



DECISION AND RATE ORDER

EB-2020-0013

ELEXICON ENERGY

Application for rates and other charges to be effective January 1, 2021

**BEFORE: Michael Janigan
Presiding Commissioner**

**Allison Duff
Commissioner**

December 17, 2020

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1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the incentive rate-setting mechanism (IRM) application filed by Elexicon Energy Inc. (Elexicon Energy), for its Veridian Rate Zone (Veridian RZ), for new rates effective January 1, 2021.

On December 20, 2018,¹ the OEB approved an application to amalgamate Veridian Connections Inc. and Whitby Hydro Electric Corporation, which included authorization to defer rebasing for ten years.

Elexicon Energy serves approximately 122,000 mostly residential and commercial electricity customers in Ajax, Pickering, Belleville, Brock, Uxbridge, Scugog, Clarington, Port Hope and Gravenhurst. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers in its Veridian RZ, as is required of licensed and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the [Handbook for Utility Rate Applications](#).

Elexicon Energy's application for the Veridian RZ is based on a Price Cap Incentive Rate-setting option (Price Cap IR). In accordance with the decision approving the amalgamation of Veridian Connections Inc. and Whitby Hydro Electric Corporation, the Veridian RZ will continue to have its rates adjusted until the end of the ten-year deferred rebasing period.

As a result of this Decision, there will be a monthly total bill increase of \$0.37 for a residential customer consuming 750 kWh, effective January 1, 2021. The increase does not factor in applicable taxes or the Ontario Electricity Rebate.²

¹ EB-2018-0236, Decision and Order, December 20, 2018

² O.Reg 363/16. S. 3, effective November 1, 2019

2 THE PROCESS

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements.³ A distributor will then review and complete the Rate Generator Model, and include it with its application.

Elexicon Energy filed its application for the Veridian RZ on August 20, 2020 under section 78 of the OEB Act and in accordance with the Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements).

Notice of Elexicon Energy's application was issued on September 4, 2020. Vulnerable Energy Consumers Coalition (VECC), Energy Probe Research Foundation (Energy Probe), and Power Workers' Union (PWU) requested intervenor status. VECC and Energy Probe also requested cost eligibility. On September 30, 2020, Energy Probe withdrew its request for intervention. The OEB approved VECC and PWU as intervenors and granted cost eligibility for VECC.

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

³ The Rate Generator Model is a Microsoft Excel workbook that is used to update base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances. During the course of an IRM proceeding, the Rate Generator Model may be updated in order to make any necessary corrections, or to incorporate new rate-setting parameters as they become available.

3 ORGANIZATION OF THE DECISION

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

- Price Cap Adjustment
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)
- Renewable Generation Connection Rate Protection (RGCRP)
- COVID-19 Forgone Revenue Rate Rider
- Rate Year Alignment

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

This Decision does not address rates and charges approved by the OEB in previous proceedings, which are not part of the scope of an IRM proceeding (such as specific service charges⁴ and loss factors). No further approvals are required to continue to include these items on a distributor's Tariff of Rates and Charges.

⁴ Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. The Decision and Order EB-2020-0285, issued December 3, 2020 established the adjustment for energy retailer service charges, effective January 1, 2021. The Order EB-2020-0288, issued December 10, 2020, set the Wireline Pole Attachment Charge for January 1, 2021 on an interim basis.

4 PRICE CAP ADJUSTMENT

Elexicon Energy seeks to increase its rates, effective January 1, 2021, based on a mechanistic rate adjustment using the OEB-approved *inflation minus X-factor* formula applicable to Price Cap IR applications.

The components of the Price Cap IR adjustment formula applicable to Elexicon Energy are set out in Table 4.1, below. Inserting these components into the formula results in a 1.90% increase to Elexicon Energy's rates for the Veridian RZ: **1.90% = 2.20% - (0.00% + 0.30%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor ⁵		2.20%
X-Factor	Productivity ⁶	0.00%
	Stretch (0.00% – 0.60%) ⁷	0.30%

A maximum inflation factor of 2.20% applies to all Price Cap IR applications for the 2021 rate year, provided that a utility does not elect a lower inflation factor to be used.

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

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR and Annual IR Index applications for the 2021 rate year.

⁵ For the 2021 Inflation Factor, see Ontario Energy Board 2021 Electricity Distribution Rate applications webpage – November 9, 2020

⁶ Report of the OEB – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, Issued November 21, 2013, corrected December 4, 2013

⁷ The stretch factor groupings are based on the Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2019 Benchmarking Update”, prepared by Pacific Economics Group LLC., August 2020

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Elexicon Energy is 0.30%.

In light of the continued uncertainty regarding the severity and duration of the COVID-19 emergency, and its impact on electricity utilities and customers alike, for 2021 rate adjustment applications, the OEB allowed utilities the discretion of applying either the calculated inflation factor in accordance with the OEB-approved methodology or a lower value. Utilities were also given the discretion to forego the inflationary increase entirely.⁸

The OEB required all utilities that filed (or were planning to file) 2021 rate adjustment applications to file a letter on the record of their rates proceedings, indicating the inflation factor that the utility has elected.

