

NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED UNIFORM TRANSMISSION RATES EFFECTIVE JANUARY 1, 2010 BOARD FILE NO. EB-2008-0272

To: Canadian Niagara Power Inc. Great Lakes Power Limited Five Nations Energy Inc.

CC: Hydro One Networks Inc.

In its Decision with Reasons dated December 16, 2009 the Board authorized revenue requirements for two projects to be incorporated in the Transmission Rates for 2010, and directed Hydro One Networks Inc. to file with the Board its calculation of the Uniform Transmission Rates, charge determinants and revenue shares resulting from the Board's decision. The uniform Transmission Rates are also applicable to the transmitters Great Lakes Power Limited, Canadian Niagara Power Inc. and Five Nations Energy Inc.

In accordance with the Board's direction Hydro One has provided the calculations for, and a Summary of, Uniform Transmission Rates and Revenue Disbursement Factors for the Period January 1, 2010 to December 31, 2010. Note that the Board may authorize these as Interim Rates pending the results of a January 5, 2010 motion by Hydro One for a variance to the Board's order regarding the cost of capital, to be dealt with in a proceeding under docket EB-2010-0003.

You are invited to comment on the attached material filed by Hydro One on January 5, 2010.

Your written submission should be provided to the Board on or before Friday January 15, 2009.

All filings to the Board noted in this Notice must be in the form of 2 hard copies and must be received by the Board by 4:45 p.m. on the stated dates. An electronic copy of the filing must also be provided. If you already have a user ID, the electronic copy of your filing should be submitted through the Board's web portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the "e-Filing Services" page on the Board's website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions, please refer to the RESS Document Guidelines also found on the "e-Filing Services" webpage. If the Board's web portal is not available, the electronic copy of your filing may be submitted by e-mail at Boardsec@oeb.gov.on.ca. Those who do not have internet access are required to submit the electronic copy of their filing on a CD or diskette in PDF format.

ISSUED at Toronto on January 8, 2010 **ONTARIO ENERGY BOARD**

Original Signed By

John Pickernell Assistant Board Secretary

Att.

Attachment

Hydro One Networks Inc.

Final Revenue Requirements & Charge Determinants Submitted January 5, 2010

EB-2008-0272

January 8, 2010

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Susan Frank

Vice President and Chief Regulatory Officer Regulatory Affairs



BY COURIER

January 5, 2010

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

Dear Ms. Walli

EB-2008-0272 – Hydro One Networks' 2009-2010 Electricity Transmission Revenue Requirements – Final Draft Revenue Requirements & Charge Determinants in Accordance with Decision for the 2010 Test Year Incorporating Cost of Capital Parameters per the Board's Letter of November 5, 2009

Per the Board's Letter of December 22, 2009, Hydro One has revised the attached draft exhibits to incorporate the Cost of Capital parameters for return on equity and the cost of short-term debt as provided by the Board in its letter of November 5, 2009.

The attached draft exhibits outline the final revenue requirement as well as the calculation of the 2010 UTR's, charge determinants and revenue shares resulting from the Board's findings in this decision with respect to the approval of Projects D7 and D8.

In summary, Hydro One has:

- Added the capital expenditures in 2009 and 2010 to reflect the Board's approval of Development projects D7 and D8. As these two projects are forecast to come into service in 2010, the 2010 Revenue Requirement has been adjusted upward by \$7.1 million.
- Applied the cost of capital parameters based on the Board's letter of November 5, 2009.
- Increased its Low Voltage Switchgear Credit due to the change in the transformation pool revenue requirement for 2010.
- Lowered the 2010 Wholesale Meter Rate to reflect the estimated lower number of meters.

Hydro One has filed the requested attached documents due to the urgency of the timing to ensure new transmission rates can be in place effective January 1, 2010. However, Hydro One is of the belief that the draft rates filed on December 21, 2009 reflecting the mechanistic update of the cost of capital



parameters based on the formula applicable for the 2010 test year per the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (EB-2009-0084) released on December 11, 2009 are the appropriate rates to be used for the 2010 test year.

