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**Frank D'Andrea**  
Vice President, Regulatory Affairs & Chief Risk Officer

BY COURIER

May 29, 2019

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

Dear Ms. Walli:

### **EB-2018-0130 - Hydro One Networks' 2019 Transmission Revenue Requirement**

In accordance with the Ontario Energy Board's (the "**OEB**") decision (the "**Decision**") on the 2019 transmission revenue requirements for Hydro One Networks Inc. ("**Hydro One**") in the above-noted proceeding, please find below Hydro One's response to OEB Staff's submission<sup>1</sup> regarding Hydro One's draft orders and schedules.<sup>2</sup> Hydro One has accordingly updated and attached the orders and schedules listed in the Supporting Material section below.

Only OEB Staff filed a submission related to Hydro One's draft revenue requirement/charge determinant order, draft UTR order and supporting schedules. OEB Staff agreed with Hydro One's approach to annualize and refund the regulatory account balance. Further, OEB Staff submitted that Hydro One's revenue requirement including the annualized forgone revenue and the calculation of UTRs are appropriate.

Hydro One has updated the Bill 2 Adjustment amount to \$1.095 million as submitted by OEB Staff.<sup>3</sup> The OEB's proposed 2019 rates revenue requirement<sup>4</sup> has been updated to \$1,568.8 million<sup>5</sup> reflecting the corrected Bill 2 adjustment,<sup>6</sup> the annualized Regulatory Account Balance credit<sup>7</sup> and the annualized Foregone Revenue.

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<sup>1</sup> OEB Staff submission, May 24, 2019:

<sup>2</sup> Hydro One Draft Order, May 9<sup>th</sup>, 2019.

<sup>3</sup> OEB Staff submission, May 24, 2019, p 3.

<sup>4</sup> EB-2018-0130 Decision, April 25, 2019, p 17.

<sup>5</sup> Exhibit 6.0 2019 Revenue Requirement by Rate Pool (Including Annualized Regulatory Asset Balance and Foregone Revenue)

<sup>6</sup> OEB Staff submission, May 24<sup>th</sup>, 2019, p 3.

<sup>7</sup> EB-2018-0130 Hydro One Implementation of Decision Memo Section 4.1, May 9<sup>th</sup>, 2019, p 3.

Hydro One has updated Table 2,<sup>8</sup> describing the derivation of the annualized Foregone Revenue as a result OEB Staff’s submission regarding the Bill 2 Adjustment.

**Table 2: Derivation of Annualized Foregone Revenue**

<b>Rate Pool</b>	<b>Total Annual Charge Determinants (A)<sup>9</sup></b>	<b>Total Charge Determinants for Jul-Dec (B)<sup>10</sup></b>	<b>Foregone Revenue for May and June 2019 (C)<sup>11</sup></b>	<b>Annualized Foregone Revenue (D=A/B*C)</b>
<b>Network</b>	249,176	125,698	\$3,781,315	\$7,495,863
<b>Line Connection</b>	240,481	122,225	\$421,174	\$828,668
<b>Transformation Connection</b>	203,768	103,138	\$1,395,483	\$2,757,020
			<b>\$5,597,971</b>	<b>\$11,081,551</b>

The 2019 UTRs in \$/kW-Month remain unchanged and are \$3.83 for Network, \$0.96 for Line Connection and \$2.30 for Transformation Connection.<sup>12</sup> The calculation of the 2019 UTRs, wholesale meter rates, low voltage switchgear credit, charge determinants, revenue disbursement allocators, foregone revenue calculation, and bill impacts resulting from the OEB’s findings are detailed in Exhibits 1.0 to 8.0. The revenue requirement and charge determinants used for other Ontario transmitters in calculating the 2019 UTRs reflect their current OEB-approved values as shown in Exhibits 4.0 and 7.0.

OEB staff submitted that the wording in the OPEB accounting order should be consistent with the OPEB accounting order provided in Hydro One’s distribution rates proceeding (EB-2017-0049).<sup>13</sup> Hydro One has updated the OPEB accounting order to be consistent with the order in EB-2017-0049.