On November 17, 2020, Elexicon Energy filed a letter advising the OEB that, for its Veridian RZ, it is electing an inflation factor of 2.20% for 2021 rates, resulting in a rate adjustment of 1.90%.⁹

Findings

The OEB finds that Elexicon Energy's request for a 1.90% rate adjustment is in accordance with the annually updated parameters set by the OEB, as well as the process established for the implementation of the 2021 inflation factor. The adjustment is approved, and the new rates for the Veridian RZ shall be effective January 1, 2021.

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

⁸ [OEB Letter, 2021 Inflation Parameters, issued November 9, 2020](#)

⁹ EB-2020-0013 Letter re: Elexicon Energy's 2021 Inflation Parameters, November 17, 2020

¹⁰ Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charge, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

5 SHARED TAX ADJUSTMENTS

In any adjustment year of a Price Cap IR term, a change in legislation may result in a change to the amount of taxes payable by a distributor. With regard to IRM applications, the OEB has long held that the impact of such legislated tax changes be shared 50/50 between shareholders and ratepayers. The shared tax change amount, whether in the form of a credit or a debit, will be assigned to customer rate classes in the same proportions as the OEB-approved distribution revenue by rate class from the distributor's last cost of service (CoS) proceeding.

On July 25, 2019, the OEB issued a letter¹¹ providing accounting guidance with respect to recent changes in capital cost allowance (CCA) rules. The guidance provides that impacts from changes in CCA rules will not be assessed in IRM applications, and that any request for disposition of amounts related to CCA changes is to be deferred to the distributor's next cost-base rate application. A distributor's request for disposition of shared tax adjustment amounts in an IRM application should, therefore, be comprised only of impacts for tax changes unrelated to CCA (such as changes in corporate income tax rates).

The application identifies a total tax increase of \$5,698, resulting in a shared debit amount of \$2,849 to be collected from ratepayers.

This allocated tax sharing amount does not produce a rate rider to the fourth decimal place, in one or more rate classes. In such situations, where the Rate Generator Model does not compute rate riders, distributors typically are required to transfer the entire OEB-approved tax sharing amount into the Disposition and Recovery of Regulatory Balances Control Account (Account 1595) for disposition at a later date.

Findings

The OEB approves the tax charge of \$2,849.

The allocated tax sharing credit amount of \$2,849 does not produce a rate rider in one or more rate classes. The OEB therefore directs Elexicon Energy to record the OEB-approved tax sharing credit amount of \$2,849 into Account 1595 "Sub-account Principal Balances Approved for Disposition in 2021".

¹¹ OEB Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance, July 25, 2019.

6 RETAIL TRANSMISSION SERVICE RATES

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

The Veridian RZ is partially embedded within Hydro One Network Inc.'s distribution system and Elexicon Energy is requesting approval to adjust the RTSRs that it charges its customers in the Veridian RZ to reflect the currently approved rates that it pays for transmission services included in Table 6.1 and Table 6.2.

Table 6.1: UTRs¹²

UTRs (2020)	per kW
Network Service Rate	\$3.92
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.97
Transformation Connection Service Rate	\$2.33

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

Sub-Transmission Host RTSRs (2020)	per kW
Network Service Rate	\$3.3980
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.8045
Transformation Connection Service Rate	\$2.0194

¹² EB-2020-0180, Decision and Order, July 31, 2020

¹³ EB-2019-0043, Decision and Order, December 17, 2019

Findings

Elexicon Energy's proposed adjustment to its RTSRs for the Veridian RZ is approved. Elexicon Energy's RTSRs for the Veridian RZ were adjusted to reflect the OEB-approved interim 2020 UTRs and host-RTSRs.

The OEB notes that the interim 2020 UTRs and Hydro One Networks Inc.'s 2020 host sub-transmission RTSRs were incorporated into the rate model to adjust the RTSRs that Elexicon Energy will charge its customers in the Veridian RZ.

The differences resulting from the approval of final 2020 UTRs, as well as from the approval of new 2021 UTRs and 2021 RTSRs for Host Distributors will be captured in Accounts RSVA – Retail Transmission Network Charge 1584 and Retail Transmission Connection Charge 1586.

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their balances should be disposed.¹⁴ OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor can justify why balances should not be disposed.¹⁵ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2019 actual year-end total balance for the Veridian RZ Group 1 accounts including interest projected to December 31, 2020 is a debit of \$2,237,702. This amount represents a total debit claim of \$0.0009 per kWh, which does not exceed the disposition threshold, and the utility has not requested disposition.

Findings

The OEB finds that the account balances appear reasonable and confirms that the threshold calculation is correct. No disposition is required at this time, as the disposition threshold has not been exceeded and the utility did not request disposition.

¹⁴ Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

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

8 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT BALANCE

A distributor's conservation and demand management (CDM) programs may result in reduced overall consumption. To address this, the OEB established a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA), which captures a distributor's revenue implications resulting from differences between actual savings and forecast conservation savings included in the last OEB-approved load forecast.¹⁶ These differences are recorded by distributors at the rate class level.

