

**Hydro One Networks Inc.**

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**Susan Frank**

Vice President and Chief Regulatory Officer  
Regulatory Affairs

BY COURIER

April 26, 2013

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

Dear Ms. Walli:

**EB-2013-0141 – Hydro One Networks Inc. 3GIRM 2014 Distribution Rate Application –  
Application and Evidence Filing**

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I am attaching two (2) copies of Hydro One Networks Inc.'s Application and Prefiled Evidence in support of proposed 2014 distribution rates under the OEB's 3<sup>rd</sup> Generation Incentive Regulation Mechanism.

An electronic copy has been submitted using the Board's Regulatory Electronic Submission System and the confirmation of successful submission slip is provided with this letter.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank  
Attach.

## EXHIBIT LIST

Exhibit	Tab	Schedule		Contents
<b>A</b>				<b>Administration</b>
	1	1		Exhibit List
	2	1		Application
	3	1		Summary of Application
	4	1		Hydro One Networks Inc. Distribution Business Financial Statements for the Year ended December 31, 2012
	5	1		Recent Rating Agency Reports
			Att. 1	Standard & Poor's Research Update dated: Nov. 20, 2012
			Att. 2	DBRS Rating Report dated: March 8, 2013
	6	1		Proposed Publications for Notice
	7	1		Procedural Orders, Correspondence, Notices
<b>B</b>				<b>Development of Distribution Rates for 2014</b>
	1	1		Development of Distribution Rates for 2014
<b>C</b>				<b>Smart Grid and RTSR</b>
	1	1		Smart Grid Rate Rider
			App. A	Phase 1 Release 2 Business Case Summary
	2	1		Retail Transmission Service Rates
<b>D1</b>				<b>Rates</b>
	1	1		Rate Rider Calculations
			App. A	2013 IRM 3 Tax Savings Workform
			Att. 1	Calculation of Smart Grid Variable Rate Riders by Rate Class
			Att. 2	Calculation of Shared Tax Savings Rate Riders by Rate Class

	2	1		Customer Bill Impact Summary
<b>D2</b>				<b>Supporting Schedules</b>
	1	1		2014 OEB 3GIRM Filing Module Output Sheets
	2	1		Current Rate Schedules
		2		Proposed Rate Schedules
	3	1		Customer Impacts – At Average Consumption Level
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**ONTARIO ENERGY BOARD**

IN THE MATTER OF *the Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an Application by Hydro One Networks Inc.  
for an Order or Orders approving rates for the distribution of electricity.

**APPLICATION**

1. The Applicant is Hydro One Networks Inc. (Hydro One Networks), a subsidiary of Hydro One Inc. Hydro One Networks is an Ontario corporation with its head office at Toronto. The Applicant carries on the business, among other things, of owning and operating distribution facilities in Ontario. The distribution business of Hydro One Networks will be referred to as “Hydro One Distribution”.
2. Hydro One Networks is applying to the Ontario Energy Board (the “Board”), pursuant to Section 78 of the *Ontario Energy Board Act, 1998*, for an Order or Orders approving the customer rates for the distribution of electricity, to be effective on January 1, 2014.
3. The scope of this Application includes:
  - The approval of Distribution rates effective January 1, 2014 based on 2013 rates adjusted by:
    - 0.48% by application of the Board’s IRM3 Price Cap Index Adjustment formula;

- 1           ○ The establishment of a Smart Grid rate rider to recover the revenue  
2           requirement of \$29.3 million in 2014 for OM&A and in-service capital  
3           costs of Smart Grid;  
4
- 5           ○ The continuation of a rate rider associated with the 50%/50% sharing  
6           of the impact of a decrease in the income tax rate which results in a  
7           refund to customers of \$1.2 million; and  
8
- 9           • An adjustment to the retail transmission service rates to reflect the Board  
10          approved Uniform Transmission Rates effective January 1, 2013 which results in  
11          a 0.1% increase to the total bill.  
12
- 13       4. The written evidence filed with the Board may be amended, if necessary, at any time  
14          prior to the Board's final decision on the Application. Further, the Applicant may  
15          seek meetings with Board staff in an attempt to identify and reach agreements to  
16          settle issues arising out of this Application.  
17
- 18       5. The persons affected by this Application are the ratepayers of Hydro One Networks'  
19          Distribution business. It is impractical to set out their names and addresses because  
20          they are too numerous.  
21
- 22       6. Hydro One Networks requests that a copy of all documents filed with the Board by  
23          each party to this Application be served on the Applicant and the Applicant's counsel  
24          as follows:

1           a)     The Applicant:

2

3                 Mr. Jamie Waller

4                 Regulatory Coordinator

5                 Hydro One Networks Inc.

6

7                 Address for personal service: 8<sup>th</sup> Floor, South Tower

8                                 483 Bay Street

9                                 Toronto, ON M5G 2P5

10

11                 Mailing Address:                 8<sup>th</sup> Floor, South Tower

12                                 483 Bay Street

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16                 Electronic access:                 [regulatory@HydroOne.com](mailto:regulatory@HydroOne.com)

17

18           b)     The Applicant's counsel:

19

20                 Mr. D.H. Rogers, Q.C.

21                 Rogers Partners LLP

22

23                 Address for personal service: 100 Wellington Street West

24                                 Suite 500, P.O. Box 255

25                                 Toronto, ON M5K 1J5

26

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Ms. Anita Varjadic  
Rogers Partners LLP

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DATED at Toronto, Ontario, this 26<sup>th</sup> day of April 2013.

HYDRO ONE NETWORKS INC.  
By its counsel,

ORIGINAL SIGNED BY DON H. ROGERS  
Don H. Rogers

## SUMMARY OF APPLICATION

Hydro One Networks (“Hydro One” or “Hydro One Distribution”) is applying for an adjustment to rates and charges in accordance with directions provided by the Board pursuant to the 3<sup>rd</sup> Generation Incentive Rate Mechanism (“IRM3”) effective on January 1, 2014 under the assigned Docket Number EB-2013-0141. Hydro One Distribution’s rates were last adjusted for the 2013 test year as per the Board’s Decision in EB-2012-0136. This summary provides a brief description of the approvals being sought through this Application and a summary of reasons for the requested adjustments in customer rates.

### 1.0 SCOPE OF APPLICATION

The scope of this Application includes:

- the review of Hydro One Distribution’s evidence in support of the revised Distribution rates effective January 1, 2014; and
- an adjustment to the Retail Transmission Service Rates (“RTSR”) to reflect the Board approved Uniform Transmission Rates effective January 1, 2013.

This Application by Hydro One Distribution is substantially consistent with Chapter 3 of the Filing Requirements for Transmission and Distribution Applications (the “Filing Requirements”) issued by the Board on June 28, 2012.



**2.0 APPROVALS REQUESTED**

**2.1 Distribution Rates**

The Company is seeking approval for Distribution rates effective January 1, 2014 based on Board approved 2013 rates adjusted by the following factors:

1. The OEB's 2013 IRM3 Rate Generator Model which calculated a Price Cap Index increase of 0.48% for Hydro One Distribution based on a Price Escalator ("GDP-IPI-FDD") of 1.6%, minus a Productivity Factor of 0.72% minus a Stretch Factor of 0.40%. Hydro One expects that the Board will update each distributor's 2014 IRM3 Rate Generator Model and therefore the distributor specific Price Cap Index for the 2014 price escalator and stretch factor. It is expected that the information to update these factors will be available before the implementation date of the 2014 Tariff of Rates and Charges;
2. The establishment of a Smart Grid rate rider to recover the revenue requirement of \$29.3 million in 2014 for OM&A and in-service capital costs of Smart Grid as discussed in Exhibit C1, Tab 1, Schedule 1. Hydro One Distribution proposes to recover this amount by means of a volumetric rate rider. The calculation of Smart Grid rate riders by rate class can be found in Exhibit D1, Tab 1, Schedule 1, Attachment 1;
3. The continuation of a rate rider to refund \$1.1 million to customers associated with the 50%/50% sharing of the decrease in income tax rate from 28.25% to 26.50%, pursuant to section 2.5 (Tax Changes) of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications dated June 28, 2012, which is the same amount as the approved 2013 rate rider; and the addition of \$0.14 million to return to ratepayers the HST amount of the 2013 Shared Tax Savings rate rider as explained in

1 Exhibit D1, Tab 1, Schedule 1. The calculation of the Shared Tax Savings Rate  
2 Riders by rate class can be found in Exhibit D1, Tab 1, Schedule 1, Attachment 2.

3  
4 4. Hydro One is not requesting recovery of any incremental capital through an  
5 Incremental Capital Module in this application for 2014 distribution rates; however  
6 the ICM rate rider approved in the 2013 rate application (EB-2012-0136) will  
7 continue until the next rebasing application.

8  
9 5. Hydro One Distribution is not applying for a Z-factor Claim in this application.

## 10 11 **2.2 Other Approvals**

12  
13 1. Hydro One is also making adjustments to the RTSR's to reflect the Board approved  
14 Uniform Transmission Rates effective January 1, 2013. The proposed RTSR charges  
15 for each rate class can be found in Exhibit C, Tab 2, Schedule 1.

## 16 17 **3.0 CONCLUSION**

18  
19 If the proposed adjustments are approved by the Board, distribution rates for a typical  
20 residential customer with an annual consumption of 800 kWh will rise by approximately  
21 1.8% or 0.6% on a total bill basis in 2014. Including the proposed RTSR adjustments for  
22 2014, the total bill impact would be approximately 0.7%.

**HYDRO ONE NETWORKS INC.**

**DISTRIBUTION BUSINESS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**HYDRO ONE NETWORKS INC.  
DISTRIBUTION BUSINESS  
INDEPENDENT AUDITORS' REPORT**

To the Directors of Hydro One Networks Inc.

We have audited the accompanying financial statements of the Distribution Business (a business of Hydro One Networks Inc.), which comprise the balance sheets as at December 31, 2012, and December 31, 2011, the statements of operations and comprehensive income, and cash flows for the year ended December 31, 2012, and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with the basis of accounting in Note 2 to these financial statements.

*Management's Responsibility for the Financial Statements*

Management of Hydro One Networks Inc. is responsible for the preparation of these financial statements in accordance with the basis of accounting in Note 2 to these financial statements; this includes determining that the basis of accounting is an acceptable basis for the preparation of these financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Distribution Business (a business of Hydro One Networks Inc.) as at December 31, 2012, and December 31, 2011, and its statements of operations and comprehensive income, and cash flows for the year ended December 31, 2012, and December 31, 2011, in accordance with basis of accounting as set out in note 2 to these financial statements.

*Basis of Accounting and Restriction of Use*

Without modifying our opinion, we draw attention to Note 2 to these financial statements, which describes the basis of accounting and composition of Hydro One Networks Inc.'s Distribution Business. In particular, in preparing these financial statements, long-term debt, shared functions and services costs, and payments in lieu of corporate income taxes have been allocated to the Distribution Business (a business of Hydro One Networks Inc.) using the method of allocation described in Note 2 to these financial statements. As a result of this basis of accounting, these financial statements may not necessarily be identical to the financial position, results of operations and cash flows that would have resulted had the Distribution Business (a business of Hydro One Networks Inc.) historically operated as a stand-alone basis. These financial statements are prepared to assist Hydro One Networks Inc. to comply with its reporting requirements of the Ontario Energy Board. As a result, these financial statements may not be suitable for another purpose. Our report is intended solely for Hydro One Networks Inc. and the Ontario Energy Board and should not be used by parties other than Hydro One Networks Inc. or the Ontario Energy Board.



Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
April 18, 2013

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>		<i>(Note 22)</i>
Energy sales	3,536	3,398
Rural rate protection <i>(Note 18)</i>	125	125
Other	53	46
	<u>3,714</u>	<u>3,569</u>
<b>Costs</b>		
Purchased power <i>(Note 18)</i>	2,413	2,285
Operation, maintenance and administration <i>(Note 18)</i>	553	555
Depreciation and amortization <i>(Note 4)</i>	308	287
	<u>3,274</u>	<u>3,127</u>
<b>Income before financing charges and provision for payments in lieu of corporate income taxes</b>	440	442
Financing charges <i>(Notes 5, 18)</i>	138	140
<b>Income before provision for payments in lieu of corporate income taxes</b>	302	302
Provision for payments in lieu of corporate income taxes <i>(Notes 6, 18)</i>	44	66
<b>Net income</b>	258	236
Other comprehensive income	-	-
<b>Comprehensive income</b>	<u>258</u>	<u>236</u>

*See accompanying notes to Financial Statements.*

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**BALANCE SHEETS**

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		<i>(Note 22)</i>
Current assets:		
Inter-company demand facility <i>(Notes 12, 13, 18)</i>	5	141
Accounts receivable (net of allowance for doubtful accounts - \$20; 2011 - \$15) <i>(Notes 7,18)</i>	778	744
Regulatory assets <i>(Note 10)</i>	14	9
Materials and supplies	7	4
Deferred income tax assets <i>(Note 6)</i>	7	8
Other	12	7
	<b>823</b>	<b>913</b>
Property, plant and equipment <i>(Note 8)</i> :		
Property, plant and equipment in service	8,363	7,863
Less: accumulated depreciation	3,078	2,870
	<b>5,285</b>	<b>4,993</b>
Construction in progress	314	293
Future use land, components and spares	45	39
	<b>5,644</b>	<b>5,325</b>
Other long-term assets:		
Regulatory assets <i>(Note 10)</i>	612	431
Intangible assets (net of accumulated amortization - \$178; 2011 - \$154) <i>(Note 9)</i>	159	108
Goodwill	73	73
Deferred debt costs	12	11
Derivative instruments <i>(Note 12)</i>	5	9
	<b>861</b>	<b>632</b>
<b>Total assets</b>	<b>7,328</b>	<b>6,870</b>

*See accompanying notes to Financial Statements.*

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**BALANCE SHEETS (continued)**

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Liabilities</b>		(Note 22)
Current liabilities:		
Accounts payable	58	49
Accrued liabilities (Notes 6, 14, 15, 18)	592	643
Accrued interest (Note 18)	35	31
Regulatory liabilities (Note 10)	38	16
Long-term debt payable within one year (Notes 11, 12, 13, 18)	230	324
	953	1,063
Long-term debt (Notes 11, 12, 13, 18)	2,785	2,565
Other long-term liabilities:		
Post-retirement and post-employment benefit liability (Note 14)	785	646
Deferred income tax liabilities (Note 6)	230	171
Environmental liabilities (Note 15)	132	134
Regulatory liabilities (Note 10)	96	105
Net unamortized debt premiums	12	11
Asset retirement obligations (Note 16)	3	3
Long-term accounts payable and other liabilities	13	4
	1,271	1,074
<b>Total liabilities</b>	<b>5,009</b>	<b>4,702</b>
<i>Contingencies and commitments (Notes 20, 21)</i>		
Excess of assets over liabilities (Notes 13, 17)	2,319	2,168
<b>Total liabilities and excess of assets over liabilities</b>	<b>7,328</b>	<b>6,870</b>

See accompanying notes to Financial Statements.

On behalf of the Board of Directors:



Carmine Marcello  
Chair



Sandy Struthers  
Director

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**STATEMENTS OF CASH FLOWS**

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Operating activities</b>		<i>(Note 22)</i>
Net income	258	236
Environmental expenditures	(9)	(8)
Adjustments for non-cash items:		
Depreciation and amortization (excluding removal costs)	262	242
Regulatory assets and liabilities	(5)	40
Deferred income taxes	2	(9)
Other	1	1
Changes in non-cash balances related to operations <i>(Note 19)</i>	(44)	128
<b>Net cash from operating activities</b>	<b>465</b>	<b>630</b>
<b>Financing activities</b>		
Long-term debt issued	454	225
Long-term debt retired	(324)	(176)
Payments to Hydro One Inc. to finance dividends	(107)	(45)
Other	-	(1)
<b>Net cash from financing activities</b>	<b>23</b>	<b>3</b>
<b>Investing activities</b>		
Capital expenditures		
Property, plant and equipment	(562)	(539)
Intangible assets	(74)	(57)
Other	12	18
<b>Net cash used in investing activities</b>	<b>(624)</b>	<b>(578)</b>
<b>Net change in inter-company demand facility</b>	<b>(136)</b>	<b>55</b>
Inter-company demand facility, beginning of year	141	86
<b>Inter-company demand facility, end of year</b>	<b>5</b>	<b>141</b>

*See accompanying notes to Financial Statements.*



**HYDRO ONE NETWORKS INC.  
DISTRIBUTION BUSINESS  
NOTES TO FINANCIAL STATEMENTS**

**1. DESCRIPTION OF THE BUSINESS**

Hydro One Inc. (Hydro One) was incorporated on December 1, 1998, under the *Business Corporations Act* (Ontario) and is wholly owned by the Province of Ontario (Province). The principal businesses of Hydro One are the transmission and distribution of electricity to customers within Ontario.

Hydro One Networks Inc. (Hydro One Networks or the Company) was incorporated on March 4, 1999 under the *Business Corporations Act* (Ontario) and is a wholly-owned subsidiary of Hydro One. The Company owns and operates Hydro One's regulated transmission and distribution businesses. The regulated distribution business (Distribution Business) operates a low-voltage electrical distribution network that distributes electricity from the transmission system, or directly from generators, to customers within Ontario. The Distribution Business is regulated by the Ontario Energy Board (OEB).

**2. SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

These Financial Statements are prepared and presented in accordance with the accounting policies summarized below and in Canadian dollars. These policies are consistent with United States (US) Generally Accepted Accounting Principles (GAAP). These Financial Statements are to be read in conjunction with Note 22 - Transition to US GAAP, which discloses information on the Canadian GAAP, per Part V of the Canadian Institute of Chartered Accountants Handbook (Canadian GAAP), to US GAAP transition and related reconciliations from Canadian GAAP to US GAAP. The results of operations for the year ended December 31, 2011, and the Balance Sheets as at December 31, 2011 have been restated under US GAAP for comparative purposes.

These Financial Statements have been prepared for the specific use of the OEB. Consolidated Financial Statements of Hydro One for the year ended December 31, 2012 have been prepared and are publicly available.

These Financial Statements have been prepared on a carve-out basis to provide the financial position, results of operations and cash flows of the Company's regulated Distribution Business on a basis approved by the OEB. The Financial Statements are considered by management to be a reasonable representation, prepared on a rational, systematic and consistent basis, of the financial results of the Company's Distribution Business. As a result of this basis of accounting, these Financial Statements may not necessarily be identical to the financial position and results of operations that would have resulted had the Distribution Business historically operated on a stand-alone basis.

The Financial Statements have been constructed primarily through specific identification of assets, liabilities (other than debt), revenues and expenses that relate to the Distribution Business. The Company's long-term debt is allocated based on the respective borrowing requirements of the Company's transmission and distribution businesses. A portion of the Company's shared functions and services costs is allocated to the Distribution Business on a fully allocated-cost basis, consistent with OEB-approved independent studies. Payments in lieu of corporate income taxes (PILs) have been recorded at effective rates based on income taxes as reported in the Statements of Operations and Comprehensive Income as though the Distribution Business was a separate taxpaying entity. Certain other amounts presented in these Financial Statements represent allocations subject to review and approval by the OEB.

Hydro One Networks performed an evaluation of subsequent events for the accompanying Financial Statements and notes included through to April 18, 2013, the date these Financial Statements were available to be issued, to determine whether the circumstances warranted recognition and disclosure of any events or transactions. No such events or transactions were identified.

***Use of Management Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains and losses during the reporting periods. Management evaluates these estimates on an on going basis based upon: historical experience; current conditions; and assumptions believed to be reasonable at the time the assumptions are made with any adjustments being recognized in results of operations in the period they arise. Significant estimates relate to regulatory assets

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

and regulatory liabilities, environmental liabilities, post-retirement and post-employment benefits, asset retirement obligations (AROs), goodwill, asset impairments, contingencies, unbilled revenues, allowance for doubtful accounts, derivative instruments, and deferred income tax assets and liabilities. Actual results may differ significantly from these estimates, which may be impacted by future decisions made by the OEB or the Province.