Hydro One will be filing a motion to vary the Board's Decision dated December 16, 2009 in the EB-2008-0272 proceeding respecting the appropriate cost of capital parameters to be used in the determination of the 2010 revenue requirement for Hydro One under separate cover in due course.

Hydro One requests that the 2010 Uniform Transmission Rates be declared interim effective January 1, 2010 until the cost of capital issue is resolved.

If you have any questions regarding this submission please contact Anne-Marie Reilly at 416 345-6482.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attach.

c. EB-2008-0272 Intervenors (electronic)

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Implementation of Decision with Reasons on EB-2008-0272

Revenue Requirement Summary

(\$ millions)	Supporting Reference	Hydro One Proposed 2010	Cumulative Updates 2010	Draft Rate Order 2010
OM&A	Exhibit 1.1	449.7	(23.5)	426.2
Depreciation	Exhibit 1.2	281.5	(0.2)	281.3
Capital Tax	Exhibit 1.5	6.0	(0.0)	6.0
Return on Debt	Exhibit 1.4	269.7	(16.2)	253.5
Return on Equity	Exhibit 1.4	286.1	(29.9)	256.3
Income Tax	Exhibit 1.6	48.0	(13.9)	34.0
Base Revenue Requirement		1,341.0	(83.8)	1,257.3
Deduct: External Revenue	Exhibit 1.7 & Note 1	18.0	-	18.0
Revenue Requirement less external revenues		1,323.0	(83.8)	1,239.3
Deduct: Export Revenue Credit	Note 1	(12.0)	-	(12.0)
Deduct: Other Cost Charges	Exhibit 1.8	(13.0)	(7.3)	(20.3)
Add: Low Voltage Switch Gear		11.5	(0.8)	10.8
Rates Revenue Requirement		1,309.5	(91.8)	1,217.7

Note 1: Variance accounts will be established for export revenues, secondary land use and work for other parties to track changes from approved amounts.

Implementation of Decision with Reasons on EB-2008-0272

OM&A Details

(\$ millions)	Supporting Reference	Hydro One Proposed 2010	Cumulative Updates 2010	Draft Rate Order 2010	
	See supporting details				
OM&A	below	449.7	(23.5)	426.2	

OEB Decision Impact Supporting Details

Reference

Sustainment OM&A adjustment Development OM&A adjustment	OEB Decision pg. 21 OEB Decision pg. 23	(15.0) (3.2)
Development Olivar adjustment	OLD D00/3/011 pg. 20	(3.2)
Compensation adjustment	OEB Decision pg. 31	(4.0)
Property Tax adjustment	OEB Decision pg. 33	(1.3)
		(23.5)

Implementation of Decision with Reasons on EB-2008-0272

Rate Base and Depreciation Details

	Supporting Reference	Hydro One Proposed	Cumulative Updates	Draft Rate Order
(\$ millions)		2010	2010	2010
	See supporting details			
Rate Base	below	7,650.5	(14.5)	7,636.0
Depreciation	See supporting details below	281.5	(0.2)	281.3
Depreciation	Delow	201.5	(0.2)	201.3
OEB Decision Impact Supporting Details	Reference	2010 Detailed	2010 Rate Base	2010 Depreciation
Working Capital Adjustment		Computation	Impact	Impact
Rate Base Details	Pre-filed Evidence Exh			
Utility plant (average)	D1-1-1	44 =00.0		
Gross plant at cost Less: Accumulated depreciation		11,780.2 (4,179.7)		
Net utility plant		7,600.5		
Working capital				
Cash working capital		11.2		
Materials & supplies inventory		38.7		
Total working capital		50.0		
Total Rate Base	•	7,650.5		
Working capital as % of OM&A	(a)	11.1%		
OM&A Reduction	Exhibit 1.1 (b)	(23.5)		
Working capital reduction	(c) = (a) x (b)	(2.6)	(2.6)	
Rate Base Adjustment				
Development Capital (removal of projects)				
D9 - 100MVar Shunt Caps at Algoma	Prefiled Evidence	9.7		
D10 - 2 75MVAR Shunt Caps at Mississagi	D1-3-3	10.3		
D28 - Glendale TS - increase capacity D29 - Dunnville TS - increase capacity		3.2 0.8		
D29 - Duritville 10 - increase capacity		24.0		
Associated Depreciation	Note 1	0.2		(0.2)
Development Capital Adjustment	Note 2	23.8	(11.9)	
Reduction to proposed			(14.5)	(0.2)

