

Hydro One Networks Inc.

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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

November 25, 2011

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**EB-2011-0175 – Hydro One Remote Communities Inc. 3GIRM 2011 Distribution Rate Application
– Application and Evidence Filing**

I am attaching two (2) copies of Hydro One Remote Communities Inc.'s Application and Prefiled Evidence in support of proposed 2011 distribution rates under the OEB's 3rd Generation Incentive Regulation Mechanism.

An electronic copy has been submitted using the Board's Regulatory Electronic Submission System and the confirmation of successful submission slip is provided with this letter. It is also our intention to post electronic copies of the Application and supporting evidence on the Hydro One Networks Inc. website for public access. In addition, one copy is being provided for public access at Hydro One Remote Communities Service Centre at 680 Beaverhall Place, Thunder Bay, P7E 6G9.

Hydro One Remote Communities Inc.'s points of contact for service of documents associated with this Application are listed in Exhibit A, Tab 2, Schedule 1.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank
Attach.

EXHIBIT LIST

1
2

Exh	Tab	Schedule	Contents
A			Administration
	1	1	Exhibit List
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	4	1	Request of US GAAP
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	1	1	Current Rate Schedules
	2	1	Proposed Rate Schedules

3

1 **ONTARIO ENERGY BOARD**

2
3 IN THE MATTER OF *the Ontario Energy Board Act, 1998*;

4
5 AND IN THE MATTER OF an Application by Hydro One Remote Communities Inc.
6 For an Order or Orders approving rates for the distribution and generation of electricity

7
8 **APPLICATION**

- 9
- 10 1. The Applicant is Hydro One Remote Communities Inc. (“Remotes”), a wholly-
11 owned subsidiary of Hydro One Inc. The Applicant, an Ontario corporation with
12 its head office in Toronto, is an integrated generation and distribution company
13 licensed to generate and distribute electricity within 21 isolated communities in
14 northern Ontario.

 - 15
 - 16 2. Remotes hereby applies to the Ontario Energy Board (the “Board”), pursuant to
17 section 78 of the *Ontario Energy Board Act, 1998*, for an Order or Orders
18 approving 2012 customer rates for the distribution and generation of electricity.

 - 19
 - 20 3. Remotes is seeking approval of rates derived by applying the 3rd Generation
21 Incentive Regulation Mechanism (“3rd Generation IRM”) price cap to its customer
22 rates. Based on the Board’s formulaic model, Remotes is seeking approval of
23 increased base rates for the distribution and generation of electricity of 0.38%
24 effective May 1, 2012.

 - 25
 - 26 4. Remotes seeks approval of rates for residential, general service and Standard A
27 customers.

 - 28
 - 29 5. Remotes asks for this Board’s approval to utilize US GAAP in lieu of MIFRS for

1 regulatory purposes as of January 1, 2012, as well as for approval to file its future
2 Cost of Service Rate Applications utilizing US GAAP. Remotes also requests the
3 creation of a new deferral account entitled “USGAAP Incremental Transition
4 Costs”, which will be used to track costs associated with the transition to
5 USGAAP, as well as the establishment of an “Impact for USGAAP Account”,
6 which will be a variance account to record the 2012 impact of differences
7 between CGAAP and USGAAP.

8

9 6. Remotes, which is exempt from the competitive market, generates electricity at
10 diesel generating stations in certain isolated communities in the far north and
11 distributes the electricity to customers in each community.

12

13 8. The written evidence filed with the Board may be amended from time to time
14 prior to the Board’s final decision on the Application. Further, the Applicant may
15 seek meetings with Board staff and intervenors in an attempt to identify and reach
16 agreements to settle issues arising out of this Application.

17

18 9. The persons affected by this Application are the ratepayers of Remotes and of
19 Rural or Remote Rate Protection. It is impractical to set out their names and
20 addresses because they are too numerous.

21

22 10. Remotes requests that a copy of all documents filed with the Board by each party
23 to this Application be served on the Applicant and the Applicant’s counsel as
24 follows:

25

1 a) The Applicant:

2
3 Mr. Pasquale Catalano
4 Hydro One Networks Inc.

5
6 Address for personal service: 8th Floor, South Tower
7 483 Bay Street
8 Toronto, ON M5G 2P5

9
10 Mailing Address: 8th Floor, South Tower
11 483 Bay Street
12 Toronto, ON M5G 2P5

13 Telephone: (416) 345-5405

14 Fax: (416) 345-5866

15 Electronic access: regulatory@HydroOne.com

16
17 b) The Applicant's counsel:

18
19 Michael Engelberg
20 Assistant General Counsel
21 Hydro One Networks Inc.

22
23 Mailing Address: 15th Floor, North Tower
24 483 Bay Street
25 Toronto, Ontario M5G 2P5

26
27 Telephone: (416) 345-6305

28 Fax: (416) 345-6972

29 Electronic access: mengelberg@HydroOne.com

30
31 DATED at Toronto, Ontario, this 25th day of November, 2011.

32
33 HYDRO ONE REMOTE COMMUNITIES INC.
34 By its counsel,

35
36 _____
37 Michael Engelberg

1 **SUMMARY OF REMOTES' BUSINESS**

2
3 **1.0 INTRODUCTION**

4
5 Remotes is an integrated generation and distribution company licensed to generate and
6 distribute electricity within 21 isolated communities in northern Ontario (ED 2003-0037
7 and EG-2003-0138). A list of the communities served and a map of Remotes'
8 distribution service territory can be found in Exhibit A, Tab 2, Schedule 3. Remotes is
9 100% debt-financed and operates as a break-even business.

10
11 **2.0 REMOTES' BUSINESS ENVIRONMENT**

12
13 Remotes' service territory is characterized by extremely low customer densities, a harsh
14 climate, and logistical challenges related to transportation. The foregoing characteristics,
15 along with the absence of an integrated transmission system, complex funding
16 arrangements with third parties and the lack of all season roads to most communities, set
17 Remotes apart from other Ontario electricity distributors.

18
19 Remotes inherited obligations that were entered into in the 1970s and 1980s under
20 arrangements with the provincial and federal governments. Both levels of government
21 had programs and policies to encourage northern electrification within communities that
22 requested Ontario Hydro to take over electrical operation of the communities. The
23 federal and provincial governments funded the original capital installation of facilities.
24 In First Nation communities, the arrangements with the federal government, through
25 Indian and Northern Affairs Canada ("INAC"), remain in place. These Agreements
26 specify that Remotes is responsible for funding ongoing operation and maintenance of the
27 system and that INAC is responsible for funding capital related to system expansions and

1 capital upgrades. Remotes' revenue requirement does not include funding for these
2 capital projects, and Remotes does not depreciate this contributed capital.

3
4 INAC has limited capital resources, and INAC or local First Nations may direct capital
5 funding to other community infrastructure priorities. If planned upgrades are delayed due
6 to competing capital priorities, Remotes' operating and maintenance expenses can
7 increase.

