



EB-2009-0096

IN THE MATTER OF the *Ontario Energy Board Act 1998*,
S.O.1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by Hydro One
Networks Inc. for an order or orders approving or fixing just
and reasonable distribution rates and other charges to be
effective January 1, 2011.

BEFORE: Cynthia Chaplin
Chair and Presiding Member

Paul Sommerville
Member

2011 RATE ORDER

On July 13, 2009, Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board (the "Board") under section 78 of the Ontario Energy Board Act, 1998; S.O. c.15, Schedule B, for an order or orders approving or fixing just and reasonable rates for the distribution of electricity for 2010, effective May 1, 2010; and for 2011 distribution rates, effective January 1, 2011.

The Board issued its Decision on the application on April 9, 2010. In the Decision, the Board ordered Hydro One to file a draft 2010 Rate Order reflecting the Board's findings in the Decision. The Board approved an implementation date and an effective date of May 1, 2010.

Hydro One filed a draft Rate Order and supporting material, including 2 draft customer rate notices, on April 16, 2010. The Board issued the Hydro One Distribution 2010 Rate Order on April 29, 2010, approving Hydro One's distribution rates effective May 1, 2010.

On November 29, 2010, Hydro One filed a draft 2011 Rate Order and supporting material (including 2 draft customer rate notices) for distribution rates effective January 1, 2011. The draft 2011 Rate Order implemented the Board's findings for 2011 in this proceeding and included adjustments for updated cost of capital parameters, updated long-term debt costs based actual debt issued in 2009 and 2010, and the inclusion of \$1.5 million for Low-Income Energy Assistance Program funding. Procedural Order No. 5, issued on November 30, 2010 provided for Board staff and intervenors to file comments on the draft 2011 Rate Order by December 7, 2010.

The Board received submissions from VECC, Energy Probe and Board staff indicating that they had no comments regarding the draft 2011 Rate Order.

On December 16, 2010, the Board issued a decision indicating that it would not approve the \$1.5 million Low-Income Energy Assistance Program for recovery in the 2011 rate year. Hydro One was ordered to file a revised draft Rate Order to address this decision.

On December 17, 2010 Hydro One filed a revised draft rate order. The Board has reviewed the revised information provided in support of the draft 2011 Rate Order and the proposed Tariff of Rates and Charges. The Board is satisfied that the revised 2011 Tariff of Rates and Charges filed by Hydro One accurately reflects the Board's Decision.

In addition to the approval of Hydro One's distribution rates and charges, the Board also approves the recovery of certain amounts regarding Hydro One's Green Energy Plan, submitted in response to provisions in the *Green Energy and Green Economy Act, 2009*. As per the Decision, in 2011, a portion of these funds, specifically \$19.7 million, are to be recovered from all ratepayers through a monthly recovery mechanism implemented by the Independent Electricity System Operator with funds to be remitted to Hydro One from January 1, 2011 to December 31, 2011.

THE BOARD ORDERS THAT:

1. The rates and charges set out in Appendix "A" of this order are approved, effective January 1, 2011, for electricity consumed or estimated to have been consumed on and after the January 1, 2011 implementation date.
2. The rates and charges set out in Appendix "A" of this order supersede all previous distribution rates and charges approved by the Board for Hydro One and are final in all respects, with the exception of the Green Energy Plan rate adders.
3. Hydro One shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. Hydro One shall use the approved customer notice text in the 2011 rate change notification to be provided to customers, as set out in Appendix "B".

ISSUED at Toronto, December 21, 2010

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX “A”

TO

HYDRO ONE NETWORKS INC.

2011 DISTRIBUTION RATE ORDER

BOARD FILE NO. EB-2009-0096

DATE: DECEMBER 21, 2010

1 c) related to work or service of a customized nature and required for distribution assets,
2 for example customer-requested pole relocation, repair of damages, new connections,
3 etc.

4
5 This schedule does not contain any rates and charges relating to the electricity
6 commodity (under the Regulated Price Plan, a contract with a retailer or the wholesale
7 market price, as applicable) or any charges or assessments that are required by law to be
8 charged by a distributor and are not subject to Board approval, such as the Debt
9 Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and
10 Renewable Energy Program, the Provincial Benefit and any applicable taxes.

11 12 **1.1 Implementation Dates**

13
14 Distribution Rates – January 1, 2011 for all consumption or deemed consumption
15 services used on or after that date.

16
17 Miscellaneous Charges – January 1, 2011 for all charges billed to customers on or after
18 that date.

19
20 Retail Transmission Rates – January 1, 2011 for all consumption or deemed consumption
21 services used on or after that date.

22
23 Loss Factor Adjustment – for all consumption or deemed consumption services billed
24 following January 1, 2011 or later.

25 26 **1.2 Customer Classifications**

27
28 Residential - Year-round customer classification applies to a customer's main place of
29 abode and may include additional buildings served through the same meter, provided
30 they are not rental income units. All of the following criteria must be met:

- 1 1. Occupant represents and warrants to Hydro One Networks Inc, that for so long as
2 he/she have year-round residential rate status for the identified dwelling he/she will
3 not designate another property that he/she owns as a year-round residence for
4 purposes of Hydro One rate classification
5
- 6 2. Occupier must live in this residence for at least four (4) days of the week for eight (8)
7 months of the year and the Occupier must not reside anywhere else for more than
8 three (3) days a week during eight (8) months of the year.
9
- 10 3. The address of this residence must appear on documents such as the occupant's
11 electric bill, driver's licence, credit card invoice, property tax bill, etc.
12
- 13 4. Occupants who are eligible to vote in Provincial or Federal elections must be
14 enumerated for this purpose at the address of this residence.
15

16 Seasonal Residential customer classification is defined as any residential service not
17 meeting the Residential Year-round criteria. It includes dwellings such as cottages,
18 chalets and camps.
19

20 General Service classification applies to any service that does not fit the description of
21 residential classes. It includes combination type services where a variety of uses are made
22 of the service by the owner of one property, and all multiple services except residential
23

24 Farm classification is applicable to properties actively engaged in agricultural production
25 as defined by Statistics Canada. It does not include tree, sod, or pet farms. Services to
26 year round pumping stations or other ancillary services remote from the main farm shall
27 be classed as farm.
28

1 Sub-Transmission (ST) classification refers to:

2 a) Embedded supply to Local Distribution Companies (LDCs), "Embedded" meaning
3 receiving supply via Hydro One Distribution assets, and where Hydro One is the Host
4 distributor to the Embedded LDC. Situations where the LDC is supplied via Specific
5 Facilities are included.