***Rate Setting***

The OEB has approved the Company's request to use US GAAP as the basis for rate setting and regulatory accounting and reporting for its Distribution Business, effective January 1, 2012.

In 2009, Hydro One Networks filed a cost-of-service application with the OEB for 2011 distribution rates, seeking approval for a revenue requirement of approximately \$1,264 million. The application reflected the Company's plan to invest in its network assets to meet objectives regarding public and employee safety, regulatory and legislative compliance, maintenance of system security and reliability of system growth requirements, and to make investments required by the Green Energy Act. In April 2010, the OEB approved a revenue requirement of \$1,236 million for 2011. The OEB also approved certain distribution regulatory account balances sought by Hydro One Networks in its application, including retail settlement variance accounts, retail cost variance accounts and smart meters. In November 2010, the OEB issued its cost-of-capital parameter updates for rates effective January 1, 2011. A lowering of the return on equity produced a revised revenue requirement of \$1,218 million. Hydro One Networks elected to retain the same distribution rates for 2012 as approved by the OEB for the 2011 rate year.

***Regulatory Accounting***

The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. Such change in timing involves the application of rate-regulated accounting, giving rise to the recognition of regulatory assets and liabilities. The Distribution Business' regulatory assets represent certain amounts receivable from future customers and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. In addition, the Distribution Business has recorded regulatory liabilities that generally represent amounts that are refundable to electricity customers. The Distribution Business continually assesses the likelihood of recovery of each of its regulatory assets and continues to believe that it is probable that the OEB will factor its regulatory assets and liabilities into the setting of future rates. If, at some future date, the Distribution Business judges that it is no longer probable that the OEB will include a regulatory asset or liability in setting future rates, the appropriate carrying amount will be reflected in results of operations in the period that the assessment is made.

***Revenue Recognition***

Distribution revenues are recognized on an accrual basis and include billed and unbilled revenues. Distribution revenues attributable to the delivery of electricity are based on OEB-approved distribution rates and are recognized as electricity is delivered to customers. The Company estimates monthly revenue for a period based on wholesale electricity purchases because customer meters are not generally read at the end of each month. At the end of each month, the electricity delivered to customers, but not billed, is estimated and revenue is recognized. The unbilled revenue estimate is affected by energy demand, weather, line losses and changes in the composition of customer classes. Distribution revenue also includes an amount relating to rate protection for rural, residential and remote customers, which is received from the Independent Electricity System Operator (IESO) based on a standardized customer rate that is approved by the OEB. Current legislation provides rate protection for prescribed classes of rural, residential and remote consumers by reducing the electricity rates that would otherwise apply. Revenues are recorded net of indirect taxes.

***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are recorded at the invoiced amount or net realizable value, if unbilled. Overdue amounts related to regulated billings bear interest at OEB-approved rates. The allowance for doubtful accounts reflects the Distribution Business' best estimate of losses on accounts receivable balances. The allowance is based on accounts receivable aging, historical experience and other currently available information. The Distribution Business estimates the allowance for doubtful accounts on customer receivables by applying internally developed loss rates to the outstanding receivable balances

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

by risk segment. Risk segments represent groups of customers with similar credit quality indicators and are computed based on various attributes, including number of days receivables are past due, delinquency of balances and payment history. Loss rates applied to the accounts receivable balances are based on historical average write-offs as a percentage of accounts receivable in each risk segment. An account is considered delinquent if the amount billed is not received within 120 days of the invoiced date. Accounts receivable are written off against the allowance when they are deemed uncollectible. The existing allowance for uncollectible accounts will continue to be affected by changes in volume, prices and economic conditions.

***Corporate Income Taxes***

Under the *Electricity Act, 1998*, Hydro One Networks is required to remit PILs to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing income and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Taxation Act, 2007* (Ontario) as modified by the *Electricity Act, 1998* and related regulations.

Current and deferred income taxes are computed based on the tax rates and tax laws enacted at the balance sheet date. Tax benefits associated with income tax positions taken, or expected to be taken, in a tax return are recorded only when the “more-likely-than-not” recognition threshold is satisfied and are measured at the largest amount of benefit that has a greater than 50% likelihood of being realized upon settlement. Management evaluates each position based solely on the technical merits and facts and circumstances of the position, assuming the position will be examined by a taxing authority having full knowledge of all relevant information. Significant management judgment is required to determine recognition thresholds and the related amount of tax benefits to be recognized in the Financial Statements. Management re-evaluates tax positions each period in which new information about recognition or measurement becomes available.

***Current Income Taxes***

The provision for current taxes and the assets and liabilities recognized for the current and prior periods are measured at the amounts receivable from, or payable to, the OEFC.

***Deferred Income Taxes***

Deferred income taxes are provided for using the liability method. Deferred income taxes are recognized based on the estimated future tax consequences attributable to temporary differences between the carrying amount of assets and liabilities in the Financial Statements and their corresponding tax bases.

Deferred income tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is more-likely-than-not that these assets will be realized from taxable income available against which deductible temporary differences can be utilized.

Deferred income taxes are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the tax rates and tax laws that have been enacted at the balance sheet date. Deferred income taxes that are not included in the rate-setting process are charged or credited to the Statements of Operations and Comprehensive Income.

If management determines that it is more-likely-than-not that some or all of a deferred income tax asset will not be realized, a valuation allowance is recorded against the deferred income tax asset to report the net asset balance at the amount expected to be realized. Previously unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become more-likely-than-not that the tax benefit will be realized.

The Distribution Business has recognized regulatory assets and liabilities associated with deferred income taxes that will be included in the rate-setting process.

The Distribution Business uses the flow-through method to account for investment tax credits (ITCs) earned on eligible scientific research and experimental development expenditures, and apprenticeship job creation. Under this method, only the ITCs are recognized as a reduction to income tax expense.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

***Inter-company Demand Facility***

Hydro One maintains pooled bank accounts for its use and for the use of its subsidiaries, and implicitly, by the regulated businesses of its subsidiaries. The balance in the inter-company demand facility represents the cumulative net effect of all deposits and withdrawals made by the Distribution Business to and from the pooled bank accounts. Interest is earned on positive inter-company balances based on the average of the bankers' acceptance rate at the beginning and end of the month, less 0.02%. Interest is charged on overdraft inter-company balances based on the same bankers' acceptance rate, plus 0.15%.

***Materials and Supplies***

Materials and supplies represent consumables, small spare parts and construction materials held for internal construction and maintenance of property, plant and equipment. These assets are carried at average cost less any impairments recorded.

***Property, Plant and Equipment***

Property, plant and equipment is recorded at original cost, net of customer contributions received in aid of construction and any accumulated impairment losses. The cost of additions, including betterments and replacements of asset components, is included on the Balance Sheets as property, plant and equipment.

The original cost of property, plant and equipment includes direct materials, direct labour (including employee benefits), contracted services, attributable capitalized financing costs, asset retirement costs, and direct and indirect overheads that are related to the capital project or program. Indirect overhead includes a portion of corporate costs such as finance, treasury, human resources, information technology and executive costs. Overhead costs, including corporate functions and field services costs, are capitalized on a fully allocated basis, consistent with an OEB-approved methodology.

Property, plant and equipment in service consists of distribution, communication, administration and service assets and land easements. Property, plant and equipment also includes future use assets, such as land, major components and spare parts, and capitalized project development costs associated with deferred capital projects.

***Distribution***

Distribution assets include assets related to the distribution of low-voltage electricity, including lines, poles, switches, transformers, protective devices and metering systems.

***Communication***

Communication assets include the fibre-optic and microwave radio system, optical ground wire, towers, telephone equipment and associated buildings.

***Administration and Service***

Administration and service assets include administrative buildings, personal computers, transport and work equipment, tools and other minor assets.

***Easements***

Easements include amounts incurred to acquire land rights and other access rights.

***Intangible Assets***

Intangible assets separately acquired or internally developed are measured on initial recognition at cost, which comprises purchased software, direct labour (including employee benefits), consulting, engineering, overheads and attributable capitalized financing charges. Following initial recognition, intangible assets are carried at cost, net of any accumulated amortization and accumulated impairment losses. The Distribution Business' intangible assets primarily represent major administrative computer applications.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

***Capitalized Financing Costs***

Capitalized financing costs represent interest costs directly attributable to the construction of property, plant and equipment or development of intangible assets. The financing cost of attributable borrowed funds is capitalized as part of the acquisition cost of such assets. The capitalized portion of financing costs is a reduction to financing charges recognized in the Statements of Operations and Comprehensive Income. Capitalized financing costs are calculated using the Distribution Business' weighted average effective cost of debt.

***Construction and Development in Progress***

Construction and development in progress consists of the capitalized cost of assets that are not yet complete and which have not yet been placed in service.

***Depreciation and Amortization***

The cost of property, plant and equipment and intangible assets is depreciated or amortized on a straight-line basis based on the estimated remaining service life of each asset category, except for transport and work equipment, which is depreciated on a declining balance basis.

Hydro One periodically initiates an external independent review of its property, plant and equipment and intangible asset depreciation and amortization rates, as required by the OEB. Any changes arising from OEB approval of such a review are implemented on a remaining service life basis, consistent with their inclusion in electricity rates. The last review resulted in changes to rates effective January 1, 2007.

A summary of average service lives and depreciation and amortization rates for the various classes of assets is included below:

	Average	Rate (%)	
	Service Life	Range	Average
Distribution	42 years	1% - 5%	2%
Communication	11 years	1% - 13%	5%
Administration and service	17 years	1% - 15%	8%

The cost of intangible assets is included primarily within the administration and service classification above. Amortization rates for computer applications software assets range from 9% to 11%.

In accordance with group depreciation practices, the original cost of property, plant and equipment, or major components thereof, and intangible assets that are normally retired, is charged to accumulated depreciation and amortization, with no gain or loss being reflected in results of operations. Where a disposition of property, plant and equipment occurs through sale, a gain or loss is calculated based on proceeds and such gain or loss is included in depreciation expense. Depreciation expense also includes the costs incurred to remove property, plant and equipment assets where no ARO has been recorded.

***Goodwill***

Goodwill represents the cost of acquired local distribution companies that is in excess of the fair value of the net identifiable assets acquired at the acquisition date. Goodwill is not included in rate-base.

Goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require. Per Accounting Standards Update (ASU) 2011-08, Intangibles – Goodwill and Other (Topic 350), Testing Goodwill for Impairment, issued by the Financial Accounting Standards Board (FASB) in September 2011, the Company performs a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the applicable reporting unit is less than its carrying amount. If the Company determines, as a result of its qualitative assessment, that it is not more-likely-than-not that the fair value of the applicable reporting unit is less than its carrying amount, no further testing is required. If the Company determines, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of the applicable reporting unit is less than its carrying amount, a goodwill impairment assessment is performed using a two-step, fair value-

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

based test. The first step compares the fair value of the applicable reporting unit to its carrying amount, including goodwill. If the carrying amount of the applicable reporting unit exceeds its fair value, a second step is performed. The second step requires an allocation of fair value to the individual assets and liabilities using purchase price allocation in order to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recorded as a reduction to goodwill and as a charge to results of operations.

For the year ended December 31, 2012, based on the qualitative assessment performed, the Company has determined that it is not more-likely-than-not that the fair value of each applicable reporting unit assessed is less than its carrying amount. As a result, no further testing was performed, and the Company has concluded that goodwill was not impaired at December 31, 2012.

***Long-Lived Asset Impairment***

When circumstances indicate the carrying value of long-lived assets may not be recoverable, the Company evaluates whether the carrying value of such assets, excluding goodwill, has been impaired. For such long-lived assets, impairment exists when the carrying value exceeds the sum of the future estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. When alternative courses of action to recover the carrying amount of a long-lived asset are under consideration, a probability-weighted approach is used to develop estimates of future undiscounted cash flows. If the carrying value of the long-lived asset is not recoverable based on the estimated future undiscounted cash flows, an impairment loss is recorded, measured as the excess of the carrying value of the asset over its fair value. As a result, the asset's carrying value is adjusted to its estimated fair value.

The carrying costs of most of the Distribution Business' long-lived assets are included in rate base where they earn an OEB-approved rate of return. Asset carrying values and the return are recovered through approved rates. As a result, such assets are only tested for impairment in the event that the OEB disallows recovery, in whole or in part, or if such a disallowance is judged to be probable. As at December 31, 2012, no asset impairment had been recorded.

***Costs of Arranging Debt Financing***

For financial liabilities classified as other than held-for-trading, the Company defers its proportionate share of the relevant Hydro One external transaction costs related to obtaining debt financing and presents such amounts as deferred debt costs on the Balance Sheets. Deferred debt costs are amortized over the contractual life of the related debt on an effective-interest basis and the amortization is included within financing charges in the Statements of Operations and Comprehensive Income. Transaction costs for items classified as held-for-trading are expensed immediately.

***Comprehensive Income***

Comprehensive income is comprised of net income and other comprehensive income (OCI). OCI includes the amortization of net unamortized hedging losses on the Company's proportionate share of Hydro One's discontinued cash flow hedges, and the change in fair value on the Company's proportionate share of existing cash flow hedges to the extent that the hedge is effective. The Company amortizes its share of unamortized hedging losses on discontinued cash flow hedges to financing charges using the effective interest method over the term of the allocated hedged debt. OCI and net income are presented in a single continuous Statement of Operations and Comprehensive Income.

***Financial Assets and Liabilities***

All financial assets and liabilities are classified into one of the following five categories: held-to-maturity investments; loans and receivables; held-for-trading; other liabilities; or available-for-sale. Financial assets and liabilities classified as held-for-trading are measured at fair value. All other financial assets and liabilities are measured at amortized cost, except accounts receivable which are measured at the lower of cost or fair value. Accounts receivable are classified as loans and receivables. The Company considers the carrying amount of accounts receivable to be a reasonable estimate of fair value because of the short time to maturity of these instruments. Provisions for impaired accounts receivable are recognized as adjustments to the allowance for doubtful accounts and are recognized when there is objective evidence that the Company will not be able to collect amounts according to the original terms.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

Derivative instruments are measured at fair value. Gains and losses from fair valuation are included within financing charges in the period in which they arise. Hydro One Networks determines the classification of its financial assets and liabilities at the date of initial recognition. The Company designates certain of its financial assets and liabilities to be held at fair value, when it is consistent with its risk management policy disclosed in Note 12 – Fair Value of Financial Instruments and Risk Management.

All financial instrument transactions are recorded at trade date.

***Derivative Instruments and Hedge Accounting***

Hydro One closely monitors the risks associated with changes in interest rates on its operations and, where appropriate, uses various derivative instruments to hedge these risks. Certain of these derivative instruments qualify for hedge accounting and are designated as accounting hedges, while others either do not qualify as hedges or have not been designated as hedges (hereinafter referred to as undesignated contracts) as they are part of economic hedge relationships. Hydro One's derivative instruments, or portions thereof, are mirrored down to Hydro One Networks, and are then allocated between the Company's transmission and distribution businesses.

The accounting guidance for derivative instruments requires the recognition of all derivative instruments not identified as meeting the normal purchase and sale exemption as either assets or liabilities recorded at fair value in the Balance Sheets. For derivative instruments that qualify for hedge accounting, Hydro One may elect to designate such derivative instruments as either cash flow hedges or fair value hedges. Hydro One offsets fair value amounts recognized in its Balance Sheets related to derivative instruments executed with the same counterparty under the same master netting agreement.

For derivative instruments that qualify for hedge accounting and which are designated as cash flow hedges, the effective portion of any gain or loss, net of tax, is reported as a component of accumulated OCI (AOCI) and is reclassified to results of operations in the same period or periods during which the hedged transaction affects results of operations. Any gains or losses on the derivative instrument that represent either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in results of operations. For fair value hedges, changes in fair value of both the derivative instrument and the underlying hedged exposure are recognized in the Statement of Operations and Comprehensive Income in the current period. The gain or loss on the derivative instrument is included in the same line item as the offsetting gain or loss on the hedged item in the Statements of Operations and Comprehensive Income. Additionally, Hydro One enters into derivative agreements that are economic hedges that either do not qualify for hedge accounting or have not been designated as hedges. The changes in fair value of these undesignated derivative instruments are reflected in results of operations.

Embedded derivative instruments are separated from their host contracts and carried at fair value on the Balance Sheets when: (a) the economic characteristics and risks of the embedded derivative are not clearly and closely related to the economic characteristics and risks of the host contract; (b) the hybrid instrument is not measured at fair value, with changes in fair value recognized in results of operations each period; and (c) the embedded derivative itself meets the definition of a derivative. Hydro One does not engage in derivative trading or speculative activities and had no embedded derivatives at December 31, 2012.

Hydro One periodically develops hedging strategies taking into account risk management objectives. At the inception of a hedging relationship where Hydro One has elected to apply hedge accounting, Hydro One formally documents the relationship between the hedged item and the hedging instrument, the related risk management objective, the nature of the specific risk exposure being hedged, and the method for assessing the effectiveness of the hedging relationship. Hydro One also assesses, both at the inception of the hedge and on a quarterly basis, whether the hedging instruments are effective in offsetting changes in fair values or cash flows of the hedged items.

***Employee Future Benefits***

Employee future benefits provided by Hydro One include pension, post-retirement and post-employment benefits. The costs of the pension, post-retirement and post-employment benefit plans are recorded over the periods during which employees render service.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

Hydro One recognizes the funded status of its pension, post-retirement and post-employment plans on its Consolidated Balance Sheets and subsequently recognizes the changes in funded status at the end of each reporting year. Pension, post-retirement and post-employment funds are considered to be underfunded when the projected benefit obligation exceeds the fair value of the plan assets. Liabilities are recognized in the Consolidated Balance Sheets for any net underfunded projected benefit obligation. The net underfunded projected benefit obligation may be disclosed as a current liability, long-term liability, or both. The current portion is the amount by which the actuarial present value of benefits included in the benefit obligation payable in the next 12 months exceeds the fair value of plan assets. If the fair value of plan assets exceeds the projected benefit obligation of the plan, an asset is recognized equal to the net overfunded projected benefit obligation. The net asset for an overfunded plan is classified as a long-term asset in the Consolidated Balance Sheets. The post-retirement and post-employment benefit plans are unfunded because there are no related plan assets. For the year ended December 31, 2012, the measurement date for the Plans was December 31.

*Pension benefits*

Hydro One has a contributory defined benefit pension plan covering all regular employees of Hydro One and its subsidiaries, except Hydro One Brampton Networks Inc. The Hydro One pension plan does not segregate assets in a separate account for individual subsidiaries, nor is the accrual cost of the pension plan allocated to, or funded separately by, entities within the consolidated group. Accordingly, for purposes of these financial statements, the pension plan is accounted for as a defined contribution plan and no deferred pension asset or liability is recorded.

A detailed description of Hydro One pension benefits is provided in Note 14 - Pension and Post-Retirement and Post-Employment Benefits, to the Consolidated Financial Statements of Hydro One for the year ended December 31, 2012.

*Post-retirement and post-employment benefits*

The Company records a regulatory asset equal to the incremental net unfunded projected benefit obligation for post-retirement and post-employment plans recorded on transition to US GAAP and at each year end based on annual actuarial reports. The regulatory asset for the incremental net unfunded projected benefit obligation for post-retirement and post-employment plans, in absence of regulatory accounting, would be recognized in AOCI. A regulatory asset is recognized because management considers it to be probable that post-retirement and post-employment benefit costs will be recovered in the future through the rate-setting process.