Beginning on January 1, 2015, distributors delivered CDM programs to their customers through the Conservation First Framework (CFF). On March 20, 2019, the CFF was revoked.¹⁷ Shortly thereafter, the OEB advised that electricity distributors would continue to have access to a lost revenue adjustment mechanism for conservation program activities undertaken under the CFF.¹⁸ The OEB provided direction to distributors seeking to claim program savings up to December 31, 2019 related to CFF programs or other programs they deliver.¹⁹

A distributor may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of its IRM application, if the balance is deemed significant by the distributor.

For the Veridian RZ, Elexicon Energy has applied to dispose of its LRAMVA balance of \$779,427. The balance consists of lost revenues in 2018 from CDM programs delivered during the period from 2012 to 2018 and carrying charges. In response to OEB staff interrogatories, Elexicon Energy revised its LRAMVA balance for the Veridian RZ to correct minor errors in how the rate class allocations were assigned. This update resulted in an increase of \$4,311 and a revised LRAMVA balance of \$783,738. The actual conservation savings claimed by Elexicon Energy for its Veridian RZ under the CFF were determined by the IESO.²⁰ For CDM programs delivered prior to 2018, the IESO provided Elexicon Energy with a Final Verified Results Report that summarized all annual CDM results. For CDM programs delivered in 2018 and until the end of the CFF

¹⁶ Guidelines for Electricity Distributor Conservation and Demand Management, EB-2012-0003, April 26, 2012; and Requirement Guidelines for Electricity Distributors Conservation and Demand Management, EB-2014-0278, December 19, 2014.

¹⁷ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

¹⁸ Ontario Energy Board letter dated June 20, 2019

¹⁹ Chapter 3 Filing Requirements, section 3.2.6.1

²⁰ For CDM programs delivered from 2015 to 2017, the IESO provided distributors with a Final Results Report that summarized all savings results. For 2018, distributors accessed the Participant and Cost Reports and detailed project level data from the IESO to support LRAMVA applications.

in 2019, the IESO made monthly Participation and Cost Reports and detailed project level data available to Elexicon Energy for its Veridian RZ.

Actual conservation savings were compared against the forecasted conservation savings of 44,457,315 kWh included in the load forecast, which was set out in the 2014 CoS proceeding for the former Veridian Connections Inc.²¹

Findings

The OEB finds that Elexicon Energy's LRAMVA balance for its Veridian RZ has been calculated in accordance with the OEB's CDM-related guidelines and updated LRAMVA policy. The OEB approves the disposition of the LRAMVA balance of \$783,738 for the Veridian RZ, as set out in Table 8.1 below.

Table 8.1 LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings A	Forecasted CDM Savings B	Carrying Charges C	Total Claim D=(A-B)+C
LRAMVA	1568	\$993,212	\$243,503	\$34,029	\$783,738

²¹ EB-2013-0174, Decision and Order, May 1, 2014

9 RENEWABLE GENERATION CONNECTION RATE PROTECTION

Subsection 79.1 (1) of the OEB Act states that the OEB may provide Renewable Generation Connection Rate Protection (RGCRP) compensation amounts to eligible distributors. Ontario Regulation 330/09 (the Regulation) prescribes the methodology that the OEB uses to determine the amount that the utility may collect from the IESO for any given year.

Distributors are required to plan for new electricity generation projects expected to connect to their systems. Based on their plans, distributors may apply to the OEB for funding to recover the cost of assets to enable and to connect generators to their distribution systems, including generators using renewable sources of energy such as wind or solar. The OEB then takes steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of investments to connect renewable generators in accordance with applicable legislation.

The OEB determines the eligibility of the connection investment made by a distributor in its distribution rate decision and issues an order to the IESO to collect and disburse specific amounts based on the approved entitlement. Since May 1, 2010, the OEB has issued such decisions pursuant to the Regulation.

In its CoS application for 2014 rates, the former Veridian Connections Inc. was approved for three renewable generation projects, including two Renewable Enabling Improvement (REI) projects and one Renewable Expansion project. The associated expenditures for those projects are shown in Table 9.1 below.²²

²² EB-2013-0174, Settlement Proposal, Appendix 2-FA to 2-FC, filed March 26, 2014 and Decision and Order, issued April 10, 2014.

Table 9.1 - 2014 Approved Renewable Generation Projects

Project Category	2014	2015	2016	2017	2018
Renewable Enabling Improvement Projects					
Communication Platform		\$115,000	\$115,000	\$115,000	\$115,000
Micro-Grid Project		\$300,000	\$165,000		
Total		\$415,000	\$280,000	\$115,000	\$115,000
Monthly Amount Paid by IESO		\$3,099	\$8,230	\$11,038	\$12,551
Renewable Expansion Project					
Index Energy	\$500,000				
Monthly Amount Paid by IESO	\$1,446	\$3,088	\$3,031	\$2,974	\$2,917

In a letter to the OEB dated December 19, 2019, Elexicon Energy made a request for the 2020 RGCRP compensation amount of \$217,996 (\$18,166 per month) from the IESO for two of the three renewable investments (the Micro-Grid and Index Energy projects) that were approved in the 2014 CoS decision and order.²³ Elexicon Energy stated that it has only received IESO funding to date for its Index Energy project, and no funding for either of the two REI projects. However, Elexicon Energy noted that only one of the two REI projects (the Micro-Grid) has been placed in-service, with the remaining one (Communication Platform) set to go into service in 2021. Elexicon Energy claimed that it did not receive any revenue to date under the rate protection mechanism for the Micro-Grid project due to an administrative oversight in prior decision and orders for RGCRP compensation amounts.