Note 1: Assumed 50 year service life and half year depreciation Note 2: The 2010 net adjustment would be a half year impact on 2010 rate base

Draft Rate Order

OEB Approved

Hydro One Networks Inc.

Implementation of Decision with Reasons on EB-2008-0272

Capital Expenditure Details

Hydro One Proposed Hydro One Proposed Cumulative Updates Cumulative Updates

(\$ millions)	Reference	2009	2010	2009	2010	2009	2010
Capital expenditures	See supporting details below	944.0	1,074.1	(7.5)	(16.5)	936.5	1,057.6
OEB Decision Impact Supporting Details							
Development Capital (removal or projects) Note	1						
D9 - 100MVar Shunt Caps at Algoma	Pre-filed Evidence	4.6	5.1				
D10 - 2 75MVAR Shunt Caps at Mississagi	Exh D1-3-3	2.9	7.4				
D28 - Glendale TS - increase capacity	Note 2	-	3.2				
D29 - Dunnville TS - increase capacity	Note 2	-	0.8				
	-	7.5	16.5				

Note 1: 4 Development projects were removed from the revenue requirement calculation based on the OEB Decision.

Supporting

Note 2: Net of capital contributions

Implementation of Decision with Reasons on EB-2008-0272

Capital Structure and Return on Capital Details

(\$ millions)	Supporting Reference		Hydro One Proposed 2010		Cumulative Updates 2010	Dra	ft Rate Order 2010
Return on Rate Base Rate Base	Exhibit 1.2	\$	7,650.5	¢	(14.5)	œ.	7,636.0
	EXHIBIT 1.2	φ	7,030.3	φ	(14.5)	φ	7,030.0
Capital Structure:	0500 54						
Third-Party long-term debt	OEB Decision pg. 54		56.0%		1.4%		57.4%
Deemed long-term debt	OEB Decision pg. 54		0.0% 4.0%		(1.4%)		-1.4% 4.0%
Short-term debt					0.0% 0.0%		
Common equity			40.0%		0.0%		40.0%
Capital Structure:							
Third-Party long-term debt			4,284.0		99.6		4,383.6
Deemed long-term debt			0.3		(107.7)		(107.5)
Short-term debt			306.0		(0.6)		305.4
Common equity			3,060.2		(5.8)		3,054.4
		\$	7,650.5	\$	(14.5)	\$	7,636.0
Allowed Return:							
Third-Party long-term debt	Exhibit 1.4.1		5.80%		(0.05%)		5.76%
Deemed long-term debt	Exhibit 1.4.1		7.29%		(1.53%)		5.76%
Short-term debt	Note 1		4.75%		(4.20%)		0.55%
Common equity	Note 1		9.35%		(0.96%)		8.39%
Return on Capital:							
Third-Party long-term debt	Prefiled Evidence		248.5		3.8		252.3
Deemed long-term debt	B2-1-1		0.0		(6.2)		(6.2)
Short-term debt			14.5		(12.9)		1.7
AFUDC return on Niagara Reinforcement Project	see below		6.6		(0.9)		5.7
Total return on debt		\$	269.7	\$	(16.2)	\$	253.5
Common equity		\$	286.1	\$	(29.9)	\$	256.3
AFUDC return on Niagara Reinforcement Project							
CWIP			99.1				99.1
AFUDC Rate	Note 2		6.7%				5.76%
			6.6				5.7

Note 1: Used Cost of Capital Letter dated November 5, 2009

Note 2: Used embedded cost of debt return for NRP

HYDRO ONE NETWORKS INC. TRANSMISSION

Cost of Long-Term Debt Capital Test Year (2010) Updated for 2008 Actuals Year ending December 31