8
9 The communities served by Remotes are isolated and scattered across the far north of the
10 Province. Thirteen communities are inaccessible by year-round road and can be accessed
11 only by aircraft, winter road or, in the case of one community, by barge. The size and
12 isolation of Remotes' service territory also means that the transportation and
13 accommodation of staff, fuel, and equipment are key drivers of Remotes' costs. The use
14 and viability of winter roads to reach these communities is a major cost variable within
15 Remotes' operations. If a winter road cannot be built in a given year, fuel costs,
16 equipment costs and overall maintenance costs increase.

17 18 **3.0 DISTRIBUTION**

19
20 Remotes operates 19 isolated distribution systems to serve the 21 communities. Within
21 each system, Remotes is responsible for transformation, voltage regulation, delivery and
22 metering of power. Because the communities are far from each other, the distribution
23 systems are isolated, distinct and stand-alone. These distribution systems operate at
24 distribution voltages ranging from 4.8 kV to 25 kV.

25
26 The fixed distribution assets in service include approximately 259 kilometres of line and
27 transformers distributed throughout the system, which are used for voltage

1 transformation. Billing meters are used to measure energy consumption at customer
2 supply points.

3
4 Remotes is responsible for billing and collecting from its customers. Community visits to
5 collect from residential customers occur twice a year, and Remotes also has an active
6 program to work with Band Councils to improve bill payment.

7 8 **4.0 GENERATION**

9
10 Due to the lack of grid connection, Remotes is a generator of electricity to meet its
11 obligations under section 29 of the *Electricity Act, 1998*. Diesel generation is currently
12 the prime source of electricity within the communities. Remotes also owns and operates
13 two run-of-the-river mini-hydroelectric generating facilities and has four demonstration
14 project windmills. The feasibility of using further renewable technologies is continually
15 examined as new technologies evolve, but diesel is currently the most reliable and cost-
16 effective technology.

17
18 As of December 2010, there were 57 diesel generators in service, ranging in size from
19 85kW to 1280kW. Most stations have three generators, sized to meet community load at
20 different times of the day. Automated operation ensures that the generation units are run
21 to maximize fuel efficiency by matching the generator size to the community load. In
22 2010, Remotes handled approximately 15 million litres of diesel fuel.

23 24 **5.0 ENVIRONMENTAL MANAGEMENT SYSTEM**

25
26 Remotes developed an Environmental Management System (“EMS”) in 1999 to help
27 address a history of spills and to improve environmental performance. In the course of
28 developing and implementing the EMS, Remotes has transformed itself into an

1 environmental leader, recognized provincially and nationally for its environmental
2 record.

3
4 Remotes has achieved operating efficiency improvements through installation of
5 automated Programmable Logic Controller (“PLC”) controls, Supervisory Control and
6 Data Acquisition (“SCADA”) systems, upgraded engines and redesigned generating and
7 fuel-handling software to support its PLC programs, all of which have resulted in
8 improved efficiency, reduced use of diesel fuel and lower atmospheric emissions.

9
10 In 2003, Remotes developed and adopted an Emission Reduction Strategy and submitted
11 an application and Action Plan for Reducing Greenhouse Gases to the Environment
12 Canada Voluntary Challenge Registry. Remotes’ 2003 report received the “Best New
13 Submission” award; and since then, each annual submission has been awarded "Gold
14 Champion" status.

15
16 **6.0 GOVERNMENT REGULATION AND REMOTE COMMUNITY RATES**

17
18 Remotes served 3,490 customers at the end of 2010. Approximately 87 percent of
19 customers within Remotes pay rates below the cost of service. Rates for these
20 Residential and General Service customers were set at levels comparable to grid-
21 connected customers. Rates for these customers are financially supported through a
22 cross-subsidy from government customers within Remotes who historically have paid
23 rates above cost (Standard A Rates); through capital contributions from the federal
24 government; and through RRRP. RRRP funding is currently set at \$27,549 thousand per
25 year and is funded through a \$0.0013/kWh charge to all grid-connected customers in
26 Ontario.

1 O. Reg 442/01, the regulation under the *Ontario Energy Board Act, 1998*, that also
2 established RRRP, sets out two broad categories of customers in Remotes:

- 3 • Customers who receive Rural and Remote Rate Protection (“Residential and General
4 Service” customers); and
- 5 • Customers occupying Government premises, defined as customers who receive direct
6 or indirect funding from government (“Standard A” customers).

7

8 ***Rates for Remotes' customers are shown in Exhibit C1, Tab 1, Schedule 1.***

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SERVICE AREA MAP

The attached map is a representation of Remotes' service territory. It is not a substitute for the written description in the licence. Remotes is licensed to serve 21 communities in Ontario. The generating station in Armstrong also serves the Whitesands Reserve and the settlement of Collins through a single distribution system and generation station.

Communities Served by Hydro One Remote Communities Inc

- | | |
|------------------|-----------|
| Armstrong | Weagamow |
| Bearskin Lake | Webequie |
| Big Trout Lake | Whitesand |
| Biscotasing | |
| Collins | |
| Deer Lake | |
| Fort Severn | |
| Gull Bay | |
| Hillsport | |
| Kasabonika Lake | |
| Kingfisher Lake | |
| Landsdowne House | |
| Marten Falls | |
| Oba | |
| Sachigo Lake | |
| Sandy Lake | |
| Sultan | |
| Wapakeka | |

1 **MAP OF REMOTES' SERVICE TERRITORY**



2

3 The communities of Whitesand and Collins are served through the Armstrong
4 Distribution System.

1 **REMOTES' APPROACH TO 3RD GENERATION IRM**

2
3 Hydro One Remote Communities Inc. ("Remotes") is an integrated generation and
4 distribution company licensed to generate and distribute electricity within 21 isolated
5 communities in northern Ontario. Consistent with the Board's decision in RP-1998-
6 0001, Remotes is 100% debt-financed and is operated as a break-even company with no
7 return on equity.

8
9 Most of Remotes' customers are eligible for Rural and Remote Rate Protection ("RRRP")
10 under Section 79 of the *Ontario Energy Board Act, 1998*. O. Reg. 442/01 under that
11 statute requires the Board to calculate Rate Protection for these customers and requires
12 that Remotes charge rates that are not based on the cost of service.

13
14 Remotes' last cost of service rate application, EB-2008-0232, proposed rate increases of
15 4.4% to customers in Remotes' service territory, based on the average increase for grid-
16 connected customers. Remotes believes that rates in its communities should be
17 comparable to rates in the rest of the province and is therefore filing an application for
18 rates under the Board's IRM process.

19
20 Remotes conducts its operations under a cost recovery model applied to achieve break-
21 even results of operations after the inclusion of PILs. Any excess or deficiency in remote
22 rate protection revenues necessary to lead to breakeven results of operations is added to,
23 or drawn from, the RRRP variance account, which was established in 2002 for this
24 purpose.

