



**EB-2010-0002**

**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 under section 78 of the *Ontario  
Energy Board Act, 1998*, seeking changes to the uniform  
provincial electricity transmission rates.

**BEFORE:** Paul Sommerville  
Presiding Member

Ken Quesnelle  
Member

Paula Conboy  
Member

**REVENUE REQUIREMENT AND CHARGE DETERMINANT ORDER ARISING FROM  
THE EB-2010-0002 DECISION WITH REASONS OF DECEMBER 23, 2010  
and  
2011 UNIFORM ELECTRICITY TRANSMISSION RATE ORDER (REVISED)**

On May 19, 2010, Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board (the "Board") under section 78 of *Ontario Energy Board Act, 1998*. The application sought approval for changes to the Hydro One transmission revenue requirement and the uniform rates for electricity transmission, to be effective January 1, 2011 and January 1, 2012. The Board assigned the application file number EB-2010-0002.

The Board issued its Decision with Reasons on December 23, 2010. The Board further ordered Hydro One to file a draft Rate Order with the Board and all intervenors, including:

- An exhibit showing the final revenue requirements to reflect the Board's findings;
- An exhibit showing the calculation of the uniform electricity transmission rates and revenue shares reflecting the revenue requirement from above; and a draft schedule of the 2011 Uniform Electricity Transmission Rates.

On January 5, 2011 Hydro One filed these exhibits. The Board notes that the draft rate order implements the Board's 2010 decisions for Hydro One as well as two other Ontario electricity transmitters:

Great Lakes Power Transmission Inc.	EB-2009-0948	issued May 17, 2010
Five Nations Energy Inc.	EB-2009-0387	issued November 1, 2010

The Board also notes that all Ontario electricity transmitters were a party to this proceeding, including Canadian Niagara Power Inc.

On January 6, 2011, Hydro One held a briefing session for all parties concerning the Rate Order material filed. The Board's December 23, 2010 decision provided for a 7 day comment period for parties to comment on the Rate Order materials.

On January 9, 2011, the Building Owners and Managers Association of the Greater Toronto Area and the London Property Management Association ("BOMA/LPMA") filed a letter requesting more detailed information on three specific areas of Hydro One's draft Rate Order exhibits (HST adjustments, Working Capital changes and AFUDC adjustments). On January 12, 2011, Hydro One responded to the issues raised by BOMA/LPMA by providing further information and clarifications for each of the issues raised by BOMA/LPMA.

No other party commented or objected to the draft Rate Order exhibits.

The Board has reviewed the comments filed by BOMA/LPMA and the Hydro One response to those comments and finds that Hydro One has reasonably and appropriately reflected the Board's December 23, 2010 Decision in the draft Rate Order. The Board also finds that Hydro One has appropriately reflected the relevant Board decisions regarding the other transmitters in Ontario in the draft Rate Order.

Therefore, the Board finds it appropriate to issue a final Rate Order regarding Hydro One's 2011 Test Year revenue requirements and charge determinants for use in the implementation of the Ontario Uniform Electricity Transmission rates.

**THEREFORE, THE BOARD ORDERS THAT:**

1. The Hydro One Base Revenue Requirement for 2011, \$1,345.6 million as shown in Exhibit 1.0 in Appendix A, is approved for recovery through the Uniform Electricity Transmission Rates.
2. The allocation of the approved revenue requirements to the three electricity transmission rate pools as shown in Exhibit 2.0 in Appendix A is approved.
3. The Hydro One charge determinants for each rate pool as shown in Exhibit 3.0 in Appendix A are approved.
4. The final revenue requirement by rate pool and the Uniform Electricity Transmission Rates and Revenue Allocators for rates effective January 1, 2011, as shown in Exhibit 4.0 in Appendix A are approved.
5. The Wholesale Meter Service and Exit Fee Schedule, attached as Exhibit 5.0 in Appendix A, is approved.
6. The 2011 Ontario Transmission Rate Schedules, attached as Appendix B are approved.