6 Or

7 b) load which:

8 i) is three-phase; and

9 ii) is directly connected to and supplied from Hydro One Distribution assets between
10 44 kV and 13.8 kV inclusive; the meaning of "directly" includes HON not
11 owning the local transformation; and

12 iii) is greater than 500 kW (monthly measured maximum demand averaged over the
13 most recent calendar year or whose forecasted monthly average demand over
14 twelve consecutive months is greater than 500 kW).

16 **1.3 Density Zones**

17
18 Urban Density Zone is defined as areas containing 3,000 or more customers with a line
19 density of at least 60 customers per kilometre.

20
21 Medium Density Zone is defined as areas containing 100 or more customers with a line
22 density of at least 15 customers per kilometre.

23
24 Low Density Zone is defined as areas other than Urban or Medium Density Zone.

26 **1.4 Rate Classes**

27
28 Residential

- 29 • UR - Year-round Residence in an Urban High Density Zone
- 30 • R1 - Year-round Residence in a Medium Density Zone

- 1 • R2 - Year-round Residence in a Low Density Zone
- 2 • Seasonal - Seasonal Residential Occupancy
- 3
- 4 General Service
- 5 • UGe - General Service - Urban Density
- 6 Applicable to Farm Three Phase customers, Farm Single Phase energy-billed
- 7 customers, and Industrial Commercial customers located in an Urban Density Zone
- 8 • UGd - General Service - Urban Density
- 9 Applicable to Farm Three Phase customers, Farm Single Phase demand-billed
- 10 customers, and Industrial Commercial customers located in an Urban Density Zone
- 11 • GSe - General Service
- 12 Single Phase and Three Phase Energy-billed customers not located in an Urban
- 13 Density Zone
- 14 • GSd - General Service
- 15 Single Phase and Three Phase Demand-billed customers not located in an Urban
- 16 Density Zone
- 17 • DGen - Distributed Generation
- 18 Embedded retail generation facility connected to the distribution system that is not
- 19 classified as MicroFIT generation.
- 20 • MicroFIT - This classification applies to an electricity generation facility contracted
- 21 under the Ontario Power Authority's microFIT program and connected to the
- 22 distributor's distribution system
- 23 • Unmetered Scattered Load
- 24 This classification refers to certain instances where connections can be provided
- 25 without metering. These loads are generally small in size and consistent in magnitude
- 26 of load. Hydro One reserves the right to review all cases and may require that a meter
- 27 be installed at its sole discretion. Services that can be unmetered include cable TV
- 28 amplifiers, telephone switching devices, phone booths, bus shelters, rail way crossing
- 29 signals, traffic signals, and other small fixed loads.

1

2 Further servicing details are available in the utility's Conditions of Service (including
3 in the "Unmetered Connections" section).

4

5 Sub Transmission

6 • ST - Sub Transmission

7 (Refer to criteria as specified in section 1.2)

8

9 Hydro One establishes billing determinants for demand customers at the greater of 100
10 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a
11 Customer's power factor is known to be less than 90 per cent, a kVA meter or other
12 equivalent electronic meter shall be used for measuring and billing.

13

14 Lighting

15 • Street Lights

16 This rate is applicable to all Hydro One Networks' core and acquired retail customers
17 who have streetlights. Networks' core retail customers are customers of Networks'
18 retail distribution system, excluding those customers previously served by acquired
19 distribution utilities.

20

21 Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

22

23 The energy consumption for street lights is estimated based on Networks' profile for
24 street lighting load, which provides the amount of time each month that the street
25 lights are operating.

26

27 • Sentinel Lights

28 This rate is applicable to all Hydro One Networks' core and acquired retail customers
29 who have separate service to a sentinel light. Networks' core retail customers are

1 customers of Networks' retail distribution system, excluding those customers
2 previously served by acquired distribution utilities.

3
4 The energy consumption for sentinel lights is estimated based on Networks' profile
5 for sentinel lighting load, which provides the amount of time each month that the
6 sentinel lights are operating.

7
8 Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

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11 **1.5 Rural or Remote Electricity Rate Protection**

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13 Under the *Ontario Energy Board Act, 1998* and associated regulations, every
14 qualifying year-round residence and farm with a principal residence is eligible to
15 receive Rural or Remote Electricity Rate Protection (RRRP). The service charge
16 shown for eligible R2 customers will be reduced by the applicable RRRP credit,
17 which is currently \$28.50 per month.

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20 **1.6 Special Rate Classes**

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- 22 • Low Use Secondary Service
 - 23 ○ Applicable to separately metered services connected prior to January 1, 1996.
 - 24 ○ Applicable to supplementary service located on the same property as the primary
25 service, supplied from the same transformer, with the same owner, separately
26 metered, and which consumes less than specific yearly amounts:

27

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Secondary Service (Old Rate Class)	Secondary Service (New Rate Class)	Volumes [kWh per year]
R1	R1	1,500
R2	R2	1,500
R3	Seasonal	500
R4	Seasonal	500
F1	General Service Energy	2,500
F3	General Service Energy	2,500
G1	General Service Energy	2,500
G3	General Service Energy	2,500

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4 **1.7 Specific Service Charges**

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Specific service charges details are included at the end of this schedule and are applicable to all customers.

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Residential – Urban [UR]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$/ kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	18.44
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.80
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.26
Distribution Volumetric Rate	\$/ kWh	0.02918
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$/ kWh	(0.0011)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$/ kWh	0.00130
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$/ kWh	(0.00111)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$/ kWh	0.00052
Retail Transmission Rate - Network Service Rate (6)	\$/ kWh	0.00575
Retail Transmission Rate - Line and Transformation Connection Service Rate (7)	\$/ kWh	0.00456

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (9) (16)	\$/ kWh	0.0052
Rural or Remote Rate Protection Rate (9) (16)	\$/ kWh	0.0013
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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1 **HYDRO ONE NETWORKS INC.**

2 **RATES FOR RETAIL DISTRIBUTION SERVICE**

3 **Effective Date:** January 1, 2011

4 **Except for the microFIT Generator Class effective date of September 21, 2009**

5
6 This schedule supersedes and replaces all previously approved schedules of Rates,
7 Charges and Loss Factors

8
9 **Residential – Medium Density [R1]**

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92) \$ 23.64
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ 0.78
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.35
Distribution Volumetric Rate \$ / kWh 0.03317
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kWh (0.0012)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kWh 0.00110
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kWh (0.00109)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kWh 0.00059
Retail Transmission Rate - Network Service Rate (4) \$ / kWh 0.00585
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kWh 0.00464

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service - Administration Charge (if applicable) \$ 0.25

HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

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 Charges and Loss Factors

Residential – Low Density [R2]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$/ kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge* (includes Smart Meter Funding Adder - \$3.92)	\$	59.61
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.69
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	1.00
Distribution Volumetric Rate	\$/ kWh	0.03600
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$/ kWh	(0.0013)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$/ kWh	0.00040
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$/ kWh	(0.00119)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$/ kWh	0.00065
Retail Transmission Rate - Network Service Rate (4)	\$/ kWh	0.00574
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$/ kWh	0.00440

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/ kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/ kWh	0.0013
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

* Under the Ontario Energy Board Act, 1998 and associated regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural or Remote Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, currently at \$28.50.