25
26 About two-thirds of Remotes' revenues come from RRRP. Remotes does not plan to
27 seek approval to adjust the level of RRRP at this time.

Filed: November 25, 2011

EB-2011-0175

Exhibit A

Tab 3

Schedule 1

Page 2 of 2

- 1 Board staff prepared a specific 3rd Generation Incentive Regulation Model for Remotes'
- 2 use. Remotes used this model to develop the rates in this application.

1 **HYDRO ONE REMOTE COMMUNITIES INC.**
2 **UTILIZATION OF US GAAP AS OF JANUARY 1, 2012**

3
4 **1.0 BACKGROUND**

5 Hydro One Remote Communities Inc. (“Remotes”) intends to proceed with the adoption
6 of US General Accounting Principles (“US GAAP”) in lieu of Modified International
7 Financial Reporting Standards (“MIFRS”) for rate setting purposes effective January 1,
8 2012. The Board approved similar adoption of US GAAP for Hydro One Network Inc.’s
9 transmission business in its EB-2011-0268 Decision on November 23, 2011 and indicated
10 it may also be appropriate for Hydro One distribution applications and regulatory
11 reporting.

12
13 **2.0 ADOPTION OF US GAAP**

14
15 Hydro One Inc. filed its official application with the Ontario Securities Commission
16 (“OSC”) on July 7, 2011, seeking approval to utilize US GAAP as the basis for preparing
17 its periodic public consolidated securities filings effective January 1, 2012. Hydro One
18 received formal OSC approval on August 11, 2011.

19
20 In its Addendum to Report of the Board: Implementing International Financial Reporting
21 Standards in an Incentive Rate Mechanism Environment, EB-2008-0408, the Board
22 indicated that it will require utilities to explain the use of any accounting framework other
23 than MIFRS for regulatory purposes. In doing so, the Board noted that a utility would
24 need to do the following: demonstrate its eligibility under the relevant securities
25 legislation to report external financial information using that framework; include a copy
26 of the authorization to use the alternative framework from the appropriate Canadian
27 Securities Regulator; and set out the benefits and potential disadvantages to the utility
28 and its ratepayers.

1 The formal OSC order was filed with this Board on August 11, 2011, and is attached to
2 this Exhibit as Attachment 1. Provision of this document fulfils the first two
3 requirements outlined in the Addendum to Report of the Board.

4
5 Remotes is of the view that there is significant value to both ratepayers and the utility and
6 its shareholder in using US GAAP for regulatory purposes. Use of a consistent financial
7 accounting framework for both external and internal financial reporting and regulatory
8 accounting and reporting preserves the existing link between audited financial statements
9 and financial information and documentation utilized in rate applications and regulatory
10 reports. The impacts of Board rate Decisions can be clearly reflected as regulatory assets,
11 liabilities or accounting policy treatments in audited financial statements prepared under
12 US GAAP where such assets and liabilities cannot be reflected in IFRS statements. It is a
13 benefit to the Board, Remotes, and interested stakeholders to be able to compare financial
14 information provided in the regulatory process to Remotes' audited financial statements,
15 thereby providing all participants with assurance of the integrity of the information.

16
17 The use of a consistent accounting framework for financial and regulatory reporting
18 reduces Remotes' costs from what they otherwise would be if inconsistent frameworks
19 were used. Among other things, the alternative would be to have dual reports and
20 reconciliations, parallel transaction processing, and dual IT systems and ledgers. The
21 cost savings is a direct benefit to ratepayers. The utility also benefits from a consistent
22 accounting methodology by having a better ability to present economic consequences of
23 rate regulation in its audited financial statements.

24
25 Retaining existing capitalization policies benefits customers by avoiding a significant rate
26 increase driven by specific rules found in IAS 16. Allowing Remotes to continue with its
27 current overhead capitalization accounting treatment will reduce future annual revenue
28 requirement compared to the MIFRS alternative as of January 1, 2012, and beyond,
29 because the federal government shares the cost to provide power to the remote north, and

1 this funding agreement was based on the existing capitalization policies, which more
2 fairly distribute costs to the federal government. This is particularly salient in a time
3 when both ratepayers and the Board are expressing heightened concerns about the cost of
4 electricity.

5
6 In addition, US GAAP allows continued use of group depreciation methods, whereas IAS
7 16 does not. If US GAAP is approved as Remotes' regulatory accounting and reporting
8 framework, Remotes will continue its existing depreciation accounting policies, including
9 the use of group depreciation. This results in depreciation rates and annual depreciation
10 expenses that will be lower than those available under MIFRS. Over the long run, these
11 rates will more closely reflect the average service life of all in-service assets. This will
12 avoid future rate increases that would accompany the use of item depreciation, which
13 does not take into consideration the dispersion of asset expected service lives within a
14 group. The use of group depreciation rates also relieves the utility of the risk of not
15 recovering unforecast or unforecastable premature asset retirement losses.

16
17 Remotes notes that those who are involved in setting standards for US and international
18 accounting are working closely together and expect to do so more significantly in the
19 future.

20
21 As a result of a cooperative effort, US and international accounting frameworks continue
22 to converge. The use of rate-regulated accounting is one of the few major differences
23 requiring resolution. As the Board noted in its Addendum Report, "Hydro One pointed
24 out that differences between USGAAP and IFRS are concentrated in specific well-
25 defined areas where the potential impacts can be easily understood." Thus, Remotes
26 submits that its use of USGAAP will not lead to the confusion or unmanageable
27 complexity that was previously expressed as a concern.

1 Note that similar adoption of USGAAP in 2012 by Hydro One's Transmission business
2 was approved by the OEB on November 23, 2011, in its decision with reasons in the EB-
3 2011-0268 proceeding. In that decision the Board agreed that on the basis of the record
4 presented in the application, it may be appropriate for Hydro One to adopt USGAAP for
5 distribution rate applications and regulatory reporting. The Board also stated on page 13
6 that "as the Board has found that Hydro One transmission rates should be set on the basis
7 of USGAAP, it would generally be inefficient to require the distribution utility to use
8 MIFRS to regulatory reporting and rate making".

9
10 For similar reasons, Remotes submits that its adoption of USGAAP for rate applications
11 and regulatory reporting is in the best interests of the utility and its ratepayers.

12
13 Accordingly, Remotes asks for Board approval to utilize USGAAP in lieu of MIFRS for
14 regulatory purposes as of January 1, 2012, as well as for approval to file its future Cost of
15 Service Rate Applications utilizing USGAAP. Also, similarly as to what was approved
16 in the EB-2011-0268 decision with reasons, Remotes also requests the creation of a new
17 deferral account entitled "USGAAP Incremental Transition Costs", which can be used to
18 track costs associated with the transition to USGAAP as well as to establish an "Impact
19 for USGAAP Account", which will be a variance account to record the 2012 impact of
20 differences between CGAAP and USGAAP.

