvals are consistent with the OEB's Decision on Settlement Proposal and Procedural Order No. 11. In accepting the consolidated settlement proposal the OEB also accepts the revised provisions regarding confidentiality and privilege.

3.2 Pole Attachment Charge

Hydro Ottawa included in its Custom IR application a request for an increase in its pole attachment charge from \$22.35 to \$57.00 per pole per year in 2016, and for the charge to be adjusted annually for inflation from 2017 to 2020.

As noted in the Process section of this Decision, the proposed pole attachment charge was examined in interrogatories and in the technical conference. As the parties were not able to settle on the pole attachment charge, the matter proceeded to an oral hearing, wherein the application and the evidence of the Carriers and Allstream were examined.

The OEB will issue a separate decision on the pole attachment charge in due course. Until that time, Hydro Ottawa will charge the current pole attachment charge of \$22.35 on an interim basis.

3.3 Pole Attachment Charge Variance Account

As part of the filing on December 7, 2015, Hydro Ottawa provided a determination of distribution rates based on its proposed \$57 pole attachment charge. In the interest of fixing final rates for its distribution customers, the OEB approves a variance account to

record the difference between revenue based on the final pole attachment charge yet to be approved by the OEB for Hydro Ottawa for 2016, and revenue based on the pole attachment charge underpinning the distribution rates approved by this order (i.e. \$57), with interest. This revenue offset variance account will preserve the relationship between pole attachment revenues and those from distribution service and allow future reconciliation between these two amounts and the base revenue requirement approved for 2016 in this application

This difference will be cleared to distribution customers as part of the next rate adjustment in 2017.

Hydro Ottawa has also requested direction from the OEB about the collection of any foregone revenues arising from the interim pole attachment charge. The OEB will provide direction with the decision on the pole attachment charge.

4 IMPLEMENTATION

The OEB is satisfied that the 2016 Tariff of Rates and Charges, and supporting information filed on December 7, 2015 accurately reflects the OEB's Decision in this proceeding. The OEB is also satisfied that the proposed Tariff of Rates and Charges for the 2017 - 2020 rate years and the supporting information reflect the OEB's Decision.⁴

The OEB notes, however, that the Tariff of Rates and Charges in these years may need to be adjusted to reflect the requirement to dispose of certain generic variance account balances related to pass-through costs, and the annual updates required by the settlement proposal.

The OEB, therefore, only approves the 2016 Tariff of Rates and Charges. The rates and charges are effective January 1, 2016 and will be implemented on January 1, 2016. As noted above, the current pole attachment charge of \$22.35 is interim.

The OEB orders Hydro Ottawa to file an application to update the proposed Tariff of Rates and Charges for each subsequent rate year during the Custom IR plan term, or to confirm with the OEB that no update is required. Hydro Ottawa must apply for an update to its rates, or confirm that no update is required, no later than the deadline for IRM adjustments for distributors with rates effective January 1, which is typically in August each year.

The Ontario Electricity Support Program (OESP) is a new rate assistance program for low income electricity customers. Starting January 1, 2016, eligible low income customers will receive a monthly credit on their bills. At the same time, all electricity customers in the province will begin paying a charge to fund the program, which will be referred to as the OESP charge. The Tariff of Rates and Charges flowing from this Decision and Rate Order (Schedule B) reflects these new charges, as well as the OESP credits to be provided to enrolled low income customers.

The OEB has approved 11 deferral and variance accounts in this proceeding. Attached at Schedule C are accounting orders related to these deferral and variance accounts, except the Energy East TransCanada Pipeline Account. Accounting guidance on this matter has already been provided by the OEB in its letter dated June 13, 2014, and in the Accounting Procedures Handbook guidance dated March 31, 2015. The OEB will

⁴ Dry Core Transformer Charges were updated on December 11, 2015 to reflect the November 19, 2015 WMS and OESP.

make provision for comment on these accounting orders. If no comments are received, the accounting orders are final.