Post-retirement and post-employment benefits, are recorded and included in rates on an accrual basis. Costs are determined by independent actuaries using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. Past service costs from plan amendments are amortized to results of operations based on the expected average remaining service period.

For post-retirement benefits, all actuarial gains or losses are deferred using the "corridor" approach. The amount calculated above the "corridor" is amortized to results of operations on a straight-line basis over the expected average remaining service life of active employees in the plan and over the remaining life expectancy of inactive employees in the plan. The post-retirement benefit obligation is remeasured to its fair value at each year end based on an annual actuarial report, with an offset to associated regulatory asset, to the extent of the remeasurement adjustment.

For post-employment obligations, the associated regulatory liabilities representing actuarial gains on transition to US GAAP are amortized to results of operations based on the "corridor" approach. Post transition, the actuarial gains and losses on post-employment obligations that are incurred during the year are recognized immediately to results of operations. The post-employment benefit obligation is remeasured to its fair value at each year end based on an annual actuarial report, with an offset to associated regulatory asset, to the extent of the remeasurement adjustment.

All post-retirement and post-employment future benefit costs are attributed to labour and are either charged to results of operations or capitalized as part of the cost of property, plant and equipment and intangible assets.

A detailed description of Hydro One post-retirement and post-employment benefits is provided in Note 14 - Pension and Post-Retirement and Post-Employment Benefits, to the Consolidated Financial Statements of Hydro One for the year ended December 31, 2012.



**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

***Loss Contingencies***

Hydro One and its subsidiaries are involved in certain legal and environmental matters that arise in the normal course of business. In the preparation of the Distribution Business' Financial Statements, management makes judgments regarding the future outcome of contingent events and records a loss for a contingency based on its best estimate when it is determined that such loss is probable and the amount of the loss can be reasonably estimated. Where the loss amount is recoverable in future rates, a regulatory asset is also recorded. When a range estimate for the probable loss exists and no amount within the range is a better estimate than any other amount, the Distribution Business records a loss at the minimum amount within the range.

Management regularly reviews current information available to determine whether recorded provisions should be adjusted and whether new provisions are required. Estimating probable losses may require analysis of multiple forecasts and scenarios that often depend on judgments about potential actions by third parties, such as federal, provincial and local courts or regulators. Contingent liabilities are often resolved over long periods of time. Amounts recorded in the Financial Statements may differ from the actual outcome once the contingency is resolved. Such differences could have a material impact on future results of operations, financial position and cash flows of the Distribution Business.

Provisions are based upon current estimates and are subject to greater uncertainty where the projection period is lengthy. A significant upward or downward trend in the number of claims filed, the nature of the alleged injuries, and the average cost of resolving each claim could change the estimated provision, as could any substantial adverse or favorable verdict at trial. A federal or provincial legislative outcome or structured settlement could also change the estimated liability. Unless otherwise required by GAAP, legal fees are expensed as incurred.

***Environmental Liabilities***

Environmental liabilities are recorded in respect of past contamination when it is determined that future environmental remediation expenditures are probable under existing statute or regulation and the amount of the future expenditures can be reasonably estimated. The Distribution Business records a liability for the estimated future expenditures associated with the contaminated land assessment and remediation (LAR) and for the phase-out and destruction of polychlorinated biphenyl (PCB)-contaminated mineral oil removed from electrical equipment, based on the present value of these estimated future expenditures. The present value is determined with a discount rate equal to its credit-adjusted risk-free interest rate on financial instruments with comparable maturities to the pattern of future environmental expenditures. As it is anticipated that the future expenditures will continue to be recoverable in future rates, an offsetting regulatory asset has been recorded to reflect the future recovery of these environmental expenditures from customers. The estimates of future environmental expenditures are reviewed annually or more frequently if there are indications that circumstances have changed.

***Asset Retirement Obligations***

AROs are recorded for legal obligations associated with the future removal and disposal of long-lived assets. Such obligations may result from the acquisition, construction, development and/or normal use of the asset. Conditional AROs are recorded when there is a legal obligation to perform a future asset retirement activity but where the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. In such a case, the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement.

When recording an ARO, the present value of the estimated future expenditures required to complete the asset retirement activity is recorded in the period in which the obligation is incurred, if a reasonable estimate can be made. In general, the present value of the estimated future expenditures is added to the carrying amount of the associated asset and the resulting asset retirement cost is depreciated over the estimated useful life of the asset. Where an asset is no longer in-service when an ARO is recorded, the asset retirement cost is recorded in results of operations.

Some distribution assets, particularly those located on unowned easements and rights-of-way, may have AROs, conditional or otherwise. The majority of the Company's easements and rights-of-way are either of perpetual duration or are automatically renewed annually. Land rights with finite terms are generally subject to extension or renewal. As the Distribution Business expects to use the majority of its facilities in perpetuity, no ARO currently exists for these assets. If, at

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

some future date, a particular facility is shown not to meet the perpetuity assumption, it will be reviewed to determine whether an estimable ARO exists. In such a case, an ARO would be recorded at that time.

The Distribution Business' AROs recorded to date relate to estimated future expenditures associated with the removal and disposal of asbestos-containing materials installed in some of its facilities and with the decommissioning of specific switching stations located on unowned sites.

### **3. NEW ACCOUNTING PRONOUNCEMENTS**

#### ***Recently Adopted Accounting Pronouncements***

In September 2011, the FASB issued ASU 2011-08, Intangibles – Goodwill and Other (Topic 350), Testing Goodwill for Impairment. This ASU is intended to reduce the cost and complexity of the annual goodwill impairment test by providing entities an option to perform a qualitative assessment to determine whether further impairment testing is necessary. An entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. An entity can choose to perform the qualitative assessment on none, some or all of its reporting units. Moreover, an entity can bypass the qualitative assessment for any reporting unit in any period and proceed directly to step one of the impairment test, and then resume performing the qualitative assessment in any subsequent period. The adoption of this ASU did not have a significant impact on the Distribution Business' Financial Statements.

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income, to clarify that an entity has the option to present the total of comprehensive income, the components of net income, and the components of OCI either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of OCI along with a total for OCI, and a total amount for comprehensive income. This update eliminates the option to present the components of OCI as part of the statement of changes in shareholders' equity. The amendments in this ASU do not change the items that must be reported in OCI or when an item of OCI must be reclassified to net income. The Distribution Business has elected to present OCI and net income in a single continuous Statement of Operations and Comprehensive Income.

In May 2011, the FASB issued ASU 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRSs. This ASU is the result of joint efforts by the FASB and the International Accounting Standards Board to develop common, converged fair value guidance on how to measure fair value and on what disclosures to provide about fair value measurements. This ASU is largely consistent with existing US GAAP fair value measurement principles under Accounting Standards Codification 820. However, this ASU expands the existing disclosure requirements for fair value measurements, particularly of Level 3 inputs, and requires categorization by level of the fair value hierarchy for items that are not measured at fair value on the Balance Sheets but for which the fair value is required to be disclosed. Required disclosures have been included in Note 12 – Fair Value of Financial Instruments and Risk Management. As this ASU only requires enhanced disclosures, the adoption of this ASU did not have a significant impact on the Distribution Business' Financial Statements.

#### ***Recent Accounting Guidance Not Yet Adopted***

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. This ASU requires an entity to disclose both gross and net information about financial instruments and transactions eligible for offset in the Balance Sheets as well as financial instruments and transactions executed under a master netting or similar arrangement and was issued to enable users of financial statements to understand the effects or potential effects of those arrangements on its financial position. This ASU is required to be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. As this ASU only requires enhanced disclosures, the adoption of this ASU is not anticipated to have a significant impact on the Distribution Business' Financial Statements.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**4. DEPRECIATION AND AMORTIZATION**

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Depreciation of property, plant and equipment	229	212
Amortization of intangible assets	24	22
Asset removal costs	46	45
Amortization of regulatory assets	9	8
	<b>308</b>	<b>287</b>

**5. FINANCING CHARGES**

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Interest on long-term debt	154	152
Other	8	4
Less: Interest capitalized on construction and development in progress	(18)	(11)
Gain on interest-rate swap agreements	(4)	(3)
Interest earned on inter-company demand facility	(2)	(2)
	<b>138</b>	<b>140</b>

**6. PROVISION FOR PAYMENTS IN LIEU OF CORPORATE INCOME TAXES**

The provision for PILs differs from the amount that would have been recorded using the combined Canadian Federal and Ontario statutory income tax rate. The reconciliation between the statutory and the effective tax rates is provided as follows:

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Income before provision for PILs	302	302
Canadian Federal and Ontario statutory income tax rate	26.50%	28.25%
Provision for PILs at statutory rate	80	85

Increase (decrease) resulting from:

Net temporary differences included in amounts charged to customers:

Capital cost allowance in excess of depreciation and amortization	(8)	(4)
Interest capitalized for accounting but deducted for tax purposes	(4)	(3)
Pension contributions in excess of pension expense	(12)	(10)
Overheads capitalized for accounting but deducted for tax purposes	(6)	(5)
Environmental expenditures	(2)	(2)
Non-refundable ITCs	(6)	-
Post-retirement and post-employment benefit expense in excess of cash payments	-	3
Other	1	1
Net temporary differences	(37)	(20)
Net permanent differences	1	1
Total provision for PILs	44	66
Current provision for PILs	42	75
Deferred provision for PILs	2	(9)
Total provision for PILs	44	66

Effective income tax rate	14.57%	21.85%
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**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

The current provision for PILs of \$42 million (2011 - \$75 million) represents the amount paid or payable to the OEFC with respect to current year income. The outstanding balance due to the OEFC at December 31, 2012 was \$7 million (2011 - \$30 million).

The total provision for PILs includes deferred provision for PILs of \$2 million (2011 - recovery of \$9 million) that is not included in the rate-setting process, using the balance sheet liability method of accounting. Deferred PILs balances expected to be included in the rate-setting process are offset by regulatory assets and liabilities to reflect the anticipated recovery or disposition of these balances within future electricity rates.

***Deferred Income Tax Assets and Liabilities***

Deferred income tax assets and liabilities arise from differences between the carrying amounts and tax bases of the Company's assets and liabilities. At December 31, deferred income tax assets and liabilities consisted of the following:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Deferred income tax assets</b>		
Post-retirement and post-employment benefits expense in excess of cash payments	290	200
Environmental expenses	36	36
Other	1	1
Total deferred income tax assets	327	237
Less: current portion	10	10
	<b>317</b>	<b>227</b>

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Deferred income tax liabilities</b>		
Capital cost allowance in excess of depreciation and amortization	458	374
Distribution amounts received but not recognized for accounting purposes	84	19
Goodwill	8	7
Total deferred income tax liabilities	550	400
Less: current portion	3	2
	<b>547</b>	<b>398</b>

The deferred income tax assets and liabilities are presented on the Balance Sheets as follows:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Current deferred income tax assets	10	10
Current deferred income tax liabilities	(3)	(2)
Net current deferred income tax assets	<b>7</b>	<b>8</b>
Long-term deferred income tax assets	317	227
Long-term deferred income tax liabilities	(547)	(398)
Net long-term deferred income tax liabilities	<b>(230)</b>	<b>(171)</b>

During 2012, the deferred tax liability increased by \$14 million as a result of the change in the rate applicable to future taxes.

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**NOTES TO FINANCIAL STATEMENTS (continued)**

**7. ACCOUNTS RECEIVABLE**

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Accounts receivable – billed	200	214
Accounts receivable – unbilled	598	545
Accounts receivable, gross	798	759
Allowance for doubtful accounts	(20)	(15)
Accounts receivable, net	778	744

The following table shows the movements in the allowance for doubtful accounts for the years ended December 31, 2012 and 2011.

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Allowance for doubtful accounts – January 1	(15)	(22)
Write-offs	16	29
Additions to allowance for doubtful accounts	(21)	(22)
Allowance for doubtful accounts – December 31	(20)	(15)

**8. PROPERTY, PLANT AND EQUIPMENT**

<i>December 31 (millions of dollars)</i>	Property, Plant and Equipment	Accumulated Depreciation	Construction in Progress	Total
<b>2012</b>				
Distribution	7,476	2,602	220	5,094
Communication	100	21	-	79
Administration and Service	824	451	94	467
Easements	8	4	-	4
	8,408	3,078	314	5,644
<b>2011</b>				
Distribution	7,090	2,440	243	4,893
Communication	30	16	-	14
Administration and Service	774	410	50	414
Easements	8	4	-	4
	7,902	2,870	293	5,325

Financing charges capitalized on property, plant and equipment under construction were \$15 million (2011 - \$10 million).

**9. INTANGIBLE ASSETS**

<i>December 31 (millions of dollars)</i>	Intangible Assets	Accumulated Amortization	Development in Progress	Total
<b>2012</b>				
Computer applications software	228	176	107	159
Other assets	2	2	-	-
	230	178	107	159
<b>2011</b>				
Computer applications software	217	153	44	108
Other assets	1	1	-	-
	218	154	44	108

**HYDRO ONE NETWORKS INC.**  
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Financing charges capitalized on intangible assets under development were \$3 million (2011 - \$1 million). The estimated annual amortization expense for intangible assets for each of the next five years is \$21 million.

**10. REGULATORY ASSETS AND LIABILITIES**

Regulatory assets and liabilities arise as a result of the rate-making process. The Distribution Business has recorded the following regulatory assets and liabilities:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
<b>Regulatory assets:</b>		
Deferred income tax	239	181
Post-retirement and post-employment benefits	180	70
Environmental	140	142
Pension cost variance	46	29
Rider 2	10	11
Other	11	7
Total regulatory assets	626	440
Less: current portion	14	9
	612	431
<b>Regulatory liabilities:</b>		
Retail settlement variance accounts	46	40
Rider 8	45	42
PST savings deferral	10	6
Rider 3	9	9
Deferred income tax	7	7
Rural and remote rate protection variance	6	8
Other	11	9
Total regulatory liabilities	134	121
Less: current portion	38	16
	96	105

*Deferred Income Tax*

Deferred income taxes are recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Distribution Business has recognized regulatory assets and liabilities that correspond to deferred income taxes that flow through the rate-making process. In the absence of rate-regulated accounting, the Distribution Business' provision for PILs would have been recognized using the liability method and there would be no regulatory accounts established for taxes to be reflected in future rates. As a result, the 2012 provision for PILs would have been higher by approximately \$41 million (2011 - \$22 million), including the impact of a change in enacted tax rates.

*Post-Retirement and Post-Employment Benefits*

The Distribution Business recognizes the net unfunded status of post-retirement and post-employment obligations on the Balance Sheets with an incremental offset to the associated regulatory assets. A regulatory asset is recognized because management considers it to be probable that post-retirement and post-employment benefit costs will be recovered in the future through the rate-setting process. The post-retirement and post-employment benefit obligation is remeasured to its fair value at each year end based on an annual actuarial report, with an offset to the associated regulatory asset, to the extent of the remeasurement adjustment. In the absence of rate-regulated accounting, 2012 OCI would have been lower by \$110 million (2011 – higher by \$16 million).

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*Environmental*

The Distribution Business records a liability for the estimated future expenditures required to remediate past environmental contamination (see Note 15 – Environmental Liabilities). Because such expenditures are expected to be recoverable in future rates, the Distribution Business has recorded an equivalent amount as a regulatory asset. In 2012, the Company's PCB liability decreased by \$2 million (2011 - \$23 million) to reflect a revaluation adjustment in the Company's PCB liability and increased by \$2 (2011 – no change) for a revision to the Company's LAR liability. The environmental regulatory asset is amortized to results of operations based on the pattern of actual expenditures incurred and charged to environmental liabilities. The OEB has the discretion to examine and assess the prudence and the timing of recovery of all of the Distribution Business' actual environmental expenditures. In the absence of rate-regulated accounting, there would have been no change in 2012 operation, maintenance and administration expenses (2011 – lower by \$23 million). In addition, 2012 amortization expense would have been lower by \$9 million (2011 – \$8 million), and 2012 financing charges would have been higher by \$6 million (2011 – \$8 million).

*Pension Cost Variance*

A pension cost variance account was established for the Distribution Business to track the difference between the actual pension expense incurred and estimated pension costs approved by the OEB. The balance in this account reflects the excess of pension contributions as compared to OEB-approved amounts. In December 2010, the OEB approved the December 31, 2009 balance, including accrued interest, to be recovered over a one-year period from January 1, 2011 to December 31, 2011. In the absence of rate-regulated accounting, 2012 revenue would have been lower by \$17 million (2011 - \$13 million).

*Rider 2*

In April 2006, the OEB announced its decision regarding the Company's rate application in respect of the Distribution Business. As part of this decision, the OEB also approved the distribution-related deferral account balances sought by the Company. The Rider 2 regulatory asset includes retail settlement and cost variance amounts and distribution low-voltage service amounts, plus accrued interest.

*Retail Settlement Variance Accounts (RSVA)*

The Company has deferred certain retail settlement variance amounts under the provisions of Article 490 of the OEB's Accounting Procedures Handbook. In April 2010, the OEB approved the disposition of the total RSVA balance accumulated from May 2008 to December 2009, including accrued interest, to be disposed over a 20-month period from May 1, 2010 to December 31, 2011. The Company has continued to accumulate a net liability in its RSVA accounts since December 31, 2009.

*Rider 8*

In April 2010, the OEB requested the establishment of deferral accounts which capture the difference between the revenue recorded on the basis of Green Energy Plan expenditures incurred and the actual recoveries received.

*PST Savings Deferral Account*

The provincial sales tax (PST) and goods and services tax (GST) were harmonized in July 2010. Unlike the GST, the PST was included in operation, maintenance and administrative expenses or capital expenditures for past revenue requirements approved during a full cost of service hearing. Under the harmonized sales tax (HST) regime, the HST included in operation, maintenance and administrative expenses or capital expenditures is not a cost ultimately borne by the Company and as such, a refund of the prior PST element in the approved revenue requirement is applicable and calculations for tracking and refund were requested by the OEB. For the Distribution Business, PST was included in rates between July 1, 2010 and December 31, 2012 and this amount has been recorded in a deferral account per direction from the OEB.

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**NOTES TO FINANCIAL STATEMENTS (continued)**

*Rider 3*

In December 2008, the OEB approved certain distribution-related deferral account balances sought by the Company, including RSVA amounts, deferred tax changes, OEB costs and smart meters. The OEB approved the disposition of the Rider 3 balance accumulated up to April 2008, including accrued interest, to be disposed over a 27-month period from February 1, 2009 to April 30, 2011.

*Rural and Remote Rate Protection Variance (RRRP)*

Hydro One receives rural rate protection amounts from the IESO. A portion of these amounts is provided to retail customers of Hydro One Networks who are eligible for rate protection. The OEB has approved a mechanism to collect the RRRP through the Wholesale Market Service Charge. Variances between the amounts remitted by the IESO to Hydro One and the fixed entitlements defined in the regulation, and subsequent OEB utility rate decisions, are tracked in the RRRP variance account.

**11. DEBT**

Hydro One issues notes for long-term financing under its Medium-Term Note Program. The terms of certain issuances are mirrored down to Hydro One Networks through the issuance of inter-company debt, which is then allocated between the Company's transmission and distribution businesses.

The following table presents the outstanding long-term debt of the Distribution Business as at December 31, 2012 and 2011:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Long-term debt	3,010	2,880
Add: Unrealized marked-to-market loss <sup>1</sup>	5	9
Less: Long-term debt payable within one year	(230)	(324)
Long-term debt	2,785	2,565

<sup>1</sup> The unrealized marked-to-market loss relates to \$100 million of Distribution Business' \$175 million note due 2014, and \$100 million of Distribution Business' \$200 million note due 2015. The unrealized marked-to-market loss is offset by a \$5 million (2011 - \$9 million) unrealized marked-to-market gain on the related fixed-to-floating interest-rate swap agreements, which are accounted for as fair value hedges. See Note 12 – Fair Value of Financial Instruments and Risk Management for details of fair value hedges.