**OSC APPROVAL OF HYDRO ONE REQUEST TO FILE UNDER US
GAAP**

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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

August 11, 2011

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

EB-2010-0002 – Hydro One Networks 2011-2012 Electricity Transmission Revenue Requirement - US GAAP Considerations Update

In my letter of July 15, 2011, I indicated a copy of the Ontario Securities Commission's (OSC) approval to adopt US GAAP for securities will be provided to the Board. The OSC Decision approving the filing of Hydro One's financial statements in accordance with US GAAP for the financial years commencing on or after January 1, 2012 but before January 1, 2015 and the interim periods therein has been publicly disclosed on August 11, 2011.

The OSC Decision is attached and since it has now been publically disclosed, confidential treatment of the Decision is not required.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

Date: July 21, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HYDRO ONE INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirements under section 3.2 of National Instrument 52-107 - *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the **Exemption Sought**) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after January 1, 2012 but before January 1, 2015.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the **Passport Jurisdictions**); and
- (c) the decision of the principal regulator automatically results in an equivalent decision in the Passport Jurisdictions.

Interpretation

Terms defined in National Instrument 14-101 - *Definitions*, MI 11-102 and NI 52-107 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer.

1. The Filer is incorporated under the *Business Corporations Act* (Ontario). The head office of the Filer is located at 483 Bay Street, Toronto, Ontario M5G 2P5.
2. The Filer is a reporting issuer or equivalent in the Jurisdiction and each Passport Jurisdiction and is not in default of securities legislation in any such jurisdiction.
3. The Filer is not an SEC issuer.
4. The Filer has "activities subject to rate regulation", as defined in the Handbook.
5. As a "qualifying entity" for the purposes of section 5.4 of NI 52-107, the Filer is permitted to prepare its financial statements for its financial year commencing January 1, 2011 and ending December 31, 2011 in accordance with Canadian GAAP - Part V of the Handbook.
6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of NI 52-107 to file financial statements prepared in accordance with U.S. GAAP, which accords treatment of "activities subject to rate regulation" similar to that under Canadian GAAP - Part V of the Handbook.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

7. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:
 - (a) for its financial years commencing on or after January 1, 2012 but before January 1, 2015 and interim periods therein, the Filer files its financial statements in accordance with U.S. GAAP; and
 - (b) information for comparative periods presented in the financial statements referred to in paragraph (a) is prepared in accordance with U.S. GAAP.
8. The Exemption Sought will terminate in respect of the Filer's financial statements for annual and interim periods commencing on or after the earlier of:
 - (a) January 1, 2015; and

- (b) the date on which the Filer ceases to have "activities subject to rate regulation" as defined in the Handbook as at the date of this decision.

CMZ

1 **DEVELOPMENT OF DISTRIBUTION RATES FOR MAY 1, 2012**

2
3 **1.0 DERIVATION OF PROPOSED 2012 RATES**

4
5 Remotes' proposed 2012 rates are derived following the OEB Guidelines on Third
6 Generation Incentive Regulation Mechanism (IRM) Adjustment.

7
8 Remotes has used the Implicit Price Index for Gross Domestic Product (GDP-IPI) from
9 2010 as the price cap. Consistent with the Board's Decision in setting Remotes' 2011
10 rates (EB-2010-0092) Remotes has included an X-factor productivity adjustment of
11 0.72% and a stretch factor of 0.2%.

12
13 The starting point for all customer rates in this application is the 2010 rates approved by
14 the Board in Proceeding EB-2010-0092.

15
16 The GDP-IPI was applied equally to all customer classes and to all consumption
17 thresholds.

18
19 Because Remotes is an integrated utility, Remotes' rates include charges for both
20 generation and distribution services. Therefore, the GDP-IPI was applied to both types of
21 services.

22
23 The Board did not approve a provision for Payments in Lieu of Taxes in EB-2008-0232.
24 Therefore, Remotes does not propose to implement a Shared Tax Saving Rate rider.

25

1 **2.0 BILL IMPACT ANALYSIS**

2

3 As required by the OEB 2010 Third Generation IRM guidelines, Remotes is including the
4 bill impact calculations of applying the GDP-IPI for customer classes at various levels of
5 consumption, net of the Debt Retirement Charge and/or sales taxes.

6

7 The impacts are shown in Exhibit B, Tab 2, Schedule 2.

8

9 The impacts of all the proposed rate changes for each customer class based on average
10 consumption do not exceed 10% on total bill and therefore no bill impact mitigation is
11 required, as per Board guidelines.

12

13 **3.0 RATE SCHEDULES**

14

15 The current and proposed rate schedules are included in Exhibit C2, Tabs 1 and 2.

16

17 Miscellaneous Charges Rate Schedules are unchanged from the approved 2009 charges in
18 Proceeding EB-2005-0497 and are included with the proposed Rate Schedules in
19 Exhibit C2.



Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

LDC Information

Applicant Name	Hydro One Remote Communities Inc.
Application Type	IRM3
OEB Application Number	EB-2011-0175
Tariff Effective Date	May 1, 2012
LDC Licence Number	ED-2003-0037
Notice Publication Language	English/French/Cree
DRC Rate	0.00700
Customer Bills	12 per year
Distribution Demand Bill Determinant	kW
Contact Information	
Name:	Pasquale Catalano
Title:	Regulatory Coordinator
Phone Number:	416-345-5405
E-Mail Address:	regulatory@HydroOne.com



Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

Table of Contents

Sheet Name	Purpose of Sheet
A1.1 LDC Information	Enter LDC Data
A2.1 Table of Contents	Table of Contents
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C4.1 Curr Rates & Chgs General	Enter Current Tariff Sheet Rates - General Rate Classes
F1.2 Price Cap Adjustment	Price Cap Adjustment
G1.1 Aft PrcCp Base Dst Rts Gen	Base Distribution Rates after Price Cap Adjustment - General Rate Class
M4.1 microFIT Generator	#N/A
N1.1 Appl For Mthly R&C General	Monthly Rates and Charges - General Rate Classes
P2.1 Curr&Appl For Spc Srv Chg	Enter Specific Service Charges from Current Tariff Sheets



Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

Current and Applied For Rate Classes General

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Year-Round Residential – R2	Customer - 12 per year	kWh
RES	Seasonal Residential – R4	Customer - 12 per year	kWh
GSLT50	General Service Single Phase – G1	Customer - 12 per year	kWh
GSLT50	General Service Three Phase – G3	Customer - 12 per year	kWh
SL	Street Lighting	Connection - 12 per year	kWh
RES	Standard A Residential Road/Rail	Customer - 12 per year	kWh
RES	Standard A Residential Air Access	Customer - 12 per year	kWh
GSLT50	Standard A General Service Road/Rail	Customer - 12 per year	kWh
GSLT50	Standard A General Service Air Access	Customer - 12 per year	kWh



Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

Current Rates and Charges General

Rate Class

Year-Round Residential – R2

Rate Description	Metric	Rate
Service Charge	\$	17.31
Energy Charge First 1,000 kWh	\$/kWh	0.0815
Energy Charge Next 1,500 kWh	\$/kWh	0.1086
Energy Charge All Additional kWh	\$/kWh	0.1637
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Seasonal Residential – R4

Rate Description	Metric	Rate
Service Charge	\$	29.24
Energy Charge First 1,000 kWh	\$/kWh	0.0815
Energy Charge Next 1,500 kWh	\$/kWh	0.1086
Energy Charge All Additional kWh	\$/kWh	0.1637
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

General Service Single Phase – G1

Rate Description	Metric	Rate
Service Charge	\$	29.40
Energy Charge First 6,000 kWh	\$/kWh	0.0912
Energy Charge Next 7,000 kWh	\$/kWh	0.1211
Energy Charge All Additional kWh	\$/kWh	0.1637
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

General Service Three Phase – G3

Rate Description	Metric	Rate
Service Charge	\$	36.82
Energy Charge First 15,000 kWh	\$/kWh	0.0912
Energy Charge Next 15,000 kWh	\$/kWh	0.1211
Energy Charge All Additional kWh	\$/kWh	0.1637
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	0.00
Energy Charge	\$/kWh	0.0904
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Standard A Residential Road/Rail

Rate Description	Metric	Rate
Service Charge	\$	0.00
Energy Charge First 250 kWh	\$/kWh	0.5360
Energy Charge All Additional kWh	\$/kWh	0.6124
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Standard A Residential Air Access

Rate Description	Metric	Rate
Service Charge	\$	0.00
Energy Charge First 250 kWh	\$/kWh	0.8091
Energy Charge All Additional kWh	\$/kWh	0.8855
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Standard A General Service Road/Rail

Rate Description	Metric	Rate
Service Charge	\$	0.00
Energy Charge	\$/kWh	0.6124
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Rate Class

Standard A General Service Air Access

Rate Description	Metric	Rate
Service Charge	\$	0.00
Energy Charge	\$/kWh	0.8855
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0000
Rural Rate Protection Charge	\$/kWh	0.0000
Standard Supply Service – Administrative Charge (if applicable)	\$	0.00

Name of LDC: Hydro One Remote Communities Inc.
 File Number: EB-2011-0175
 Effective Date: Tuesday, May 01, 2012

Price Cap Adjustment

Price Cap Adjustment	Price Cap Adjustment		
Metric Applied To	All Customers		
Method of Application	Both Uniform%		
Uniform Service Charge Percent	0.380%	Uniform Volumetric Charge Percent	0.380% kWh 0.380% kW

Monthly Service Charge

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Year-Round Residential – R2	Customer - 12 per year	17.310000	Yes	0.380%	0.065778
Seasonal Residential – R4	Customer - 12 per year	29.240000	Yes	0.380%	0.111112
General Service Single Phase – G1	Customer - 12 per year	29.400000	Yes	0.380%	0.111720
General Service Three Phase – G3	Customer - 12 per year	36.820000	Yes	0.380%	0.139916
Street Lighting	Connection - 12 per year	0.000000	Yes	0.380%	0.000000
Standard A Residential Road/Rail	Customer - 12 per year	0.000000	Yes	0.380%	0.000000
Standard A Residential Air Access	Customer - 12 per year	0.000000	Yes	0.380%	0.000000
Standard A General Service Road/Rail	Customer - 12 per year	0.000000	Yes	0.380%	0.000000
Standard A General Service Air Access	Customer - 12 per year	0.000000	Yes	0.380%	0.000000

Volumetric Distribution Charge 1

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Year-Round Residential – R2	kWh	0.081500	Yes	0.380%	0.000310
Seasonal Residential – R4	kWh	0.081500	Yes	0.380%	0.000310
General Service Single Phase – G1	kWh	0.091200	Yes	0.380%	0.000347
General Service Three Phase – G3	kWh	0.091200	Yes	0.380%	0.000347
Street Lighting	kWh	0.090400	Yes	0.380%	0.000344
Standard A Residential Road/Rail	kWh	0.536000	Yes	0.380%	0.002037
Standard A Residential Air Access	kWh	0.809100	Yes	0.380%	0.003075
Standard A General Service Road/Rail	kWh	0.612400	Yes	0.380%	0.002327
Standard A General Service Air Access	kWh	0.885500	Yes	0.380%	0.003365

Volumetric Distribution Charge 2

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Year-Round Residential – R2	kWh	0.108600	Yes	0.380%	0.000413
Seasonal Residential – R4	kWh	0.108600	Yes	0.380%	0.000413
General Service Single Phase – G1	kWh	0.121100	Yes	0.380%	0.000460
General Service Three Phase – G3	kWh	0.121100	Yes	0.380%	0.000460
Street Lighting	kWh	0.000000	Yes	0.380%	0.000000
Standard A Residential Road/Rail	kWh	0.612400	Yes	0.380%	0.002327
Standard A Residential Air Access	kWh	0.885500	Yes	0.380%	0.003365
Standard A General Service Road/Rail	kWh	0.000000	Yes	0.380%	0.000000
Standard A General Service Air Access	kWh	0.000000	Yes	0.380%	0.000000

Volumetric Distribution Charge 3

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Year-Round Residential – R2	kWh	0.163700	Yes	0.380%	0.000622
Seasonal Residential – R4	kWh	0.163700	Yes	0.380%	0.000622
General Service Single Phase – G1	kWh	0.163700	Yes	0.380%	0.000622
General Service Three Phase – G3	kWh	0.163700	Yes	0.380%	0.000622
Street Lighting	kWh	0.000000	Yes	0.380%	0.000000
Standard A Residential Road/Rail	kWh	0.000000	Yes	0.380%	0.000000
Standard A Residential Air Access	kWh	0.000000	Yes	0.380%	0.000000
Standard A General Service Road/Rail	kWh	0.000000	Yes	0.380%	0.000000
Standard A General Service Air Access	kWh	0.000000	Yes	0.380%	0.000000

Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

After Price Cap Base Distribution Rates General

Monthly Service Charge

Class	Metric	Base Rate	Price Cap Adjustment	After Price Cape Base
Year-Round Residential – R2	Customer - 12 per year	17.310000	0.065778	17.375778
Seasonal Residential – R4	Customer - 12 per year	29.240000	0.111112	29.351112
General Service Single Phase – G1	Customer - 12 per year	29.400000	0.111720	29.511720
General Service Three Phase – G3	Customer - 12 per year	36.820000	0.139916	36.959916
Street Lighting	Connection - 12 per year	0.000000	0.000000	0.000000
Standard A Residential Road/Rail	Customer - 12 per year	0.000000	0.000000	0.000000
Standard A Residential Air Access	Customer - 12 per year	0.000000	0.000000	0.000000
Standard A General Service Road/Rail	Customer - 12 per year	0.000000	0.000000	0.000000
Standard A General Service Air Access	Customer - 12 per year	0.000000	0.000000	0.000000