As part of the settlement agreement, the Parties agreed that there would be an IFRS related increase to rate base of \$502,000 and a corresponding amount returned to customers during 2016. No accounting order is required. Hydro Ottawa will utilize account 1508 as noted in the consolidated settlement agreement.

COST AWARDS

The following intervenors were deemed eligible for cost awards in this proceeding: CCC, Energy Probe, Mr. Maguire, SEC, SIA and VECC. A cost awards decision will be issued after the steps set out below are completed.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule B of this Order will become final effective January 1, 2016, and will apply to electricity consumed or estimated to have been consumed on and after January 1, 2016. All rates and charges, excluding standby power rates and the pole attachment charge, will become final. Hydro Ottawa Limited shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. Hydro Ottawa Limited and the intervenors to the proceeding shall file submissions regarding the accounting orders at Schedule C of this Decision with the OEB and serve the submissions on all parties by **January 4, 2016**.

If there are no submissions, Hydro Ottawa Limited shall establish the following ten deferral and variance accounts in accordance with Schedule C, effective January 1, 2016:

- Account 1508 Other Regulatory Assets – Sub-account Y-Factor Variance Account
- Account 1508 Other Regulatory Assets – Sub-account Gains/Losses from Sale of Existing Facilities Deferral Account
- Account 1508 Other Regulatory Assets – Sub-account Gains and Loss on disposal of Fixed Assets Variance Account
- Account 1508 Other Regulatory Assets – Sub-account Earnings Sharing Mechanism (ESM) Variance Account
- Account 1508 Other Regulatory Assets – Sub-account Connection Cost Recovery Agreement (CCRA) Payments Deferral Account
- Account 1508 Other Regulatory Assets – Sub-account Revenue Requirement Differential Variance Account related to Capital Additions
- Account 1508 Other Regulatory Assets – Sub-account Efficiency Adjustment Mechanism Deferral Account
- Account 1508 Other Regulatory Assets – Sub-account Wireless Attachment Revenues Deferral Account
- Account 1508 Other Regulatory Assets – Sub-account New Facilities Deferral Account
- Account 1508 Other Regulatory Assets – Sub-account Pole Attachment Charge Revenues Variance Account

3. Intervenors shall file with the OEB and forward to Hydro Ottawa Limited their respective cost claims by **January 14, 2016**.
4. Hydro Ottawa Limited shall file with the OEB and forward to intervenors any objections to the claimed costs by **January 25, 2016**.
5. Intervenors shall file with the OEB and forward to Hydro Ottawa Limited any responses to any objections for cost claims by **February 1, 2016**.
6. Hydro Ottawa Limited shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, **EB-2015-0004**, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. 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 Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. 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 a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 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.

DATED at Toronto **December 22, 2015**

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND RATE ORDER
HYDRO OTTAWA LIMITED
CONSOLIDATED SETTLEMENT PROPOSAL
EB-2015-0004
December 22, 2015

SCHEDULE B
DECISION AND RATE ORDER
HYDRO OTTAWA LIMITED
TARIFF OF RATES AND CHARGES
EB-2015-0004
DECEMBER 22, 2015

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.96
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$	0.32
Distribution Volumetric Rate	\$/kWh	0.0193
Low Voltage Service Rate	\$/kWh	0.00007
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.000826)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016		
Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.001509)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs		
– effective until December 31, 2016	\$/kWh	(0.00002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0076
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on page 1 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

The application of these credits 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.

In this class:

- “Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;
- “account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;
- “electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;
- “household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;
- “household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;
 - (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
- but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
- but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
 - (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
 - (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
- but does not include account-holders in Class G.