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Seasonal Residential – Seasonal

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92) \$ 23.63
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ 0.84
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.35
Distribution Volumetric Rate \$ / kWh 0.08205
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kWh (0.0011)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kWh 0.00280
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kWh (0.00095)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kWh 0.00147
Retail Transmission Rate - Network Service Rate (4) \$ / kWh 0.00543
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kWh 0.00431

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service - Administration Charge (if applicable) \$ 0.25

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

General Service Energy Billed (less than to 50 kW) [GSe - metered]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$ / kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	39.41
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.38
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.63
Distribution Volumetric Rate	\$ / kWh	0.03938
Distribution Volumetric Rate - Quinte West	\$ / kWh	0.03600
Distribution Volumetric Rate - Smiths Falls	\$ / kWh	0.03850
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$ / kWh	(0.0013)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$ / kWh	0.00040
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$ / kWh	(0.00117)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$ / kWh	0.00071
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00431
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00329

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0013
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Urban General Service Energy Billed (less than 50 kW) [UGe]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92) \$ 18.00
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ (0.22)
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.25
Distribution Volumetric Rate \$ / kWh 0.02325
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kWh (0.0013)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kWh (0.00040)
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kWh (0.00111)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kWh 0.00042
Retail Transmission Rate - Network Service Rate (4) \$ / kWh 0.00445
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kWh 0.00335

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service – Administration Charge (if applicable) \$ 0.25

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

General Service Energy Billed (less than 50 kW) [GSe - Unmetered]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$ / kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge	\$	29.06
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.38
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.63
Distribution Volumetric Rate	\$ / kWh	0.03938
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$ / kWh	(0.0013)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$ / kWh	0.00040
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$ / kWh	(0.00117)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$ / kWh	0.00071
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00431
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00329

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

General Service Demand Billed (50 kW and above) [GSd]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92) \$ 51.64
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ 0.42
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.86
Distribution Volumetric Rate \$ / kW 10.499
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kW (0.407)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kW 0.082
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kW (0.380)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kW 0.190
Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.40
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kW 1.04

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service – Administration Charge (if applicable) \$ 0.25

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Urban General Service Demand Billed (50 kW and above) [UGd]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$ / kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	37.54
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.64
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.60
Distribution Volumetric Rate	\$ / kW	8.173
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$ / kW	(0.508)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$ / kW	0.159
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$ / kW	(0.400)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$ / kW	0.150
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.45
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	1.09

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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1 **HYDRO ONE NETWORKS INC.**
2 **RATES FOR RETAIL DISTRIBUTION SERVICE**

3 **Effective Date:** January 1, 2011

4 **Except for the microFIT Generator Class effective date of September 21, 2009**

5
6 This schedule supersedes and replaces all previously approved schedules of Rates,
7 Charges and Loss Factors

8
9 **Distributed Generation [DGen]**
10

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92) \$ 41.24
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ (6.94)
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.67
Distribution Volumetric Rate \$ / kW 5.876
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kW (0.088)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kW (1.339)
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kW (0.100)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kW 0.100
Retail Transmission Rate - Network Service Rate (4) \$ / kW 0.29
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kW 0.22

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service – Administration Charge (if applicable) \$ 0.25

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HYDRO ONE NETWORKS INC.
RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Street Lights

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$/ kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge	\$	1.05
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.03
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.02
Distribution Volumetric Rate	\$/ kWh	0.05219
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$/ kWh	(0.0015)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$/ kWh	0.00160
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$/ kWh	(0.00120)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$/ kWh	0.00094
Retail Transmission Rate - Network Service Rate (4)	\$/ kWh	0.00362
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$/ kWh	0.00278

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/ kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/ kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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Charges and Loss Factors

Sentinel Lights

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition –
Non – RPP Customers (expires December 31, 2011) \$ / kWh 0.00091

Monthly Rates and Charges - Delivery Component

Service Charge \$ 1.05
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ 0.13
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ 0.20
Distribution Volumetric Rate \$ / kWh 0.06972
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) \$ / kWh (0.0015)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011) \$ / kWh 0.00690
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) \$ / kWh (0.00140)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011) \$ / kWh 0.00125
Retail Transmission Rate - Network Service Rate (4) \$ / kWh 0.00362
Retail Transmission Rate - Line and Transformation Connection Service Rate (5) \$ / kWh 0.00278

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13) \$ / kWh 0.0052
Rural or Remote Rate Protection Rate (7) (13) \$ / kWh 0.0013
Standard Supply Service – Administration Charge (if applicable) \$ 0.25

MicroFIT Generator

Service Charge \$ 5.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Low Use Secondary Service

Monthly Rates and Charges - Electricity Component

Rate Rider for 2009 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2011)	\$/ kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	32.04
Service Charge Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$	0.38
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	0.63
Distribution Volumetric Rate	\$/ kWh	0.03938
Volumetric Rate Rider #3 - Deferral/Variance Account Disposition 2008 (expires April 30, 2011)	\$/ kWh	(0.0013)
Volumetric Rate Rider #4 - Foregone Distribution Revenue 2008 (expires April 30, 2011)	\$/ kWh	0.00040
Volumetric Rate Rider #6 - Deferral/Variance Account Disposition 2009 (expires December 31, 2011)	\$/ kWh	(0.00117)
Volumetric Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$/ kWh	0.00071
Retail Transmission Rate - Network Service Rate (4)	\$/ kWh	0.00431
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$/ kWh	0.00329

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/ kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/ kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

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 Charges and Loss Factors

Sub Transmission [ST]