				Principal	Premium Discount	Net Capital	Employed Per \$100		Total Amount	t Outstanding			Projected
				Amount	and	Total	Principal		at	at	Avg. Monthly	Carrying	Average
Line	Offering	Coupon	Maturity	Offered	Expenses	Amount	Amount	Effective	12/31/09	12/31/10	Averages	Cost	Embedded
No.	Date	Rate	Date	(\$Millions)	(\$Millions)	(\$Millions)	(Dollars)	Cost Rate	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	Cost Rates
-	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)	(m)
1	3-Jun-00	7.150%	3-Jun-10	278.4	3.6	274.8	98.70	7.34%	278.4	0.0	128.5	9.4	
2	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8	
3	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	174.0	174.0	11.1	
4	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7	
5	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1	
6	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9	
7	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8	
8	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1	
9	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6	
10	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6	
11	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4	
12	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4	
13	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8	
14	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9	
15	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2	
16	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9	
17	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5	
18	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8	
19	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.66	5.22%	225.0	225.0	225.0	11.8	
20	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.74	4.95%	180.0	180.0	180.0	8.9	
21	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	240.0	240.0	240.0	12.3	
22	19-Nov-08	3.890%	19-Nov-10	60.0	0.1	59.9	99.78	4.01%	60.0	0.0	50.8	2.0	
23	15-Mar-09	5.770%	15-Mar-39	337.0	1.7	335.3	99.50	5.81%	337.0	337.0	337.0	19.6	
24	15-Jun-09	5.070%	15-Jun-19	337.0	1.7	335.3	99.50	5.13%	337.0	337.0	337.0	17.3	
25	15-Sep-09	4.380%	15-Sep-14	337.0	1.7	335.3	99.50	4.49%	337.0	337.0	337.0	15.1	
26	15-Mar-10	6.870%	15-Mar-40	170.4	0.9	169.6	99.50	6.91%	0.0	170.4	131.1	9.1	
27	15-Jun-10	6.170%	15-Jun-20	170.4	0.9	169.6	99.50	6.24%	0.0	170.4	91.8	5.7	
28	15-Sep-10	5.480%	15-Sep-15	170.4	0.9	169.6	99.50	5.60%	0.0	170.4	52.4	2.9	
29		Subtotal							4267.5	4440.3	4383.6	249.5	
30		Treasury OM8	A costs									2.0	
31		Other financin										0.8	
32		Total	-						4267.5	4440.3	4383.6	252.3	5.7556%

Implementation of Decision with Reasons on EB-2008-0272

Capital Tax Summary

(\$ millions)	Supporting Reference	Hydro One Proposed 2010	Cumulative Updates 2010	Draft Rate Order 2010
	See supporting			
Capital Taxes	details below	6.0	6.0	(0.0)

Capital Tax Supporting Details

(\$ millions)	Reference	
Net Taxable Capital as filed Capital Tax rate Capital Tax as filed	Pre-filed Evidence Exh C2/T4/S1	7,985.8 0.075% 6.0
2010 in-service additions Associated depreciation Total net taxable capital adjustments	Exhibit 1.2 Exhibit 1.2	24.0 (0.2) 23.8
Revised Taxable Capital		7,962.0
Revised Capital Taxes		6.0