OESP Credit \$ (38.00)

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

Class D

(a) account-holders with a household income of \$28,000 or less living in a household of five persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
 but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
 (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

i. the dwelling to which the account relates is heated primarily by electricity;
 ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
 iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	17.23
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0216
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.000840)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016		
Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.001509)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kWh	0.00007
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs		
– effective until December 31, 2016	\$/kWh	0.00023
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	200.00
Distribution Volumetric Rate	\$/kW	4.0706
Low Voltage Service Rate	\$/kW	0.02526
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.355415)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.634536)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kW	(0.0290)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs – effective until December 31, 2016	\$/kW	(0.07711)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8608
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8267

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

GENERAL SERVICE 1,500 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,500 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	4,193.93
Distribution Volumetric Rate	\$/kW	3.6541
Low Voltage Service Rate	\$/kW	0.0270
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.395098)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016		
Applicable only for Non-Wholesale Market Participants	\$/kW	(0.705383)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kW	(0.03435)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs		
– effective until December 31, 2016	\$/kW	(0.07711)
Retail Transmission Rate – Network Service Rate	\$/kW	2.9704
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9522

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0004

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	15,231.32
Distribution Volumetric Rate	\$/kW	3.4742
Low Voltage Service Rate	\$/kW	0.0304
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016		
Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.467580)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016		
Applicable only for Non-Wholesale Market Participants	\$/kW	(0.834788)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kW	(0.04082)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs		
– effective until December 31, 2016	\$/kW	(0.07711)
Retail Transmission Rate – Network Service Rate	\$/kW	3.2927
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1984

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0004

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service. 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 Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component – Approved on an Interim Basis

Service Charge	\$	126.36
Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility):		
General Service 50 to 1,499 kW customer	\$/kW	1.6865
General Service 1,500 to 4,999 kW customer	\$/kW	1.5469
General Service Large Use customer	\$/kW	1.7166

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.42
Distribution Volumetric Rate	\$/kWh	0.0219
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.000845)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kWh	(0.001509)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kWh	(0.00004)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs – effective until December 31, 2016	\$/kWh	(0.00044)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Issued December 22, 2015

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.98
Distribution Volumetric Rate	\$/kW	11.3998
Low Voltage Service Rate	\$/kW	0.01877
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.187879)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.335428)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kW	0.00393
Retail Transmission Rate – Network Service Rate	\$/kW	2.1118
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3570

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.75
Distribution Volumetric Rate	\$/kW	5.3171
Low Voltage Service Rate	\$/kW	0.01916
Rate Rider for Disposition of Global Adjustment Account (2016) – effective until December 31, 2016 Applicable only for Non-RPP Customers	\$/kWh	0.00281
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016	\$/kW	(0.299010)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) – effective until December 31, 2016 Applicable only for Non-Wholesale Market Participants	\$/kW	(0.533834)
Rate Rider for Disposition of Group 2 Accounts (2016) – effective until December 31, 2016	\$/kW	(0.02585)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) Costs – effective until December 31, 2016	\$/kW	(0.24051)
Retail Transmission Rate – Network Service Rate	\$/kW	2.1225
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3853

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

microFIT and Micro-Net Metering 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	18.00
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Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0004

FIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's FIT 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 Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	119.00
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Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0004

HCI, RESOP, OTHER ENERGY RESOURCE SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's HCI, RESOP and Other Energy Resource programs and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	259.00
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Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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EB-2015-0004

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
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 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.

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Customer Administration

Arrears Certificate	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Special Billing Service – per hour (minimum 1 hour, 15 min. incremental billing thereafter)	\$	95.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Unprocessed Payment Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Disconnect/Reconnect at meter – during regular hours (Under Account Administration – New Account)	\$	65.00
Disconnect/Reconnect at meter - after regular hours (Under Account Administration – New Account)	\$	185.00
Interval Meter – Field Reading	\$	347.00
High Bill Investigation – If Billing is Correct	\$	213.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