Volumetric Distribution Charge1

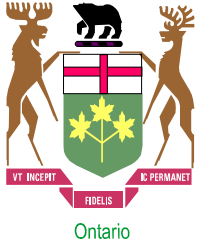
Class	Metric	Base Rate	Price Cap Adjustment	After Price Cape Base
Year-Round Residential – R2	kWh	0.081500	0.000310	0.081810
Seasonal Residential – R4	kWh	0.081500	0.000310	0.081810
General Service Single Phase – G1	kWh	0.091200	0.000347	0.091547
General Service Three Phase – G3	kWh	0.091200	0.000347	0.091547
Street Lighting	kWh	0.090400	0.000344	0.090744
Standard A Residential Road/Rail	kWh	0.536000	0.002037	0.538037
Standard A Residential Air Access	kWh	0.809100	0.003075	0.812175
Standard A General Service Road/Rail	kWh	0.612400	0.002327	0.614727
Standard A General Service Air Access	kWh	0.885500	0.003365	0.888865

Volumetric Distribution Charge2

Class	Metric	Base Rate	Price Cap Adjustment	After Price Cape Base
Year-Round Residential – R2	kWh	0.108600	0.000413	0.109013
Seasonal Residential – R4	kWh	0.108600	0.000413	0.109013
General Service Single Phase – G1	kWh	0.121100	0.000460	0.121560
General Service Three Phase – G3	kWh	0.121100	0.000460	0.121560
Street Lighting	kWh	0.000000	0.000000	0.000000
Standard A Residential Road/Rail	kWh	0.612400	0.002327	0.614727
Standard A Residential Air Access	kWh	0.885500	0.003365	0.888865
Standard A General Service Road/Rail	kWh	0.000000	0.000000	0.000000
Standard A General Service Air Access	kWh	0.000000	0.000000	0.000000

Volumetric Distribution Charge3

Class	Metric	Base Rate	Price Cap Adjustment	After Price Cape Base
Year-Round Residential – R2	kWh	0.163700	0.000622	0.164322
Seasonal Residential – R4	kWh	0.163700	0.000622	0.164322
General Service Single Phase – G1	kWh	0.163700	0.000622	0.164322
General Service Three Phase – G3	kWh	0.163700	0.000622	0.164322
Street Lighting	kWh	0.000000	0.000000	0.000000
Standard A Residential Road/Rail	kWh	0.000000	0.000000	0.000000
Standard A Residential Air Access	kWh	0.000000	0.000000	0.000000
Standard A General Service Road/Rail	kWh	0.000000	0.000000	0.000000
Standard A General Service Air Access	kWh	0.000000	0.000000	0.000000



Name of LDC:
File Number:
Effective Date:
Version : 2.0

microFIT Generator

Rate Class

microFIT Generator

Rate Description	Fixed Metric	Rate
Service Charge	\$	5.25



Name of LDC: Hydro One Remote Communities Inc.
File Number: EB-2011-0175
Effective Date: Tuesday, May 01, 2012

Applied For Monthly Rates and Charges General

Rate Class

Year-Round Residential – R2

Rate Description	Metric	Rate
Service Charge	\$	17.38
Distribution Volumetric Rate	\$/kWh	0.0818
Energy Charge Next 1,500 kWh	\$/kWh	0.1090
Energy Charge All Additional kWh	\$/kWh	0.1643

Rate Class

Seasonal Residential – R4

Rate Description	Metric	Rate
Service Charge	\$	29.35
Distribution Volumetric Rate	\$/kWh	0.0818
Energy Charge Next 1,500 kWh	\$/kWh	0.1090
Energy Charge All Additional kWh	\$/kWh	0.1643

Rate Class

General Service Single Phase – G1

Rate Description	Metric	Rate
Service Charge	\$	29.51
Distribution Volumetric Rate	\$/kWh	0.0915
Energy Charge Next 7,000 kWh	\$/kWh	0.1216
Energy Charge All Additional kWh	\$/kWh	0.1643

Rate Class

General Service Three Phase – G3

Rate Description	Metric	Rate
Service Charge	\$	36.96
Distribution Volumetric Rate	\$/kWh	0.0915
Energy Charge Next 15,000 kWh	\$/kWh	0.1216
Energy Charge All Additional kWh	\$/kWh	0.1643

Rate Class

Street Lighting

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kWh	0.0907

Rate Class

Standard A Residential Road/Rail

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kWh	0.5380
Energy Charge All Additional kWh	\$/kWh	0.6147

Rate Class

Standard A Residential Air Access

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kWh	0.8122
Energy Charge All Additional kWh	\$/kWh	0.8889

Rate Class

Standard A General Service Road/Rail

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kWh	0.6147

Rate Class

Standard A General Service Air Access

Rate Description	Metric	Rate
Distribution Volumetric Rate	\$/kWh	0.8889

Customer Bill Impacts¹

Residential - Year Round - Non Std. 'A'				
Monthly kWh	Total Bill (Current Rates)	Total Bill	Percentage Increase	
-	\$ 17.31	\$ 17.38	0.40%	
100	\$ 25.46	\$ 25.56	0.40%	
250	\$ 37.69	\$ 37.83	0.39%	
500	\$ 58.06	\$ 58.28	0.39%	
750	\$ 78.44	\$ 78.74	0.39%	
1,000	\$ 98.81	\$ 99.19	0.38%	
1,500	\$ 153.11	\$ 153.70	0.38%	
2,000	\$ 207.41	\$ 208.20	0.38%	
2,500	\$ 261.71	\$ 262.71	0.38%	
3,000	\$ 343.56	\$ 344.87	0.38%	

Residential - Seasonal				
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase	
-	\$ 29.24	\$ 29.35	0.38%	
100	\$ 37.39	\$ 37.53	0.38%	
250	\$ 49.62	\$ 49.80	0.38%	
500	\$ 69.99	\$ 70.26	0.38%	
750	\$ 90.37	\$ 90.71	0.38%	
1,000	\$ 110.74	\$ 111.16	0.38%	
1,500	\$ 165.04	\$ 165.66	0.37%	
2,000	\$ 219.34	\$ 220.16	0.37%	
2,500	\$ 273.64	\$ 274.66	0.37%	
3,000	\$ 355.49	\$ 356.82	0.37%	
3,500	\$ 437.34	\$ 438.98	0.37%	

¹ The price cap adjustment mechanism was applied to all rates. However, due to rounding the customer bill impacts may vary slightly from the unrounded amounts.

