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ONTARIO REGULATION
made under the
ONTARIO ENERGY BOARD ACT, 1998
DISTRIBUTION RATE-PROTECTED RESIDENTIAL CONSUMERS

Note: This draft has not been edited.

Definitions

1. (1) In this Regulation,

“base distribution rate” consists of the monthly fixed distribution rate and the distribution volumetric rate, excluding any fixed or variable rate riders or adders;

“distribution rate protection” means the rate protection provided for under section 79.3 of the Act;

“host distributor” means a distributor who is a market participant and who distributes electricity to a wholly-embedded distributor;

“wholly-embedded distributor” means a distributor who is not a market participant and to whom a host distributor distributes electricity.

(2) For the purposes of section 79.3 of the Act and this Regulation,

“distribution rate-protected residential consumer” means a consumer prescribed under section 2;

“monthly base distribution charges” means the monthly distribution charges calculated by the Board as a fixed amount using base distribution rates, taking into account any applicable rate protection under section 79 of the Act.

Distribution rate-protected consumers

2. (1) Subject to subsection (3), the following consumers are prescribed as distribution rate-protected residential consumers:

1. A consumer who has an account with any of the following distributors that falls within a residential-rate classification:
 - i. Atikokan Hydro Inc.
 - ii. InnPower Corporation.
 - iii. Chapleau Public Utilities Corporation.
 - iv. Sioux Lookout Hydro Inc.
 - v. Northern Ontario Wires Inc.
2. A consumer who has an account with Algoma Power Inc. that falls within the R1 residential-rate classification, if he or she resides continuously at the service address to which the account relates for at least eight months of the year.
3. A consumer who has an account with Hydro One Networks Inc. that falls within the R1 (year-round medium-density) or R2 (year-round low-density residential) residential-rate classification, if he or she resides continuously at the service address to which the account relates for at least eight months of the year.
4. A consumer who has an account with Lakeland Power Distribution Ltd. that falls within a residential-rate classification, within the former Parry Sound Power service area.

(2) For the purposes of subsection (1), the classification of an account is as specified in a rate order made by the Board under section 78 of the Act.

(3) Subsection (1) does not include on-reserve consumers who are eligible to receive a delivery credit under section 79.4 of the Act.

Commencement of distribution rate protection

3. For the purposes of subsection 79.3 (1) of the Act, distribution rate protection shall be provided to distribution rate-protected residential consumers in accordance with this Regulation with respect to electricity consumed on or after July 1, 2017.

Maximum monthly base distribution charges

4. (1) Beginning on July 1, 2017, a distributor referred to in subsection 2 (1) shall not charge the distribution rate-protected residential consumers who have accounts with the

distributor an amount for monthly base distribution charges that is more than the amount determined by the Board, at the times set out in subsection (2), in accordance with the following rules:

1. For the first determination, the Board shall calculate a monthly base distribution charge with respect to each residential-rate classification referred to in subsection 2 (1) in relation to which the Board has issued a final rate order that,
 - i. approves a base distribution rate, and
 - ii. takes effect on or after January 1, 2017.
 2. For each subsequent determination, the Board shall calculate a monthly base distribution charge with respect to each residential-rate classification referred to in subsection 2 (1) in relation to which the Board has issued a final rate order that,
 - i. approves a base distribution rate, and
 - ii. takes effect on or after the date on which the Board last made a determination under this subsection.
 3. The amount determined for all of the distributors referred to in subsection 2 (1) for the purposes of this subsection is,
 - i. for the first determination, the lowest of the monthly base distribution charges calculated under paragraph 1, and
 - ii. for each subsequent determination, the greater of,
 - A. the lowest of the monthly base distribution charges calculated under paragraph 2, and
 - B. the previously applicable amount.
- (2) The Board shall determine an amount under subsection (1),
- (a) in the first instance, before July 1, 2017;
 - (b) subsequently, at least once a year.

Deadline for adapting invoices

5. The distributors shall adapt their invoices in conformity with this Regulation no later than October 1, 2017.

Duty of the Board to provide information

6. (1) The Board shall provide to the Ministry of Energy the information that is specified by the Minister respecting,

- (a) the projected number of distribution rate-protected residential consumers entitled to receive distribution rate protection; and
- (b) the projected amount of distribution rate protection provided to distribution rate-protected residential consumers.

(2) Information under subsection (1) shall be provided in the format and at the times specified by the Minister.

Duty to provide information for compliance purposes

7. (1) Every distributor required to provide distribution rate protection shall, on receipt of a request from the Ministry of Energy, the IESO or the Board, provide the information relating to the Act and this Regulation that is specified in the request, within the time period specified in the request, for the purpose of administering and monitoring compliance with section 79.3 of the Act and this Regulation.

(2) Without restricting the generality of subsection (1), examples of information that may be requested under that subsection are,

- (a) the amount of distribution rate protection provided by the distributor; and
- (b) the number and location of accounts receiving distribution rate protection.