Other

Temporary Service install & remove – overhead – no transformer	\$	797.00
Temporary Service install & remove – underground – no transformer	\$	1,156.00
Temporary Service install & remove – overhead – with transformer	\$	2,840.00
Specific Charge for Access to the Power Poles – per pole/year – Approved on an Interim Basis	\$	22.35
Energy Resource Facility Administration Charge – Without Account Set Up (One Time)	\$	127.00
Energy Resource Facility Administration Charge – With Account Set Up (One Time)	\$	157.00
Dry core transformer distribution charge	As per Attached Table	

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

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

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.00
Monthly Fixed Charge, per retailer	\$	24.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.60
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.35
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.35)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.30
Processing fee, per request, applied to the requesting party	\$	0.60
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	1.0335
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0164
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0232
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0062

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2016

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

EB-2015-0004

Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh**	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			\$5.0613	\$0.1204		\$3.7330	
25 kVA 1 PH, 1.2 kV BIL	150	900	\$0.81	\$10.95	\$11.76	\$0.60	\$12.36
37.5 kVA 1 PH, 1.2 kV BIL	200	1200	\$1.08	\$14.59	\$15.68	\$0.80	\$16.48
50 kVA 1 PH, 1.2 kV BIL	250	1600	\$1.38	\$18.36	\$19.74	\$1.02	\$20.76
75 kVA 1 PH, 1.2 kV BIL	350	1900	\$1.84	\$25.31	\$27.15	\$1.36	\$28.51
100 kVA 1 PH, 1.2 kV BIL	400	2600	\$2.22	\$29.42	\$31.65	\$1.64	\$33.29
150 kVA 1 PH, 1.2 kV BIL	525	3500	\$2.94	\$38.72	\$41.66	\$2.17	\$43.83
167 kVA 1 PH, 1.2 kV BIL	650	4400	\$3.66	\$48.02	\$51.68	\$2.70	\$54.38
200 kVA 1 PH, 1.2 kV BIL	696	4700	\$3.92	\$51.40	\$55.32	\$2.89	\$58.21
225 kVA 1 PH, 1.2 kV BIL	748	5050	\$4.21	\$55.24	\$59.45	\$3.10	\$62.55
250 kVA 1 PH, 1.2 kV BIL	800	5400	\$4.50	\$59.08	\$63.58	\$3.32	\$66.90
*15 kVA 3 PH, 1.2 kV BIL	125	650	\$0.65	\$9.00	\$9.65	\$0.48	\$10.13
*45 kVA 3 PH, 1.2 kV BIL	300	1800	\$1.63	\$21.89	\$23.52	\$1.20	\$24.72
*75 kVA 3 PH, 1.2 kV BIL	400	2400	\$2.17	\$29.19	\$31.36	\$1.60	\$32.96
*112.5 kVA 3 PH, 1.2 kV BIL	600	3400	\$3.20	\$43.55	\$46.75	\$2.36	\$49.11
*150 kVA 3 PH, 1.2 kV BIL	700	4500	\$3.88	\$51.43	\$55.31	\$2.86	\$58.17
*225 kVA 3 PH, 1.2 kV BIL	900	5300	\$4.85	\$65.56	\$70.41	\$3.58	\$73.99
*300 kVA 3 PH, 1.2 kV BIL	1100	6300	\$5.88	\$79.92	\$85.80	\$4.34	\$90.14
*500 kVA 3 PH, 95 kV BIL	2400	7600	\$11.17	\$167.16	\$178.33	\$8.24	\$186.57
*750 kVA 3 PH, 95 kV BIL	3000	12000	\$14.64	\$211.89	\$226.53	\$10.80	\$237.32
*1000 kVA 3 PH, 95 kV BIL	3400	13000	\$16.43	\$239.43	\$255.86	\$12.12	\$267.98
*1500 kVA 3 PH, 95 kV BIL	4500	18000	\$21.96	\$317.83	\$339.79	\$16.20	\$355.99
*2000 kVA 3 PH, 95 kV BIL	5400	21000	\$26.19	\$380.69	\$406.88	\$19.32	\$426.20
*2500 kVA 3 PH, 95 kV BIL	6500	25000	\$31.45	\$457.91	\$489.36	\$23.20	\$512.56
*3000 kVA 3 PH, 95 kV BIL	7700	29000	\$37.09	\$541.73	\$578.82	\$27.35	\$606.17
*3750 kVA 3 PH, 95 kV BIL	9500	35000	\$45.55	\$667.45	\$713.00	\$33.59	\$746.60
*5000 kVA 3 PH, 95 kV BIL	11000	39000	\$52.33	\$771.05	\$823.38	\$38.59	\$861.97