**ISSUED** at Toronto, January 18, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**APPENDIX A**

**HYDRO ONE NETWORKS INC. TRANSMISSION REVENUE  
REQUIREMENT/CHARGE DETERMINANT ORDER**

**AND**

**2011 UNIFORM ELECTRICITY TRANSMISSION RATE ORDER  
(REVISED)**

**EB-2010-0002**

**JANUARY 18, 2011**

**Hydro One Networks Inc.**  
Implementation of Decision with Reasons on EB-2010-0002

Revenue Requirement Summary

(\$ millions)	Supporting Reference	Hydro One Proposed 2011	Hydro One Proposed 2012	OEB Decision Impact 2011	OEB Decision Impact 2012	OEB Approved 2011	OEB Approved 2012
OM&A	Exhibit 1.1	436.3	450.0	(17.6)	177.1	418.8	627.1
Depreciation	Exhibit 1.2	302.9	334.8	(1.0)	(4.1)	301.8	330.8
Return on Debt	Exhibit 1.4	284.8	312.3	(27.3)	(25.1)	257.5	287.1
Return on Equity	Exhibit 1.4	340.5	380.4	(37.0)	(28.3)	303.5	352.1
Income Tax	Exhibit 1.5	80.9	70.0	(17.0)	(9.4)	64.0	60.6
Base Revenue Requirement		<b>1,445.5</b>	<b>1,547.4</b>	<b>(99.9)</b>	<b>110.2</b>	<b>1,345.6</b>	<b>1,657.6</b>
Deduct: External Revenue	Exhibit 1.6	31.3	24.7	2.4	4.0	33.7	28.7
Subtotal		<b>1,414.2</b>	<b>1,522.7</b>	<b>(102.3)</b>	<b>106.2</b>	<b>1,311.8</b>	<b>1,628.9</b>
Deduct: Export Tx Service Revenue	Exhibit 1.7	(10.1)	(10.2)	(5.9)	(5.8)	(16.0)	(16.0)
Deduct: Other Cost Charges	Exhibit 1.8	(10.0)	2.6	2.6	(2.6)	(7.4)	-
Add: Low Voltage Switch Gear	Note 2	11.8	12.5	(0.7)	1.4	11.1	13.9
Rates Revenue Requirement		<b>1,405.8</b>	<b>1,527.5</b>	<b>(106.3)</b>	<b>99.3</b>	<b>1,299.5</b>	<b>1,626.8</b>

Note 1: In 2011, a variance account will be established for property rights payments to track changes from approved amounts. In 2012, IFRS transition variance accounts will be established for the impact of further changes to IFRS; IFRS gains and losses; and the \$200 million impact on 2012 Revenue Requirement of adopting IFRS accounting for overheads capitalized [this is estimated to be \$196.7 million once the rate base impact is taken into account of the shift from capex to OM&A]. Further, the 2012 Revenue Requirement impact if the Bruce to Milton Project in-service date is delayed from 2012 until 2013 will also be tracked in a variance account. Also, variance accounts will continue to be utilized for export revenues, secondary land use, External Station Maintenance and E&CS revenues to track changes from approved amounts.

Note 2: The value of \$13.9M for LVSG in 2012 is an estimate and will be revised once the 2012 Revenue Requirement is finalized in the fall of 2011.