The requested updated monthly payment of \$18,166 is significantly higher than the previously approved monthly payment of \$2,917 because it incorporates \$20,148²⁴ in monthly funding associated with the Micro-Grid project (including the cumulative amounts from 2016 to 2019 that Elexicon Energy should have been previously compensated for). This funding increase was partially offset by a true-up for the Index Energy project for the 2014 to 2019 period. The offsetting amount of \$4,060 per month

²³ EB-2013-0174, April 10, 2014.

²⁴ Total funding of \$241,776 includes the prior period recoveries from 2016 to 2019 (\$190,368) and the 2020-related funding (\$51,408). The monthly amount related to the Micro-Grid project is \$241,775 / 12 = \$20,148.

represents the difference between forecasted and actual capital expenditures for the Index Energy project. The total 2020 RGCRP compensation request also included in-year (2020) RGCRP funding for both the Index Energy and Micro-Grid projects, based on actual capital cost.²⁵ The actual costs for both projects were lower than the approved forecasted amounts. The components of the 2020 RGCRP funding request are shown in Table 9.2 below:

Table 9.2: 2020 RGCRP Compensation

	Prior Period True-up Amounts (2014 – 2019) (\$)	Prior Period Recoveries (2016-2019) (\$)	RGCRP amount (2020) (\$)	Total (\$)
Micro-Grid	-	190,368	51,408	241,776
Index Energy	(48,716)	-	24,936	(23,780)
Total	(48,716)	190,368	76,344	217,996
Monthly Payments	(4,060)	15,864	6,362	18,166

In its decision and order determining the 2020 RGCRP compensation amounts (2020 RGCRP Decision),²⁶ the OEB granted interim RGCRP funding for the Index Energy and Micro-Grid projects that were approved as part of Veridian Connections Inc.'s 2014 CoS application.

The OEB found that the disposition of the variance account (which holds the amounts being proposed for recovery) requires a prudence review, which was not within the scope of the 2020 RGCRP proceeding. The OEB noted that it expects Elexicon Energy to provide evidence supporting the actual amounts for these two projects in its 2021 rate proceeding so that the OEB may be able to finalize these amounts. The OEB also found that Elexicon Energy should provide evidence supporting the remaining enabling project (Communication Platform) should it be scheduled to go into service in 2021.²⁷

On August 20, 2020, as part of this current proceeding, Elexicon Energy filed evidence with regards to the Index Energy and Micro-Grid projects and requested the finalization of the 2020 interim amounts, as well as 2021 RGCRP funding for these two projects.

²⁵ EB-2019-0279, Elexicon Energy's letter to the OEB, December 19, 2019, page 2

²⁶ EB-2019-0279, issued January 30, 2020

²⁷ *Ibid*, p. 8

On October 14, 2020, Elexicon Energy updated its evidence to extend its proposed RGCRP payments to 2028 (to account for the extended rebasing deferral period following amalgamation) and included a funding request for the Communication Platform project based on forecasted capital costs of \$460,000. Elexicon Energy proposed a staggered approach to in-service capital additions (\$115,000 over four years) starting in 2022.

In its submission, OEB staff supported the finalization of the 2020 RGCRP amounts based. OEB staff also supported the extended funding request for the 2021 to 2028 period for the Index Energy and Micro-Grid projects, given the deferred rebasing period arising out of the Elexicon Energy amalgamation. OEB staff noted that the 2020 interim RGCRP funding was immaterially over-stated by \$4,014.²⁸ That difference has been included in the 2021 RGCRP funding as an offsetting amount. OEB staff submitted that with this minor correction accounted for, the 2020 RGCRP Decision should be made final.

VECC also supported the finalization of the 2020 RGCRP compensation amounts for the Micro-Grid and the Index Energy projects in its submission.

OEB staff did not support the funding request for the Communication Platform. Following its original approval in 2014 by the OEB, the implementation of the Communication Platform project was delayed, largely due to Elexicon Energy's amalgamation, as Elexicon Energy was engaged in merger-related discussions for a lengthy period. OEB staff's opposition to the inclusion of the Communication Platform in the funding request schedule, proposed to begin in 2022, was based on the following observations:

- Elexicon Energy's service territory and customer base, as well changes in technology, have largely evolved since the project was originally approved
- It was unclear to OEB staff whether the rationale supporting a 50:50 allocation between provincial and local ratepayers remained appropriate
- There has not been an update to the estimated costs for the project since it was originally approved
- The applicable in-service date of this project remained unclear

OEB staff submitted that Elexicon Energy's request related to this project was premature and that it should seek funding for the rate year in which it goes into service, supported by updated evidence.