No Load and Load Losses from CSA Standard C802-94: Maximum losses for distribution power and dry-type transformers commercial use.

Average load factor = 0.46 average loss factor = 0.2489

* For non-preferred kVA ratings, no load and load losses are interpolated as per CSA standard

** Cost of Energy and Wholesale Market per kWh contains November 1, 2015 RPP Tiered Pricing, WMSR and OESP pricing to be effective January 1, 2016

SCHEDULE C
DECISION AND RATE ORDER
HYDRO OTTAWA LIMITED
ACCOUNTING ORDERS
EB-2015-0004
DECEMBER 22, 2015

Accounting Order Hydro Ottawa Limited EB-2015-0004

Account 1508 Other Regulatory Assets – Sub-account Y Factor Variance Account

Hydro Ottawa shall establish this new account, effective January 1, 2016, to record the revenue requirement associated with the construction of the new facilities and related land (new facilities), as the new facilities are placed in service. The capitalized amount for Y factor purposes shall be no more than \$51 million for the new buildings and \$15 million for land.

At the time the new facilities are ready for move-in, the costs will be moved from Construction in Progress to Property, Plant and Equipment. Hydro Ottawa shall then begin to record depreciation, interest, return and PILs related to the new facilities within the account.

When a facility or facilities are in service Hydro Ottawa will apply for a rate rider.

The Existing Facilities and related land (Existing Facilities), Albion Road, Merivale Road and Bank Street, shall be taken out of service in the same year as the new Administrative Building is put in service, unless any of the properties are sold prior to that time. The revenue requirement impact (depreciation, interest, return and PILs) shall be credited to the Y Factor Variance Account. Sub-accounts (SA) shall be used. Detailed records shall be maintained by Hydro Ottawa for all transactions related to Y Factor accounting and filed when proposing disposition of Account 1508 Other Regulatory Assets – Sub-account Y Factor Variance Account.

For illustrative purposes, an example of the calculation is found at Attachment 3 of the Amended Settlement Proposal filed December 7, 2015.

The following are sample journal entries.

A) Monthly journal entry to capture revenue requirement, once asset(s) are placed in service.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 1508 SA – Y Factor Depreciation	x,xxx.xx	
Dr. Account 1508 SA – Y Factor Interest	x,xxx.xx	
Dr. Account 1508 SA – Y Factor Return	x,xxx.xx	
Dr. Account 1508 SA – Y Factor PILs	x,xxx.xx	
Cr. Account 4080 – Distribution Revenue		x,xxx.xx

B) To record monthly the amounts being collected in rates related to the Existing Facilities either at the start of the calendar year after the new Administrative facilities are put into service or when existing facilities are sold, whichever is first.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4080 – Distribution Services Revenue	x,xxx.xx	
Cr. Account 1508 SA – Y Factor Depreciation		x,xxx.xx

Cr. Account 1508 SA – Y Factor Interest	x,xxx.xx
Cr. Account 1508 SA – Y Factor Return	x,xxx.xx
Cr. Account 1508 SA – Y Factor PILs	x,xxx.xx

C) To record the revenue through a rate rider, once in place.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4080 – Distribution Services Revenue	x,xxx.xx	
Cr. Account 1508 SA – Y Factor Rate Riders		x,xxx.xx

The journal entries would continue until Hydro Ottawa's next Custom IR application or rebasing, at which point the residual balances will be requested to be cleared and the assets would be recovered through rate base.