The long-term debt is unsecured and denominated in Canadian dollars. The long-term debt is summarized by the number of years to maturity in Note 12 – Fair Value of Financial Instruments and Risk Management.

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The fair value definition focuses on an exit price, which is the price that would be received in the sale of an asset or the amount that would be paid to transfer a liability.

The Company classifies its fair value measurements based on the following hierarchy, as prescribed by the accounting guidance for fair value, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that Hydro One has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occurs with sufficient frequency and volume to provide ongoing pricing information.

Level 2 inputs are those other than quoted market prices that are observable, either directly or indirectly, for an asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market



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prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates. A Level 2 measurement cannot have more than an insignificant portion of the valuation based on unobservable inputs.

Level 3 inputs are any fair value measurements that include unobservable inputs for the asset or liability for more than an insignificant portion of the valuation. A Level 3 measurement may be based primarily on Level 2 inputs.

**Non-Derivative Financial Assets and Liabilities**

At December 31, 2012 and 2011, the carrying amounts of accounts receivable, inter-company demand facility, accounts payable and accrued liabilities are representative of fair value because of the short-term nature of these instruments.

**Fair Value Measurements of Long-Term Debt**

The fair values and carrying values of the Distribution Business' long-term debt at December 31, 2012 and 2011 are as follows:

<i>December 31 (millions of dollars)</i>	2012 Carrying Value	2012 Fair Value	2011 Carrying Value	2011 Fair Value
Long-term debt				
\$100 million of \$175 million notes due 2014 <sup>1</sup>	102	102	104	104
\$100 million of \$200 million notes due 2015 <sup>2</sup>	103	103	105	105
Other notes and debentures <sup>3</sup>	2,810	3,338	2,680	3,180
	3,015	3,543	2,889	3,389

<sup>1</sup> The fair value of \$100 million of Distribution Business' \$175 million notes due 2014, subject to hedging is primarily based on changes in the present value of future cash flows due to a change in the yield in the swap market for the related swap (hedged risk).

<sup>2</sup> The fair value of \$100 million of Distribution Business' \$200 million notes due 2015, subject to hedging is primarily based on changes in the present value of future cash flows due to a change in the yield in the swap market for the related swap (hedged risk).

<sup>3</sup> The fair value of other notes and debentures, and the portions of Distribution Business' \$175 million and \$200 million notes that are not subject to hedging, represents the market value of the notes and debentures and is based on unadjusted period-end market prices for the same or similar debt of the same remaining maturities.

**Fair Value Measurements of Derivative Instruments**

Hydro One enters into interest-rate swaps agreements with respect to its long-term debt. The terms of these interest-rate swap agreements are mirrored down to Hydro One Networks, and are then allocated between the Company's transmission and distribution businesses.

At December 31, 2012, the Distribution Business' share of the Company's derivative instruments include \$200 million of interest-rate swaps that were used to convert fixed-rate debt to floating-rate debt (2011 - \$200 million). These interest-rate swaps are classified as fair value hedges. The Distribution Business' fair value hedge exposure was equal to about 7% (2011 - 7%) of its long-term debt. At December 31, 2012, the Distribution Business' interest-rate swaps designated as fair value hedges were as follows:

- (a) a \$100 million fixed-to-floating interest-rate swap agreement to convert \$100 million of the \$175 million notes maturing November 19, 2014 into three-month variable rate debt; and
- (b) two \$50 million fixed-to-floating interest-rate swap agreements to convert \$100 million of the \$200 million notes maturing September 11, 2015 into three-month variable rate debt.

At December 31, 2012, the Distribution Business' share of interest-rate swaps classified as undesignated contracts consisted of the following:

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- (c) three \$100 million floating-to-fixed interest-rate swap agreements that lock in the floating-rate on a portion of the above fixed-to-floating interest-rate swaps from December 11, 2012 to December 11, 2013, from February 21, 2012 to February 19, 2013, and from February 19, 2013 to February 19, 2014, respectively;
- (d) two \$20 million floating-to-fixed interest-rate swap agreements that lock in the floating-rate on the \$20 million floating-rate notes maturing July 24, 2015, from January 24, 2012 to January 24, 2013, and from January 24, 2013 to January 24, 2014, respectively, and;
- (e) a \$20 million floating-to-fixed interest-rate swap agreement that locks in the floating-rate on the \$20 million floating-rate notes maturing December 3, 2016, from March 4, 2013 to December 3, 2013.

At December 31, 2012 and 2011, the carrying amounts of derivative instruments were representative of fair value.

**Fair Value Hierarchy**

Fair value hierarchy information for financial assets and liabilities at December 31, 2012 and 2011 was as follows:

<i>December 31, 2012 (millions of dollars)</i>	Carrying Value	Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>					
Inter-company demand facility	5	5	5	-	-
Derivative instruments					
Fair value hedges – interest-rate swaps	5	5	-	5	-
	10	10	-	10	-
<b>Liabilities:</b>					
Long-term debt	3,015	3,543	-	3,543	-
	3,015	3,543	-	3,543	-
<i>December 31, 2011 (millions of dollars)</i>	Carrying Value	Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>					
Inter-company demand facility	141	141	141	-	-
Derivative instruments					
Fair value hedges – interest-rate swaps	9	9	-	9	-
	150	150	141	9	-
<b>Liabilities:</b>					
Long-term debt	2,889	3,389	-	3,389	-
	2,889	3,389	-	3,389	-

The fair value of the derivative instruments is determined using other than quoted prices that are observable for these assets. The fair value is primarily based on the present value of future cash flows using a swap yield curve to determine the assumptions for interest rates.

The fair value of the hedged portion of the long-term debt is primarily based on the present value of future cash flows using a swap yield curve to determine the assumption for interest rates. The fair value of the un-hedged portion of the long-term debt is based on unadjusted period-end market prices for the same or similar debt of the same remaining maturities.

There were no significant transfers between any of the levels during the years ended December 31, 2012 and 2011.

**Risk Management**

Exposure to market risk, credit risk and liquidity risk arises in the normal course of the Company's business.

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***Market Risk***

Market risk refers primarily to the risk of loss that results from changes in commodity prices, foreign exchange rates and interest rates. The Company does not have commodity risk. The Company does have foreign exchange risk as it enters into agreements to purchase materials and equipment associated with capital programs and projects that are settled in foreign currencies. This foreign exchange risk is not material, although Hydro One could in the future decide to issue foreign currency-denominated debt which would be hedged back to Canadian dollars consistent with its risk management policy. This could be mirrored in the Company. The Company is exposed to fluctuations in interest rates as the regulated rate of return for its Distribution Business is derived using a formulaic approach that is based on the forecast for long-term Government of Canada bond yields and the spread in 30-year "A"-rated Canadian utility bonds over the 30-year benchmark Government of Canada bond yield. The Company estimates that a 1% decrease in the forecasted long-term Government of Canada bond yield or the "A"-rated Canadian utility spread used in determining the Distribution Business' rate of return would reduce the Distribution Business' results of operations by approximately \$10 million (2011 - \$10 million).

Hydro One uses a combination of fixed and variable-rate debt to manage the mix of its debt portfolio. Hydro One also uses derivative financial instruments to manage interest-rate risk. Hydro One utilizes interest-rate swaps, which are typically designated as fair value hedges, as a means to manage its interest rate exposure to achieve a lower cost of debt. In addition, Hydro One may utilize interest-rate derivative instruments to lock in interest rate levels in anticipation of future financing. Hydro One may also enter into derivative agreements such as forward-starting pay fixed-interest-rate swap agreements to hedge against the effect of future interest rate movements on long-term fixed-rate borrowing requirements. Such arrangements are typically designated as cash flow hedges. The Company's derivative instrument policy is consistent with Hydro One. No cash flow hedge agreements outstanding as at December 31, 2012 or 2011.

A hypothetical 10% increase in the interest rates associated with variable-rate debt would not have resulted in a significant decrease in the Distribution Business' results of operations for the years ended December 31, 2012 or 2011.

***Fair Value Hedges***

For derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative instruments as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in the Statements of Operations and Comprehensive Income. The Distribution Business' net unrealized loss (gain) on the hedged debt and the related interest-rate swaps for the years ended December 31, 2012 and 2011 are included in financing charges as follows:

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Unrealized (gain) loss on hedged debt	(4)	7
Unrealized loss (gain) on fair value interest-rate swaps	4	(7)
Net unrealized loss (gain)	-	-

At December 31, 2012, the notional amount of the Distribution Business' fair value hedges outstanding related to interest-rate swaps was \$200 million (2011 - \$200 million), with assets at fair value of \$5 million (2011 - \$9 million). During the years ended December 31, 2012 and 2011, there was no significant impact on the Distribution Business' results of operations as a result of any ineffectiveness attributable to fair value hedges.

***Credit Risk***

Financial assets create a risk that a counterparty will fail to discharge an obligation, causing a financial loss. At December 31, 2012 and 2011, there were no significant concentrations of credit risk with respect to any class of financial assets. The Distribution Business did not earn a significant amount of revenue from any individual customer. At December 31, 2012 and 2011, there was no significant accounts receivable balance due from any single customer.

At December 31, 2012, the Distribution Business' allowance for doubtful accounts was \$20 million (2011 - \$15 million). Adjustments and write-offs are determined on the basis of a review of overdue accounts, taking into consideration historical experience. At December 31, 2012, approximately 2% of the Distribution Business' accounts receivable were aged more than 60 days (2011 - 1%).

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Hydro One manages its counterparty credit risk through various techniques including: entering into transactions with highly-rated counterparties; limiting total exposure levels with individual counterparties consistent with the Hydro One's Board-approved Credit Risk Policy; entering into master agreements which enable net settlement and the contractual right of offset; and monitoring the financial condition of counterparties. In addition to payment netting language in master agreements, Hydro One establishes credit limits, margining thresholds and collateral requirements for each counterparty. Counterparty credit limits are based on an internal credit review that considers a variety of factors, including the results of a scoring model, leverage, liquidity, profitability, credit ratings and risk management capabilities. The determination of credit exposure for a particular counterparty is the sum of current exposure plus the potential future exposure with that counterparty. The current exposure is calculated as the sum of the principal value of money market exposures and the market value of all contracts that have a positive mark-to-market position on the measurement date. Hydro One would only offset the positive market values against negative values with the same counterparty where permitted by the existence of a legal netting agreement such as an International Swap Dealers Association master agreement. The potential future exposure represents a safety margin to protect against future fluctuations of interest rates, currencies, equities, and commodities. It is calculated based on factors developed by the Bank of International Settlements, following extensive historical analysis of random fluctuations of interest rates and currencies. To the extent that a counterparty's margining thresholds are exceeded, the counterparty is required to post collateral with Hydro One as specified in each agreement. Hydro One monitors current and forward credit exposure to counterparties both on an individual and an aggregate basis. The Company's counterparty credit risk policy is consistent with Hydro One. The Distribution Business' credit risk for accounts receivable is limited to the carrying amounts on its Balance Sheets.

Derivative financial instruments result in exposure to credit risk since there is a risk of counterparty default. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts at the reporting date. At December 31, 2012, the counterparty credit risk exposure on the fair value of the Distribution Business' share of these interest-rate swap contracts was \$6 million (2011 - \$10 million). At December 31, 2012, Hydro One's credit exposure for all derivative instruments, and applicable payables and receivables, had a credit rating of investment grade, with four financial institutions as the counterparties. The credit exposure of each of the four counterparties accounted for more than 10% of the total credit exposure.

***Liquidity Risk***

Liquidity risk refers to the Company's ability to meet its financial obligations as they come due. The Company meets its short-term liquidity requirements through the inter-company demand facility with Hydro One and funds from operations. The short-term liquidity available to the Company should be sufficient to fund normal operating requirements.

At December 31, 2012, accounts payable and accrued liabilities in the amount of \$650 million (2011 - \$692 million) were expected to be settled in cash at their carrying amounts within the next year.

At December 31, 2012, the notional amount of the Distribution Business' long-term debt was \$3,010 million (2011 - \$2,880 million). Long-term debt maturing over the next twelve months was \$230 million (2011 - \$324 million). Interest payments for the next 12 months on the outstanding long-term debt were \$146 million (2011 - \$150 million). Principal outstanding, interest payments and related weighted average interest rates are summarized by the number of years to maturity in the following table.

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Years to Maturity	Principal Outstanding on Long-term Debt (millions of dollars)	Interest Payments <sup>1</sup> (millions of dollars)	Weighted Average Interest Rate <sup>1</sup> (%)
1 year	230	146	5.0
2 years	175	135	3.2
3 years	220	129	2.9
4 years	200	119	4.4
5 years	195	115	5.2
	1,020	644	4.1
6 - 10 years	381	506	3.6
Over 10 years	1,609	1,498	5.7
	3,010	2,648	4.9

<sup>1</sup> Interest payments and weighted average interest rates beyond one year exclude the impact of Distribution Business' \$20 million floating-rate notes due 2015 and Distribution Business' \$20 million floating-rate notes due 2016.

### 13. CAPITAL MANAGEMENT

The Distribution Business' objective is to manage its capital structure consistent with the deemed capital structure for rate-setting purposes as prescribed by the OEB.

The Distribution Business considers its capital structure to consist of excess of assets over liabilities, long-term debt, and the inter-company demand facility. The following table summarizes this capital structure:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Long-term debt payable within one year	230	324
Inter-company demand facility	(5)	(141)
	225	183
Long-term debt	2,785	2,565
Excess of assets over liabilities	2,319	2,168
<b>Total capital</b>	<b>5,329</b>	<b>4,916</b>

The following table shows the movements in the excess of assets over liabilities for the years ended December 31, 2012 and 2011:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Excess of assets over liabilities, January 1	2,168	1,976
Net income	258	236
OCI	-	-
Payments to Hydro One to finance dividends	(107)	(45)
<b>Excess of assets over liabilities, December 31</b>	<b>2,319</b>	<b>2,168</b>

### 14. PENSION AND POST-RETIREMENT AND POST-EMPLOYMENT BENEFITS

Hydro One has a defined benefit pension plan, a supplementary pension plan, and post-retirement and post-employment benefit plans. The defined benefit pension plan (Pension Plan) is contributory and covers all regular employees of Hydro One and its subsidiaries, except Hydro One Brampton Networks Inc. The supplementary pension plan provides members of the Pension Plan with benefits that would have been earned and payable under the Pension Plan but for the limitations imposed by the *Income Tax Act* (Canada). The supplementary pension plan obligation is included in post-retirement and post-employment benefit liability on the Balance Sheets.

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***Pension Benefits***

The Pension Plan provides benefits based on highest three-year average pensionable earnings. For new management employees who commenced employment on or after January 1, 2004, and for new Society of Energy Professionals represented staff hired after November 17, 2005, benefits are based on highest five-year average pensionable earnings. After retirement, pensions are indexed to inflation.

Hydro One and employee contributions to the Pension Plan are based on actuarial valuations performed at least every three years. Hydro One's annual Pension Plan contributions for 2012 of \$163 million (2011 – \$152 million) were based on an actuarial valuation effective December 31, 2011 and the level of 2012 pensionable earnings. Hydro One's estimated annual Pension Plan contributions for 2013 are approximately \$160 million, based on the December 31, 2011 valuation and the projected level of pensionable earnings.

At December 31, 2012, based on the December 31, 2011 actuarial valuation, the present value of Hydro One's projected pension benefit obligation was estimated to be \$6,507 million (2011 - \$5,461 million). The fair value of Pension Plan assets available for these benefits was \$4,992 million (2011 - \$4,682 million).

***Post-Retirement and Post-Employment Benefits***

During the year ended December 31, 2012, the Distribution Business charged \$26 million (2011 – \$33 million) of post-retirement and post-employment benefit costs to operations, and capitalized \$28 million (2011 - \$23 million) as part of the cost of property, plant and equipment and intangible assets. Benefits paid in 2012 were \$25 million (2011 - \$23 million). In addition, the associated post-retirement and post-employment benefits regulatory asset was increased by \$110 million (2011 – decreased by \$15 million).

The Distribution Business presents its post-retirement and post-employment benefit liabilities on its Balance Sheets within the following line items:

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Accrued liabilities	22	22
Post-retirement and post-employment benefit liability	785	646
	<b>807</b>	<b>668</b>

**15. ENVIRONMENTAL LIABILITIES**

The following discounted amounts for environmental liabilities were recorded on the Balance Sheets at December 31, 2012 and 2011:

<i>December 31 (millions of dollars)</i>	<b>PCB</b>	<b>LAR</b>	<b>Total</b>
<b>2012</b>			
Environmental liabilities, January 1	116	27	143
Interest accretion	6	-	6
Expenditures	(4)	(5)	(9)
Revaluation adjustment	(2)	2	-
Environmental liabilities, December 31	116	24	140
Less: current portion	3	5	8
	<b>113</b>	<b>19</b>	<b>132</b>

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<i>December 31 (millions of dollars)</i>	PCB	LAR	Total
<b>2011</b>			
Environmental liabilities, January 1	135	31	166
Interest accretion	7	1	8
Expenditures	(3)	(5)	(8)
Revaluation adjustment	(23)	-	(23)
Environmental liabilities, December 31	116	27	143
Less: current portion	5	4	9
	111	23	134

The following table illustrates the reconciliation between the undiscounted basis of the environmental liabilities and the amount recognized in the Balance Sheets after factoring in the discount rate:

<i>December 31 (millions of dollars)</i>	PCB	LAR	Total
<b>2012</b>			
Undiscounted environmental liabilities, December 31	135	25	160
Less: discounting accumulated liabilities to present value	(19)	(1)	(20)
Discounted environmental liabilities, December 31	116	24	140

<i>December 31 (millions of dollars)</i>	PCB	LAR	Total
<b>2011</b>			
Undiscounted environmental liabilities, December 31	138	28	166
Less: discounting accumulated liabilities to present value	(22)	(1)	(23)
Discounted environmental liabilities, December 31	116	27	143

Estimated future environmental expenditures for each of the five years subsequent to December 31, 2012 and in total thereafter are as follows: 2013 - \$9 million; 2014 - \$22 million; 2015 - \$22 million; 2016 - \$19 million; 2017 - \$15 million; and thereafter - \$73 million. At December 31, 2012, of the total estimated future environmental expenditures, \$135 million related to PCB (2011 - \$138 million) and \$25 million related to LAR (2011 - \$28 million).

Consistent with the Company's accounting policy for environmental costs, the Distribution Business records a liability for the estimated mandatory future expenditures associated with the removal and destruction of PCB-contaminated insulating oils and related electrical equipment and for the assessment and remediation of chemically-contaminated lands.

There are uncertainties in estimating future environmental costs due to potential external events such as changes in legislation or regulations and advances in remediation technologies. All factors used in estimating the Distribution Business' environmental liabilities represent management's best estimates of the present value of the cost required to meet existing legislation or regulations. However, it is reasonably possible that numbers or volumes of contaminated assets, cost estimates to perform work, inflation assumptions and the assumed pattern of annual cash flows may differ significantly from the current assumptions. In addition, with respect to the PCB environmental liability, the availability of critical resources such as skilled labour and replacement assets and the ability to take maintenance outages in critical facilities may influence the timing of expenditures. Estimated environmental liabilities are reviewed annually or more frequently if significant changes in regulation or other relevant factors occur. Estimate changes are accounted for prospectively. The Distribution Business records a regulatory asset reflecting its expectation that future environmental costs will be recoverable in rates.

