

April 27, 2012

Ms. Kirstin Walli Board Secretary Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4

Re: Draft Rate Order

Dear Ms. Walli:

Hydro Hawkesbury Inc.("HHI") acknowledges receipt of the Ontario Energy Board's Decision and Order dated April19, 2012 and thus submits its Draft Rate Order for 2012 Distribution Rates effective May 1st, 2012.

- This Draft Rate Order contains the following components:
- Manager Summary
- Appendices A
 - Appendix A Tariff of Rates and Charges

Excel versions of;

- HHI_2012_ICM Worform_20120420
- HHI_2012_RATE GENERATOR_20120420
- HHI_2012_RTSR Adjustment_20120420
- HHI_2012_Tax Savings_20120420
- HHI_2012_INCREMENTAL CAPITAL PROJECT WORKS 25MVA
- HHI_2012_ INCREMENTAL CAPITAL PROJECT WORKS 44KV
- Hydro Hawkesbury EB-2011-0173 Tariff of Rates.doc
- Revised LRAM 2006 to 2009.xlsx

This document is being filed pursuant to the Board's e-Filing Services. In order to reduce the carbon

footprint, hard copies of these documents will be provided upon request.

Should there be any questions, please do not hesitate to contact me at; 613-632-6689 or

michelpoulin@hydrohawkesbury.ca

Cont

Yours truly, Michel Poulin, General Manager

Hydro Hawkesbury Inc. Draft Rate Order EB-2011-0173

Manager's Summary

Hydro Hawkesbury Inc. ("HHII") submits this Manager Summary accompanied by a Tariff of Rates and Charges for 2012. HHI is also filing its supporting models revised to reflect the Board Decision and Order issued April 19, 2012.

In the following Manager Summary, HHI presents a brief review of Board's decision and how HHI has complied and implemented the Board's rulings. The summary follows the same format as the decision and is presented as follows;

The Issues as identified by the Board;

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection Charge;
- Use of Actual VS Forecasted Load Data;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge;
- Review and Disposition of Lost Revenue Adjustment Mechanism; and
- Review and Disposition of Account 1562: Deferred Payments In Lieu of Taxes.

A. PRICE CAP INDEX ADJUSTMENT;

HHI acknowledges the Board's direction with respect to adjusting the IRM by a price escalator. less a productivity factor (X-factor) of 0.72% and a stretch factor. Based on the Board's price escalator of 2.0% and specific stretch factor of 0.2%, the resulting price cap index adjustment is 1.08%. HHI acknowledges that it has applied price cap index adjustment to both the fixed and variable component of its proposed distribution rates in accordance with the Board's direction¹.

B. RURAL OR REMOTE ELECTRICITY RATE PROTECTION CHARGE;

HHI acknowledges the Board amended RRRP charge to be collected by the Independent Electricity System Operator of \$0.0011 per kWh effective May 1, 2012. The draft Tariff of Rates reflects the new RRRP charge.

C. ACTUAL VS FORECASTED;

In its 2012 IRM application HHI sought Board approval to use actual kWh as of December 31, 2010 instead of the load forecast approved as part of its 2010 cost of service application to derive the rate riders for: (i) the shared tax savings; (ii) LRAM upon reviewing submissions from all parties. HHI argued that this data was more reflective of its current situation. Both VECC and SEC objected to the proposal. Upon reviewing submissions from all parties, the Board sided with intervenors that Hydro Hawkesbury's proposal to use actual kWh data as of December 31, 2010 was inconsistent with the IRM framework.

HHI acknowledges the Board's decision² that HHI should be using its load forecast from its 2010 cost of service application. The model has been updated accordingly.

D. SHARED TAX SAVINGS ADJUSTMENTS;

HHI acknowledges the Board's approval of its proposed tax savings of \$1,375 resulting in a shared amount of \$687 to be refunded to rate payers. The draft Tariff of Rates reflects shared tax savings of \$687 to be paid to customers over a one year period, from May 1, 2012 to April 30, 2013. A revised version of the Board's Shared Tax Savings Adjustment model is being filed in conjunction with this document.