Implementation of Decision with Reasons on EB-2008-0272

Income Tax Summary

Hydro One

Cumulative

	Suppor	ting	F	Proposed	Updates	Draft Rate Order
(\$ millions)	Refere	nce		2010	2010	2010
Income Taxes	See supporting of	details below		48.0	34.0	(13.9)
Income Tax Supporting Details						
Rate Base	Exhibit 1.2	а	\$	7,650.5	\$ 7,636.0	
Common Equity Capital Structure	Exhibit 1.4	b		40.0%	40.0%	
Return on Equity	EXNIDIT 1.4	С		9.35%	8.39%	
Return on Equity		d = a x b x c		286.1	256.3	
Regulatory Income Tax		e = I		48.0	34.0	
Regulatory Net Income (before tax)		f = d + e		334.1	290.3	(43.8)
Timing Differences (Note 1)		g		(182.9)	(182.7)	0.2
Taxable Income		h = f + g		151.2	107.6	(43.6)
Tax Rate	Prefiled Evidence	i		32.0%	32.0%	
Income Tax	C2-6-1	$j = h \times i$		48.4	34.4	
less: Income Tax Credits		k		(0.4)	(0.4)	
Regulatory Income Tax		l = j + k		48.0	34.0	(13.9)

Note 1. Book to Tax Timing Differences are detailed in EB-2008-0272 C2-6-1. The adjustment above to timing differences reflect the change between capital cost allowance and depreciation as a result of the change in rate base as directed in section 6.5 of the OEB decision.

Timing difference adjustments	
less: lower depreciation related to development project adjustment	(0.2)
add: lower CCA claim related to development project adjustment	0.5
Net timing difference adjustment	0.2

Implementation of Decision with Reasons on EB-2008-0272

External Revenue Details

	Supporting	Hydro One Proposed	Cumulative Updates	Draft Rate Order
(\$ millions)	Reference	2010	2010	2010
	Pre-filed Evidence Exh			
External Revenue	E3/T1/S1 & Note 1	18.0	-	18.0

Note 1: Variance accounts will be established for export revenues, secondary land use and work for other parties to track changes from approved amounts.

Implementation of Decision with Reasons on EB-2008-0272

Deferral Account Recovery Details

(\$ millions)	Supporting Reference	Draft Rate Order 2010
Requested Deferral Account Recovery Tax Changes Account OEB Costs Account Pension Account	Note 1 Pre-filed Evidence Exh F1/T1/S1	(9.3) (2.8) (0.1)
Total Requested Deferral Account Recovery		(12.2)
Add: Existing Deferral Account Recovery MRP costs Export revenue	EB-2006-0501 Board Order	4.1 (12.2)
Total Existing Deferral Account Recovery		(8.1)
Total Deferral Account Recovery		(20.3)

Note 1: 2010 amount is for 12 months

Implementation of Decision with Reasons on EB-2008-0272

2010 Revenue Requirement Continuity Schedule

(\$ millions)	Supporting Reference	Hydro One Proposed 2010	Deferral Account 2010	Update LVSG 2010	Update OM&A 2010	Disallowed Projects 2010	Update STD 2010	Update LTD 2010	Update ROE 2010	Draft Rate Order 2010
OM&A	Exhibit 1.1	449.7	-	-	(23.5)	-	-	-	-	426.2
Depreciation	Exhibit 1.2	281.5	-	-	-	(0.2)	-	-	-	281.3
Capital Tax	Exhibit 1.5	6.0	-	-	-	(0.0)	-	-	-	6.0
Return on Debt	Exhibit 1.4	269.7	-	-	-	(0.6)	(12.8)	(2.8)	-	253.5
Return on Equity	Exhibit 1.4	286.1	-	-	-	(0.5)	-	-	(29.3)	256.3
Income Tax	Exhibit 1.6	48.0	-	-	-	(0.1)			(13.8)	34.0
Base Revenue Requirement	F.,Libit 4 7 0	1,341.0	-	-	(23.5)	(1.5)	(12.8)	(2.8)	(43.1)	1,257.3
Deduct: External Revenue	Exhibit 1.7 & Note 1	18.0	-	-	-	-	-	-	-	18.0
Revenue Requirement less external revenues		1,323.0	-	-	(23.5)	(1.5)	(12.8)	(2.8)	(43.1)	1,239.3
Deduct: Export Revenue Credit	Note 1	(12.0)	-	-	-	-	-	-		(12.0)
Deduct: Other Cost Charges	Exhibit 1.8	(13.0)	(7.3)	-	-	-	-	-		(20.3)
Add: Low Voltage Switch Gear		11.5	-	(0.8)	-	-	-	-		10.8
Rates Revenue Requirement		1,309.5	(7.3)	(8.0)	(23.5)	(1.5)	(12.8)	(2.8)	(43.1)	1,217.7

Note 1: Variance accounts will be established for export revenues, secondary land use and work for other parties to track changes from approved amounts.