²⁸ EB-2020-0013, Appendix 2 FA – 2-FC, Tab 4. Amounts presented in the 2020 RGCRP proceeding erroneously based 2014 funding on a 12-month period but should have been based on 8 months, given a May 1 effective date. This difference totalled (\$4,014).

VECC concurred with OEB staff in its submission, with respect to the issues pertaining to the Communication Platform.

On December 3, 2020, Elexicon Energy filed a reply submission explaining that it appreciates the concerns raised by OEB staff and VECC regarding the Communication Platform and stated its intentions to file more up-to-date information for that project when it becomes available at a later date. As part of its reply submission, Elexicon Energy provided an updated RGCRP funding schedule for the period 2021 to 2028 based on the revenue requirement for the Micro-Grid and the Index Energy projects, excluding any RGCRP funding for the Communication Platform. The funding request is summarized below:

Table 9.3 RGCRP Proposed Funding 2021-2028

Years	2021	2022	2023	2024	2025	2026	2027	2028
Annual Amount Requested	\$70,705	\$74,507	\$74,071	\$79,471	\$76,717	\$73,964	\$71,210	\$68,457
Monthly Amount Paid by IESO	\$5,892	\$6,209	\$6,173	\$6,623	\$6,393	\$6,164	\$5,934	\$5,705

Findings

The OEB approves the funding for the Micro-Grid and the Index Energy Projects as well as their proposed funding schedule set out in Table 9.3. The OEB accepts the withdrawal of the request for the funding of the Communications Platform project until more up-to-date information is provided to the OEB.

10 COVID-19 FORGONE REVENUE RATE RIDER

On April 16, 2020, the OEB issued a Decision and Rate Order, which established Elexicon Energy's 2020 rates in the Veridian RZ.²⁹ This decision and rate order included a provision for Elexicon Energy to postpone the implementation of these rates due to the COVID-19 pandemic.

On April 21, 2020, Elexicon Energy filed a letter with the OEB seeking authorization to postpone the implementation of its new rates until January 1, 2021. Elexicon Energy explained that it wishes to determine the best options available to minimize rate impacts to customers given that it intends to propose harmonization of the Veridian RZ and the Whitby Rate Zone (Whitby RZ), to a common rate year in January of 2021. On April 28, 2020, the OEB granted this request and issued a Vary Order to that effect.³⁰

As part of this application, Elexicon Energy filed a request to implement 2020 rates, along with the associated COVID-19 foregone revenue rate riders. The requested total foregone revenue, as updated through this proceeding, amounted to \$618,891.³¹ Elexicon Energy filed the supporting documentation and the COVID-19 Foregone Revenue Rate Rider Model.³² In order to establish COVID-19 foregone revenue rate riders, the model applied forecast 2021 billing determinants based on a combination of actual 2020 data as well as forecast data. In the application as originally filed on August 20, 2020, the COVID-19 Foregone Revenue Rate Rider model was populated with the following data:

Customer counts (or connections):

- May – July 2020: Monthly actual average of opening and ending balances
- August – December 2020: Internal projections
- 2021: December 2020 ending projection adjusted for limited or no growth due to COVID-19 uncertainty

Volumetric consumption (kW/kWh):

- May – July 2020: monthly actual billed, plus unbilled
- August – December 2020: Internal projections
- 2021: Average consumption or demand per customer applied to customer count or connection projections

²⁹ EB-2019-0252, Decision and Rate Order, issued April 16, 2020

³⁰ EB-2019-0252, Vary Order, issued April 28, 2020

³¹ EB-2020-0013, Interrogatory Responses OEB-staff 4 (c)

³² The COVID-19 Foregone Revenue Rate Rider Model is an excel file that calculates the rate riders to be charged to customers associated with a distributor postponing its May 1, 2020 rate implementation.

In its submission, OEB staff agreed with the billing determinants used by Elexicon Energy as well as the total forgone revenue request.

Table 10.1 below shows the calculated rate riders:

Table 10.1 COVID-19 Forgone Revenue Rate Riders³³

Rate Class	Unit	COVID-19 Forgone Revenue Rate Rider (MFC)	COVID-19 Forgone Revenue Rate Rider (DVR)
Residential	kWh	\$0.30	
Seasonal Residential	kWh	\$2.83	(\$0.0041)
General Service < 50 kW	kWh	\$0.19	\$0.0002
General Service 50 – 2,999 kW	kW	\$1.24	\$0.0371
General Service 3,000 – 4,999 kW	kW	\$65.67	\$0.0246
Large Use	kW	\$98.64	\$0.0357
Unmetered Scattered Load	kWh	\$0.08	\$0.0002
Sentinel	kW	\$0.05	\$0.1626
Streetlight	kW	\$0.01	\$0.0376

Elexicon Energy proposed to forgo collection of an immaterial amount of forgone revenue associated with its Sentinel rate class, stating that the effort required to collect this amount would outweigh the benefits.³⁴ OEB staff did not object to this proposal.

VECC did not make a submission on the COVID-19 forgone revenues.