E. RETAIL TRANSMISSION SERVICE RATES

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table:

¹ Decision and Order, EB-2011-0173, page 3 ² Decision and Order, EB-2011-0173, page 5

2012 Uniform Transmission Rates

Network Service Rate	\$3.57 per kW
Connection Service Rates	
Line Connection Service Rate	\$0.80 per kW
Transformation Connection Service Rate	\$1.86 per kW

In accordance with the Board direction, HHI has updated its RTSRs to reflect the above rates. A revised version of the Board's RTSR model is being filed in conjunction with this document.

F. REVIEW AND DISPOSITION OF GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES;

As explained in the Decision³, HHI's 2010 actual year-end total balance for Group 1 Accounts including interest projected to April 30, 2012 is a debit of \$164,300. This amount results in a total credit claim of \$0.00108 per kWh which exceeds the preset disposition threshold. HHI proposed to dispose of this debit amount over a one-year period. HHI acknowledges the Board approval of the disposition of a debit balance of \$164,300 for Group 1 Accounts comprised of principal as of December 31, 2010 and interest to April 30, 2012, over a one year period from May 1, 2012 to April 30, 2013.

HHI confirms that the respective balance of each Group 1 account approved for disposition will be transferred on May 1st and in accordance with Board direction, to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors.

G. REVIEW AND DISPOSITION OF ACCOUNT 1521: SPECIAL PURPOSE CHARGE;

In accordance with the Decision⁴, HHI disposes, on a final basis, of a debit balance of \$13,387 in account 1521, representing principal and interest to April 30, 2012, over a one year period, from May 1, 2012 to April 30, 2013. On May 1, 2012, HHI will close Account 1521 after the balance of Account 1521 has been transferred to the applicable principal and interest carrying charge subaccounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors.

³ Decision and Order, EB-2011-0173, page 7 ⁴ Decision and Order, EB-2011-0173, page 10

H. REVIEW AND DISPOSITION OF LOST REVENUE ADJUSTMENT MECHANISM; AND

As explained in the Decision⁵ HHI originally requested the recovery of an LRAM claim of \$49,919 and further revised it to \$49,981 to reflect the Ontario Power Authority 's ("OPA") 2010 final results. In response to interrogatories from Board staff and intervenors, HHI indicated that the LRAM associated with the recovery of 2006, 2007, 2008, and 2009 lost revenues, including the persisting lost revenues from 2006 programs in 2007, 2008, and 2009, the persisting lost revenues from 2008 and 2009, and the persisting lost revenues from 2008 programs in 2008, and 2009, would be \$33,950.55.

Although HHI strongly disagrees with the Board's Decision to disallow CDM programs implemented from 2006 to 2009 in 2009, 2010, 2011 and 2012, HHI acknowledges the Board approval an LRAM claim of \$\$33,950.55, representing lost revenue for the years 2006, 2007 and 2008 for CDM programs implemented in 2006, 2007 and 2008 and lost revenue in 2010 from CDM programs launched in 2010.

The draft Tariff of Rates reflects a one year disposition period, May 1, 2012 to April 30, 2013.

I. <u>REVIEW AND DISPOSITION OF ACCOUNT 1562: DEFERRED PAYMENTS IN LIEU OF</u> <u>TAXES</u>.

HHI's initial rate application reflected an amount due from customers of \$4,138. In response to Board staff interrogatories, HHI amended its evidence to support a credit balance of approximately \$6,299.

HHI acknowledges the Board's approval the disposition on a final basis of a credit balance in Account 1562 of \$6,299 representing principal and interest to April 30, 2012, over a one year period, from May 1, 2012 to April 30, 2013.

A revised rate rider has been incorporated as part of the draft rate order.

J. <u>Z-FACTOR</u>.

HHI applied to recover the revenue requirement associated with an amount of \$712,909 intended for the replacement of a 44KV substation and site preparation through a Z-factor claim. VECC, SEC and Board Staff all submitted that HHI should seek recovery of the amounts under an ICM,

⁵ Decision and Order, EB-2011-0173, page 11

as opposed to a Z-factor. In response to interrogatories, HHI combined through an ICM, the incremental capital costs of \$1,517,813 associated with the replacement of existing transformers with a new 25MVA in addition to the incremental capital cost of \$712,909 associated with the above mentioned 44kV substation.