Monthly Rates and Charges - Electricity Component

Rate Rider #6D for Global Adjustment Sub-Account Disposition Rate Rider – Non – RPP Customers (expires December 31, 2011) (11) (14)	\$ / kWh	0.00091
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Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	292.56
Service Charge Rate Rider #4 - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$	(65.78)
Service Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	5.19
Meter Charge (for Hydro One ownership) (12)	\$	466.14
Meter Charge Rate Rider #4 - Foregone Dist'n Revenue 2008 (expires April 30, 2011)	\$	(192.48)
Meter Charge Rate Rider #8 - Green Energy Costs (expires December 31, 2011)	\$	8.26
Facility charge for connection to Common ST Lines (44 kV to 13.8 kV) (9)	\$/kW (1)	0.668
Volumetric Rate Rider #4 Common ST Line - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/kW (1)	(0.195)
Volumetric Rate Rider #8 Common ST Line - Green Energy Costs (expires December 31, 2011)	\$/kW (1)	0.012
Facility charge for connection to Specific ST Lines (44 kV to 13.8 kV)	\$/km (2)	633.28
Volumetric Rate Rider #4 Specific ST Line - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/km (2)	(243.77)
Volumetric Rate Rider #8 Specific ST Line - Green Energy Costs (expires December 31, 2011)	\$/km (2)	11.23
Facility charge for connection to Specific Primary Lines (12.5 kV to 4.16 kV)	\$/km (2)	490.79
Volumetric Rate Rider #4 Specific Primary Line - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/km (2)	(188.93)
Volumetric Rate Rider #8 Specific Primary Line - Green Energy Costs (expires December 31, 2011)	\$/km (2)	8.70
Facility charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1)	1.597
Volumetric Rate Rider #4 HVDS-high - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/kW (1)	(0.500)
Volumetric Rate Rider #8 HVDS-high - Green Energy Costs (expires December 31, 2011)	\$/kW (1)	0.028
Facility charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1)	3.541
Volumetric Rate Rider #4 HVDS-low - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/kW (1)	(0.930)
Volumetric Rate Rider #8 HVDS-low - Green Energy Costs (expires December 31, 2011)	\$/kW (1)	0.063
Facility charge for connection to low voltage (< 13.8 kV secondary) Low Voltage Dist'n Station	\$/kW (3)	1.944
Volumetric Rate Rider #4 LVDS-low - Foregone Dist'n Rev 2008 (expires April 30, 2011)	\$/kW (3)	(0.430)
Volumetric Rate Rider #8 LVDS-low - Green Energy Costs (expires December 31, 2011)	\$/kW (3)	0.034

Volumetric Rate Rider #3A (General) - Deferral/Variance Account Disposition 2008 (expires April 30, 2011) (10)	\$/kW (1)	(0.010)
Volumetric Rate Rider #3B (Wholesale Market Service Rate) Deferral/Variance Account Disposition 2008 (expires April 30, 2011) (11)	\$/kW (1)	(0.510)
Volumetric Rate Rider #6A (General) - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) (10)	\$/kW (1)	0.005
Volumetric Rate Rider #6B (Wholesale Market Service Rate)- Deferral/Variance Account Disposition 2009 (expires December 31, 2011) (11)	\$/kW (1)	(0.296)
Volumetric Rate Rider #6C - Deferral/Variance Account Disposition 2009 (expires December 31, 2011) (RTSR) (14)	\$/kW (1)	(0.230)
 Retail Transmission Service Rates (6)(7)(8):		
Retail Transmission Rate - Network Service Rate (4)	\$/kW	2.65
Retail Transmission Rate - Line Connection Service Rate (5)	\$/kW	0.64
Retail Transmission Rate - Transformation Connection Service Rate (5)	\$/kW	1.50

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/kWh	0.0013
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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Notes:

Note (1): The basis of the charge is the customer’s monthly maximum demand. For a customer with multiple delivery points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand will be the applicable billing determinant. Demand is not aggregated between stations.

Note (2): The basis of the charge is kilometres of line, within the supplied LDC's service area, supplying solely that LDC.

Note (3): These rates are based on the “non-coincident demand” at each delivery point of the customer supplied by the station. This is measured as the kW demand at the delivery point at the time in the month of maximum load on the delivery point. For a customer connected through two or more distribution stations, the total charge for the connection to the shared distribution stations is the sum of the relevant charges for each of the distribution stations.

1 Note (4): The monthly billing determinant for the RTSR Network Service rate is:

- 2 - for energy-only metered customers: the customer's metered energy
- 3 consumption adjusted by the total loss factor as approved by the Board.
- 4 - for interval-metered customers: the peak demand from 7 AM to 7 PM (local
- 5 time) on IESO business days in the billing period.
- 6 - for non-interval-metered demand billed customers: the non-coincident peak
- 7 demand in the billing period.

8
9 Note (5): The monthly billing determinant for the RTSR Line and Transformation
10 Connection Service rates is

- 11 - for energy-only metered customers: the customer's metered energy consumption
- 12 adjusted by the total loss factor as approved by the Board.
- 13 - for all demand billed customers: the non-coincident peak demand in the billing
- 14 period.

15
16 Note (6): Delivery point with respect to Retail Transmission Rates is defined as the low
17 side of the Transformer Station that steps down voltage from above 50 kV to
18 below 50 kV. For a customer's multiple interval-metered delivery points
19 served from the same Transformer Station, the aggregated demand at the said
20 delivery points on the low side of the Transformer Station will be the
21 applicable billing determinant.

22
23 Note (7): These rates pertain to the IESO's defined point of sale; consequently,
24 appropriate loss factors as approved by the Board and set out in Hydro One
25 Distribution's loss factors must be applied to the metered load of energy-
26 metered customers. Similarly, appropriate loss factors as approved by the
27 Board and set out as Hydro One Distribution's loss factors must be applied to
28 the applicable tariffs of demand-billed customers.

1 Note (8): The loss factors, and which connection service rates are applied, are
2 determined based on the point at which the distribution utility or customer is
3 metered for its connection to Hydro One Distribution's system. Hydro One
4 Distribution's connection agreements with these distribution utilities and
5 customers will establish the appropriate loss factors and connection rates to
6 apply from Hydro One Distribution's tariff schedules.

7
8 Note (9): The Common ST Lines rate also applies to the small amount of supply to
9 Distributors which uses lines in the 12.5 kV to 4.16 kV range from HVDSs or
10 LVDSs.

11
12 Note (10): "Rider 3A (General)" & "Rider 6A (General)" is charged based on
13 appropriate billing kW.

14
15 Note (11): "Rider 3B (Wholesale Market Service Charge)" & "Rider 6B (Wholesale
16 Market Service Charge)" & "Rider 6D (Global Adjustment)" applies to those
17 customers who were charged Wholesale Market Service Charges.

18
19 Note (12): The Meter charge is applied to delivery points for which Hydro One owns
20 the metering.