By copy of this letter, we are notifying all intervenors, OEB staff and other Ontario transmitters of this filing. If you have any questions regarding this submission, please contact Linda Gibbons at (416) 345-4373.

<sup>8</sup> EB-2018-0130 Hydro One Implementation of Decision Memo Section 4.1, May 9<sup>th</sup>, 2019, p 6.

<sup>9</sup> Exhibit 5.0 2019 Foregone Revenue Calculations Table 1.

<sup>10</sup> *Ibid* Table 3.

<sup>11</sup> *Ibid* Table 8.

<sup>12</sup> Exhibit 7.0 Final Uniform Transmission Rates and Revenue Disbursement Allocators (Including Foregone Revenue)

<sup>13</sup> OEB Staff submission, May 24, 2019, p 5.



Sincerely,

ORIGINAL SIGNED BY FRANK D'ANDREA

Frank D' Andrea

Encls.

cc. EB-2018-0130 parties (electronic)

### Supporting Material

The detailed information supporting the determination of the revenue requirement and charge determinants are provided in the attached Exhibits:

<b>EXHIBIT</b>	<b>TITLE</b>
<b>1.0</b>	Approved 2019 Revenue Requirement
<b>2.0</b>	2019 Rates Revenue Requirement by Rate Pool (Including Annualized Regulatory Account Balance)
<b>3.0</b>	2019 Hydro One Networks Inc Charge Determinants
<b>4.0</b>	2019 UTRs and Revenue Disbursement Allocators (Excluding Foregone Revenue)
<b>5.0</b>	2019 Foregone Revenue Calculations
<b>6.0</b>	2019 Rates Revenue Requirement by Rate Pool (Including Annualized Regulatory Asset Balance and Foregone Revenue)
<b>7.0</b>	Final 2019 UTRs and Revenue Disbursement Allocators (Including Foregone Revenue)
<b>7.1</b>	2019 Ontario Uniform Transmission Rates Schedules
<b>8.0</b>	2019 Bill Impacts (Excluding Foregone Revenue)
<b>9.0</b>	2019 Wholesale Meter Service and Exit Fee Schedule
<b>10.0</b>	Accounting Order
<b>10.1</b>	Accounting Order for OPEB Cost Deferral Account

**Hydro One Networks Inc.**  
**Approved 2019 Revenue Requirement**

	<b>2018 Amounts</b>	<b>Adjustments for 2019</b>	<b>2019 Amounts</b>
Total Approved Revenue Requirement (excluding Bill 2 adjustments)	\$1,623,777,363		
Bill 2 Adjustments <sup>(1)</sup>	-\$1,095,400		
Total Revenue Requirement (including Bill 2 adjustments) <sup>(2)</sup>	\$1,622,681,963		\$1,644,435,940
Deduct: External Revenue	-\$28,500,000	Same as approved 2018 amount	-\$28,500,000
Deduct: WMS Revenue	-\$276,500	Same as approved 2018 amount	-\$276,500
Deduct: Export Tx Service Revenue	-\$40,050,000	Same as approved 2018 amount	-\$40,050,000
<b>Base Revenue Requirement</b>	<b>\$1,553,855,463</b>	<b>1.4%</b>	<b>\$1,575,609,440</b>
Deduct: Regulatory Assets Credit	-\$47,800,000	Per OEB Decision	-\$37,628,098
Add: Foregone Revenue	-\$10,571,073	Not Applicable	\$0
Add: LVSG Credit	\$14,129,893	1.4%	\$14,327,712
<b>Rates Revenue Requirement</b>	<b>\$1,509,614,284</b>		<b>\$1,552,309,054</b>

<sup>(1)</sup> Refer to Implementation Memo for further details

<sup>(2)</sup> Total 2019 Revenue Requirement is determined based on approved 2019 Base Revenue Requirement plus approved 2018 External Revenue, WMS Revenue, and Export TX Service Revenue.