Findings

The OEB approves the collection of COVID-19 foregone revenue riders in accordance with Table 10.1, with the exception of the immaterial amount for the Sentinel Rate class.

³³ MFC stands for monthly fixed charge and DVR stands for distribution variable rate

³⁴ EB-2020-0013, Interrogatory Responses OEB-staff-4(c)

11 RATE YEAR ALIGNMENT

As part of this application, Elexicon Energy requested to align the rate year in the Veridian RZ, effective January 1, 2021, with that of the Whitby RZ. Elexicon Energy is currently in a deferred rebasing period and both rate zones will continue to have their rates adjusted under the Price Cap IR Index (Veridian RZ) and the Annual IR Index (Whitby RZ) until 2028.

As part of its request to defer implementation of 2020 rates, Elexicon notified the OEB of its intention to align its rate year to January 1 for its Veridian RZ. OEB staff noted, that while the OEB granted the deferral of the implementation of 2020 rates until January 1, 2021, it did not opine on the issue of rate year alignment.³⁵

Elexicon Energy noted that since the OEB's Rate Year Alignment consultation in 2009, the effect of mergers, acquisitions, amalgamation and divestiture (MAADs) have created new scenarios whereby a distributor may have varying rate years across its multiple rate zones. In addition, distributors may choose longer CoS deferral periods (up to ten years) after an amalgamation. Elexicon Energy noted that it is one of those distributors.

Elexicon Energy listed a number of benefits of aligning rate years, including improved consistency for all its customers, greater efficiency of the rate application process and improved consistency in reporting fiscal year ROE.³⁶

Elexicon Energy recognized that the rate year alignment has financial implications for customers resulting from advancing the start of the rate year by four months (from May 1 to January 1). Elexicon Energy stated the following:

While this alignment carries forward each year until rates are reset during rebasing, the net effect of the rate year alignment is to simply pull forward those rates that would otherwise be approved for collection by [Elexicon Energy] in [its Veridian RZ]. For [Elexicon Energy], this creates an amount of over-collection equal to the incremental rate increase during the Jan-April 1st period of the 2028 rate year (the year prior to rebasing) under a May rate year.³⁷

To address the financial impacts on its customers, Elexicon Energy proposed to use an approach consistent with the Forgone Revenue Guidance provided by the OEB to address the May 1, 2020 rate deferral in order to hold its customers harmless.

³⁵ EB-2019-0252, Vary Order, April 28, 2020, p. 1

³⁶ EB-2020-0013, Appendix H, p. 5 of 12

³⁷ *Ibid*, p. 6 of 12

Elexicon Energy provided a model that calculates a total over-collection of \$358,988 based on the differential between current rates and proposed rates over a four-month period from January 1, 2021 to April 30, 2021.³⁸ Elexicon Energy proposed to refund this amount to all rate classes (with the exception of the Sentinel Lighting rate class) over a four-month period. For the Sentinel Lighting rate class, Elexicon Energy requested to forgo the refund of \$130 citing the costs to implement and track an immaterial benefit to customers.³⁹ Elexicon Energy noted that the amount is offset by the amount it is proposing to forgo in lost revenue from deferring implementation of the May 1, 2020 rates.

Elexicon Energy has used forecasted customer and consumption data to allocate the credit balances to the rate classes, similar to the approach developed by the OEB for establishing the COVID-19 Forgone Revenue Rate Rider. As a result, Elexicon Energy is proposing the following credit disposition amount and credit rate riders.

Table 11.1 – Rate Year Alignment Rate Riders⁴⁰

Rate Class	Unit	Revenue to Refund to Customers (MFC) \$	Revenue to Refund to Customers (DVR) \$	Rate Rider (MFC) \$	Rate Rider (DVR) \$
RESIDENTIAL	kWh	(231,916.38)	0	(0.51)	0
SEASONAL RESIDENTIAL	kWh	(5,970.88)	0	(0.94)	0
GS<50 KW	kWh	(12,213.96)	(29,424.54)	(0.33)	(0.0003)
GS 50 TO 2,999 KW	kW	(8,750.04)	(50,740.37)	(2.13)	(0.0657)
GS 3,000 TO 4,999 KW	kW	(2,239.00)	(3,492.32)	(111.95)	(0.0416)
LARGE USE SERVICE CLASSIFICATION	kW	(2,690.88)	(8,297.06)	(168.18)	(0.0586)
USL	kWh	(476.00)	(474.30)	(0.14)	(0.0003)
SENTINEL LIGHTING	kW	(93.68)	(36.28)	0	0
STREET LIGHTING	kW	(1,259.30)	(913.25)	(0.01)	(0.0740)

³⁸ Elexicon Energy's originally filed model calculated an amount of \$325,273. As part of its reply submission, Elexicon Energy updated its calculated amounts, from those filed in its pre-filed evidence, based on the OEB's updated 2021 inflation factor

³⁹ EB-2020-0013, Interrogatory Response OEB Staff 5(d)

⁴⁰ These rate riders were updated as part of Elexicon Energy's reply submission, which incorporated the impact of the OEB's updated 2021 inflation factor

In order to hold customers harmless, Elexicon Energy has requested approval for a new variance account to track the difference between the impacts calculated on an estimated basis and the actual impacts during the transition period January 1, 2021 to April 30, 2021. Elexicon Energy proposed to dispose of any residual balances in this variance account as part of a future rate application.