**Hydro One Networks Inc.**  
Implementation of Decision with Reasons on EB-2010-0002

2011 Revenue Requirement by Rate Pool

	Supporting Exhibit	2011 Rate Pool Revenue Requirement (\$ Million)					
		Network	Line Connection	Transformation Connection	Uniform Rates Sub-Total	Wholesale Meter	Total
OM&A	1.1	203.9	38.9	104.6	347.5	0.5	348.0
Other Taxes (Grants-in-Lieu)	Note 1	43.5	10.9	16.4	70.7	0.0	70.8
Depreciation of Fixed Assets	1.2	167.2	39.5	78.6	285.3	0.1	285.4
Capitalized Depreciation	Note 2	(5.6)	(1.4)	(2.2)	(9.2)	(0.0)	(9.2)
Asset Removal Costs	Note 2	11.2	2.8	4.4	18.4	0.0	18.4
Other Amortization	Note 2	4.5	1.1	1.7	7.2	0.0	7.3
Return on Debt	1.4	158.2	39.5	59.7	257.4	0.1	257.5
Return on Equity	1.4	186.4	46.6	70.4	303.4	0.1	303.5
Income Tax	1.5	39.3	9.8	14.8	63.9	0.0	64.0
<b>Base Revenue Requirement</b>		<b>808.6</b>	<b>187.7</b>	<b>348.5</b>	<b>1344.8</b>	<b>0.8</b>	<b>1345.6</b>
Less Regulatory Asset Credit	1.8	(4.4)	(1.0)	(1.9)	(7.4)	(0.0)	(7.4)
<b>Total Revenue Requirement</b>		<b>804.1</b>	<b>186.7</b>	<b>346.6</b>	<b>1337.4</b>	<b>0.8</b>	<b>1338.2</b>
Less Non-Rate Revenues	1.6	(20.3)	(4.7)	(8.7)	(33.7)	(0.0)	(33.7)
Less Export Revenues	1.7	(16.0)			(16.0)		(16.0)
Plus LVSG Credit	6.0			11.1	11.1		11.1
<b>Total Revenue Requirement for UTR</b>		<b>767.9</b>	<b>182.0</b>	<b>348.9</b>	<b>1298.8</b>	<b>0.8</b>	<b>1299.5</b>
Hydro One Proposed Pool Revenue Requirement	Note 3	839.7	195.6	369.6	1405.0	0.8	1405.8

Note 1: Included with OM&A total in Exhibit 1.1. See EB-2010-0002 Exhibit G2, Tab 5, Schedule 1, Page 1.

Note 2: Included with Depreciation total in Exhibit 1.2. See EB-2010-0002 Exhibit G2, Tab 5, Schedule 1, Page 1.

Note 3: See EB-2010-0002 Exhibit G2, Tab 5, Schedule 1, Page 1.

**Hydro One Networks Inc.**  
Implementation of Decision with Reasons on EB-2010-0002

Summary Charge Determinants  
(for Setting Uniform Transmission Rates for January 1, 2011 to December 31, 2011)

	Total MW *
Network	241,795
Line Connection	233,996
Transformation Connection	202,198

\* 2011 charge determinants per Exhibit H1, Tab 3, Schedule 1, Table 1, multiplied by 12.

**Hydro One Networks Inc.**  
 Implementation of Decision with Reasons on EB-2010-0002

Uniform Transmission Rates and Revenue Disbursement Allocators  
 (for Period January 1, 2011 to December 31, 2011)

Transmitter	Revenue Requirement (\$) (Note 3, Note 4)			
	Network	Line Connection	Transformation Connection	Total
FNEI	\$4,306,935	\$1,020,593	\$1,957,135	\$7,284,663
CNPI	\$2,727,030	\$646,211	\$1,239,202	\$4,612,443
GLPT	\$19,900,913	\$4,715,822	\$9,043,268	\$33,660,003
H1N (Note 1)	\$767,870,937	\$181,958,610	\$348,931,864	\$1,298,761,411
All Transmitters	\$794,805,816	\$188,341,236	\$361,171,470	\$1,344,318,521

  

Transmitter	Total Annual Charge Determinants (MW) (Note 3, Note 4)			
	Network	Line Connection	Transformation Connection	
FNEI	187.120	213.460	76.190	
CNPI	583.420	668.600	668.600	
GLPT	4,019.797	2,939.425	1,057.605	
H1N (Note 2)	241,794.994	233,995.528	202,198.429	
All Transmitters	246,585.331	237,817.013	204,000.824	

  

Transmitter	Uniform Rates and Revenue Allocators (Note 4)			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	<b>3.22</b>	<b>0.79</b>	<b>1.77</b>	
	↓	↓	↓	
FNEI Allocation Factor	<b>0.00542</b>	<b>0.00542</b>	<b>0.00542</b>	
CNPI Allocation Factor	<b>0.00343</b>	<b>0.00343</b>	<b>0.00343</b>	
GLPT Allocation Factor	<b>0.02504</b>	<b>0.02504</b>	<b>0.02504</b>	
H1N Allocation Factor	<b>0.96611</b>	<b>0.96611</b>	<b>0.96611</b>	
Total of Allocation Factors	1.00000	1.00000	1.00000	

Note 1: Hydro One Networks (H1N) 2011 UTR 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.