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

Account 1508 Other Regulatory – Sub-account Gains/Losses from Sale of Existing Facilities Deferral Account

Hydro Ottawa shall establish a new deferral account 1508 Other Regulatory Assets – Sub-account Gains/Losses from Sale of Existing Facilities, effective January 1, 2016, to record the after tax gains/losses from the sale of existing buildings and land.

This account shall capture 100% of the after tax net gains/losses on the sale of land and existing facilities buildings at Albion Road, Merivale Road and Bank Street.

Hydro Ottawa shall apply to the Ontario Energy Board (OEB), to dispose of the balance in this deferral account through a one-year rate rider.

The following are sample journal entries.

A) To record the Sale of the Existing Facilities

	<u>Debit</u>	<u>Credit</u>
Dr. Account 1005 – Cash	x,xxx.xx	
Dr. Account 2105 – Acc Dep- PP&E	x,xxx.xx	
Cr. Account 1908 – Buildings and Fixtures		x,xxx.xx
Cr. Account 1905 – Land		x,xxx.xx
Cr. Account 2294 – Accrual for PILs		x,xxx.xx
Cr. Account 1508 SA – Gains/Losses from Sale of Existing Facilities ¹		x,xxx.xx

¹ The sale could result in a gain or a loss. The example assumes a gain, should a loss occur this amount will be a Dr.

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

**Account 1508 Sub-account Gains and Loss on disposal of Fixed Assets Variance
Account**

Hydro Ottawa shall establish this new account, effective January 1, 2016, to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant. The forecasted amount, \$198,349 per Appendix 2-H, is in USofA 4362 – Loss from Retirement of Utility and Other Property (LRU&OP). The balance will be disposed as part of the Group 2 Accounts and according to the OEB’s direction regarding the disposition of Group 2 accounts.

The account will accrue interest based on the OEB’s prescribed interest rates until final disposition.

The following are sample journal entries.

A) To record the difference between actual amount of LRU&OP and forecast PP&E losses into the variance account (assuming that the losses are higher than forecast). Note: the entry would be a credit to 1508 if the losses are lower or there are gains on retirements.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 1508 SA PP&E Retirement Gains/Losses	x,xxx.xx	
Cr. Account 4362 LRU&OP		x,xxx.xx

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

Account 1508 Sub-account Earnings Sharing Mechanism (ESM) Variance Account

Hydro Ottawa shall establish this account, effective January 1, 2016, to record amounts related to any earnings above Hydro Ottawa's approved Return on Equity (ROE) to be shared on a 50/50 basis between Hydro Ottawa and its ratepayers with no deadband. The ratepayer share of the earnings shall be grossed up for any tax impacts and credited to this account.

The regulatory net income will be calculated, for the purpose of earnings sharing, in the same manner as net income for regulatory purposes under the *Reporting and Record Keeping Requirements* (RRR) filings. This will exclude revenue and expenses that are not otherwise included for regulatory purposes, such as:

- Settlement of any regulatory assets or regulatory liabilities including the lost revenue adjustment mechanism (LRAM);
- Changes in taxes/PILS to which the USofA 1592 – PILs and Tax Variance for 2006 and Subsequent Years applies, which will be shared through that account rather than through the earning sharing mechanism.

This account will accrue interest based on the OEB's prescribed interest rates.

The following are sample journal entries.

A) To record any ESM into the account in any year it is required.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4080 – Distribution Services Revenue	x,xxx.xx	
Cr. Account 1508 – SA ESM		x,xxx.xx

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

**Account 1508 Sub-account Connection Cost Recovery Agreement (CCRA) Payments
Deferral Account**

Hydro Ottawa shall establish this new account, effective January 1, 2016, to record the revenue requirement impact of CCRA payments made to Hydro One commencing in the year in which the facilities to which each CCRA payment relates provides services to Hydro Ottawa customers.