21
22 Note (13): The Wholesale Market Service Rate and the Rural or Remote Rate
23 Protection Rate are charged solely to non-Wholesale-Market-Participants

24
25 Note (14): "Rider 6C (RTSR)" & "Rider 6D (Global Adjustment)" applies to non-LDC
26 ST customers

27

28

1 **Customer-Supplied Transformation Allowance**

2
3 Applicable to customers providing their own transformers:

4 Primary Voltage under 50 kV (per kW)

5

Demand Billed	\$ / kW	0.60
Energy Billed	cent / kWh	0.14

6

7
8 **Transformer Loss Allowance**

9
10 • Applicable to non-ST customers requiring a billing adjustment for transformer losses
11 as the result of being metered on the primary side of a transformer. The following
12 uniform values shall be applied to measured demand and energy to calculate
13 transformer losses for voltages up to and including 50 kV (as metered on the primary
14 side):

- 15
- 16 a) 1.5% for transformer installations up to an individual bank capacity of 400 kVA,
 - 17 b) 1.0% for bank capacities over 400 kVA.

18 And;

19
20 • Applicable to ST customers requiring a billing adjustment for transformer losses as
21 the result of being metered on the secondary side of a transformer. The following
22 uniform value shall be added to measured demand and energy (as metered on the
23 secondary side) to adjust for transformer losses:

- 24
- 25 a) 1.0%
- 26

27 • Alternatively, transformer losses may be determined from transformer test data, and
28 measured demand and energy adjusted accordingly.

29

- 1 • For services which are not demand metered, an assumed demand of 50% of the
- 2 transformer capacity will be used to calculate the loss allowance. Where several
- 3 transformers are involved, the bank capacity is assumed to be the arithmetic sum of
- 4 all transformer capacities.

5

6 **Loss Factors**

7 Rate Class	Factor
Residential	
UR	1.078
R1	1.085
R2	1.092
Seasonal	1.092
 General Service	
GSe	1.092
GSd	1.061
UGe	1.092
UGd	1.061
DGen	1.061
 Lights	
Street	1.092
Sentinel	1.092
 Sub Transmission	
Distribution Loss Factors	
Embedded Delivery Points (metering at station)	1.000
Embedded Delivery Points (metering away from station)	1.028
 Total Loss Factors	
Embedded Delivery Points (metering at station)	1.006
Embedded Delivery Points (metering away from station)	1.034

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HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2011

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SPECIFIC SERVICE CHARGES

Standard Amounts

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
1	Temporary Service	\$500			
2	Dispute Meter Test	\$30 plus Measurement Canada fees			
3	Collection of account – no disconnection/load limiter	\$30			
4	Collection/Disconnect/load limiter/reconnect (at meter) trip – regular hours	\$65			
5	Collection/Disconnect/load limiter/reconnect (at meter) trip – after regular hours	\$185			
6	Collection/Disconnect/load limiter/reconnect (at pole) trip – regular hours	\$185			
7	Collection/Disconnect/load limiter/reconnect (at pole) trip – after regular hours	\$415			
8	Account Set-up Charge	\$30			
9	Arrears Certificate	\$15			
10	NSF Cheque Charge	\$15			
11	Easement Charge for Unregistered Rights	\$15			
12	Late Payment Charge	1.5%/month			
13a	Retailer Services – Establishing Service Agreements (refer to Handbook for all charges)	\$100/agreement/Retailer +\$20/month/Retailer +\$0.50/month/customer + other			
13b	Retailer Services – Other (includes Bill Ready for Retailers and Service Transactions Requests) as per the Handbook, Chapter 12	\$0.30/month/customer + \$0.25/request for request fee + \$0.50/request for process fee			
14	Special Meter Reads	\$30			
15	Service Layout Fee – Basic		\$562		
16	Service Layout Fee – Complex		\$750		
17	Crossing Application – Pipeline		\$2,600		
18	Crossing Application – Water		\$2,960		
19	Crossing Application – Railroad		\$3,100		
20	Line Staking – per meter		\$3.75		
21	Central Metering – New service < 45 kW		\$115		
22	Conversion to Central Metering < 45 kW		\$935		

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
23	Conversion to Central Metering > 45 kW		\$815		
24	Tingle Voltage Test – In Excess of 4 Hours (per hour – average 2 additional hours)		\$125		
25	Standby Administration Charge per month		\$480		
26a	Connection Impact Assessment (CIA) Charges – Small & Medium		\$10,335		
26b	Connection Impact Assessment (CIA) Charges – Large		\$10,405		
27	Sentinel Lights Rental Rate per month			\$7.10	
28	Sentinel Lights Pole Rental Rate per month			\$4.15	
29	Joint Use for Cable and Telecom companies per pole			\$22.35	
30	Joint Use for LDCs per pole			\$28.61	

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HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

To the service areas served by the utilities Acquired by Hydro One Networks

Effective Date: January 1, 2011

Except for the microFIT Generator Class effective date of September 21, 2009

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

Effective January 1, 2011 Hydro One Distribution has implemented the fourth and final step of the Board approved harmonization plan to move the rate classes for the customers of the 89 Acquired Utilities into Hydro One Network’s approved customer classes. The table below provides a summary mapping of customer rate classes from the Acquired Utilities rate classes to their current Hydro One Network rate class, for which the rate schedules are provided in the preceding pages.

Legend:

	Symbol	Rate Class Definition
Old Acquired Utility Rate Class	R1	Residential High Density
	R2	Residential Normal Density
	UR	Residential Urban Density
	Seasonal	Seasonal Residential
	GSe	General Service Energy Billed
	GSd	General Service Demand Billed
	USL	Unmetered, Scattered Load
	UGe	General Service Energy Billed Urban Density
	UGd	General Service Demand Billed Urban Density
Current Hydro One Rate Class	R1	Residential Medium Density
	R2	Residential Low Density
	UR	Residential Urban Density
	Seasonal	Seasonal Residential
	GSe	General Service Energy Billed (less than to 50 kW) – Metered
	GSd	General Service Demand Billed (less than 50 kW)
	GSe Unmetered	General Service Energy Billed (less than 50 kW) - Unmetered
	UGe	Urban General Service Energy Billed (less than 50 kW)
UGd	Urban General Service Demand Billed (50 kW and above)	

1 Mapping of Acquired Utilities to Hydro One Approved Rate Classes.

Acquired LDC Rate Schedule Title	Old Acquired Utility Rate Class	Current Hydro One Rate Class
Hydro-System of the Village of Ailsa Craig	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Village of Arkona Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Town of Arnprior	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Arran-Elderslie Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Township of Artemesia	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Bancroft Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Bath Hydro Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Blandford-Blenheim Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Village of Blyth	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Bobcaygeon Hydro Electric Commission	R1	R1