Duty to provide information for reimbursement purposes

8. (1) Every distributor that provides distribution rate protection and is a wholly-embedded distributor shall provide to its host distributor, in the format and at the times specified by the host distributor, information respecting the amount of distribution rate protection to which distribution rate-protected residential consumers who have accounts with the wholly-embedded distributor are entitled for the last month ending before the day the information is to be provided, and any adjustments to be made in respect of earlier months.

(2) Every distributor that provides distribution rate protection and is a market participant shall provide to the IESO, in the format and at the times specified by the IESO, information respecting the following amounts in respect of the last month ending before the day the information is to be provided:

- 1. The amount of distribution rate protection to which distribution rate-protected residential consumers who have accounts with the distributor are entitled for the month, and any adjustments to be made in respect of earlier months.

2. The amount of distribution rate protection to which distribution rate-protected residential consumers who have accounts with wholly-embedded distributors are entitled for the month, if the distributor is the host distributor of the wholly-embedded distributors, and any adjustments to be made in respect of earlier months.

(3) The IESO shall provide to the Ministry of Energy, in the format and at the times specified by the Minister, information respecting the following amounts in respect of the last month ending before the day the information is to be provided:

1. The amount of distribution rate protection to which distribution rate-protected residential consumers who have accounts with distributors who are market participants are entitled for the month, and any adjustments to be made in respect of earlier months.
2. The amount of distribution rate protection to which distribution rate-protected residential consumers who have accounts with wholly-embedded distributors are entitled for the month, and any adjustments to be made in respect of earlier months.

(4) For the purposes of this section, a distributor may estimate the amount of distribution rate protection to which distribution rate-protected residential consumers are entitled for a month.

(5) If a distributor estimates the amount of distribution rate protection under subsection (4), it must include with the information required under subsection (1) or (2) an adjustment for the difference between the estimate and the actual amount of the entitlement, as soon as possible after the actual amount becomes known.

Reimbursement to distributors

9. (1) Based on the information provided by the IESO under section 8, the Minister shall reimburse distributors who provide distribution rate protection to distribution rate-protected residential consumers.

(2) Based on the information provided by distributors under section 8,

- (a) the Minister shall pay to the IESO, in keeping with the IESO timelines for invoice payments, sufficient amounts to reimburse distributors for providing distribution rate protection to which distribution rate-protected residential consumers are entitled for a month, subject to any adjustments to be made in respect of earlier months;
- (b) the IESO shall, after receiving the information required for a month from a distributor who is a market participant, pay to the distributor a sufficient amount to reimburse,
 - (i) the distributor for the distribution rate protection to which distribution rate-protected residential consumers who have accounts with the distributor are

entitled for the month, subject to any adjustments to be made in respect of earlier months, and

- (ii) wholly-embedded distributors of which the distributor is the host distributor for the distribution rate protection to which distribution rate-protected residential consumers who have accounts with the wholly-embedded distributors are entitled for the month, subject to any adjustments to be made in respect of earlier months; and
- (c) a host distributor shall, before the day specified by the Board, pay to every wholly-embedded distributor of which it is a host distributor a sufficient amount to reimburse the wholly-embedded distributor for the distribution rate protection to which distribution rate-protected residential consumers who have accounts with the wholly-embedded distributors are entitled for a month, subject to any adjustments to be made in respect of earlier months.

(3) Despite subsection (2), the amount of reimbursement to which a distributor is entitled is subject to such subsequent adjustments as may be required by reason of,

- (a) the provision to the Ministry of Energy, IESO or a distributor of additional information; or
- (b) a determination made by an inspector who conducts an inspection or inquiry under section 79.8 of the Act that relates to a distributor.

(4) Despite subsections (2) and (3), no amount is payable as a reimbursement to a distributor who fails without reasonable cause to provide any information required to be provided under this Regulation within the time it is required to be provided.

(5) Payments required under this section by the IESO to a distributor who is a market participant and any subsequent adjustments may be made at the option of the IESO by way of set-off in the accounts maintained by the IESO.

(6) Payments required under this section by a host distributor to a wholly-embedded distributor and any subsequent adjustments may be made at the option of the host distributor by way of set-off in the accounts maintained by the host distributor.

Reliance on information

10. For the purposes of the reimbursements required under section 9, the Minister, the IESO and distributors shall rely on the information provided as required under this Regulation.

Limitation periods

11. (1) The limitation period for the purposes of subsection 79.3 (6) of the Act is 24 months from the date of issuance of the invoice in which distribution rate protection was not provided.

(2) The limitation period for the purposes of subsection 79.3 (7) of the Act is six months from the earliest date when the distributor or other person referred to in that subsection could have submitted a claim for reimbursement.

Commencement

12. This Regulation comes into force on the day it is filed.