K. <u>ICM</u>.

HHI also applied for the revenue requirement associated with the replacement of one of the existing transformers with a new 25 MVA that will have the capability to support the entire service area. VECC and SEC both submitted that HHI should replace this transformer in its next cost of service application in 2014. HHI argued that it had demonstrated immediate short term and long term need as evidenced by the GE and BPR reports. In the Decision, The Board found that the need, prudence and materiality for each for the two applied-for projects had been established. The Board determined that Hydro Hawkesbury had also adequately demonstrated that its 2012 capital budget for both the 44kV and the 25 MVA both projects) was of non-discretionary nature.

The Board therefore accepted HHI's incremental capital module of \$2,230,722. A revised version of the ICM model is being filed in conjunction with this document.

L. IMPLEMENTATION OF RATES

In accordance with Board's direction, HHI is filing its draft Rate Order, including all relevant calculations showing the impact of the Decision and Order on HHI's final rates. HHI is filing, in conjunction with this Manager's Summary, a completed versions of the 2012 IRM Rate Generator model, supporting evidence of HHI's LRAM calculations and final ICM models.

~ Respectfully submitted ~

<u>Appendix A</u>

Tariffs of Rates and Charges

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.95
Distribution Volumetric Rate	\$/kWh	0.0080
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0061
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0019)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0008
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kWh	0.0006
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kWh	0.0024
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0065
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0031

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0173

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. Further servicing details are available in the distributor's Conditions of Service

APPLICATION

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

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	13.75
Distribution Volumetric Rate	\$/kWh	0.0055
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0061
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0019)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0008
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kWh	0.0017
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0027
MONTHLY RATES AND CHARGES – Regulatory Component		

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

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

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	96.69
Distribution Volumetric Rate	\$/kW	1.5453
Low Voltage Service Rate	\$/kW	0.1369
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	2.3001
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.1893
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.7073)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.3332
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kW	0.0073
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kW	(0.0009)
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kW	0.3270
Retail Transmission Rate – Network Service Rate	\$/kW	2.4021
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1064

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	6.35
Distribution Volumetric Rate	\$/kWh	0.0021
Low Voltage Service Rate	\$/kWh	0.0004
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	(0.0019)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	0.0009
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0027
MONTHLY BATES AND CHARGES - Regulatory Component		

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.62
Distribution Volumetric Rate	\$/kW	3.2067
Low Voltage Service Rate	\$/kW	0.2162
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	1.9676
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.1666
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.6243)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.2589
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kW	(0.0021)
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kW	0.7496
Retail Transmission Rate – Network Service Rate	\$/kW	1.8123
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7464

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB street lighting load shape. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.62
Distribution Volumetric Rate	\$/kW	6.7286
Low Voltage Service Rate	\$/kW	0.1059
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	2.3937
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.1780
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	(0.7364)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	0.2782
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kW	(0.0045)
Rate Rider for Recovery of Incremental Capital Costs – effective until April 30, 2014	\$/kW	1.5987
Retail Transmission Rate – Network Service Rate	\$/kW	1.8117
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.8553

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0173

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge

5.25

\$

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

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EB-2011-0173

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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\$	15.00
\$	15.00
\$	15.00
\$	15.00
\$	20.00
\$	30.00
\$	30.00
%	1.50
%	19.56
\$	15.00
\$	30.00
\$	130.00
\$	100.00
\$	300.00
\$	30.00
\$	130.00
\$	130.00
\$	500.00
\$	1,000.00
\$	22.35
	\$ \$ \$ \$ \$ \$ \$

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Hydro Hawkesbury Inc. TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the re Monthly Fixed Charge, per retailer Monthly Variable Charge, per customer, per retailer Distributor-consolidated billing monthly charge, per customer, per retailer Retailer-consolidated billing monthly credit, per customer, per retailer Service Transaction Requests (STR)	etailer \$ \$ \$/cust. \$/cust. \$/cust.	100.00 20.00 0.50 0.30 (0.30)
Request fee, per request, applied to the requesting party Processing fee, per request, applied to the requesting party Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party	\$ \$	0.25 0.50
Up to twice a year, per request (plus incremental delivery costs)	\$	no charge 2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0446
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0342