Hydro Ottawa shall commence recording depreciation, interest, return and PILs components of revenue requirement impact as CCRA related assets are put into service. The balance will be disposed as part of the Group 2 Accounts and according to the OEB's direction regarding the disposition of Group 2 accounts.

The account will accrue interest based on the OEB's prescribed interest rates.

The following are sample journal entries.

A) Monthly journal entry to capture revenue requirement of new CCRA payments as assets provide service.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 1508 SA CCRA – Depreciation	x,xxx.xx	
Dr. Account 1508 SA CCRA – Interest	x,xxx.xx	
Dr. Account 1508 SA CCRA – Return	x,xxx.xx	
Dr. Account 1508 SA CCRA – PILs	x,xxx.xx	
Cr. Account 4080 – Distribution Services Revenue		x,xxx.xx

The journal entries would continue until Hydro Ottawa's next Custom IR application or rebasing, at which point the residual balances will be requested to be cleared and the CCRA balance net of accumulated depreciation would be recovered through rate base.

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

Account 1508 Sub-account Revenue Requirement Differential Variance Account related to Capital Additions

Hydro Ottawa shall establish this account, effective January 1, 2016, to record the revenue requirement impact of under-spending on Hydro Ottawa's capital plan by specific categories, namely (a) System Renewal/System Service; (b) System Access; and (c) General Plant categories.

The purpose of this account is to record the revenue requirement associated with the difference between actual and forecasted cumulative capital additions (net of capital contributions) for 2016-2020, should in-service capital additions be lower than, or the pacing of capital additions be slower than, forecast over the 2016-2020 period. Hydro Ottawa shall continue to record variances in this account until the actual capital additions catch up to the cumulative capital additions or until Hydro Ottawa's next rebasing, whichever comes first. The balance, if any, will be returned to customers after the 5 year Custom IR period.

This is an asymmetrical account, in that overspending or faster pace of spending will not result in recording debits in this account, and no amount will be collected related to excess capital additions.

This account will accrue carrying charges at OEB prescribed rates until final disposition.

The following are sample journal entries.

A) Yearly Journal entry to capture revenue requirement of the difference between planned asset additions and actual asset additions, by category.²

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4080 – Distribution Services Revenue	x,xxx.xx	
Cr. Account 1508 SA Capital Additions Depreciation		x,xxx.xx
Cr. Account 1508 SA Capital Additions – Interest		x,xxx.xx
Cr. Account 1508 SA CVA – Return		x,xxx.xx
Cr. Account 1508 SA CVA – PILs		x,xxx.xx

² The same entry will be done for each of the three asset categories if required.

Accounting Order Hydro Ottawa Limited EB-2015-0004

Account 1508 Sub-account Efficiency Adjustment Mechanism Deferral Account

Hydro Ottawa shall establish this deferral account, effective January 1, 2016, to record the proxy stretch factor related to any Hydro Ottawa efficiency ranking declines during the Custom IR term from 2016 to 2020.

Hydro Ottawa shall adopt an Efficiency Adjustment Mechanism (EAM) which applies if Hydro Ottawa is placed in a lower efficiency cohort³ (as compared to its 2014 cohort) in any year during the IR term. The EAM is calculated by taking into account the difference between the 2014 starting point and current year ending point stretch factor as multiplied by the rate year plan revenue requirement for the relevant rate year for the purpose of calculating rates for that year. At the start of 2014 Hydro Ottawa was in the Group 3 Cohort.

By way of example, and without limiting the generality of the foregoing, if in 2017 Hydro Ottawa is placed in a cohort with a 0.45% stretch factor, and its 2017 revenue requirement is \$182.8 million and for 2018 is \$191.7 million, Hydro Ottawa will credit the Efficiency Adjustment Deferral Account for 2017 with \$274,200 (\$182.8 million times (0.45% - 0.30%)). If in 2018 Hydro Ottawa continues to be in the 0.45% cohort, it will credit the Efficiency Adjustment Deferral Account for 2018 with \$287,550 (\$191.7 million times (0.45% - 0.30%)). Conversely, if it moves back into the 0.30% or better cohort in 2018, there would be no credit for 2018, but the 2017 credit would remain. There will be no debits to the account.