## Hydro One Networks Inc.

### 2019 Rates Revenue Requirement by Rate Pool (Including Annualized Regulatory Account Balance)

	<i>Note</i>	Network	Line Connection	Transformation Connection	Uniform Transmission Rates
2018 DRO Total Revenue Requirement	<i>1</i>	950,018,214	226,899,068	446,860,081	1,623,777,363
Percentage Split by Rate pool		59%	14%	28%	100%
<b>2019 Total Revenue Requirement</b>	<i>2</i>	962,104,861	229,785,801	452,545,277	1,644,435,940
Less External Revenues		(16,674,404)	(3,982,457)	(7,843,139)	(28,500,000)
Less WMS Revenue				(276,500)	(276,500)
Less Export Revenues		(40,050,000)			(40,050,000)
<b>Base Revenue Requirement</b>		905,380,458	225,803,344	444,425,638	1,575,609,440
Less Regulatory Asset Balance	<i>3,4</i>	(20,987,789)	(3,761,402)	(7,420,934)	(32,170,125)
Plus LVSG Credit	<i>5</i>			14,327,712	14,327,712
<b>Total Rates Revenue Requirement</b>		<b>884,392,668</b>	<b>222,041,942</b>	<b>451,332,416</b>	<b>1,557,767,027</b>

*Note 1: Per 2018 Hydro One Revenue Requirement Draft Rate Order Exhibit 2.0, filed Dec 4, 2017*

*Note 2: Use the OEB-approved 2018 split of total revenue requirement by rate pool to allocate the 2019 total revenue requirement among the three transmission rate pool.*

*Note 3: As explained in the Implementation Memo, -\$32.2M is the annualized equivalent of -\$21.7M to be refunded through UTRs between May and December 2019.*

*Note 4: Use the same methodology as in 2018 Hydro One Revenue Requirement Draft Rate Order Exhibit 2.0, filed Dec 4, 2017. i.e. Excess Export Service Revenue (Account 2405) is directly allocated to Network pool, all other accounts are allocated based on total revenue requirement split by rate pools.*

*Note 5: Approved 2018 amount (per 2018 Hydro One Revenue Requirement Draft Rate Order) increased by the RCI factor of 1.4%.*

**Hydro One Networks Inc.**

Implementation of Decision with Reasons on EB-2018-0130

Summary Charge Determinants

(for Setting Uniform Transmission Rates effective May 1, 2019 to December 31, 2019)

	<b>2019 Total Annual MW</b>
Network	244,924.157
Line Connection	236,948.242
Transformation Connection	202,510.123

**Hydro One Networks Inc.**  
 Implementation of Decision with Reasons on EB-2018-0130

Uniform Transmission Rates and Revenue Disbursement Allocators (**Excluding Foregone Revenue**)  
 (for Period May 1, 2019 to December 31, 2019)

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
FNEI	\$4,535,088	\$1,138,612	\$2,314,393	\$7,988,092
CNPI	\$2,638,360	\$662,406	\$1,346,435	\$4,647,201
H1N SSM	\$22,583,273	\$5,669,918	\$11,524,929	\$39,778,120
H1N	\$884,392,668	\$222,041,942	\$451,332,416	\$1,557,767,027
B2MLP	\$32,789,151	\$0	\$0	\$32,789,151
All Transmitters	\$946,938,540	\$229,512,877	\$466,518,173	\$1,642,969,591

Transmitter	Total Annual Charge Determinants (MW)**			
	Network	Line Connection	Transformation Connection	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	244,924.157	236,948.242	202,510.123	
B2MLP	0.000	0.000	0.000	
All Transmitters	249,175.697	240,480.984	203,767.673	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	<b>3.80</b>	<b>0.95</b>	<b>2.29</b>	
<b>FNEI</b> Allocation Factor	<b>0.00479</b>	<b>0.00496</b>	<b>0.00496</b>	
<b>CNPI</b> Allocation Factor	<b>0.00279</b>	<b>0.00289</b>	<b>0.00289</b>	
<b>H1N SSM</b> Allocation Factor	<b>0.02385</b>	<b>0.02470</b>	<b>0.02470</b>	
<b>H1N</b> Allocation Factor	<b>0.93394</b>	<b>0.96745</b>	<b>0.96745</b>	
<b>B2MLP</b> Allocation Factor	<b>0.03463</b>	<b>0.00000</b>	<b>0.00000</b>	
Total of Allocation Factors	1.00000	1.00000	1.00000	

\*\* The sum of 12 monthly charge determinants for the year.