In its submission, OEB staff referred to the letter issued on April 15, 2010 (concluding the Rate Year Alignment consultation) wherein the OEB found that it expects a distributor that proposes alignment to include an analysis of the benefits and ratemaking implications, if any, as part of its application.⁴¹ The OEB has since not required such an analysis as part of CoS applications per section 2.0.5 of the OEB's CoS filing requirements. In addition, while rate year alignment is not on the list of exclusions identified in section 3.4 of the OEB's IRM filing requirements, that section makes it clear that those items are just examples. OEB staff noted that Elexicon Energy has requested to align its rate year for the Veridian RZ to its fiscal year, but also to align to the rate year of the Whitby RZ. OEB staff stated that this is a unique circumstance and that Elexicon Energy has explained the benefits of the rate year alignment and reviewed the rate implications from a ratepayer's perspective. The analysis is mechanistic and OEB staff took no issue with the calculations.

For all of the above reasons, OEB staff supported Elexicon Energy's proposal to align the Veridian RZ's rate year, the implementation of a refund to return those impacts to customers, and the methodology used to calculate that refund. OEB staff questioned whether a variance account is required to track the difference between estimated and actual impacts, given that Elexicon Energy has requested, what is in effect, a one-time adjustment to rates to account for the rate year alignment. OEB staff submitted that there is no compelling reason to require precision to the level suggested by Elexicon Energy and OEB staff would be satisfied with a one-time adjustment with no further true up.

In the event the OEB approves a true up, OEB staff noted that Elexicon Energy has provided a draft accounting order in its pre-filed evidence.⁴² OEB staff did not have any concerns with the draft accounting order as filed, and submitted that it does not oppose disposing of a residual balance in a future IRM proceeding.

OEB staff did not oppose Elexicon Energy's proposal to forgo disposition of the immaterial credit amount to its Sentinel Lighting rate class.

⁴¹ OEB Letter, April 15, 2010, p. 2 and Appendix B

⁴² EB-2020-0013, Interrogatory Response OEB Staff #14

VECC did not make a submission on the rate year alignment issue.

In its reply submission, Elexicon Energy withdrew its request to establish a new variance account to track the difference between actuals as compared to the amounts refunded through the approved rate year alignment rate riders.

Findings

The OEB approves Elexicon Energy's proposal to align the Veridian RZ's rate year with the Whitby RZ effective January 1, 2021. As a result, the OEB approves the proposed implementation of a refund to customers, and the methodology to calculate that refund. No new variance account will be established to track any difference between actuals and refunds from approved rate riders.

12 IMPLEMENTATION AND ORDER

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

Model entries were reviewed in order to ensure that they are in accordance with the former Veridian Connections Inc.'s last CoS decision, and to ensure that the 2020 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2019, are as reported by Elexicon Energy to the OEB.

The Rate Generator Model was adjusted, where applicable, to correct any discrepancies. The Rate Generator Model incorporates the rates set out in the following table.

Table 12.1: Regulatory Charges

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

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 10, 2020.⁴³

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.⁴⁴

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,⁴⁵ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. Distributors shall apply the updated value, if applicable, following the OEB’s announcement of the microFIT charge for the 2021 rate year.

⁴³ EB-2020-0276, Decision and Order, December 10, 2020

⁴⁴ EB-2017-0290, Decision and Order, March 1, 2018

⁴⁵ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Elexicon Energy's new final distribution rates shall be effective January 1, 2021.
2. The Tariff of Rates and Charges set out in Schedule A, shall be deemed *draft* until the parties have complied with the subsequent procedural steps.
3. Elexicon Energy shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information no later than December 23, 2020.
4. This Decision and Rate Order will be considered final if Elexicon Energy does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3.
5. If the OEB receives a submission from Elexicon Energy to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to issuing a final Decision and Rate Order.
6. Elexicon Energy shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

COST AWARDS

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

1. VECC shall submit to the OEB and copy Elexicon Energy its cost claims no later than January 11, 2021.
2. Elexicon Energy shall file with the OEB and forward to VECC any objections to the claimed costs no later than January 21, 2021.
3. VECC shall file with the OEB and forward to Elexicon Energy any responses to any objections for cost claims no later than January 28, 2021.
4. Elexicon Energy shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All materials filed with the OEB must quote the file number, **EB-2020-0013**, and be submitted in a searchable/unrestricted PDF format with a digital signature through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at www.oeb.ca/industry. We encourage the use of RESS; however, parties who have not yet [set up an account](#), may email their documents to registrar@oeb.ca.

All communications should be directed to the attention of the Registrar and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Birgit Armstrong, at birgit.armstrong@oeb.ca and OEB Counsel, Richard Lanni, at richard.lanni@oeb.ca.