	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Brighton Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Brockville Public Utilities Commission	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Caledon Hydro Corporation	UR	UR
	R1	R1
	R2 Caledon OH 06	R2
	Seasonal Caledon OH 07	Seasonal
	GSe Caledon CH	GSe - Metered
	Gse Caledon OH	GSe - Metered
	GSd Caledon CH	GSd
	GSd Caledon OH	GSd
	USL	GSe - Unmetered
Campbellford/Seymour Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro Electric Commission of the Town of Carleton Place	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Cavan-Millbrook-North Monaghan Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Centre Hastings Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Village of Chalk River Hydro Electric System	R1	R1
	GSe	GSe - Metered

	GSd	GSd
	USL	GSe - Unmetered
Township of Champlain Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Clarence-Rockland Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Village of Cobden Hydro System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Town of Deep River	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Deseronto Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
City of Dryden Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Dundalk Energy Services	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Durham Hydro-Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Village of Eganville	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Town of Erin	R1	R1
	GSe	GSe - Metered
	GSd	GSd

	USL	GSe - Unmetered
Hydro-Electric Commission of the Town of Exeter	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Fenelon Falls Board of Water, Light and Power Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Town of Forest Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Georgian Bay Energy Inc.	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Georgina Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Village of Glencoe	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utility Commission of Village of Grand Bend	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Village of Hastings	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro Electric Commission of the Township of Havelock-Belmont-Methuen	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Kirkfield Hydro Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered

Public Utilities Commission of the Township of Lanark Highlands	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Larder Lake Hydro-Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Latchford Hydro Electric	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Lindsay Hydro Electric System	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Lucan Granton Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Power Commission of the Township of Malahide	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Township of Mapleton	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Markdale Hydro System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Marmora Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
McGarry Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Town of	R1	R1

Meaford	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Corporation of the Township of Middlesex Centre	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Napanee Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Nipigon Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Township of North Dorchester Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Corporation of the Township of North Dundas	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
North Glengarry Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
North Grenville Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utility Commission of the Town of North Perth	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
North Stormont Hydro-Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Omemee Hydro-Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utility Commission of the Town of Perth	UR	UR
	R1	R1

	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
The Corporation of the Township of Perth East Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Prince Edward Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Quinte West Electric Distribution Inc.	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Rainy River Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Ramara Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Red Rock Hydro System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Police Village of Russell Hydro-Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Schreiber Hydro-Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Severn Hydro-Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd

	USL	GSe - Unmetered
Hydro-Electric Commission of the Town of Shelburne	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Smiths Falls Hydro Electric Commission	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
South Bruce Peninsula Energy Inc.	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Township of South Glengarry	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Village of South River Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Township of Springwater	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Stirling-Rawdon Public Utilities Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Terrace Bay Superior Wires Inc.	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Public Utilities Commission of the Village of Thedford	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Thessalon Hydro Distribution Corporation	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Thorndale Hydro Electric Commission	R1	R1

	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Thorold Hydro Electric Commission	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Tweed Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Wardsville Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Hydro-Electric Commission of the Police Village of Warkworth	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
West Elgin Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Whitchurch-Stouffville Hydro-Electric Commission	UR	UR
	R1	R1
	UGe	UGe
	GSe	GSe - Metered
	UGd	UGd
	GSd	GSd
	USL	GSe - Unmetered
Woodville Hydro-Electric System	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered
Village of Wyoming Hydro Electric Commission	R1	R1
	GSe	GSe - Metered
	GSd	GSd
	USL	GSe - Unmetered

APPENDIX “B”

TO

HYDRO ONE NETWORKS INC.

2011 DISTRIBUTION RATE ORDER

BOARD FILE NO. EB-2009-0096

DATE: DECEMBER 21, 2010

DRAFT CUSTOMER RATE NOTICES

1

2

3 The following draft customer rate notices are attached:

4

5 Attachment 1 - Legacy Customers

6 Attachment 2 - Acquired Customers



Delivery Rates are Increasing



Partners in Powerful Communities

www.HydroOne.com

The Ontario Energy Board (OEB) has approved a delivery rate increase for 2011.

The delivery rate increase for 2011 will add \$4.45 per month, or 6.9%, to the Delivery line on the bill for a typical residential customer using 1,000 kWh a month. For a typical general service customer using 2,000 kWh a month, the delivery rate increase for 2011 will add \$8.33 per month, or 6.7%, to the Delivery line on the bill. These rates apply to consumption starting January 1, 2011.

The Delivery line of the bill represents about 38% of the total bill and pays for bringing electricity to your home or business from the point of generation, across our transmission and distribution system. Although we bill you for the other line items on your bill, the money collected goes to other entities.

We realize that rate increases are never welcome news, and we understand that rising electricity bills are a concern for customers. We have introduced new customer service rules related to arrears management and security deposits. If you are having financial difficulties, please call us for assistance.

A delivery rate increase is necessary to maintain a reliable electricity distribution system and also to comply with provincial government programs for conservation and renewable energy.

Our first priority is to deliver electricity to our customers safely, reliably and efficiently. This increase is needed to:

- Replace and maintain equipment nearing its end-of-life or damaged by storms.
- Build or upgrade our facilities to keep up with customer growth and ensure reliability of the distribution system.
- Fund smart meter installations.
- Connect renewable generation projects (such as wind, solar, hydro, biomass and biogas) to our distribution facilities as part of the government's *Green Energy Act*.
- Pay for capital costs for physical infrastructure and systems, and compensation.

Even though we are increasing rates, we have made many productivity improvements in our business that will save the company and our customers millions of dollars over the next few years. Some examples include the use of better technology, improving contracts with our service providers and the use of automated meter reading.

Hydro One is wholly owned by the Province of Ontario. In 2009, we paid \$188 million in dividends to the Province and \$77 million in payments in lieu of corporate income taxes,

including capital taxes, to the Ontario Electricity Financial Corporation.

Our delivery rates underwent a rigorous regulatory review.

This included a public hearing by the OEB. Public participation helps ensure that the OEB makes an informed decision on our delivery rates. The OEB approved our 2010 – 11 distribution rate application on April 9, 2010. In its decision, the OEB reduced some of our proposed spending. This reduction results in lower delivery rates than were originally requested.

Are there any other changes to my bill?