Note 1: FNEI 2018 Rates Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.

Note 2: CNPI 2016 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2015-0354, dated January 14, 2016.

Note 3: H1N SSM Interim 2019 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2018-0218, issued December 6, 2018.

Note 4: H1N 2019 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2018-0130 dated April 25, 2019. (per Exhibits 2.0 and 3.0)

Note 5: B2MLP 2019 Revenue Requirement per OEB Decision and Order EB-2018-0320 dated December 20, 2018.

Note 6: Calculated data in shaded cells.

2019 Foregone Revenue Calculations

Table 1. HONI Transmission Approved Charge Determinant Forecast for the Year 2019, After Deducting the Load Impact of CDM and Embedded Generation (MW)

Charge Determinant	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	21,086	20,563	20,273	18,078	19,388	21,982	22,839	21,934	20,202	18,239	19,540	20,800	244,924
Line Connection	20,143	19,733	19,312	17,385	19,007	20,938	22,166	21,145	19,652	18,034	18,882	20,552	236,948
Transformation Connection	17,268	16,977	16,649	14,792	16,308	18,014	19,108	18,100	17,146	14,832	15,866	17,451	202,510

Table 2. Monthly Charge Determinant Share of Annual Total

% Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	8.61%	8.40%	8.28%	7.38%	7.92%	8.98%	9.32%	8.96%	8.25%	7.45%	7.98%	8.49%	100.00%
Line Connection	8.50%	8.33%	8.15%	7.34%	8.02%	8.84%	9.35%	8.92%	8.29%	7.61%	7.97%	8.67%	100.00%
Transformation Connection	8.53%	8.38%	8.22%	7.30%	8.05%	8.90%	9.44%	8.94%	8.47%	7.32%	7.83%	8.62%	100.00%

Table 3. 2019 Interim UTR Charge Determinant (including all Transmitters)

Charge Determinant	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	21,452	20,920	20,625	18,392	19,725	22,364	23,235	22,315	20,553	18,555	19,879	21,161	249,176
Line Connection	20,444	20,027	19,600	17,644	19,290	21,250	22,496	21,460	19,945	18,302	19,164	20,858	240,481
Transformation Connection	17,375	17,083	16,753	14,884	16,409	18,126	19,226	18,212	17,252	14,924	15,965	17,559	203,768

Table 4. Interim 2019 UTR

	\$/kw-month	Hydro One Revenue Allocators
Network	3.71	0.93238
Line Connection	0.94	0.96669
Transformation Connection	2.25	0.96669

Table 5. 2019 Revenue at 2019 Interim UTR and 2019 Charge Determinants (\$M) (3\*4)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	74.2	72.4	71.3	63.6	68.2	77.4	80.4	77.2	71.1	64.2	68.8	73.2	861.9
Line Connection	18.6	18.2	17.8	16.0	17.5	19.3	20.4	19.5	18.1	16.6	17.4	19.0	218.5
Transformation Connection	37.8	37.2	36.4	32.4	35.7	39.4	41.8	39.6	37.5	32.5	34.7	38.2	443.2
<b>Total</b>	<b>130.6</b>	<b>127.7</b>	<b>125.6</b>	<b>112.0</b>	<b>121.4</b>	<b>136.1</b>	<b>142.6</b>	<b>136.3</b>	<b>126.7</b>	<b>113.3</b>	<b>120.9</b>	<b>130.3</b>	<b>1,523.7</b>

257.5

Table 6. Proposed 2019 UTR

	\$/kw-month	Hydro One Revenue Allocators
Network	3.80	0.93394
Line Connection	0.95	0.96745
Transformation Connection	2.29	0.96745