In determining the amounts to be recorded as environmental liabilities, the Company estimates the current cost of completing required work and makes assumptions as to when the future expenditures will actually be incurred, in order to generate future cash flow information. A long-term inflation assumption of approximately 2% has been used to express these current cost estimates as estimated future expenditures. The Distribution Business' future environmental expenditures have been discounted using factors ranging from 3.75% to 6.25%, depending on the appropriate rate for the period when increases in the obligations were first recorded.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

*PCBs*

In September 2008, Environment Canada published its final regulations governing the management, storage and disposal of PCBs. These regulations were enacted under the *Canadian Environmental Protection Act, 1999*. These regulations impose timelines for disposal of PCBs based on certain criteria, including type of equipment, in-use status and PCB-contamination thresholds. All PCBs in concentrations of 500 parts per million (ppm) or more, except for specified equipment, had to be disposed of by the end of 2009, with the exception of specifically exempted equipment. Under the regulations, PCBs in equipment in concentrations greater than 50 ppm and less than 500 ppm, or greater than 50 ppm for pole-top transformers, pole-top auxiliary electrical equipment and light ballasts must be disposed of by the end of 2025.

Management judges that the Distribution Business currently has very few PCB-contaminated assets in excess of 500 ppm. Assets to be disposed of by 2025 primarily consist of pole-mounted distribution line transformers and light ballasts. Contaminated distribution station equipment will generally be replaced or will be decontaminated by removing PCB-contaminated insulating oil and retro filling with replacement oil that contains a PCB concentration of less than 2 ppm.

The Distribution Business' best estimate of the total estimated future expenditures to comply with current PCB regulations is approximately \$135 million. These expenditures are expected to be incurred over the period from 2013 to 2025. As a result of the Company's most recent cost estimate to comply with current PCB regulations, the Distribution Business recorded a revaluation adjustment to reduce the PCB environmental liability by approximately \$2 million (2011 – \$23 million).

*LAR*

The Distribution Business' best estimate of the total estimated future expenditures to complete its LAR Program is approximately \$25 million. These expenditures are expected to be incurred over the period from 2013 to 2020. As part of its annual review of environmental liabilities, the Company also reviewed its liability for LAR. As a result of this review, the Distribution Business recorded a revaluation adjustment to increase the LAR environmental liability by approximately \$2 million (2011 - \$nil).

**16. ASSET RETIREMENT OBLIGATIONS**

AROs, which represent legal obligations associated with the retirement of certain tangible long-lived assets, are computed as the present value of the projected expenditures for the future retirement of specific assets and are recognized in the period in which the liability is incurred, if a reasonable estimate of fair value can be made. If the asset remains in service at the recognition date, the present value of the liability is added to the carrying amount of the associated asset in the period the liability is incurred and this additional carrying amount is depreciated over the remaining life of the asset. If an ARO is recorded in respect of an out-of-service asset, the asset retirement cost is charged to results of operations. Subsequent to the initial recognition, the liability is adjusted for any revisions to the estimated future cash flows associated with the ARO (with corresponding adjustments to property, plant, and equipment), which can occur due to a number of factors including, but not limited to, cost escalation, changes in technology applicable to the assets to be retired and changes in federal, state or local regulations, as well as for accretion of the liability due to the passage of time until the obligation is settled. Depreciation expense is adjusted prospectively for any increases or decreases to the carrying amount of the associated asset.

All factors used in estimating the Distribution Business' AROs represent management's best estimates of the costs required to meet existing legislation or regulations. However, it is reasonably possible that numbers or volumes of contaminated assets, cost estimates to perform work, inflation assumptions and the assumed pattern of annual cash flows may differ significantly from the current assumptions. AROs are reviewed annually or more frequently if significant changes in regulation or other relevant factors occur. Estimate changes are accounted for prospectively.

In determining the amounts to be recorded as AROs, the Company estimates the current fair value for completing required removal and remediation work and makes assumptions as to when the future expenditures will actually be incurred, in order to generate future cash flow information. A long-term inflation assumption of approximately 2% has been used to express these current cost estimates as estimated future expenditures. Future expenditures have been discounted using factors ranging from approximately 3% to 5%, depending on the appropriate rate for the period when expenditures are expected to be incurred.



**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

At December 31, 2012, the Company had recorded AROs of \$3 million (2011 – \$3 million) related to its Distribution Business, consisting of the estimated future expenditures associated with the removal and disposal of asbestos-containing materials installed in some of its facilities. The amount of interest recorded is nominal and there have been no expenditures associated with these obligations to date.

The Company's liability for the estimated future expenditures associated with the removal and disposal of asbestos-containing materials installed in some of its facilities is based on management's best estimate of the present value of the estimated future expenditures to comply with current regulations. In 2010, the Company completed a study with the aid of an external expert to estimate the future expenditures required to remove asbestos prior to facility demolition.

**17. HYDRO ONE NETWORKS' SHARE CAPITAL**

Hydro One Networks has 14,875,720 issued and outstanding cumulative preferred shares and 148,821,741 issued and outstanding common shares. The Company is authorized to issue an unlimited number of preferred shares and common shares.

Hydro One Networks makes common share and preferred share dividend payments to Hydro One. The Distribution Business makes payments to finance its share of the Company's common share and preferred share dividends. During 2012, the Distribution Business' payments to finance these dividends totaled \$107 million (2011 - \$45 million).

**18. RELATED PARTY TRANSACTIONS**

The Distribution Business is a separately regulated business of a subsidiary of Hydro One, and Hydro One is owned by the Province. The OEFC, IESO, Ontario Power Authority (OPA), Ontario Power Generation Inc. (OPG) and the OEB are related parties to the Distribution Business because they are controlled or significantly influenced by the Province. Transactions between these parties and the Distribution Business are described below.

The Distribution Business receives amounts for rural rate protection from the IESO. 2012 revenues include \$125 million (2011 – \$125 million) related to this program.

In 2012, the Distribution Business purchased power in the amount of \$2,031 million (2011 - \$2,057 million) from the IESO-administered electricity market, \$10 million (2011 - \$16 million) from OPG, and \$7 million (2011 - \$10 million) from OEFC.

Under the *Ontario Energy Board Act, 1998*, the OEB is required to recover all of its annual operating costs from gas and electricity distributors and electricity transmitters. In 2012, the Distribution Business incurred \$6 million (2011 - \$7 million) in OEB fees.

The Company has service level agreements with OPG. These services include field and engineering, logistics, corporate, telecommunications and information technology services. Operation, maintenance and administration costs of the Distribution Business related to the purchase of services with respect to these service level agreements were less than \$1 million in both 2012 and 2011.

The OPA funds substantially all of the Company's Conservation and Demand Management (CDM) programs. The funding includes program costs, incentives, and management fees. In 2012, the Distribution Business received \$32 million (2011 - \$38 million) from the OPA related to these CDM programs.

PILs were paid or payable to the OEFC.

The amounts due to and from related parties as a result of the transactions referred to above are as follows:

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

<i>December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Accounts receivable	32	36
Accrued liabilities <sup>1</sup>	(184)	(237)

<sup>1</sup> Included in accrued liabilities at December 31, 2012 are amounts owing to the IESO in respect of power purchases of \$172 million (2011 – \$182 million).

***Hydro One and Subsidiaries***

The Distribution Business provides services to, and receives services from, Hydro One and its subsidiaries. Amounts due to and from Hydro One and its subsidiaries are settled through the inter-company demand facility.

The Company has entered into various agreements with Hydro One and its other subsidiaries related to the provision of shared corporate functions and services, such as legal, financial and human resources services, and operational services, such as environmental, forestry, and line services. 2012 revenues of the Distribution Business include \$2 million (2011 - \$2 million) related to the provision of services to Hydro One and its subsidiaries. Operation, maintenance and administration costs of the Distribution Business include \$11 million (2011 - \$10 million) related to the services received from Hydro One and its subsidiaries.

The Distribution Business' long-term debt is due to Hydro One. In addition, balances payable or receivable under the inter-company demand facility are due to or due from Hydro One. Financing charges include interest expense on the long-term debt in the amount of \$154 million (2011 - \$152 million), and interest income on the inter-company demand facility in the amount of \$2 million (2011 - \$2 million). At December 31, 2012, the Distribution Business had accrued interest payable to Hydro One totaling \$35 million (2011 - \$31 million).

**19. STATEMENTS OF CASH FLOWS**

The changes in non-cash balances related to operations consist of the following:

<i>Year ended December 31 (millions of dollars)</i>	<b>2012</b>	<b>2011</b>
Accounts receivable	(34)	(34)
Materials and supplies	(3)	1
Other assets	(5)	(4)
Accounts payable	9	6
Accrued liabilities	(53)	123
Accrued interest	4	-
Long-term accounts payable and other liabilities	9	-
Post-retirement and post-employment benefit liability	29	33
	(44)	125

**Supplementary information:**

Net interest paid	150	152
PILs	81	31

**20. CONTINGENCIES**

The Company is a wholly-owned subsidiary of Hydro One. As such, the assets of the Distribution Business are available for the satisfaction of the debts, contingent liabilities and commitments of both the Company and Hydro One.

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**21. COMMITMENTS**

The Company and Hydro One have numerous commitments. These commitments have not been specifically allocated to the Distribution Business. However, the net assets of the Distribution Business are available to satisfy the commitments of both the Company and Hydro One.

**22. TRANSITION TO US GAAP**

The adoption of US GAAP has been made on a retrospective basis with restatement of comparative information to reflect US GAAP requirements in effect at that time. The Distribution Business' transition date to US GAAP is January 1, 2011, which is the commencement of the 2011 comparative period to its 2012 Financial Statements.

Measurement and classification differences resulting from the Distribution Business' adoption of US GAAP are presented below. With respect to measurement and classification differences, the tables under the heading US GAAP Differences, represent quantitative reconciliations of the Balance Sheets previously presented in accordance with Canadian GAAP, to the respective amounts and classifications under US GAAP, together with descriptions of the various significant measurement and classification differences arising from the adoption of US GAAP. Balance Sheets reconciliations are presented as at January 1, 2011 and December 31, 2011, representing the commencement and ending dates of the comparative financial year to 2012. There were no measurement or classification differences resulting from the Distribution Business' adoption of US GAAP on the Statements of Operations and Comprehensive Income.

Except as otherwise disclosed in this note, the change in basis of accounting from Canadian GAAP to US GAAP did not materially impact accounting policies or disclosures. Reference should be made to the Canadian GAAP Financial Statements as at and for the year ended December 31, 2011 for additional information on Canadian GAAP accounting policies and practices.

The following table summarizes the increases to total assets:

<i>(millions of dollars)</i>	Notes	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Total assets – Canadian GAAP</b>		6,344	6,789
Deferred debt costs	A	11	11
Regulatory assets	B	86	70
<b>Total assets – US GAAP</b>		6,441	6,870

The following table summarizes the increases (decreases) to total liabilities:

<i>(millions of dollars)</i>	Notes	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Total liabilities – Canadian GAAP</b>		4,368	4,621
Long-term debt	A	(2)	-
Net unamortized debt premiums	A	13	11
Post-retirement and post-employment benefit liability	B	86	70
<b>Total liabilities – US GAAP</b>		4,465	4,702

**US GAAP Differences**

The reconciliations of the January 1, 2011 and December 31, 2011 Balance Sheets from Canadian GAAP to US GAAP are as follows:

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

<i>January 1, 2011 (millions of dollars)</i>	Notes	Canadian GAAP	Effect of transition to US GAAP	US GAAP
<b>Assets</b>				
Current assets:				
Inter-company demand facility		86	-	86
Accounts receivable		710	-	710
Regulatory assets		25	-	25
Materials and supplies		5	-	5
Deferred income tax assets		12	-	12
Other		2	-	2
		840	-	840
Property, plant and equipment:				
Property, plant and equipment in service (net of accumulated depreciation)		4,707	-	4,707
Construction in progress		269	-	269
Future use land, components and spares		39	-	39
		5,015	-	5,015
Other long-term assets:				
Regulatory assets	B	338	86	424
Intangible assets (net of accumulated amortization)		76	-	76
Goodwill		73	-	73
Deferred debt costs	A	-	11	11
Derivative instruments	C	-	1	1
Other	C	2	(1)	1
		489	97	586
<b>Total assets</b>		<b>6,344</b>	<b>97</b>	<b>6,441</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued charges	D	561	(561)	-
Accounts payable	D	-	43	43
Accrued liabilities	D	-	518	518
Accrued interest		31	-	31
Regulatory liabilities		47	-	47
Long-term debt payable within one year		176	-	176
		815	-	815
Long-term debt				
	A	2,658	(2)	2,656
Other long-term liabilities:				
Post-retirement and post-employment benefit liability	B	543	86	629
Deferred income tax liabilities		154	-	154
Environmental liabilities		157	-	157
Regulatory liabilities		34	-	34
Net unamortized debt premiums	A	-	13	13
Asset retirement obligations		3	-	3
Long-term accounts payable and other liabilities		4	-	4
		895	99	994
<b>Total liabilities</b>		<b>4,368</b>	<b>97</b>	<b>4,465</b>
Excess of assets over liabilities		1,976	-	1,976
<b>Total liabilities and excess of assets over liabilities</b>		<b>6,344</b>	<b>97</b>	<b>6,441</b>

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

<i>December 31, 2011 (millions of dollars)</i>	Notes	Canadian GAAP	Effect of transition to US GAAP	US GAAP
<b>Assets</b>				
Current assets:				
Inter-company demand facility		141	-	141
Accounts receivable		744	-	744
Regulatory assets		9	-	9
Materials and supplies		4	-	4
Deferred income tax assets		8	-	8
Other		7	-	7
		913	-	913
Property, plant and equipment:				
Property, plant and equipment in service (net of accumulated depreciation)		4,993	-	4,993
Construction in progress		293	-	293
Future use land, components and spares		39	-	39
		5,325	-	5,325
Other long-term assets:				
Regulatory assets	B	361	70	431
Intangible assetss (net of accumulated amortization)		108	-	108
Goodwill		73	-	73
Deferred debt costs	A	-	11	11
Derivative instruments	C	-	9	9
Other	C	9	(9)	-
		551	81	632
<b>Total assets</b>		<b>6,789</b>	<b>81</b>	<b>6,870</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued charges	D	692	(692)	-
Accounts payable	D	-	49	49
Accrued liabilities	D	-	643	643
Accrued interest		31	-	31
Regulatory liabilities		16	-	16
Long-term debt payable within one year		324	-	324
		1,063	-	1,063
Long-term debt				
		2,565	-	2,565
Other long-term liabilities:				
Post-retirement and post-employment benefit liability	B	576	70	646
Deferred income tax liabilities		171	-	171
Environmental liabilities		134	-	134
Regulatory liabilities		105	-	105
Net unamortized debt premiums	A	-	11	11
Asset retirement obligations		3	-	3
Long-term accounts payable and other liabilities		4	-	4
		993	81	1,074
<b>Total liabilities</b>		<b>4,621</b>	<b>81</b>	<b>4,702</b>
Excess of assets over liabilities		2,168	-	2,168
<b>Total liabilities and excess of assets over liabilities</b>		<b>6,789</b>	<b>81</b>	<b>6,870</b>

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**Notes to the Transitional Adjustments**

Under US GAAP, the Distribution Business (i) measures certain assets and liabilities differently than it had under Canadian GAAP (see details on each measurement change below); and (ii) discloses certain assets, liabilities and equity on different lines in the Financial Statements than it had under Canadian GAAP (see details on each classification change below).

**A. Debt Issuance Costs (classification change)**

Under Canadian GAAP, costs of arranging debt financing, premiums and discounts were netted against long-term debt. Under US GAAP, costs of arranging debt financing are included in "Deferred debt costs" as part of "Other long-term assets", and net unamortized premiums are included in "Net unamortized debt premiums" as part of "Other long-term liabilities".

At January 1, 2011 and December 31, 2011, the effect on the Balance Sheets is reflected by the following increases (decreases):

<i>(millions of dollars)</i>	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Other long-term assets:</b>		
Deferred debt costs	11	11
<b>Other long-term liabilities:</b>		
Net unamortized debt premiums	13	11
<b>Long-term debt</b>	<b>(2)</b>	<b>-</b>

**B. Post-Retirement and Post-Employment Benefits (measurement change)**

Under Canadian GAAP, the Distribution Business disclosed, but was not required to recognize, the net unfunded status of post-retirement and post-employment benefit obligations on the Balance Sheets. Under US GAAP, the Distribution Business recognized the unfunded status of post-retirement and post-employment benefit obligations on the Balance Sheets with an offset to associated regulatory assets for the transitional fair value adjustments as the incremental obligations are expected to be recovered through future rates charged to customers. The deferred tax assets and liabilities arising on recognition of incremental post-retirement and post-employment benefit obligations and the associated regulatory assets offset each other, with no material impact on the Statements of Operations and Comprehensive Income. In the absence of regulatory accounting, the related tax impact on the opening transitional adjustments would result in the recognition of deferred tax assets of \$22 million on January 1, 2011 and \$18 million on December 31, 2011.

At January 1, 2011 and December 31, 2011, the effect on the Balance Sheets is reflected by the following increases (decreases):

<i>(millions of dollars)</i>	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Other long-term assets:</b>		
Regulatory assets	86	70
<b>Other long-term liabilities:</b>		
Post-retirement and post-employment benefit liability	(86)	(70)

**C. Derivative Instruments (classification change)**

Under Canadian GAAP, the Distribution Business classified its derivative instruments in designated hedging relationships and in economic hedging relationships under the category of "Other assets" on the Balance Sheets. Under US GAAP, the Distribution Business has included these balances in "Derivative instruments".

At January 1, 2011 and December 31, 2011, the effect on the Balance Sheets is reflected by the following increases (decreases):

<i>(millions of dollars)</i>	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Other long-term assets:</b>		
Derivative instruments	1	9
Other	(1)	(9)

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION BUSINESS**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**D. Accounts Payable (classification change)**

Under Canadian GAAP, trade and non-trade payables were disclosed as “Accounts payable and accrued charges”. Under US GAAP, trade payables are recognized in “Accounts payable” and non-trade payables are recognized in “Accrued liabilities”.

At January 1, 2011 and December 31, 2011, the effect on the Balance Sheets is reflected by the following increases (decreases):

<i>(millions of dollars)</i>	<b>January 1, 2011</b>	<b>December 31, 2011</b>
<b>Current liabilities:</b>		
Accounts payable	43	49
Accrued liabilities	518	643
Accounts payable and accrued charges	(561)	(692)

**23. COMPARATIVE FIGURES**

The comparative Financial Statements have been reclassified from statements previously presented to conform to the presentation of the December 31, 2012 Financial Statements.

**RECENT RATING AGENCY REPORTS**

Included in this Exhibit are copies of the most recent rating agency reports performed by Moody's Investor Service and Standard & Poor's.

Attachment 1: Standard & Poor's Research Update dated: November 20, 2012

Attachment 2: DBRS Rating Report dated: March 8, 2013



**STANDARD  
& POOR'S**

# Standard & Poor's Research

## Summary:

## Hydro One Inc.

### Primary Credit Analyst:

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## Summary:

# Hydro One Inc.

### Credit

Rating: A+/Negative/A-1

## Rationale

The ratings on Hydro One Inc., a large, regulated transmission and electricity distribution company in the Province of Ontario (AA-/Negative/A-1), reflect Standard & Poor's Ratings Services' opinion of the company's low-risk monopoly electricity transmission and distribution assets; secure and relatively predictable regulated cash flows; and the support of its owner, the province. We believe the utility has an excellent business risk profile and view its financial risk profile as significant.

We base our 'A+' rating on Hydro One on what we assess as the company's stand-alone credit risk profile (SACP) of 'a' and our opinion that there is a "high" likelihood that the province would provide timely and sufficient extraordinary support in the event of financial distress. We view the company's role as "important" to the province and the link between it and the province as "very strong."

We believe the company's monopoly position, the business' asset-intensive nature, and regulatory oversight limiting competitive risk all support an excellent business risk profile. Hydro One owns and operates substantially all of Ontario's electricity transmission system, and its distribution service territory covers about 75% of the province. In our view, the business carries relatively low operating risk and exhibits average operational efficiency and reliability.