Implementation of Decision with Reasons on EB-2008-0272

Final 2010 Revenue Requirement by Rate Pool

		2010 Rate Pool Revenue Requirement (\$ Million)						
	Supporting Exhibit	Network	Line Connection	Transformation Connection	Uniform Rates Sub-Total	Wholesale Meter	Total	
OM&A	1.0	198.6	38.2	113.5	350.3	0.8	351.1	
Other Taxes (Grants-in-Lieu)	1.0	45.6	11.6	17.9	75.1	0.0	75.1	
Depreciation of Fixed Assets	1.0	160.3	37.6	76.6	274.5	0.1	274.6	
Capitalized Depreciation	1.0	(7.8)	(2.0)	(3.2)	(13.0)	(0.0)	(13.0)	
Asset Removal Costs	1.0	10.8	2.8	4.4	17.9	0.0	17.9	
OPEB Amortization	Note 1	0.0	0.0	0.0	0.0	0.0	0.0	
Other Amortization	1.0	1.1	0.3	0.4	1.7	0.0	1.7	
Return on Debt	1.0	154.0	39.0	60.4	253.4	0.1	253.5	
Return on Equity	1.0	155.6	39.5	61.0	256.2	0.1	256.3	
Income Tax	1.0	20.7	5.2	8.1	34.0	0.0	34.0	
Capital Tax	1.0	3.6	0.9	1.4	6.0	0.0	6.0	
Base Revenue Requirement	1.0	742.5	173.1	340.6	1256.1	1.2	1257.3	
Less Regulatory Asset Credit	1.8	-12.0	-2.8	-5.5	-20.3	0.0	-20.3	
Total Revenue Requirement	1.0	730.5	170.3	335.1	1235.9	1.1	1237.0	
Less Non-Rate Revenues	Note 1	(10.6)	(2.5)	(4.9)	(18.0)	(0.0)	(18.0)	
Less Export Revenues	Note 1	(12.0)			(12.0)		(12.0)	
Plus LVSG Credit	6.0			10.8	10.8		10.8	
Revenue Requirement by Pool		707.9	167.8	340.9	1216.6	1.1	1217.7	
Revenue Requirement for UTR		707.9	167.8	340.9	1216.6		1217.7	
Hydro One Proposed Pool Revenue	1			Γ				
Requirement	Note 1	762.1	180.5	365.6	1308.2	1.2	1309.4	

Note 1: See EB-2008-0272 Exhibit G2, Tab 5, Schedule 1, Page 2.

January 5, 2010 EB-2008-0272 Exhibit 3.0 Page 1 of 1

Hydro One Networks Inc.

Implementation of Decision with Reasons on EB-2008-0272

Summary Final Charge Determinants (for Setting Uniform Transmission Rates for January 1, 2010 to December 31, 2010)

	Total MW
Network	242,388
Line Connection	234,657
Transformation Connection	202,860

2010 charge determinants per Exhibit H1, Tab 3, Schedule 1, Table 1, multiplied by 12.

Implementation of Decision with Reasons on EB-2008-0272

Summary Uniform Transmission Rates and Revenue Disbursement Factors for Rates Effective January 1, 2010

Transmitter	Revenue Requirement (\$) (Note 3, Note 4)					
Transmitter	Network	Line Connection	Transformation Connection	Total		
FNEI	\$3,012,819	\$714,093	\$1,451,088	\$5,178,000		
CNPI	\$2,683,749	\$636,098	\$1,292,596	\$4,612,443		
GLPL	\$20,239,894	\$4,797,224	\$9,748,304	\$34,785,422		
H1N (Note 1)	\$707,878,000	\$167,780,000	\$340,941,000	\$1,216,599,000		
All Transmitters	\$733,814,462	\$173,927,415	\$353,432,988	\$1,261,174,865		