Table 7. 2019 Revenue at Proposed 2019 UTR and 2019 Charge Determinants (\$M) (3\*6)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	76.1	74.2	73.2	65.3	70.0	79.4	82.5	79.2	72.9	65.9	70.6	75.1	884.3
Line Connection	18.8	18.4	18.0	16.2	17.7	19.5	20.7	19.7	18.3	16.8	17.6	19.2	221.0
Transformation Connection	38.5	37.8	37.1	33.0	36.4	40.2	42.6	40.3	38.2	33.1	35.4	38.9	451.4
<b>Total</b>	<b>133.4</b>	<b>130.5</b>	<b>128.3</b>	<b>114.5</b>	<b>124.1</b>	<b>139.1</b>	<b>145.7</b>	<b>139.3</b>	<b>129.5</b>	<b>115.7</b>	<b>123.5</b>	<b>133.2</b>	<b>1,556.8</b>

263.1

Table 8. 2019 Foregone Revenue (Rev at Proposed Rates - Rev at Interim Rates) (\$M) (7-5)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Network	1.9	1.9	1.9	1.7	1.8	2.0	2.1	2.0	1.8	1.7	1.8	1.9	22.4
Line Connection	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.5
Transformation Connection	0.7	0.7	0.7	0.6	0.7	0.7	0.8	0.7	0.7	0.6	0.6	0.7	8.2
<b>Total</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.4</b>	<b>2.6</b>	<b>3.0</b>	<b>3.1</b>	<b>3.0</b>	<b>2.8</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>33.1</b>

Foregone Revenue for May 1st - June 30th

5.6



## Hydro One Networks Inc.

### 2019 Rates Revenue Requirement by Rate Pool (Including Annualized Regulatory Asset Balance and Foregone Revenue)

	<i>Note</i>	Network	Line Connection	Transformation Connection	Uniform Transmission Rates
2018 DRO Total Revenue Requirement	<i>1</i>	950,018,214	226,899,068	446,860,081	1,623,777,363
Percentage Split by Rate pool		59%	14%	28%	100%
<b>2019 Total Revenue Requirement</b>	<i>2</i>	962,104,861	229,785,801	452,545,277	1,644,435,940
Less External Revenues		(16,674,404)	(3,982,457)	(7,843,139)	(28,500,000)
Less WMS Revenue				(276,500)	(276,500)
Less Export Revenues		(40,050,000)			(40,050,000)
<b>Base Revenue Requirement</b>		905,380,458	225,803,344	444,425,638	1,575,609,440
Less Regulatory Asset Balance	<i>3,4</i>	(20,987,789)	(3,761,402)	(7,420,934)	(32,170,125)
Plus LVSG Credit	<i>5</i>			14,327,712	14,327,712
<b>Sub-Total Rates Revenue Requirement</b>		<b>884,392,668</b>	<b>222,041,942</b>	<b>451,332,416</b>	<b>1,557,767,027</b>
Annualized Foregone Revenue	<i>6</i>	7,495,863	828,668	2,757,020	11,081,551
<b>Total Rates Revenue Requirement</b>		<b>891,888,531</b>	<b>222,870,611</b>	<b>454,089,436</b>	<b>1,568,848,577</b>

*Note 1: Per 2018 Hydro One Revenue Requirement Draft Rate Order Exhibit 2.0, filed Dec 4, 2017*

*Note 2: Use the OEB-approved 2018 split of total revenue requirement by rate pool to allocate the 2019 total revenue requirement among the three transmission rate pool.*

*Note 3: As explained in the Implementation Memo, -\$32.2M is the annualized equivalent of -\$21.7M to be refunded through UTRs between May and December 2019.*

*Note 4: Use the same methodology as in 2018 Hydro One Revenue Requirement Draft Rate Order Exhibit 2.0, filed Dec 4, 2017. i.e. Excess Export Service Revenue (Account 2405) is directly allocated to Network pool, all other accounts are allocated based on total revenue requirement split by rate pools.*

*Note 5: Approved 2018 amount (per 2018 Hydro One Revenue Requirement Draft Rate Order) increased by the RCI factor of 1.4%.*

*Note 6: As explained in the Implementation Memo, Foregone Revenue calculated in Exhibit 5.0 has been annualized, which essentially doubles it from \$5.6 million to \$11.1 million.*

**Hydro One Networks Inc.**  
 Implementation of Decision with Reasons on EB-2018-0130

Final Uniform Transmission Rates and Revenue Disbursement Allocators (**Including Foregone Revenue**)  
 (for Period Jul 1, 2019 to December 31, 2019)