The Ontario Energy Board's (OEB) regulatory framework supports Hydro One's cash flow stability, and we view cost recovery as generally predictable. We do not expect any near-term shift in energy policy that would affect the credit quality, although we expect the OEB to be mindful of overall electricity costs to consumers in the current economic environment and stagnant load growth in approving proposed prudent spending by utilities. The framework allows for the recovery of prudent transmission and distribution costs and the opportunity to earn a modest-but-predictable return. Furthermore, the company's exposure to commodity risk is limited. Commodity costs flow through to the customer and the utility has no obligation to ensure an adequate supply of electricity in the province.

In our view, Hydro One has a significant financial risk profile. Its cash flow strength relative to its debt obligations has weakened since 2009 due to a material capital expenditure program. Adjusted funds from operations (AFFO)-to-debt declined to 11%-12% in 2009-2012, compared with 14%-15% in 2006-2008. We forecast that Hydro One will generate annual FFO of about C\$1.2 billion-C\$1.3 billion in 2012 and 2013, which should be adequate to cover dividend payments and part of the company's capital expenditure program. Our forecast assumes that there will be no material disallowance from the OEB on the company's recent filed transmission cost-of-service application for the next two years. We also assume that Hydro One will maintain its reported capital structure within the deemed capital structure of 60% debt layer and keep its capital expenditure level consistent with the OEB approval. Hydro One projects about C\$1.6 and C\$1.7 billion of capital expenditure for 2012 and 2013 respectively, which we expect it will spend. About



60% of the company's total annual capital expenditure is for its transmission business and the balance is for the distribution business. Although we expect FFO to increase with rising rate base and cost recovery, we forecast that the utility will still need to increase its total borrowing to support its large negative operating cash flow of about C\$500 million per year. As a result, we do not expect to see any meaningful improvement in our key financial measures during our two-year outlook horizon. We forecast that Hydro One's AFFO-to-debt will remain similar to its past three years' levels of about 12%, leaving no cushion at the rating. Still supporting the company's financial risk profile are strong access to capital markets, adequate liquidity, the stability and predictability of its cash flows, and low merger and acquisition risk.

### Liquidity

The short-term rating on Hydro One is 'A-1'. We believe the company has adequate liquidity to cover its needs in the near term, even in the event of unforeseen earnings declines. Standard & Poor's assessment incorporates the following expectations and assumptions:

- Hydro One's liquidity sources, including liquid short-term investments, FFO, and credit facility availability, will likely exceed its uses 1.2x or more in the next 12 months.
- Liquidity sources include a forecast of about C\$1.2 billion of annual FFO, access to C\$1.25 billion of the company's committed revolving credit facility with a syndicate of banks, and C\$187 million in liquid short-term investments as of Sept. 30, 2012. The C\$1.25 billion credit facility was fully available as of Sept. 30, and will expire in June 2017. Hydro One remains well within its banking covenant of 75% total debt-to-total capital.
- Liquidity uses include about C\$1.6 billion of total annual capital expenditures. We did not include the dividend in our calculation because we believe that if the company were under temporary financial duress, it would have the flexibility to temporarily curb dividends to the shareholder.

Hydro One has what we consider good relationships with its banks and good standing in the debt market. We understand that the utility also holds a C\$250 million note issued by the province that matures in 2014, which it could liquidate if needed. The company's debt maturities are well spread, in our view, with annual scheduled repayment in the next six years averaging about C\$600 million.

### Outlook

The negative outlook reflects the outlook on the Province of Ontario. Based on our criteria for government-related entities, given a high likelihood of extraordinary support, a SACP of 'a' for Hydro One, and our 'AA-' rating on the province, a one- or two-notch downgrade on the province would affect the ratings on Hydro One, but likely not more than one notch given the company's underlying credit strength. We still expect continued predictable regulatory support despite Hydro One's large capital expenditure program and negative free operating cash flows. In the event of lower-than-expected cash flows and earnings, we expect the utility to maintain its leverage within the deemed capital structure of 60% reported debt-to-capital, AFFO-to-debt of about 12%, and AFFO interest coverage of about 3x, by curtailing its capital spending and additional debt financing. In our view, there is no cushion for Hydro One to deteriorate from our expectations on its key credit measures to maintain the ratings.

Any sustained deterioration of financial measures beyond our expectations, a material adverse regulatory ruling, or market restructuring (such as the assumption of the obligation to supply, not just deliver, electricity) could lead us to

lower the existing 'a' SACP and consequently the ratings, regardless of any changes to the province. An improvement in the company's SACP is unlikely without the assurance of a much stronger balance sheet and stronger cash flow-interest and debt coverage ratios (such as higher than 30% AFFO-to debt).

## Related Criteria And Research

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Methodology: Business Risk/Financial Risk Matrix Expanded, Sept. 18, 2012
- Key Credit Factors: Business And Financial Risks In The Investor-Owned Utilities Industry, Nov. 26, 2008
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008



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## Rating Report

Report Date:

March 8, 2013

Previous Report:

August 22, 2012

Filed: April 26, 2013

EB-2013-0141

Exhibit A-5-1

Attachment 2

Page 1 of 9



Insight beyond the rating.

# Hydro One Inc.

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## The Company

Hydro One Inc. is the largest regulated electric transmission and distribution utility in Ontario, serving more than 97% of the province's transmission throughput. The Company also owns a fibre-optic network across most of Ontario. Hydro One is wholly owned by the Province of Ontario (rated AA (low)).

## Commercial Paper

Authorized Limit of \$1.0 Billion

## Recent Actions

August 22, 2012

Confirmed

## Rating

Debt Rated	Rating	Rating Action	Trend
Issuer Rating	A (high)	Confirmed	Stable
Commercial Paper	R-1 (middle)	Confirmed	Stable
Senior Unsecured Debentures	A (high)	Confirmed	Stable

## Rating Rationale

DBRS has confirmed the ratings of Hydro One Inc. (Hydro One or the Company), as listed above. The rating confirmation is based on the Company's low-risk regulated transmission and distribution businesses, a supportive regulatory environment in Ontario and the Company's strong financial profile. Hydro One's regulated transmission and distribution businesses in Ontario account for virtually 100% of total earnings.

Regulation in Ontario has remained supportive for Hydro One. The Ontario Energy Board (OEB) is expected to continue to allow the Company to maintain coverage, cash flow and leverage ratios in line with the current rating category due to the government's commitment to address Hydro One's aging infrastructure and renewable energy developments. The confirmation assumes that Hydro One's transmission and distribution revenue base will continue to grow considerably to support its high level of capital expenditure (capex), which is expected to continue to far exceed depreciation. Project execution risk is expected to be manageable; the Company is experienced in managing projects and is focused on mitigating the risk of cost overruns. In addition, the current rating is based on DBRS's expectation that the implementation of the renewed regulatory framework in Ontario will not have a material impact on the credit profile of Hydro One (see DBRS commentary: **No Real Credit Substance in the Ontario Energy Board's Report on Renewed Regulation Framework for Electricity Distributors**, dated October 19, 2012).

Hydro One's credit metrics have remained relatively stable over the past few years, supported by the growth in rate base. The Company continued to generate free cash flow deficits (\$511 million in 2012) as a result of the ongoing high capex, which were financed through debt and dividend management. Hydro One expects capex to be approximately \$1.6 billion for 2013. However, key credit metrics are expected to remain reasonable for the current rating category, with debt leverage maintained in the 55% to 60% range. Hydro One's ratings are capped at one notch below the AA (low) rating of the Province of Ontario (the Province), which acts as a ceiling. If the Province's rating is downgraded, negative rating action could be warranted for the Company. However, given that Hydro One is rated on a stand-alone basis, an upgrade of the Province's rating would likely not result in an upgrade of Hydro One's rating.

## Rating Considerations

### Strengths

- (1) Low business risk
- (2) Strong financial profile
- (3) Extensive franchise area
- (4) Indirect support from the Province

### Challenges

- (1) High level of planned capex
- (2) Project construction risk
- (3) Significant external financing requirements
- (4) Limited access to equity markets

## Financial Information

	USGAAP	USGAAP	CGAAP	CGAAP	CGAAP
Hydro One Inc.					
(C\$ millions where applicable)	2012	2011	2010	2009	2008
EBIT gross interest coverage (times)	2.91	2.75	2.42	2.23	2.71
Total debt in capital structure	55.5%	55.5%	56.5%	56.2%	54.5%
Cash flow/Total debt	15.4%	14.6%	13.9%	13.8%	15.0%
(Cash flow-dividends)/Capex (times)	0.65	0.70	0.67	0.50	0.52
Net income before non-recurring items	736	632	579	470	498
Cash flow from operations	1,313	1,176	1,080	964	921

Hydro One Inc.

Report Date:  
March 8, 2013

## Rating Considerations

### Strengths

- (1) **Low business risk.** Almost all of the Company's earnings are contributed by its low-risk regulated distribution and transmission businesses, which operate under a reasonable regulatory framework.
- (2) **Strong financial profile.** The Company continues to maintain strong credit metrics and a healthy balance sheet (debt-to-capital ratio at 55.5%, EBIT interest coverage at 2.791 times and cash flow-to-debt at 15.4%, for the 12 months ended December 31, 2012).
- (3) **Extensive franchise area.** Hydro One owns the largest transmission and distribution businesses in Ontario. The Company serves approximately 96.6% of the Province's transmission throughput. The distribution component of the Company spans approximately 75% of the Province, serving approximately 1.4 million customers (rural and urban) as well as 440 large-user customers.
- (4) **Indirect support from the Province.** The Province provides indirect support to Hydro One with respect to the flexibility of its dividends, which allows Hydro One to maintain its leverage below the 60% set by the OEB. Hydro One's ratings are capped at one notch below the Province's rating, which acts as a ceiling. If the Province's rating is downgraded, negative rating action could be warranted for the Company. However, given that Hydro One is rated on a stand-alone basis, an upgrade of the Province's rating would likely not result in an upgrade of Hydro One's rating.

### Challenges

- (1) **High level of planned capex.** Hydro One is currently in the midst of an aggressive build-out program that will continue over the next several years. Capex is expected to be approximately \$5 billion over the next three years. Therefore, DBRS expects that annual capex could exceed operating cash flows by approximately \$300 million to \$400 million per year over this time frame. These sizeable free cash flow deficits, combined with lengthy construction times, will continue to put temporary pressure on the balance sheet and coverage ratios during the build-out.
- (2) **Project construction risk.** The size and magnitude of Hydro One's upcoming designated projects, combined with the continued increases in material and labour costs and the significant number of interveners involved, could potentially expose Hydro One to rising project costs beyond the amounts forecast in its regulatory applications. There is no assurance that cost overruns beyond the regulatory-approved amounts will be recovered if deemed imprudent by the OEB. However, DBRS notes that Hydro One is experienced in managing projects and is focused on mitigating the risk of cost overruns.
- (3) **Significant external funding requirements.** Significant external funding is required to finance the potentially sizeable free cash flow deficits expected over the near to medium term. Maintaining adequate access to the public debt markets (term and commercial paper) is critical to the Company during this key build-out phase.
- (4) **Limited access to equity markets.** Hydro One's ownership structure (100% owned by the Province) limits its ability to access the equity markets directly. As a result, Hydro One's additional cash flow needs are being financed largely through its retained earnings and short- and long-term debt issuances.

## Major Projects (Potential and Under Construction)

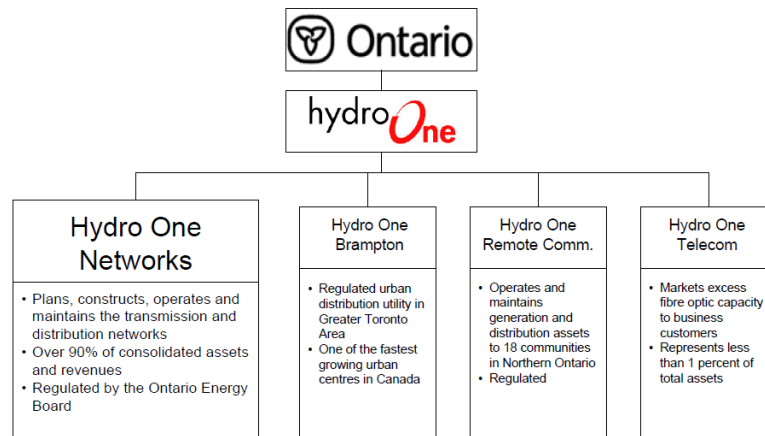
- **West of London Transmission Lines.** The aim of the projects is to add between 500 megawatts (MW) and 1,000 MW to the grid. These projects are in the early stages with an expected completion date in 2017, contingent on the necessary regulatory approvals. Estimated costs range from \$300 million to \$450 million.
- **East-West Tie Project.** Through the East-West Tie LP (an equal partnership between three entities, including Hydro One), Hydro One is looking to construct a 400-kilometre, 230 kilovolt (kV) transmission line from Wawa to Thunder Bay with a total capacity of 650 MW.

\*The figures above are released by the Ontario Power Authority and are still in the early stages.

## Hydro One Inc.

**Report Date:**  
March 8, 2013

## Organizational Chart



Source: Hydro One investor presentation

## Description of Operations

- Hydro One is the largest electricity transmission and distribution company in Ontario.
- Hydro One Telecom Inc. is the unregulated operations of the Company that accounts for less than 1% of total assets. It markets dark and lit fibre-optic capacity to commercial and telecommunication carriers.
- It operates two principal distinct business segments:

### (1) Transmission

- One of the largest in North America, as measured by assets.
- Has 29,000 kilometres of high-voltage network serving its own distribution network, as well as 48 local distribution companies and 93 transmission connected companies.
- Owns and operates approximately 96.6% of transmission capacity in Ontario, as measured by revenues.

### (2) Distribution

- Largest distribution system in the province, based on assets, covering about 75% of Ontario.
- Distributes electricity over 120,500 kilometres, reaching approximately 1.4 million customers in a number of municipalities and rural areas.



## Hydro One Inc.

**Report Date:**  
March 8, 2013

## Regulation

- Hydro One is a regulated electric utility under the jurisdiction of the OEB.
- The OEB uses a deemed debt-to-common equity structure of 60% to 40% for both transmission and distribution. Debt is divided into 56% long term and 4% short term.
- Approximately 60% of Hydro One's earnings are generated from transmission and the remainder from distribution.
- Hydro One is subject to general regulatory risks faced by companies that operate under a regulatory framework. This includes the risk of getting lower approved rates than requested, as well as not being able to recover forecasted operating expenses if actual expenses exceed forecast.

## Transmission

- Under the cost-of-service methodology, Hydro One is provided a reasonable opportunity to recover its forecast costs, including operating expenses, depreciation, costs of debt and taxes.
- The Company has no exposure to either commodity price risk or volume risk.
- On May 28, 2012, Hydro One filed a cost-of-service rate application to the OEB for the 2013 and 2014 transmission rates. The OEB issued a final Rate Order, approving Hydro One Networks' 2013 transmission revenue requirement for use in setting 2013 Ontario uniform transmission rates on December 20, 2012. The OEB approved a revenue requirement of \$1,390.8 million (\$1,418 million in 2012) and an allowed return on equity (ROE) of 8.93% (9.42% in 2012) for 2013.

## Distribution

- The OEB uses a combination of an annual incentive regulation mechanism (IRM) and periodic cost-of-service (COS) reviews to set distribution rates.
- In DBRS's view, the IRM typically creates higher cost-cutting pressure than the COS does; however, the cost pressure has not resulted in a material reduction in the Company's earnings and cash flows.
- The Company is allowed to fully recover its purchased power costs in a timely fashion, eliminating its exposure to power price risk. DBRS views this as a positive factor in the current regulatory system in Ontario (regardless of whether the Company operates under the IRM or the COS).
- On May 28, 2012, Hydro One filed a rate application on the basis of the OEB's 3rd Generation IRM process for 2013 distribution rates, effective January 1, 2013. The OEB issued a final Rate Order on December 20, 2012, approving an average residential customer rate increase of approximately 1.3% in 2013.
- On August 3, 2012, Hydro One Brampton Networks filed an application for 2013 rates on the basis of the OEB's 3rd Generation IRM process for distribution rates effective January 1, 2013. The OEB approved the amended rate application, filed on December 6, 2012, and the rate impact on the distribution component associated with typical residential customer was an increase of approximately 0.3%.
- On September 17, 2012, Hydro One Remote Communities filed a cost-of-service application for 2013 rates, to be effective May 1, 2013. In the application, Hydro One Remote Communities required approval of an average customer rate increase of 3.5% and the establishment of a Rural and Remote Rate Protection of \$35 million in 2013. The OEB hearing and decision are anticipated in the first quarter of 2013.

## Hydro One Inc.

**Report Date:**  
March 8, 2013

## Earnings and Outlook

	USGAAP	USGAAP	CGAAP	CGAAP	CGAAP
	<b>For the year ended December 31</b>				
(CA\$ millions where applicable)	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Net Sales	2,954	2,843	2,650	2,418	2,416
EBITDA	1,883	1,751	1,572	1,361	1,451
EBIT	1,224	1,135	989	824	903
Gross interest expense	421	412	409	369	333
Earning before taxes	854	779	630	516	611
Net income before non-recurring items	736	632	579	470	498
Reported net income	745	641	591	470	498
Return on equity	11.1%	10.2%	10.2%	8.9%	10.0%
Transmission rate base (CA\$ billions)	8.80	7.90	7.60	7.00	NA
Distribution rate base (CA\$ billions)	NA	5.10	4.80	NA	4.30
NA = rate base was not adjusted					

### 2012 Summary

- Hydro One's earnings have continued to increase over the past five years, mainly as a result of the Company's increased regulatory asset base, driven by high capex.

<b>Segmented Information</b>		<b>For the year ended December 31</b>				
(C\$ millions)	%	2012	2011	2010	2009	2008
<b>Net Sales</b>						
Transmission	50%	1,482	1,389	1,307	1,147	1,212
Distribution	48%	1,410	1,391	1,280	1,208	1,153
Other	2%	62	63	63	63	51
<b>Total Revenues</b>	100%	2,954	2,843	2,650	2,418	2,416
<b>EBIT by segment</b>						
Transmission	62%	760	665	618	469	571
Distribution	39%	473	478	378	357	335
Other	(1%)	(9)	(8)	(7)	(2)	(3)
<b>Total EBIT</b>	100%	1,224	1,135	989	824	903

### 2013 Outlook

- The Company's earnings for fiscal 2013 are expected to improve further, due to continued growth in rate base. However, this will be partially offset by the lower ROE.
- The increase in rate base will be primarily driven by Hydro One's high capex program in the medium term, as it continues to service its aging infrastructure in the transmission and distribution businesses and interconnect new facilities to the grid.