**HYDRO ONE NETWORKS INC.**  
**Ontario, Canada**

**WHOLESALE METER SERVICE**  
**And**  
**EXIT FEE SCHEDULE**

Rate Schedule: HON-MET  
Issued: January 18, 2011  
Ontario Energy Board

**RATE SCHEDULE: HON-MET**

**HYDRO ONE NETWORKS - WHOLESALE METER SERVICE**

***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 \$ 7,700 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*.

<b>EFFECTIVE DATE:</b> January 1, 2011	<b>REPLACING RATE:</b> EB-2008-0272 January 21, 2010	<b>BOARD ORDER:</b> EB-2010-0002	<b>Page 2 of 2</b> Wholesale Meter Service Rate & Exit Fee Schedule for Hydro One Networks Inc.
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**APPENDIX B**

**HYDRO ONE NETWORKS INC. TRANSMISSION REVENUE  
REQUIREMENT/CHARGE DETERMINANT ORDER**

**AND**

**2011 UNIFORM ELECTRICITY TRANSMISSION RATE ORDER  
(REVISED)**

**EB-2010-0002**

**JANUARY 18, 2011**

**2011 ONTARIO TRANSMISSION RATE SCHEDULES**

**The rate schedules contained herein shall be effective January 1, 2011.**

Issued: January 18, 2011  
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:**  
January 1, 2011

**BOARD ORDER:**  
EB-2010-0002

**REPLACING BOARD ORDER:**  
EB-2008-0272  
January 21, 2010

**Page 2 of 6** Ontario Uniform  
Transmission Rate Schedule

## 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.

<b>EFFECTIVE DATE:</b> January 1, 2011	<b>BOARD ORDER:</b> EB-2010-0002	<b>REPLACING BOARD ORDER:</b> EB-2008-0272 January 21, 2010	<b>Page 3 of 6</b> Ontario Uniform Transmission Rate Schedule
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## TRANSMISSION RATE SCHEDULES

**(G) EMBEDDED GENERATION**

The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if

- (a) the required approvals for such generation are obtained after October 30, 1998; and
- (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and
- (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges.

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 the above situations:

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

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**APPLICABILITY:**

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

	<u>Monthly Rate (\$ per kW)</u>
<b>Network Service Rate (PTS-N):</b> \$ Per kW of Network Billing Demand <sup>1,2</sup>	<b>3.22</b>
<b>Line Connection Service Rate (PTS-L):</b> \$ Per kW of Line Connection Billing Demand <sup>1,3</sup>	<b>0.79</b>
<b>Transformation Connection Service Rate (PTS-T):</b> \$ Per kW of Transformation Connection Billing Demand <sup>1,3,4</sup>	<b>1.77</b>

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.

<b>EFFECTIVE DATE:</b> January 1, 2011	<b>BOARD ORDER:</b> EB-2010-0002	<b>REPLACING BOARD ORDER:</b> EB-2008-0272 January 21, 2010	<b>Page 5 of 6</b> Ontario Uniform Transmission Rate Schedule
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**RATE SCHEDULE: ETS****EXPORT TRANSMISSION SERVICE*****APPLICABILITY:***

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

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

Hourly Rate  
\$2.00 / MWh

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

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

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

<b>EFFECTIVE DATE:</b> January 1, 2011	<b>BOARD ORDER:</b> EB-2010-0002	<b>REPLACING BOARD ORDER:</b> EB-2008-0272 January 21, 2010	<b>Page 6 of 6</b> Ontario Uniform Transmission Rate Schedule
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