Tuon and ittor	Total Annual Charge Determinants (MW) (Note 3, Note 4)					
Transmitter	Network	Line Connection	Transformation Connection			
FNEI	44.915	44.915	44.915			
CNPI	583.420	668.600	668.600			
GLPL	4,150.498	2,847.032	2,777.933			
H1N (Note 2)	242,387.818	234,657.008	202,860.490			
All Transmitters	247,166.651	238,217.555	206,351.938			

Transmitter	Uniform Rates and Revenue Allocators (Note 4)					
1 ransmitter	Network	Line Connection	Transformation Connection			
Uniform Transmission Rates (\$/kW-Month)	2.97	0.73	1.71			
	.		+			
FNEI Allocation Factor	0.00411	0.00411	0.00411			
CNPI Allocation Factor	0.00366	0.00366	0.00366			
GLPL Allocation Factor	0.02758	0.02758	0.02758			
H1N Alocation Factor	0.96465	0.96465	0.96465			
Total of Allocation Factors	1.00000	1.00000	1.00000			

Note 1: Hydro One Networks (H1N) 2010 Revenue Requirement per Exhibit 2.0

Note 2: Hydro One Networks (H1N) Charge Determinant per Exhibit 3.0

Note 3: Data for Other Transmitters per Exhibit 4.1.

Note 4: Calculated data in shaded cells.

Implementation of Decision with Reasons on EB-2008-0272

Revenue Requirement and Charge Determinant Assumptions for Other Transmitters

Table 1
Approved Annual Revenue Requirement and Charge Determinants

Trongeritter	Annual Revenue	Annual (Annual Charge Determinants (MW)			
Transmitter	Requirement (\$)	Network	Line Connection	Transformation Connection	Reference	
Five Nations Energy (FNEI)	5,178,000	44.915	44.915	44.915	Note 1	
Canadian Niagara Power (CNPI)	4,612,443	583.420	668.600	668.600	Note 2	
Great Lakes Power (GLPL)	34,785,422	4,150.498	2,847.032	2,777.933	Note 3	

Note 1: Board Decision on RP-2001-0036 dated April 24, 2002, pages 23 and 26.

Note 2: Board Decision on RP-2001-0034 dated December 11, 2001, pages 8 and 10.

Note 3:Revenue Requirement per Settlement Agreement on EB-2005-0241, Appendix B, page 5 of 5, approved by the Board September 15, 2005. Charge Determinants per Board Decision on RP-2001-0035 dated December 11, 2001, page 11.

January 5, 2010 EB-2008-0272 Exhibit 5.0 Page 1 of 2

HYDRO ONE NETWORKS INC. Ontario, Canada

WHOLESALE METER SERVICE And EXIT FEE SCHEDULE

Rate Schedule: HON-MET Issued: Date To Come

Ontario Energy Board

APPLICABILITY:

This rate 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) 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 rate of \$ 6,900 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.

The Wholesale Meter Service rate covered by this schedule shall remain in place until such time as the rate is revised by Order of the Ontario Energy Board.

(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*.

EFFECTIVE DATE:	REPLACING RATE:	BOARD ORDER:	Page 2 of 2
Date to Come	EB-2008-0272 July 3, 2009	EB-2008-0272	Wholesale Meter Service Rate & Exit Fee Schedule for
			Hydro One Networks Inc.

Implementation of Decision with Reasons on EB-2008-0272

Wholesale Meter Rate Calculations

		Revenue		
	Charge Determinant	Requirement	OEB Approved Rate *	Hydro One Proposed Rate *
	(Avg # of Meter Points)	(\$ Million)	(\$/Meter Point/Year)	(\$/Meter Point/Year)
	Note 1	Note 2		
	(A)	(B)	(B) / (A)	
2010	163	1.1	6,900	6,900

^{*} Rate is rounded down to the nearest \$100

Note 1: Per EB-2008-0272, Exhibit H1, Tab 4, Schedule 1, Table 1.