## Hydro One Inc.

**Report Date:**  
March 8, 2013

## Financial Profile

	USGAAP	USGAAP	CGAAP	CGAAP	CGAAP
	For the year ended December 31				
(CA\$ millions where applicable)	2012	2011	2010	2009	2008
Net income before non-recurring items	736	632	579	470	498
Depreciation & amortization	589	550	526	487	502
Deferred income taxes and other	(12)	(6)	(25)	7	(79)
Cash flow from operations	1,313	1,176	1,080	964	921
Dividends paid	(370)	(168)	(28)	(188)	(259)
Capital expenditures	(1,454)	(1,447)	(1,570)	(1,566)	(1,284)
Free cash flow (bef. working cap. changes)	(511)	(439)	(518)	(790)	(622)
Changes in non-cash work. cap. items	(40)	184	94	(38)	125
Changes in regulatory assets	12	47	(10)	(34)	6
Net Free Cash Flow	(539)	(208)	(434)	(862)	(491)
Acquisitions & long-term investments	0	0	(250)	0	0
Short-term investments	0	0	0	0	0
Proceeds on asset sales	0	0	0	0	0
Amount to be financed	(539)	(208)	(684)	(862)	(491)
Net equity change	0	0	0	0	0
Net debt change	488	239	845	805	510
Other	18	25	37	15	9
Change in cash	(33)	56	198	(42)	28
Total debt	8,521	8,047	7,778	6,962	6,133
Cash and equivalents	195	228	172	0	16
Total debt in capital structure	55.5%	55.5%	56.5%	56.2%	54.5%
Cash flow/Total debt	15.4%	14.6%	13.9%	13.8%	15.0%
EBIT gross interest coverage (times)	2.91	2.75	2.42	2.23	2.71
Dividend payout ratio	50.3%	26.6%	4.8%	40.0%	52.0%

### 2012 Summary

- Overall, Hydro One has maintained a strong financial profile, reflecting a stable balance sheet and strong credit metrics for the current ratings.
- Cash flow from operations remains strong, improving over time due to an increased rate base.
- Cash flow deficits persist primarily due to increased capex related to developing system reliability. Free cash flow deficits have been mainly funded by debt and dividend management.
- Unlike other provincially and municipally owned distributors, Hydro One benefits from a flexible dividend program, unrestricted by an earnings threshold level.
- Key credit metrics including leverage, interest coverage and cash flow ratios have remained within the A (high) rating category.

### 2013 Outlook

- Key credit metrics are expected to remain reasonable for the current rating category during this period of high capex, given that cash flow from operations is expected to grow over the medium to long term as capital projects are included in the rate base.
- DBRS anticipates that free cash flow will continue to be affected by higher capex on the Company's aging infrastructure. Going forward, Hydro One has budgeted \$1.6 billion, \$1.75 billion and \$1.65 billion for 2013, 2014 and 2015, respectively. Maintenance capex is expected to be around \$800 million in 2013, \$950 million 2014 and \$1 billion in 2015.
- Free cash flow deficits are expected to continue to be funded through debt issuance and dividend management. DBRS expects debt leverage to be maintained in the 55% to 60% range.

## Hydro One Inc.

**Report Date:**  
March 8, 2013

## Long-Term Debt Maturities and Bank Lines

- The Company's liquidity profile remains reasonable for the Company's current rating.

(CA\$ millions - As at December 31, 2012)	Amount	Draw/LOCs	Available
Cash & Cash Equivalents	195	-	195
Committed Revolving Facility	1,250	-	1,250
Ontario Floating Rate Notes	251	-	251
<b>Total</b>	<b>1,696</b>	<b>-</b>	<b>1,696</b>

- Hydro One has access to a \$1.0 billion commercial paper program (\$0 outstanding as of December 31, 2012) supported by an unused revolving facility (\$1.25 billion) and a \$251 million holding in Province of Ontario Floating-Rate Notes for liquidity.
- The Company had \$23 million of bank debt as at December 31, 2012.
- Hydro One has a \$3 billion base shelf prospectus, of which approximately \$1,515 million is still available for issuance (as at December 31, 2012), which expires in September 2013.
- On September 4, 2012, Hydro One redeemed the \$600 million Series 3 medium-term notes (MTNs) with a coupon of 5.77% due November 15, 2012.
- Hydro One's continued access to the capital markets through its MTN and commercial paper programs will be crucial over the next few years, given its infrastructure upgrade mandate.

(CA\$ millions - As at December 31, 2012)	Long-term Debt Maturities					
	2013	2014	2015	2016	2017	Thereafter
Principal Repayments	600	750	550	500	600	5,460
% of Total	7%	9%	7%	6%	7%	65%

- Despite the frequency of the Company's debt maturities in the medium term, DBRS anticipates that Hydro One will not have refinancing problems.

**Hydro One Inc.**

**Report Date:**  
March 8, 2013

<b>Hydro One Inc.</b>								
<b>Balance Sheet</b>	USGAAP	USGAAP	CGAAP		USGAAP	USGAAP	CGAAP	
(CA\$ millions)	<u><b>Dec. 31</b></u>	<u><b>Dec. 31</b></u>	<u><b>Dec. 31</b></u>		<u><b>Dec. 31</b></u>	<u><b>Dec. 31</b></u>	<u><b>Dec. 31</b></u>	
<b>Assets</b>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<b>Liabilities &amp; Equity</b>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	
Cash & equivalents	195	228	172	S.T. borrowings	42	39	0	
Accounts receivable	845	805	911	Accounts payable	140	154	884	
Inventories	23	25	21	Current portion L.T.D.	600	600	500	
Prepaid expenses & other	223	219	85	Other current liab.	974	1,027	156	
<b>Total Current Assets</b>	<b>1,286</b>	<b>1,277</b>	<b>1,189</b>	<b>Total Current Liab.</b>	<b>1,756</b>	<b>1,820</b>	<b>1,540</b>	
Net fixed assets	15,707	14,903	14,061	Long-term debt	7,879	7,408	7,278	
Future income tax assets	14	17	19	Deferred income taxes	944	758	693	
Goodwill & intangibles	400	357	322	Provisions	3,173	2,192	1,278	
Regulatory assets	3,098	1,966	1,013	Regulatory liabilities	181	169	540	
Investments & others	306	316	718	L.T. Payables & Other L.T. liab.	48	35	12	
				Preferred shares	323	323	323	
				Common equity	6,507	6,131	5,658	
<b>Total Assets</b>	<b>20,811</b>	<b>18,836</b>	<b>17,322</b>	<b>Total Liab. &amp; SE</b>	<b>20,811</b>	<b>18,836</b>	<b>17,322</b>	

	USGAAP	USGAAP	CGAAP	CGAAP	CGAAP
<b>Balance Sheet &amp; Liquidity &amp; Capital Ratios</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Current ratio	0.73	0.70	0.77	0.59	0.67
Total debt in capital structure	55.5%	55.5%	56.5%	56.2%	54.5%
Cash flow/Total debt	15.4%	14.6%	13.9%	13.8%	15.0%
(Cash flow-dividends)/Capex (times)	0.65	0.70	0.67	0.50	0.52
Dividend payout ratio	50.3%	26.6%	4.8%	40.0%	52.0%
<b>Coverage Ratios (times)</b>					
EBIT gross interest coverage	2.91	2.75	2.42	2.23	2.71
EBITDA gross interest coverage	4.47	4.25	3.84	3.69	4.36
Fixed-charges coverage	2.89	2.75	2.41	2.24	2.73
<b>Profitability Ratios</b>					
EBITDA margin	63.7%	61.6%	59.3%	56.3%	60.1%
EBIT margin	41.4%	39.9%	37.3%	34.1%	37.4%
Profit margin	24.9%	22.2%	21.9%	19.4%	20.6%
Return on equity	11.1%	10.2%	10.2%	8.9%	10.0%
Return on capital	6.7%	6.3%	6.3%	5.7%	6.4%

## Hydro One Inc.

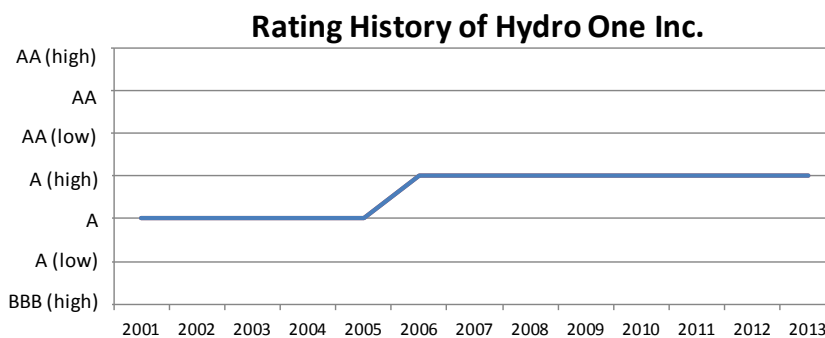
**Report Date:**  
March 8, 2013

## Ratings

Debt Rated	Rating	Rating Action	Trend
Issuer Rating	A (high)	Confirmed	Stable
Commercial Paper	R-1 (middle)	Confirmed	Stable
Senior Unsecured Debentures	A (high)	Confirmed	Stable

## Rating History

	Current	2012	2011	2010	2009
Issuer Rating	A (high)	A (high)	NR	NR	NR
Commercial Paper	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Senior Unsecured Debentures	A (high)	A (high)	A (high)	A (high)	A (high)



Note:

All figures are in Canadian dollars unless otherwise noted.

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**PROPOSED PUBLICATIONS FOR NOTICE**

In accordance with the Board's letter of direction in EB-2012-0136, issued July 6, 2012, Hydro One Networks (Hydro One) published the Board's Notice of Application in the Toronto Star, Globe and Mail, Ottawa Citizen and le Droit. In addition, Hydro One served notice on Hydro One's sub-transmission class customers and intervenors of record in Hydro One's previous distribution rates proceeding through email or couriered mail where no email address was available. The application was also made readily available for public review at 8 different Hydro One offices and on Hydro One's website.

This resulted in a savings of \$180,000 over the Notice served in the EB-2009-0096 proceeding which involved publication in just over 100 newspapers. This also reduced the time required for serving Notice by about two weeks.

Based on this being an IRM application and to continue moving to a more efficient method of serving Notice, Hydro One requests that the Board not direct it to publish Notice in any newspapers for this application. Hydro One submits that very few of its customers will be reached through the four newspapers used in the EB-2012-0136 case. Hydro One also proposes that it is not necessary to courier a copy of the Notice to all sub-transmission class customers. Not one of these customers wrote to the Board as a result of that method of Notice in the last proceeding.

Hydro One proposes to use a number of email, web-based and social media tactics to improve the efficiency of serving the Board's Notice of Application. These approaches are at very little cost to the company and ratepayers, and provide a more efficient means of reaching Hydro One's customers.

1) Email Distribution

- Hydro One will provide Notice to all intervenors of record in the last IRM application, EB-2012-0136 and the last cost of service filing, EB-2009-0096 through email distribution.

2) Use of Hydro One websites

- The first “News” item on Hydro One’s home page will be an alert about the rate application and Notice, with a link to the formal Notice.
- There will be a post on the login page for “My Account” for all customers who use this feature to pay bills or monitor usage.
- There will be a link from the Popular Links bar to the Notice.
- There will be a link on the Regulatory page to the Notice.
- The Notice will be available in English and French.

3) Use of Hydro One RSS feed (Similar to OEB RSS subscription service)

- There will be a posting on the main RSS feed to alert all subscribers of the Notice. This will be in English and French.

4) Use of Twitter

- A posting will be placed on Hydro One’s official Twitter account to reach all subscribers of this service. This will be in English and French.

Use of Similar OEB tools

Hydro One proposes that the Board can make the Notice available on its website, RSS feed and Twitter account which will assist in serving Notice to all interested parties.

Public Viewing

Hydro One will also make the Notice available for public review at 8 different Hydro One offices as was done in the last proceeding.



1    Cost and Time Savings of new approach

2    Hydro One submits that the proposed method of serving Notice can be completed at very  
3    little cost with a savings of \$65,000 and a reduction of another 10 days of time. Notice  
4    can be served in one or two days.

5

6    This method will also target an audience that has expressed more interest and  
7    engagement in the regulatory process than the historical approach of publishing in  
8    newsprint.

1

**PROCEDURAL ORDERS – CORRESPONDENCE – NOTICES**

2

## DEVELOPMENT OF DISTRIBUTION RATES FOR 2014

### 1.0 OVERVIEW

Hydro One is applying to the Board pursuant to Section 78 of the *Ontario Energy Board Act, 1998* for approval of its proposed 2014 distribution rates, effective January 1, 2014 in accordance with the Board's filing requirements for the 3<sup>rd</sup> Generation Incentive Regulation Mechanism ("IRM3"). The proposed 2014 distribution rates are based on the 2013 rates approved by the Board in proceeding EB-2012-0136 adjusted by the application of the Board's IRM3 Price Cap Index Adjustment formula and includes proposed rate riders for the period January 1, 2014 to December 31, 2014.

### 2.0 PRICE CAP INDEX ADJUSTMENT

The Price Cap Index Adjustment under the Board's IRM3 model is determined as the annual percentage change in the Inflation Factor less the X-Factor. The Board's formula is as follows:

$$\text{Price Cap Index} = \text{Inflation Factor} - \text{X-Factor}$$

Where:

$$\text{X-Factor} = \text{Productivity Factor} + \text{Stretch Factor}$$

The inflation adjustment is based on the price escalator of Gross Domestic Product Implicit Price Index for Final Domestic Demand ("GDP-IPI-FDD"). A price escalator of 1.6% was announced by the Board on March 21, 2013 for adjusting electricity distribution rates effective May 1, 2013 under the IRM3; Hydro One has assumed this value in its calculation. Hydro One understands that the Board will adjust this inflation factor to be the annual percentage change in the GDP-IPI-FDD for the period 2012 Q3 to 2013 Q2 to 2011 Q3 to 2012 Q2, in order to reflect the 2013 price escalator in the final distribution rate effective January 1, 2014.

1 Hydro One has applied the X-factor productivity value of 0.72% as per the IRM3 model.  
2 Consistent with the Board's Decision in establishing Hydro One's 2013 distribution rates (EB-  
3 2012-0136), Hydro One has applied the distributor specific stretch factor of 0.40%. Hydro One  
4 recognizes that the stretch factor represents the 2013 amount as determined in the report "Third  
5 Generation Incentive Regulation Stretch Factor Updates for 2013" issued by the Board on  
6 November 28, 2012. Hydro One expects that the Board will provide an update to the distributor  
7 specific 2014 stretch factor and that the information will be available before the implementation  
8 date of the 2014 Tariff of Rates and Charges.

9  
10 Based on the above assumptions (i.e. Inflation Factor of 1.6%, Productivity Factor of 0.72%, and  
11 a Stretch Factor of 0.40%) the result is a Price Cap Index Adjustment of 0.48%. Hydro One has  
12 applied this adjustment uniformly across all customer classes and to both the Service Charge and  
13 the Distribution Volumetric Rate in its calculation of the 2014 rates.

### 14 15 **3.0 RATE RIDERS**

#### 16 17 **3.1 Incremental Capital Rate Rider**

18 Hydro One is not requesting recovery of any incremental capital through an Incremental Capital  
19 Module in this application for 2014 distribution rates; however the ICM rate rider approved in  
20 the 2013 rate application (EB-2012-0136) will continue until the next rebasing application.

#### 21 22 **3.2 Group 1 Deferral Accounts Rate Rider**

23 In the Settlement Agreement approved by the Board for Hydro One's 2013 rates (EB-2012-  
24 0136), it was agreed that Hydro One would dispose of Group 1 Deferral and Variance accounts  
25 in the amount of \$37.4 million over a two year period 2013 and 2014. Therefore, the Group 1  
26 Deferral Account rate rider will continue into 2014 at the 2013 approved rate.

**3.3 Smart Grid Rate Rider**

Hydro One is requesting a rate rider to recover proposed Smart Grid revenue requirement of \$29.3 million associated with the continuation of Hydro One's Smart Grid program in 2014. Details on Hydro One's 2014 Smart Grid Plan are described in Exhibit C, Tab 1, Schedule 1; and the calculation of the Smart Grid Rate Rider is in Exhibit D1, Tab 1, Schedule 1, Attachment 1.

**3.4 Shared Tax Savings Rate Rider**

Pursuant to Section 2.5 (Tax Changes) of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 28, 2012; Hydro One is proposing a Shared Tax Savings Rate Rider in 2014 to refund \$1.2 million to customers. The calculation of the Shared Tax Savings Rate Rider is described in Exhibit D1, Tab 1, Schedule 1, Attachment 2.

**4.0 RETAIL TRANSMISSION SERVICE RATES**

Hydro One is also making adjustments to the Retail Transmission Service Rates ("RTSR") to reflect the Board approved Uniform Transmission Rates effective January 1, 2013. The proposed RTSR charges for each rate class can be found in Exhibit C, Tab 2, Schedule 1.

**5.0 SUMMARY**

Hydro One has complied with the Board filing requirements for the 3<sup>rd</sup> Generation Incentive Regulation Mechanism. Exhibit D2, Tab 1, Schedule 1 provides the specific output sheets from the 2014 OEB 3GIRM Filing Module which Hydro One completed and has applied the results of in this Application.

The proposed price cap index adjustment and rate riders will result in distribution rates for a typical residential customer with an annual consumption of 800 kWh rising by approximately 1.8% or 0.6% on a total bill basis. With the inclusion of the adjustment to the Retail

- 1 Transmission Service Rates to reflect the Board approved Uniform Transmission Rates effective
- 2 January 1, 2013; the total bill impact will be 0.7%. Exhibit D2, Tab 2, Schedule 1 and Exhibit
- 3 D2, Tab 2, Schedule 2 provide the current and proposed 2014 rate schedules respectively.

## SMART GRID

Hydro One is requesting a rate rider to recover proposed Smart Grid revenue requirement of \$29.3 million to continue its multi-year investment plan to pilot smart grid technologies. The investments are being made using a prudent approach of scalable pilots and testing technologies within a limited geography before being deployed on a wider basis.

### 1.0 BACKGROUND

Hydro One's distribution system was designed over the last century and has evolved over time to use the best information and technology available. However, the demands being placed on the electricity system are swiftly changing — a result of technological advancement, provincial government policy direction, and customer expectations. To ensure Hydro One customers are served by an efficient and reliable distribution system in the coming years, Hydro One developed its smart grid plan. Hydro One initially laid out its plan for smart grid as part of its Green Energy Plan in its Distribution Cost of Service filing (EB-2009-0096) building off the Ontario Government's mandate for smart meter infrastructure, conservation and demand management initiatives, and integration of distributed generation into the distribution system. Hydro One is executing to this plan and is on track to stay within the planned expenditures laid out in the filing; however, these expenditures will be over a longer period than originally anticipated.