Other components of your bill are also changing. These include:

- **Ontario Clean Energy Benefit:** As directed by the provincial government, residential, seasonal, farm and small business customers will receive a 10% rebate on their total electricity charges, including HST. This rebate is effective for electricity consumed January 1, 2011, through to December 31, 2015, and will help customers cope with rising electricity bills.
- **Electricity:** At this time, a number of our customers still pay the two-tier Regulated Price Plan (RPP) for electricity, which accounts for about half of your total bill. The OEB adjusts RPP prices every spring and every fall. As of November 1, 2010, the OEB has decreased RPP prices. The new prices are 6.4 cents per kWh for use up to a certain threshold and 7.4 cents per kWh above that threshold. This will result in a decrease of \$5 per month for an average residential customer using 1,000 kWh of electricity per month.
- **Time-of-Use (TOU) Electricity Prices:** As part of the provincial government's plan to promote a culture of energy conservation, many of our customers have now moved to TOU electricity prices. As of November 1, 2010, the OEB has made changes to some TOU prices: 9.9 cents per kWh for on-peak (no change), 8.1 cents per kWh for mid-peak (from 8.0 cents) and 5.1 cents per kWh for off-peak (from 5.3 cents). Your bill may stay about the same or be higher or lower, depending on your ability to shift your usage to off-peak periods. Hydro One will notify customers 30 days in advance of the switch to TOU prices.
- **Special Purpose Charge:** This charge was introduced by the provincial government last year to pay for conservation and renewable energy programs. An average residential customer pays about \$4 a year for this charge. This charge will end on April 30, 2011.

- **New Service Types:** Some customers will see a new service type description on their bill starting in January. The change in service type descriptions does not affect the delivery rates you pay. See the table below for more information on this change, or go to www.HydroOne.com/ServiceTypes or call us.
- **Change to Bill Payment Date:** As directed by the OEB, customers must have at least 16 days to pay their bill before a late payment charge can be applied. You now have 19 days (from 21 days) to pay your bill. If your required payment

date falls on a weekend or holiday, you'll have until the next business day to make payment. Go to www.HydroOne.com/BillPayment or call us for details.

- **Provincial Benefit:** As directed by government regulation, the name of the line item Provincial Benefit has been changed to Global Adjustment, effective January 1, 2011. Only customers who have signed a retail contract and customers who are billed spot-market prices will see this change on their bill.

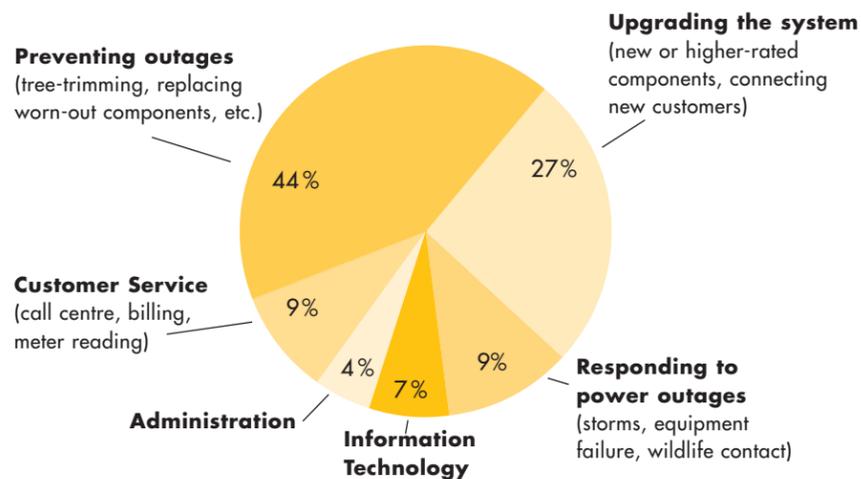
How much will my bill increase?

The amount by which your bill will increase depends on your service type and the amount of electricity you use. An average customer will see the following increase on his or her bill before the new Ontario Clean Energy Benefit is applied.

Service Type	Electricity used Monthly	Average increase on Delivery line of bill	Average % increase on Delivery line of bill	Average % increase on total bill
Residential – Urban High Density (formerly Residential – Urban)	1,000 kWh	\$4.03	7.3%	2.8%
Residential – Medium Density (formerly Residential – High Density)	1,000 kWh	\$4.45	6.9%	2.9%
Residential – Low Density (formerly Residential – Normal Density and Farms with a residence)	1,000 kWh	\$7.46	10.5%	4.7%
Residential – Seasonal (formerly Seasonal – High Density) (formerly Seasonal – Normal Density)	500 kWh 500 kWh	\$9.23 \$3.24	14.6% 4.7%	8.8% 2.9%
General Service – Energy (formerly General – Single & Three Phase and Farm – Single & Three Phase)	2,000 kWh	\$8.33	6.7%	2.7%

Your first bill issued after January 19, 2011, will reflect this delivery rate increase. For more information, go to www.HydroOne.com/2011Rates or call us at 1-866-543-8031.

Where money is spent for delivery charges:



Helping you manage your electricity use

We will be launching a number of conservation programs for your home or business that will help you save electricity. Check www.HydroOne.com/SaveEnergy for information or call us at 1-888-664-9376.

how to reach us

web: www.HydroOne.com

call: Customer Communications Centre 1-866-543-8031
Monday to Friday, 7:30 a.m. to 8:00 p.m. ET
For power outages and emergencies 1-800-434-1235
24 hours a day, 7 days a week





Delivery Rates are Increasing



Partners in Powerful Communities

www.HydroOne.com

The Ontario Energy Board (OEB) has approved a delivery rate increase for 2011.

The delivery rate increase for 2011 will vary depending on your service type and how much electricity you use. As a percentage of your total bill, the increase will be less than 4% for an average residential customer. These rates apply to consumption starting January 1, 2011.

The Delivery line of the bill represents about 38% of the total bill and pays for bringing electricity to your home or business from the point of generation, across our transmission and distribution system. Although we bill you for the other line items on your bill, the money collected goes to other entities.

We realize that rate increases are never welcome news, and we understand that rising electricity bills are a concern for customers. We have introduced new customer service rules related to arrears management and security deposits. If you are having financial difficulties, please call us for assistance.

A delivery rate increase is necessary to maintain a reliable electricity distribution system and also to comply with provincial government programs for conservation and renewable energy.