Filed: November 25, 2011

EB-2011-0175

Exhibit B

Tab 2

Schedule 2

Page 2 of 4

General Service 1-Phase - Non Std. 'A'				
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase	
0	\$ 29.40	\$ 29.51	0.38%	
1,000	\$ 120.60	\$ 121.01	0.34%	
2,000	\$ 211.80	\$ 212.51	0.34%	
6,000	\$ 576.60	\$ 578.51	0.33%	
10,000	\$ 1,061.00	\$ 1,064.91	0.37%	
13,000	\$ 1,424.30	\$ 1,429.71	0.38%	
20,000	\$ 2,570.20	\$ 2,579.97	0.38%	

General Service 3-Phase - Non Std. 'A'				
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase	
0	\$ 36.82	\$ 36.96	0.38%	
2,000	\$ 219.22	\$ 219.96	0.34%	
6,000	\$ 584.02	\$ 585.96	0.33%	
25,000	\$ 2,316.82	\$ 2,324.46	0.33%	
30,000	\$ 2,922.32	\$ 2,932.46	0.35%	
40,000	\$ 4,133.32	\$ 4,148.46	0.37%	
45,000	4,951.82	4,970.07	0.37%	

Street Lighting			
Existing Rates	Proposed Rates	Percentage Increase	
All Monthly kWh	All Monthly kWh		
0.0904	0.0907		0.33%

Residential - Road Access - Std. 'A'			
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase
0	\$ -	\$ -	
100	\$ 53.60	\$ 53.80	0.38%
250	\$ 134.00	\$ 134.51	0.38%
500	\$ 287.10	\$ 288.19	0.38%
750	\$ 440.20	\$ 441.87	0.38%
1,000	\$ 593.30	\$ 595.55	0.38%
1,500	\$ 899.50	\$ 902.92	0.38%
2,000	\$ 1,205.70	\$ 1,210.28	0.38%
2,500	\$ 1,511.90	\$ 1,517.65	0.38%
2,750	\$ 1,665.00	\$ 1,671.33	0.38%
3,000	\$ 1,818.10	\$ 1,825.01	0.38%

Residential - Air Access - Std. 'A'			
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase
0	\$ -	\$ -	
100	\$ 80.91	\$ 81.22	0.38%
250	\$ 202.28	\$ 203.05	0.38%
500	\$ 423.65	\$ 425.27	0.38%
750	\$ 645.03	\$ 647.48	0.38%
1,000	\$ 866.40	\$ 869.70	0.38%
1,500	\$ 1,309.15	\$ 1,314.13	0.38%
2,000	\$ 1,751.90	\$ 1,758.56	0.38%
2,500	\$ 2,194.65	\$ 2,203.00	0.38%
2,750	\$ 2,416.03	\$ 2,425.21	0.38%
3,000	\$ 2,637.40	\$ 2,647.43	0.38%

Filed: November 25, 2011

EB-2011-0175

Exhibit B

Tab 2

Schedule 2

Page 4 of 4

General Service - Road Rail - Std A			
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase
0	\$ -	\$ -	
1,000	\$ 612.40	\$ 614.73	0.38%
3,500	\$ 2,143.40	\$ 2,151.54	0.38%
6,000	\$ 3,674.40	\$ 3,688.36	0.38%
10,000	\$ 6,124.00	\$ 6,147.27	0.38%
13,000	\$ 7,961.20	\$ 7,991.45	0.38%
17,500	\$10,717.00	\$ 10,757.72	0.38%
20,000	\$12,248.00	\$ 12,294.54	0.38%
25,000	\$15,310.00	\$ 15,368.18	0.38%

General Service - Air Access - Std. 'A'			
Monthly kWh	Total Bill (Existing Rates)	Total Bill	Percentage Increase
0	\$ -	\$ -	
1,000	\$ 885.50	\$ 888.86	0.38%
2,000	\$ 1,771.00	\$ 1,777.73	0.38%
6,000	\$ 5,313.00	\$ 5,333.19	0.38%
10,000	\$ 8,855.00	\$ 8,888.65	0.38%
13,000	\$ 11,511.50	\$ 11,555.24	0.38%
17,500	\$ 15,496.25	\$ 15,555.14	0.38%
20,000	\$ 17,710.00	\$ 17,777.30	0.38%
25,000	\$ 22,137.50	\$ 22,221.62	0.38%

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

NON STANDARD A YEAR ROUND RESIDENTIAL SERVICE CLASSIFICATION – R2

This classification refers to a residential service that is the principal residence of the customer. This classification may include additional buildings served through the same meter, provided they are not rental income units. To be classed as year round residential, all of the following criteria must be met:

- Occupants must state that this is their principal residence for purposes of the Income Tax Act;
- The occupant must live in this residence for at least 8 months of the year;
- The address of this residence must appear on the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.;
- Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Service Charge	\$	17.31
Electricity Rate - First 1,000 kWh	\$/kWh	0.0815
Electricity Rate - Next 1,500 kWh	\$/kWh	0.1086
Electricity Rate - All Additional kWh	\$/kWh	0.1637

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

NON STANDARD A SEASONAL RESIDENTIAL SERVICE CLASSIFICATION – R4

This classification is comprised of any residential service not meeting the year-round residential criteria. As such, the seasonal residential class includes cottages, chalets, and camps. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Service Charge	\$	29.24
Electricity Rate - First 1,000 kWh	\$/kWh	0.0815
Electricity Rate - Next 1,500 kWh	\$/kWh	0.1086
Electricity Rate - All Additional kWh	\$/kWh	0.1637

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

NON STANDARD A GENERAL SERVICE SINGLE PHASE SERVICE CLASSIFICATION – G1

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Single Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Service Charge	\$	29.40
Electricity Rate - First 6,000 kWh	\$/kWh	0.0912
Electricity Rate - Next 7,000 kWh	\$/kWh	0.1211
Electricity Rate - All Additional kWh	\$/kWh	0.1637

**Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011**

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

EB-2010-0092

NON STANDARD A GENERAL SERVICE THREE PHASE SERVICE CLASSIFICATION – G3

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. This classification is applicable to General Service Three Phase customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Service Charge	\$	36.82
Electricity Rate - First 25,000 kWh	\$/kWh	0.0912
Electricity Rate - Next 15,000 kWh	\$/kWh	0.1211
Electricity Rate - All Additional kWh	\$/kWh	0.1637

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

STREET LIGHTING SERVICE CLASSIFICATION

The energy consumption for street lights is estimated based on Remote's profile for street lighting load, which provides the amount of time each month that the street lights are operating. Streetlight charges include:

- An energy charge based on installed load, at a rate approved annually (Dollars per kWh x # of fixtures x billing);
- A pole rental charge approved annually, when the light is attached to a Remotes pole.