Note 2: Per Exhibit 2.0

Implementation of Decision with Reasons on EB-2008-0272

Low Voltage Switchgear (LVSG) Credit Effective January 1, 2010

Charge Determinant (MW)	Transformation Pool Revenue Requirement Before LVSG Credit (\$M)	Rate Before LVSG Credit (\$/kw/month)	Average Monthly NCP Demand for Toronto Hydro and Hydro Ottawa (MW)	LVS Proportion (%)	Final LSVG Credit (\$M)
(Note 1)	(Note 2)		(Note 3)	(Note 4)	
(A)	(B)	(C) = (B)/(A)	(D)	(E)	(F) = (C)x(D)x(E)
202,860	330.2	1.628	2901	19.0%	10.75

Note 1: Per Exhibit 3.0

Note 2: Equals Total Revenue Requirement for Transformation Connection Pool less Non-Rate Revenues allocated to Transformation

Connection Pool, as per information in Exhibit 2.0.

Note 3: Per Exhibit G1, Tab 4, Schedule 1, Table 1

Note 4: See EB-2006-0501 Exhibit G1, Tab 4, Schedule 1, page 2.

The LVSG Credit effective January 1, 2010 is \$10.75 million or \$895,833 per month.

APPENDIX B

ONTARIO TRANSMISSION RATE SCHEDULES

EB-2008-0272

January 5, 2010

The rate schedules contained herein shall be effective Date to Come

Issued: Date to Come Ontario Energy Board

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.

EFFECTIVE DATE:	BOARD ORDER:	REPLACING BOARD	Page 2 of 6 Ontario Uniform
Date to Come	EB-2008-0272	ORDER: EB-2008-0272	Transmission Rate Schedule
		July 3, 2009	

TRANSMISSION RATE SCHEDULES

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, or has fully contributed toward the costs of, all transformation connection assets associated with that transmission delivery point. The PTS customers that 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, or has fully contributed toward the costs of, 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. (F) METERING REQUIREMENTS In accordance with the 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 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

BOARD ORDER:	REPLACING BOARD	Page 3 of 6 Ontario Uniform
EB-2008-0272	ORDER:	Transmission Rate Schedule
	EB-2008-0272	
	July 3, 2009	
		EB-2008-0272

TRANSMISSION RATE SCHEDULES

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. 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 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

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.

EFFECTIVE DATE:

(F) above provided that the

Date to Come

BOARD ORDER: EB-2008-0272 REPLACING BOARD ORDER: EB-2008-0272

July 3, 2009

Tra

Page 4 of 6 Ontario Uniform Transmission Rate Schedule

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.

Network Service Rate (PTS-N): \$ Per kW of Network Billing Demand ^{1,2}	Monthly Rate (\$ per kW) 2.97
Line Connection Service Rate (PTS-L): \$ Per kW of Line Connection Billing Demand ^{1,3}	0.73
Transformation Connection Service Rate (PTS-T): \$ Per kW of Transformation Connection Billing Demand ^{1,3,4}	1.71

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 embedded generation 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. 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.

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Date to Come	EB-2008-0272	ORDER:	Transmission Rate Schedule
		EB-2008-0272	
		July 3, 2009	
		5	

RATE SCHEDULE: ETS	EXPORT TRANSMISSION SERVICE
10(12 001125022: 210	EXIL SIX! ITE AIR SOURCE 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.

Hourly Rate \$1.00 / MWh

Export Transmission Service Rate (ETS):

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.

Appendix C

ONTARIO UNIFORM RATE ORDER

EB-2008-0272

January 5, 2010

ONTARIO UNIFORM RATE ORDER REVENUE ALLOCATORS

Effective Date to Come

Transmitter	Network	Line Connection	Transformation Connection
Five Nations Energy Inc.	0.00411	0.00411	0.00411
Canadian Niagara Power Inc.	0.00366	0.00366	0.00366
Great Lakes Power Ltd.	0.02758	0.02758	0.02758
Hydro One Networks Inc.	0.96465	0.96465	0.96465
Total	1.00000	1.00000	1.00000