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
FNEI	\$4,541,221	\$1,134,788	\$2,312,083	\$7,988,092
CNPI	\$2,641,928	\$660,181	\$1,345,091	\$4,647,201
H1N SSM	\$22,613,813	\$5,650,879	\$11,513,427	\$39,778,120
H1N	\$891,888,531	\$222,870,611	\$454,089,436	\$1,568,848,577
B2MLP	\$32,789,151	\$0	\$0	\$32,789,151
All Transmitters	\$954,474,645	\$230,316,459	\$469,260,037	\$1,654,051,141

Transmitter	Total Annual Charge Determinants (MW)**			
	Network	Line Connection	Transformation Connection	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	244,924.157	236,948.242	202,510.123	
B2MLP	0.000	0.000	0.000	
All Transmitters	249,175.697	240,480.984	203,767.673	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	<b>3.83</b>	<b>0.96</b>	<b>2.30</b>	
<b>FNEI</b> Allocation Factor	<b>0.00476</b>	<b>0.00493</b>	<b>0.00493</b>	
<b>CNPI</b> Allocation Factor	<b>0.00277</b>	<b>0.00287</b>	<b>0.00287</b>	
<b>H1N SSM</b> Allocation Factor	<b>0.02369</b>	<b>0.02454</b>	<b>0.02454</b>	
<b>H1N</b> Allocation Factor	<b>0.93443</b>	<b>0.96766</b>	<b>0.96766</b>	
<b>B2MLP</b> Allocation Factor	<b>0.03435</b>	<b>0.00000</b>	<b>0.00000</b>	
Total of Allocation Factors	1.00000	1.00000	1.00000	

\*\* The sum of 12 monthly charge determinants for the year.

*Note 1: FNEI 2018 Rates Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.*

*Note 2: CNPI 2016 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2015-0354, dated January 14, 2016.*

*Note 3: H1N SSM Interim 2019 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2018-0218, issued December 6, 2018.*

*Note 4: H1N 2019 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2018-0130 dated April 25, 2019. (per Exhibits 6.0 and 3.0)*

*Note 5: B2MLP 2019 Revenue Requirement per OEB Decision and Order EB-2018-0320 dated December 20, 2018.*

*Note 6: Calculated data in shaded cells.*

2019 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES

EB-2018-0130

**The rate schedules contained herein shall be implemented as of July 1, 2019**

Issued: May, 2019  
Ontario Energy Board

IMPLEMENTATION DATE: July 1, 2019	BOARD ORDER: EB-2018-0130	REPLACING BOARD ORDER: EB-2018-0326 December 20, 2018	Page 1 of 6 Ontario Uniform Transmission Rate Schedule
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## TRANSMISSION RATE SCHEDULES

### TERMS AND CONDITIONS

**(A) APPLICABILITY** The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.

**(B) TRANSMISSION SYSTEM CODE** The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

**(C) TRANSMISSION DELIVERY POINT** The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

**(D) TRANSMISSION SERVICE POOLS** The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS- L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.

**(E) MARKET RULES** The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

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## TRANSMISSION RATE SCHEDULES

**(F) METERING REQUIREMENTS** In accordance with Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered that energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid.

**(G) EMBEDDED GENERATION** The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998 and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO-administered energy markets.

**(H) EMBEDDED CONNECTION POINT** In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a

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## TRANSMISSION RATE SCHEDULES

distribution feeder to the Transmission Delivery Point. In above situations:

- The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO- administered market.
- The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

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TRANSMISSION RATE SCHEDULES

**RATE SCHEDULE: (PTS)**

**PROVINCIAL TRANSMISSION RATES**

**APPLICABILITY:**

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

	<u>Monthly Rate (\$ per kW)</u>
<b>Network Service Rate (PTS-N):</b>	<b>3.83</b>
\$ Per kW of Network Billing Demand <sup>1,2</sup>	
<b>Line Connection Service Rate (PTS-L):</b>	<b>0.96</b>
\$ Per kW of Line Connection Billing Demand <sup>1,3</sup>	
<b>Transformation Connection Service Rate (PTS-T):</b>	<b>2.30</b>
\$ Per kW of Transformation Connection Billing Demand <sup>1,3,4</sup>	