Remotes must approve the location of new lighting installations on its poles and the streetlight owner must enter into an agreement to use such poles. Remotes will make the electrical service connection of all streetlights to the distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Electricity Rate	\$/kWh	0.0904
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Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

STANDARD A RESIDENTIAL ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue. Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to residential customers in communities that are accessible by a year-round road or by rail.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Electricity Rate - First 250 kWh	\$/kWh	0.5360
Electricity Rate - All additional kWh	\$/kWh	0.6124

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

STANDARD A RESIDENTIAL AIR ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue. Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to residential customers in communities that are not accessible by a year-round road or by rail.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Electricity Rate - First 250 kWh	\$/kWh	0.8091
Electricity Rate - All additional kWh	\$/kWh	0.8855

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

STANDARD A GENERAL SERVICE ROAD/RAIL ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue. Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are accessible by a year-round road or by rail.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Electricity Rate	\$/kWh	0.6124
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Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

STANDARD A GENERAL SERVICE AIR ACCESS SERVICE CLASSIFICATION

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue. Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada. Further servicing details are available in the distributor's Conditions of Service.

This classification is applicable to all non-residential Standard A customers in communities that are not accessible by a year-round road or by rail.

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES

Electricity Rate	\$/kWh	0.8855
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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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

EB-2010-0092

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0092

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

Arrears Certificate	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection/Disconnection/Load Limiter/Reconnection – if in Community	\$	65.00

1 **Hydro One Remote Communities Inc.**
2 **TARIFF OF RATES AND CHARGES**
3 **Effective May 1, 2012**
4

5 **This schedule supersedes and replaces all previously**
6 **approved schedules of Rates and Charges**
7

8 **APPLICATION**
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10 - The application of these rates and charges shall be in accordance with the Licence of the Distributor and
11 any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which
12 may be applicable to the administration of this schedule.
13 - No rates and charges for the generation, transmission and/or distribution of electricity and charges to meet
14 the costs of any work or service done or furnished for the purpose of the generation, transmission and/or
15 distribution of electricity shall be made except as permitted by this schedule, unless required by the
16 Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by
17 the Board, or as specified herein.
18

19 **Effective Dates**
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21 **RATES – May 1, 2012 for all consumption or deemed consumption service used on or after that date**
22

23 **MISCELLANEOUS CHARGES – May 1, 2012 for all charges billed to customers on or after that date**
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25 **SERVICE CLASSIFICATIONS**
26

27 **Non Standard A Residential**
28 **Year-Round Residential - R2**

29 This classification refers to a residential service that is the principal residence of the customer. This
30 classification may include additional buildings served through the same meter, provided they are not rental
31 income units. To be classed as year round residential, all of the following criteria must be met:
32

- 33 • Occupants must state that this is their principal residence for purposes of the Income Tax Act;
- 34 • The occupant must live in this residence for at least 8 months of the year;
- 35 • The address of this residence must appear on the occupant's electric bill, driver's licence, credit
36 card invoice, property tax bill, etc.;
- 37 • Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this
38 purpose at the address of this residence.
39

40 **Seasonal Residential – R4**
41

42 This classification is comprised of any residential service not meeting the year-round residential criteria. As
43 such, the seasonal residential class includes cottages, chalets, and camps.
44

45 **Non Standard A General Service**
46

47 This classification is applicable to any service that does not fit the description of the year-round residential or
48 seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary
49 services. It includes combination of services where a variety of uses are made of the service by the owner of
50 one property, and all multiple services except residential.
51

52 **General Service Single Phase – G1**
53

54 This classification is applicable to General Service Single Phase customers.
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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective May 1, 2012

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

General Service Three Phase – G3

This classification is applicable to General Service Three Phase customers.

General Service over 50 kW

Customers estimated to have an average monthly peak load over 50 kW shall be metered on monthly kW as well as kWh.

Unmetered Scattered Load

This classification applies where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Remotes reserves the right to review all cases and may request a meter be installed at its sole discretion. All unmetered connections fall under the General Service or Lights rate classifications.

Street Lighting

The energy consumption for street lights is estimated based on Remote's profile for street lighting load, which provides the amount of time each month that the street lights are operating. Streetlight charges include:

- An energy charge based on installed load, at a rate approved annually (Dollars per kWh x # of fixtures x billing);
- A pole rental charge approved annually, when the light is attached to a Remotes pole.

Remotes must approve the location of new lighting installations on its poles and the streetlight owner must enter into an agreement to use such poles. Remotes will make the electrical service connection of all streetlights to the distribution system.

Standard A Service

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue.

Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time. To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada.

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2012

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

microFIT Generator Service Classification

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to a Hydro One Remote Community distribution system.

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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective May 1, 2012

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

Standard A Residential Road/Rail

This classification is applicable to residential customers in communities that are accessible by a year-round road or by rail.

Standard A Residential Air Access

This classification is applicable to residential customers in communities that are not accessible by a year-round road or by rail.

Standard A General Service Road/Rail

This classification is applicable to all non-residential Standard A customers in communities that are accessible by a year-round road or by rail.

Standard A General Service Air Access

This classification is applicable to all non-residential Standard A customers in communities that are not accessible by a year-round road or by rail.

MONTHLY RATES AND CHARGES

Year-Round Residential – R2

Service Charge	\$	17.38
Energy Charge First 1,000 kWh	\$/kWh	0.0818
Energy Charge Next 1,500 kWh	\$/kWh	0.1090
Energy Charge All Additional kWh	\$/kWh	0.1643

Seasonal Residential – R4

Service Charge	\$	29.35
Energy Charge First 1,000 kWh	\$/kWh	0.0818
Energy Charge Next 1,500 kWh	\$/kWh	0.1090
Energy Charge All Additional kWh	\$/kWh	0.1643

General Service Single Phase – G1

Service Charge	\$	29.51
Energy Charge First 6,000 kWh	\$/kWh	0.0915
Energy Charge Next 7,000 kWh	\$/kWh	0.1216
Energy Charge All Additional kWh	\$/kWh	0.1643

General Service Three Phase – G3

Service Charge	\$	36.96
Energy Charge First 25,000 kWh	\$/kWh	0.0915
Energy Charge Next 15,000 kWh	\$/kWh	0.1216
Energy Charge All Additional kWh	\$/kWh	0.1643

Street Lighting

Energy Charge	\$/kWh	0.0907
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Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2012

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

Standard A Residential Road/Rail

Energy Charge First 250 kWh	\$/kWh	0.5380
Energy Charge All additional kWh	\$/kWh	0.6147

Standard A Residential Air Access

Energy Charge First 250 kWh	\$/kWh	0.8122
Energy Charge All additional kWh	\$/kWh	0.8889

Standard A General Service Road/Rail

Energy Charge	\$/kWh	0.6147
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Standard A General Service Air Access

Energy Charge	\$/kWh	0.8889
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microFIT Generator Service Classification

\$	5.25
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Hydro One Remote Communities Inc.
TARIFF OF RATES AND CHARGES
Effective May 1, 2012

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

Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection/Disconnection/Load Limiter/Reconnection – if in Community	\$	65.00