Entries will be recorded each year to reflect any declines to Hydro Ottawa's efficiency cohort placement.

This account will accrue interest at OEB prescribed rates until final disposition.

Any balance will be disposed as part of the Group 2 Accounts and according to the OEB's direction regarding the disposition of Group 2 accounts.

The following are sample journal entries.

A) To record EAM into the deferral account in any year it is required.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4080 – Distribution Services Revenue	x,xxx.xx	
Cr. Account 1508 – SA EAM		x,xxx.xx

³ As set out in the OEB's Empirical Research in support of Incentive Rate-Setting: 2014 Benchmarking Update.

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

Account 1508 Sub-account Wireless Attachment Revenues Deferral Account

Hydro Ottawa shall establish a new deferral account, effective January 1, 2016, to record revenues earned, if any, from wireless attachments during the 2016 through 2020 period.

Any balance will be disposed as part of the Group 2 Accounts and according to the OEB's direction regarding the disposition of Group 2 accounts.

This account will accrue interest based on OEB prescribed interest rates.

The following are sample journal entries.

A) To record Wireless Attachment incremental revenue into the deferral account.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4235 – Miscellaneous Service Revenues	x,xxx.xx	
Cr. Account 1508 SA – Wireless Attachment		x,xxx.xx

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

Account 1508 Sub-account New Facilities Deferral Account

Hydro Ottawa shall establish a new deferral account, effective January 1, 2016, to record the revenue requirement impacts arising from costs of the New Facilities and land that is above the \$66 million captured in the Y Factor Variance Account. This account is subject to a prudency review at Hydro Ottawa's next Custom IR or rebasing application.

At the time the new facilities are ready for move-in, Hydro Ottawa record depreciation, interest, return and PILs related to the New Facilities and land expenses above \$66 million within the account.

Detailed records shall be maintained by Hydro Ottawa for all transactions related to the accounting of this account and filed when proposing disposition of Account 1508 Other Regulatory Assets – Sub-account New Facilities Deferral Account.

The following are sample journal entries.

A) Monthly journal entry to capture revenue requirement, once asset(s) are placed in service.

	<u>Debit</u>	<u>Credit</u>
Dr. Account 1508 SA – New Facilities Depreciation	x,xxx.xx	
Dr. Account 1508 SA – New Facilities Interest	x,xxx.xx	
Dr. Account 1508 SA – New Facilities Return	x,xxx.xx	
Dr. Account 1508 SA – New Facilities PILs	x,xxx.xx	
Cr. Account 4080 – Distribution Revenue		x,xxx.xx

**Accounting Order
Hydro Ottawa Limited
EB-2015-0004**

**Account 1508 Other Regulatory Assets – Sub-account Pole Attachment Charge
Revenues Variance Account**

Hydro Ottawa shall establish this new variance account, effective January 1, 2016, to record the difference between revenue based on the pole attachment charge of \$57 per attachment per year, underpinning Hydro Ottawa's 2016 distribution rates, and revenue based on the final charge approved by the OEB for Hydro Ottawa for 2016.

This account will accrue interest based on the OEB prescribed interest rates.

This account shall only capture the differences until the final charge is approved by the OEB, and it is expected that no differences would be recorded in this account from 2017 onwards.

The account balance shall be proposed for disposition at Hydro Ottawa's next rate adjustment in 2017.

The following are sample journal entries.

A) Assuming that the final approved rate is lower than \$57, the entry to record the variance in this account for each pole would be:

	<u>Debit</u>	<u>Credit</u>
Dr. Account 4210 Rent from Electric Property	x,xxx.xx	
Cr. Account 1508 SA – Pole Attachments		x,xxx.xx