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:

1 The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.

2. The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.

3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation, on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

4. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

**TERMS AND CONDITIONS OF SERVICE:**

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

IMPLEMENTATION DATE: July 1, 2019	BOARD ORDER: EB-2018-0130	REPLACING BOARD ORDER: EB-2018-0326 December 20, 2018	Page 5 of 6 Ontario Uniform Transmission Rate Schedule
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TRANSMISSION RATE SCHEDULES

**RATE SCHEDULE: (ETS)**

**EXPORT TRANSMISSION SERVICE**

***APPLICABILITY:***

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

**Export Transmission Service Rate (ETS):**

**Hourly Rate**

\$1.85 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

***TERMS AND CONDITIONS OF SERVICE:***

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.

IMPLEMENTATION DATE: July 1, 2019	BOARD ORDER: EB-2018-0130	REPLACING BOARD ORDER: EB-2018-0326 December 20, 2018	Page 6 of 6 Ontario Uniform Transmission Rate Schedule
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**Table 1: Average Bill Impacts on Transmission and Distribution-connected Customers (Excluding Foregone Revenue)**

Description	2018	2019
Rates Revenue Requirement (\$M)	\$1,510.7	\$1,557.8
<b>Net Impact on Average Transmission Rates</b>		3.1%
Transmission as a % of Tx-connected customer's Total Bill		7.4%
<b>Estimated Average Bill impact for a Tx-Connected Customer</b>		0.2%
Transmission as a % of Dx-connected customer's Total Bill		6.2%
<b>Estimated Average Bill impact for a Dx-Connected Customer</b>		0.2%

**Table 2: Typical Medium Density (R1) Residential Customer Bill Impacts**

	Typical R1 Residential Customer		
	400 kWh	750 kWh	1800 kWh
Total Bill as of May 1, 2018 <sup>1</sup>	\$83.40	\$121.75	\$236.81
RTSR included in 2018 R1 Customer's Bill (based on 2016 UTR)	\$4.78	\$8.96	\$21.50
<i>Estimated 2017 Monthly RTSR</i> <sup>2</sup>	\$4.74	\$8.89	\$21.33
<b>2017 change in Monthly Bill</b>	<b>(\$0.04)</b>	<b>(\$0.07)</b>	<b>(\$0.16)</b>
<i>2017 change as a % of total bill</i>	0.0%	-0.1%	-0.1%
<i>Estimated 2018 Monthly RTSR</i> <sup>3</sup>	\$4.97	\$9.32	\$22.36
<b>2018 change in Monthly Bill</b>	<b>\$0.23</b>	<b>\$0.43</b>	<b>\$1.03</b>
<i>2018 change as a % of total bill</i>	0.3%	0.4%	0.4%
<i>Estimated 2019 Monthly RTSR</i> <sup>4</sup>	\$5.12	\$9.59	\$23.02
<b>2019 change in Monthly Bill</b>	<b>\$0.15</b>	<b>\$0.27</b>	<b>\$0.66</b>
<i>2019 change as a % of total bill</i>	0.2%	0.2%	0.3%

<sup>1</sup>Total bill including HST, based on time-of-use commodity prices effective May 1, 2018 and 2017 distribution rates approved per Distribution Rate Order EB-2016-0081 (includes impacts of all applicable components of the Fair Hydro Plan).

<sup>2</sup>2017 Monthly RTSR is an estimated value that incorporates the impacts of changes in UTR in 2017.

<sup>3</sup>2018 Monthly RTSR is an estimated value that incorporates the impacts of changes in UTR in 2018.

<sup>4</sup>The impact on RTSR is assumed to be the net impact on average Transmission rates adjusted for Hydro One's revenue disbursement allocator per approved 2019 Interim UTRs.