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

DATED at Toronto, December 17, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2020-0013

DATED: December 17, 2020

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0013

RESIDENTIAL SERVICE CLASSIFICATION

All residential customers with kilowatt-hour meters shall be deemed to have a demand of 50kW or less. This customer classification included single family homes, street townhouses, multiplexes, and block townhouses. This classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. To be classified as Residential, the customer must represent and warrant that the premise is designated as his/her principal residence or, in the case of a rented premise, that the premise is the principal residence of the rental occupant.

A principal residence is defined as meeting the following criteria:

- a. The occupant must live in this residence for at least 8 months of the year.
- b. The address of this residence must appear on the occupant's electric bill, driver's license, credit card invoice, property tax bill, etc.
- c. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	27.58
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(0.51)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	0.30
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

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

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0013

SEASONAL RESIDENTIAL SERVICE CLASSIFICATION

This classification is defined as any residential service not meeting the Residential Service Classification criteria. It includes such dwellings as cottages, chalets, and camps. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	50.39
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(0.94)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	2.83
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kWh	(0.0041)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0067

MONTHLY RATES AND CHARGES - Regulatory Component

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

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
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EB-2020-0013

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 50kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	17.87
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(0.33)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	0.19
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0180
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kWh	0.0004
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kWh	0.0002
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

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

Ellexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
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EB-2020-0013

GENERAL SERVICE 50 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, 50kW but less than 3,000 kW.

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

APPLICATION

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

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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	114.26
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(2.13)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	1.24
Distribution Volumetric Rate	\$/kW	3.5252
Low Voltage Service Rate	\$/kW	0.3858
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kW	0.1326
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kW	0.0371
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kW	(0.0657)
Retail Transmission Rate - Network Service Rate	\$/kW	3.0963
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2358

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0013

MONTHLY RATES AND CHARGES - Regulatory Component

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

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
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EB-2020-0013

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

This classification applies to a non residential account whose average peak demand used for billing purposes over the past twelve months is equal to or greater than, or forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW. Class A and Class B customers are defined in accordance with O.Reg.429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	6,004.29
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(111.95)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	65.67
Distribution Volumetric Rate	\$/kW	2.2334
Low Voltage Service Rate	\$/kW	0.4346
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kW	0.0830
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kW	0.0246
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kW	(0.0416)
Retail Transmission Rate - Network Service Rate	\$/kW	3.4113
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4555

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0013

MONTHLY RATES AND CHARGES - Regulatory Component

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

Elexicon Energy Inc.
Veridian Rate Zone
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2021
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0013

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is greater than, or is forecast to be greater than, 5,000 kW. Class A and Class B customers are defined in accordance with O.Reg.429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	9,019.66
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(168.18)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	98.64
Distribution Volumetric Rate	\$/kW	3.1454
Low Voltage Service Rate	\$/kW	0.4157
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kW	0.1950
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kW	0.0357
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kW	(0.0586)
Retail Transmission Rate - Network Service Rate	\$/kW	3.4113
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4555

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MONTHLY RATES AND CHARGES - Regulatory Component

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

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

In general, all services will be metered. However, certain types of electrical loads are not practical to meter, or the cost of metering represents an inordinate expense to both the Customer and Elexicon Energy. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. These situations can be managed through a controlled connection and a pre-defined basis for estimating consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.29
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(0.14)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	0.08
Distribution Volumetric Rate	\$/kWh	0.0179
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kWh	0.0002
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES - Regulatory Component

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

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SENTINEL LIGHTING SERVICE CLASSIFICATION

Sentinel lights (dusk-to-dawn) connected to unmetered wires will have a flat rate monthly energy charge added to the regular customer bill. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.80
Distribution Volumetric Rate	\$/kW	14.5216
Low Voltage Service Rate	\$/kW	0.2505
Retail Transmission Rate - Network Service Rate	\$/kW	1.9313
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4057

MONTHLY RATES AND CHARGES - Regulatory Component

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

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STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street or roadway lighting equipment owned by or operated for a municipality or the Province of Ontario shall be classified as Street Lighting Service. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per light)	\$	0.74
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$	(0.01)
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$	0.01
Distribution Volumetric Rate	\$/kW	3.9707
Low Voltage Service Rate	\$/kW	0.2618
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2021) - effective until December 31, 2021	\$/kW	0.7782
Rate Rider for Recovery of COVID-19 Forgone Revenue from Postponing Rate Implementation - effective until December 31, 2021	\$/kW	0.0376
Rate Rider for Rate Year Alignment - effective until April 30, 2021	\$/kW	(0.0740)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0335
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4689

MONTHLY RATES AND CHARGES - Regulatory Component

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

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microFIT SERVICE CLASSIFICATION

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

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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Customer Administration

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

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00

Other

Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	44.50
Customer substation isolation - after hours	\$	905.00

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RETAIL SERVICE CHARGES (if applicable)

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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	\$	104.24
Monthly fixed charge, per retailer	\$	41.70
Monthly variable charge, per customer, per retailer	\$/cust.	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.52
Processing fee, per request, applied to the requesting party	\$	1.04
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.17
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.08

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	1.0482
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0146
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0344
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045