Our first priority is to deliver electricity to our customers safely, reliably and efficiently. This increase is needed to:

- Consolidate or harmonize the rates in your community with those of other communities served by Hydro One. The harmonization increase is the final phase of the four-year harmonization plan that was approved by the OEB in December 2008. Now that the harmonization plan is complete, your delivery rates are the same as those in other communities that we serve.
- Replace and maintain equipment nearing its end-of-life or damaged by storms.
- Build or upgrade our facilities to keep up with customer growth and ensure reliability of the distribution system.
- Fund smart meter installations.
- Connect renewable generation projects (such as wind, solar, hydro, biomass and biogas) to our distribution facilities as part of the government's *Green Energy Act*.
- Pay for capital costs for physical infrastructure and systems, and compensation.

Even though we are increasing rates, we have made many productivity improvements in our business that will save the company and our customers millions of dollars over the next few years. Some examples

include the use of better technology, improving contracts with our service providers and the use of automated meter reading.

Hydro One is wholly owned by the Province of Ontario. In 2009, we paid \$188 million in dividends to the Province and \$77 million in payments in lieu of corporate income taxes, including capital taxes, to the Ontario Electricity Financial Corporation.

Our delivery rates underwent a rigorous regulatory review.

This included a public hearing by the OEB. Public participation helps ensure that the OEB makes an informed decision on our delivery rates. The OEB approved our 2010 – 11 distribution rate application on April 9, 2010. In its decision, the OEB reduced some of our proposed spending. This reduction results in lower delivery rates than were originally requested.

Are there any other changes to my bill?

Other components of your bill are also changing. These include:

- **Ontario Clean Energy Benefit:** As directed by the provincial government, residential, seasonal, farm and small business customers will receive a 10% rebate on their total electricity charges, including HST. This rebate is effective for electricity consumed January 1, 2011, through to December 31, 2015, and will help customers cope with rising electricity bills.
- **Electricity:** At this time, a number of our customers still pay the two-tier Regulated Price Plan (RPP) for electricity, which accounts for about half of your total bill. The OEB adjusts RPP prices every spring and every fall. As of November 1, 2010, the OEB has decreased RPP prices. The new prices are 6.4 cents per kWh for use up to a certain threshold and 7.4 cents per kWh above that threshold. This will result in a decrease of \$5 per month for an average residential customer using 1,000 kWh of electricity per month.
- **Time-of-Use (TOU) electricity prices:** As part of the provincial government's plan to promote a culture of energy conservation, many of our customers have now moved to TOU electricity prices. As of November 1, 2010, the OEB has made changes to some TOU prices: 9.9 cents per kWh for on-peak (no change), 8.1 cents per kWh for mid-peak (from 8.0 cents) and 5.1 cents per kWh for off-peak (from 5.3 cents). Your bill may stay about the same or be higher or lower, depending on your ability to shift your usage to off-peak periods. Hydro One will notify customers 30 days in advance of the switch to TOU prices.

- **Special Purpose Charge:** This charge was introduced by the provincial government last year to pay for conservation and renewable energy programs. An average residential customer pays about \$4 a year for this charge. This charge will end on April 30, 2011.
- **New Service Types:** With the final phase of the four-year harmonization plan being implemented, service types are changing on bills starting in January. For example, residential customers will no longer see their community name printed on their bill; instead, we'll show their applicable density-based service type (Urban High, Medium or Low Density). The change in service type descriptions does not affect the delivery rates you pay. For more information on this change, go to www.HydroOne.com/ServiceTypes or call us.
- **Change to Bill Payment Date:** As directed by the OEB, customers must have at least 16 days to pay their bill before a late payment charge can be applied. You now have 19 days (from 21 days) to pay your bill. If your required payment date falls on a weekend or holiday, you'll have until the next business day to make payment. Go to www.HydroOne.com/BillPayment or call us for details.
- **Provincial Benefit:** As directed by government regulation, the name of the line item Provincial Benefit has been changed to Global Adjustment, effective January 1, 2011. Only customers who have signed a retail contract and customers who are billed spot-market prices will see this change on their bill.

How much will my bill increase?

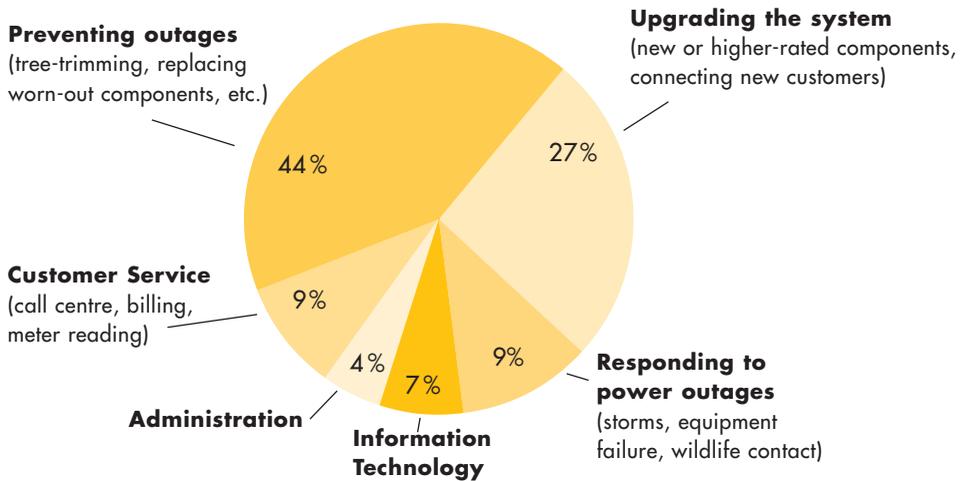
The amount by which your bill will increase depends on your service type and the amount of electricity you use.

The delivery rate increase for 2011 will add \$6.20 per month on the bill for an average residential customer using 1,000 kWh a month. This translates to an increase of 4% on the total bill, before the new Ontario Clean Energy Benefit is applied.

For an average general service customer using 2,000 kWh a month, the delivery rate increase for 2011 will add \$14.55 per month on the bill. This translates to an increase of 5% on the total bill, before the new Ontario Clean Energy Benefit is applied.

To see how this delivery increase will affect your bill, go to www.HydroOne.com/2011Rates or call us at 1-866-543-8031. Your first bill issued after January 19, 2011, will reflect this change.

Where money is spent for delivery charges:



Helping you manage your electricity use

We will be launching a number of conservation programs for your home or business that will help you save electricity. Check www.HydroOne.com/SaveEnergy for information or call us at 1-888-664-9376.

how to reach us

web: www.HydroOne.com

call: Customer Communications Centre 1-866-543-8031
Monday to Friday, 7:30 a.m. to 8:00 p.m. ET
For power outages and emergencies 1-800-434-1235
24 hours a day, 7 days a week



Partners in Powerful Communities



Mixed Sources
FPO
FSC
www.fsc.org