**Table 3: Typical General Service Energy less than 50 kW (GSe < 50 kW) Customer Bill Impacts**

	GSe Customer Monthly Bill		
	1,000 kWh	2,000 kWh	15,000 kWh
Total Bill as of May 1, 2018 <sup>1</sup>	\$198.93	\$367.73	\$2,562.20
RTSR included in 2018 GSe Customer's Bill (based on 2016 UTR)	\$10.63	\$21.26	\$159.47
<i>Estimated 2017 Monthly RTSR</i> <sup>2</sup>	\$10.55	\$21.10	\$158.25
<b>2017 change in Monthly Bill</b>	<b>(\$0.08)</b>	<b>(\$0.16)</b>	<b>(\$1.22)</b>
<i>2017 change as a % of total bill</i>	0.0%	0.0%	0.0%
<i>Estimated 2018 Monthly RTSR</i> <sup>3</sup>	\$11.06	\$22.12	\$165.89
<b>2018 change in Monthly Bill</b>	<b>\$0.51</b>	<b>\$1.02</b>	<b>\$7.64</b>
<i>2018 change as a % of total bill</i>	0.3%	0.3%	0.3%
<i>Estimated 2019 Monthly RTSR</i> <sup>4</sup>	\$11.39	\$22.77	\$170.78
<b>2019 change in Monthly Bill</b>	<b>\$0.33</b>	<b>\$0.65</b>	<b>\$4.89</b>
<i>2019 change as a % of total bill</i>	0.2%	0.2%	0.2%

<sup>1</sup>Total bill including HST, based on time-of-use commodity prices effective May 1, 2018 and 2017 distribution rates approved per Distribution Rate Order EB-2016-0081 (includes impacts of all applicable components of the Fair Hydro Plan).

<sup>2</sup>2017 Monthly RTSR is an estimated value that incorporates the impacts of changes in UTR in 2017.

<sup>3</sup>2018 Monthly RTSR is an estimated value that incorporates the impacts of changes in UTR in 2018.

<sup>4</sup>The impact on RTSR is assumed to be the net impact on average Transmission rates adjusted for Hydro One's revenue disbursement allocator per approved 2019 Interim UTRs.

**HYDRO ONE NETWORKS INC.  
WHOLESALE METER SERVICE  
AND EXIT FEE SCHEDULE**

**HYDRO ONE NETWORKS - WHOLESALE METER SERVICE**

***APPLICABILITY:***

This fee schedule is applicable to the *metered market participants*\* that are transmission customers of Hydro One Networks (“Networks”) and to *metered market participants* that are customers of a Local Distribution Company (“LDC”) that is connected to the transmission system owned by Networks.

\* The terms and acronyms that are italicized in this schedule have the meanings ascribed thereto in Chapter 11 of the Market Rules for the Ontario Electricity Market.

**a) Fee for Wholesale Meter Service**

The *metered market participant* in respect of a *load facility* (including customers of an LDC) shall be required to pay an annual fee of \$7,900 for each *meter point* that is under the transitional arrangement for a *metering installation* in accordance with Section 3.2 of Chapter 6 of the Market Rules for the Ontario Electricity Market.

This Wholesale Meter Service annual fee shall remain in place until all the remaining meter points exit the transitional arrangement.

**b) Fee for Exit from Transitional Arrangement**

The *metered market participant* in respect of a *load facility* (including customers of an LDC) or a *generation facility* may exit from the transitional arrangement for a *metering installation* upon payment of a one-time exit fee of \$ 5,200 per *meter point*.

<b>EFFECTIVE DATE:</b> January 1, 2017	<b>BOARD ORDER:</b> EB-2017-0280	<b>REPLACING BOARD ORDER:</b> EB-2015-0313 January 14, 2016	<b>Page 2 of 2</b> Wholesale Meter Service & Exit Fee Schedule for Hydro One Networks Inc.
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## **ACCOUNTING ORDER**

In the Decision, the OEB directed Hydro One to provide a draft Accounting Order for the OPEB Cost Deferral Account. To comply with the OEB's direction, Hydro One has provided the draft accounting order in Exhibit 10.1.



<b>USofA #</b>	<b>Account Description</b>
Dr: 1508	Other Regulatory Assets – Sub-Account “OPEB Cost Deferral Account”
Cr: 6035	Other Interest Expense

- 1 To record interest improvement on the principal balance of the “OPEB Cost Deferral
- 2 Account”.