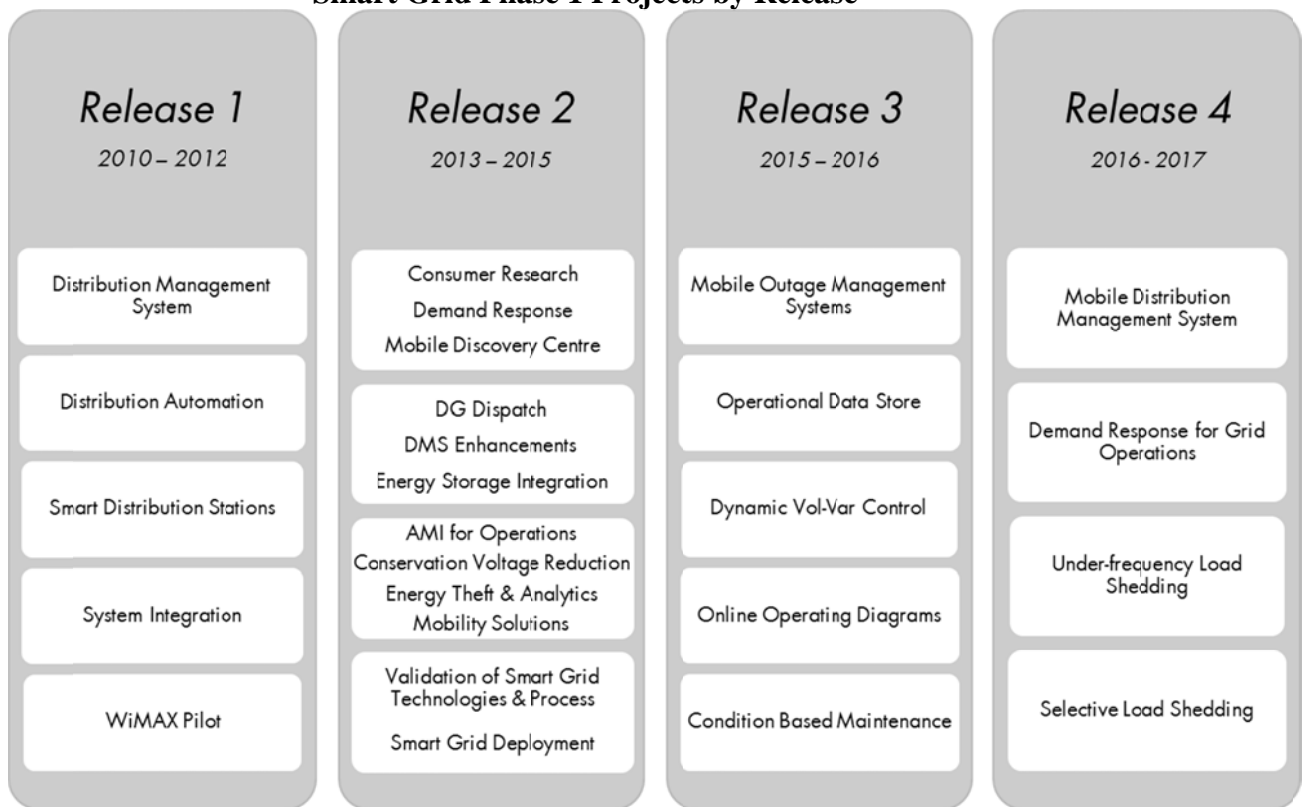
### 1.1 Hydro One's Multi-Phase and Multi-Release Approach

The smart grid plan initiated a multi-year investment, structured into a number of phases, to modernize the distribution system. The initial phase (Phase 0) was the project definition and planning phase which commenced in 2009 with the execution of a Request for Proposal process. Once the target business capabilities and conceptual/system architectures were established, Hydro One proceeded to Phase 1 where it is currently implementing the new smart grid business capabilities and piloting them in the Owen

Sound area. The Owen Sound area was selected for the pilot as it is representative of Hydro One's larger service territory and provides a mix of urban and rural service territory including some extra long feeders over rugged terrain. The piloting enables Hydro One to confirm and verify solution requirements while assessing opportunities for system-wide rollout. The pilot is being used to establish and test design parameters and standards as well as test business processes for scalability and effectiveness.

To accommodate the scope of work of the pilot and evolving technologies, Phase 1 has been further divided into multiple releases as shown in Figure 1.

**Figure 1**  
**Smart Grid Phase 1 Projects by Release**



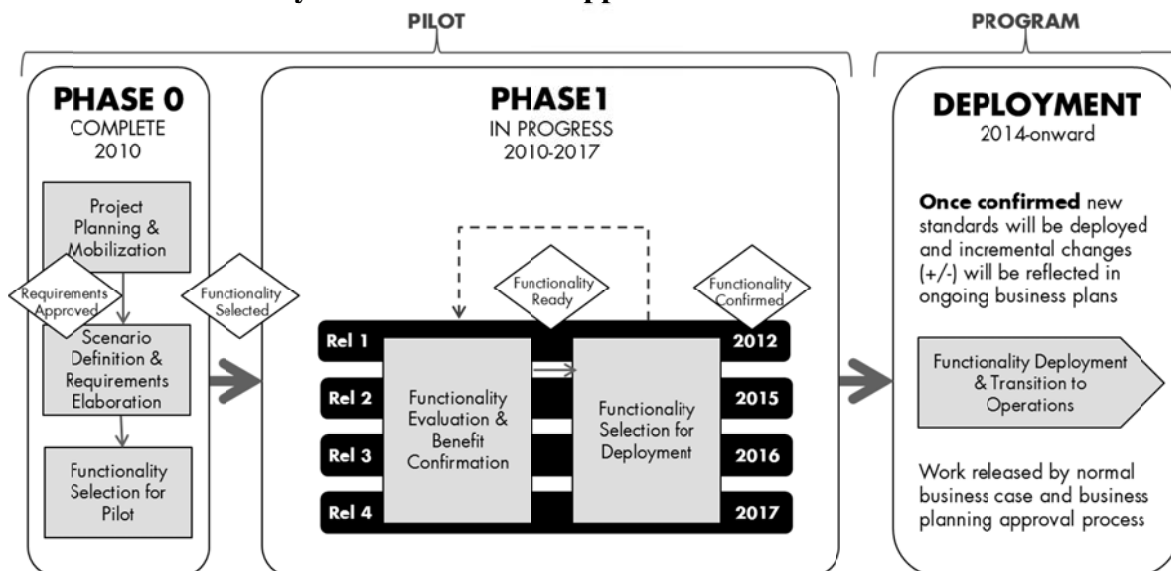


Through the pilot process, Hydro One is determining which technologies are appropriate for widespread deployment. Hydro One will conduct technical, operational and economic validations as part of Hydro One's approach to ensure prudent investments for customers. Once Hydro One has confirmed the viability of various smart grid technologies for widespread deployment, Hydro One will move on to Phase 2.

In 2014, Hydro One is starting to transition from Phase 1 to Phase 2 with some of the Phase 1 Release 1 smart grid devices (e.g. sensors, reclosers, intelligent electronic devices, remote control switches) by deploying these technologies beyond the Owen Sound area.

In Phase 2, Hydro One will establish ongoing programs for deployment and sustainment of smart grid technologies on the distribution system by taking the opportunity to modernize assets when making end-of-life asset investments. Phase 2 smart grid investments will be integrated into Hydro One's investment planning process and will be prioritized like any other investment. This phased approach can be seen in Figure 2.

**Figure 2**  
**Hydro One's Phased Approach to Smart Grid**



1 The objectives of Hydro One's smart grid plan is to provide the foundation to:

- 2 • Facilitate the safe integration of distributed generators into Hydro One's distribution  
3 system;
- 4 • Improve or maintain reliability of the distribution system while accommodating the  
5 variability in distributed generator output;
- 6 • Improve outage management with respect to response time, outage duration, extent,  
7 and restoration efficiency;
- 8 • Improve asset planning, diagnostics, and operations by leveraging new information  
9 and data sources; and
- 10 • Optimize distribution system efficiency to benefit consumers (e.g., better  
11 management of voltage levels, reduce energy theft, etc.)
- 12 • Provide customers with information about their electricity usage and provide them  
13 tools to better manage and reduce their usage.

## 15 **1.2 Hydro One's Accomplishments in Phase 1, Release 1**

16 In the EB-2009-0096 Decision, the Board approved as prudent Hydro One's smart grid  
17 capital and OM&A expenditures for 2010 and 2011.

18  
19 While the Board accepted the cost forecast for the Smart Zone pilot was reasonable, the  
20 Board expressed its concern that the funds may well not be spent in 2010 and 2011 as the  
21 Request for Proposal had not yet been finalized and directed Hydro One to track the  
22 smart grid costs in a rate rider. Hydro One completed the work in 2012.

23  
24 Through the Request for Proposal process, it was evident from many of the industry  
25 responses that a Distribution Management System ("DMS") would play a bigger role in  
26 any utility's smart grid implementation, acting as the core control system to coordinate  
27 the various intelligent devices to be deployed. In addition, the market maturity of some of  
28 the technology was not as expected. For example, technology related to energy storage

and electric vehicles were not cost effective for piloting and the price points for some of the smart grid technologies were too high to be cost effectively deployed for Hydro One customers. Therefore, Hydro One elected to take a slower, more measured approach for some of the technologies that resulted in a longer than expected Phase 1 Release 1 duration. However the actual spending over the period 2010 to 2012 has remained within the Board approved amounts as shown in Table 1.

**Table 1**  
**2010 to 2012 OM&A and Capital Expenditures**

	<u><b>2010</b></u> <b>(\$M)</b>	<u><b>2011</b></u> <b>(\$M)</b>	<u><b>2012</b></u> <b>(\$M)</b>	<u><b>Total</b></u> <b>(\$M)</b>
<b>OM&amp;A</b>				
OEB Approved	10.0	10.0	-	20.0
Actual Spend	2.8	3.1	4.5	10.4
<b>Capital</b>				
OEB Approved	30.0	62.0	-	92.0
Actual Spend	18.4	30.1	41.3	89.8
<b>Total</b>				
OEB approved	40.0	72.0	0.0	112.0
Actual spend	21.2	33.2	45.8	100.2

The work completed under Phase 1 Release 1 focused on establishing the Smart Zone Pilot and implementing a core set of systems infrastructure capable of scaling to meet the needs of the province for Hydro One's smart grid including:

- Installation of various field devices (e.g. smart reclosers, switches, capacitor banks) at points along feeders emanating from stations to improve distribution system reliability and provide fault locating capability.
- Installation of intelligent station devices at Owen Sound Transformer Station and two Distribution Stations (Chatsworth, and Berkeley) to integrate protections between the stations and the feeders.

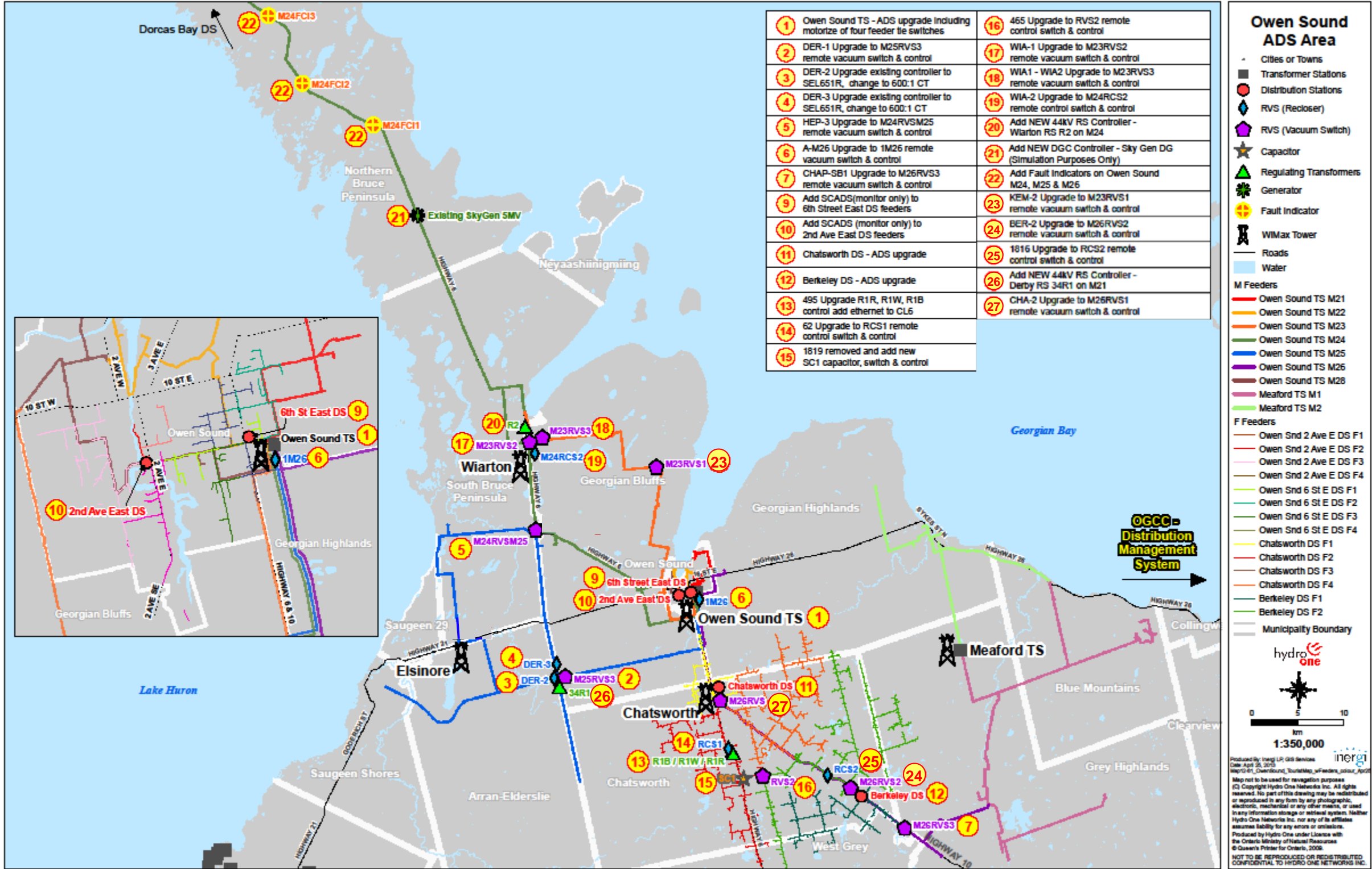
- 1     • Enablement of Supervisory Control and Data Acquisitions capability at two  
2       Distribution Stations (Owen Sound 2<sup>nd</sup> Avenue, and Owen Sound 6<sup>th</sup> Street) to  
3       provide remote operability and visibility to the control centre.
- 4     • Implementation of a Distribution Management System at the Ontario Grid Control  
5       Centre to provide real-time feeder analysis and remote switching capability for  
6       operators.
- 7     • Integration of Hydro One's various data systems (e.g. Enterprise Geospatial  
8       Information System, protection & control databases, power system asset databases,  
9       customer information systems, etc.) to provide an automated integration of the  
10      distribution network model.
- 11    • Upgraded and commissioned a wide-area WiMAX communication network in the  
12      Owen Sound area to enable wireless communication.

13

14

1

Figure 3 - Phase 1 Release 1 Scope of Work in Owen Sound Area



2

**2.0 2013 SMART GRID EXPENDITURES**

With the completion of Phase 1 Release 1, Hydro One has started on Phase 1 Release 2 in 2013. Phase 1 Release 2 work thus far has been focused on setting the requirements for the individual projects as well as the conceptual architecture for the work as outlined below and in Section 3.0.

In the 2013 Distribution IRM3 filing (EB-2012-0136), Hydro One sought approval of a Smart Grid OM&A Rate Rider to allow the company to continue deploying smart grid. In the Settlement Agreement approved by the Board on December 14, 2012 for EB-2012-0136, it was agreed to fund \$15.6M of the OM&A expenditures in 2013. The funding for sustainment of smart grid assets and further smart grid project work was deemed appropriate.

Table 2 outlines both Hydro One's 2013 OM&A expenditures approved by the Board; as well as Hydro One's forecast of 2013 capital expenditures.

**Table 2**  
**2013 OM&A and Capital Expenditures**

	<b><u>2013</u></b> <b><u>(\$M)</u></b>
<b>OM&amp;A Approved</b>	
Sustainment of Installed Smart Grid Systems	7.0
OM&A Component of Phase 1 Release 2 Project	8.6
<b>Total</b>	<b>15.6</b>
<b>Capital Forecast</b>	
Phase 1 Release 2 Project	23.9
<b>Total</b>	<b>23.9</b>

1     **2.1     Description of 2013 OM&A Expenditures**

2     Hydro One's approved OM&A expenditures are required for:

3     a)   Sustainment of Installed Smart Grid System

4         Smart grid assets that have been placed in-service require funding to sustain the new  
5         Smart Grid system. As part of Phase 1 Release 1 of the pilot, Hydro One installed a  
6         base of new smart grid assets including a Distribution Management System installed  
7         at the Ontario Grid Control Centre ("OGCC") and other back office systems which  
8         require OGCC support as well as the intelligent electronic devices that have been  
9         installed in the Owen Sound area which also require ongoing field support.

10  
11    b)   OM&A Component of Phase 1 Release 2 Project

12         In order to implement the Phase 1 Release 2, funding is required for further project  
13         work to implement additional smart grid deployment of field devices and back office  
14         systems. The release includes costs associated with software development, process  
15         development and training development. A description of where these funds are being  
16         allocated is provided in Table 5.

17  
18     **2.2     Description of 2013 Capital Expenditures**

19     Although the EB-2012-0136 filing did not make a specific request for Board approval of  
20     2013 smart grid capital expenditures, it did make note that Hydro One would continue  
21     implementing its plan and make capital expenditures in 2013. In the Settlement  
22     Agreement approved by the Board, it was agreed that the continuation of the smart grid  
23     deferral account (1534 – Smart Grid Capital Deferral Account) to record the capital costs  
24     associated with the continuation of Hydro One's smart grid program is appropriate. It  
25     was also agreed that the 2013 capital expenditures should be consistent with the Board's  
26     intent and direction, resulting from the Smart Grid Working Group Consultation under  
27     the Board's Renewed Regulatory Framework initiative.

1 The smart grid capital work to be completed in 2013 as part of the Phase 1 Release 2  
2 project is estimated to be \$23.9 million. These funds are for a variety of smart grid  
3 projects including: a demand response system pilot, the integration of the advanced  
4 metering infrastructure into operations, and the development of the energy theft analytic  
5 system among other investments.

6  
7 It will also fund the creation of a Mobile Customer Discovery Centre. The Mobile  
8 Customer Discovery Centre is a mobile, fully accessible, internet connected, 1,000  
9 square-foot event trailer containing interactive exhibits in electricity and technology  
10 designed to engage and educate consumers. Further detail of the capital projects and how  
11 they are consistent with the Board's Supplemental Report on Smart Grid can be found in  
12 Table 5.

### 13 14 **3.0 2014 SMART GRID EXPENDITURES**

15  
16 As stated in the Report on Renewed Regulatory Framework for Electricity Distributors,  
17 dated October 18, 2012 and reiterated in the Board's Supplemental Report on Smart Grid  
18 dated February 11, 2013; Smart Grid development and implementation activities will be a  
19 central focus of the effort to incent innovation, given the importance of grid-enhancing  
20 advanced technology systems and equipment to network modernization. As such Hydro  
21 One is seeking Board approval of a Smart Grid rate rider to recover the revenue  
22 requirement of \$29.3 million in 2014 for OM&A and in-service capital costs to continue  
23 with the implementation of Phase 1 Release 2 of the smart grid plan in 2014. The  
24 revenue requirement of \$29.3 million is calculated based on the 2014 OM&A  
25 expenditures of \$15.8 million and the impact on the cost of capital, depreciation and  
26 income tax from the in-service capital additions for the 2012 to 2014 period of  
27 approximately \$106.5 million, as outlined in Table 3.



**Table 3**  
**2014 Rate Rider Revenue Requirement Calculation**

	(\$M)
<b>In-Service Assets</b>	
2013 Total Year End In-Service Asset	91.4
2014 In-Service Additions (half year rule)	15.1
<b>Total</b>	<b>106.5</b>
<b>Revenue Requirement</b>	
OM&A	15.8
Return on Debt & Equity, Taxes	7.2
Depreciation	6.3
<b>Total</b>	<b>29.3</b>

Table 4 outlines the proposed 2014 OM&A and capital expenditures required for smart grid.

**Table 4**  
**2014 OM&A and Capital Expenditures**

	<u><b>2014</b></u> (\$M)
<b>OM&amp;A Forecast</b>	
Sustainment of Installed Smart Grid Systems	7.0
OM&A Component of Phase 1 Release 2 Project	8.8
<b>Total</b>	<b>15.8</b>
<b>Capital Forecast</b>	
Phase 1 Release 2 Project	29.0
<b>Total</b>	<b>29.0</b>

**3.1 Description of 2014 OM&A Expenditures**

Hydro One is requesting approval for funding of OM&A expenditures related to:

a) Sustainment of Installed Smart Grid Systems

Hydro One continues to require OM&A for the sustainment of installed smart grid assets. As noted in Section 2.1, as part of Phase 1 Release 1 assets have already been placed in-service including a Distribution Management System and intelligent electronic devices in the Owen Sound area. Phase 1 Release 2, initiated in 2013, is establishing additional pilot systems that need to be maintained. Hydro One anticipates the cost to maintain these assets in 2014 to be \$7 million. This funding is to pay for information technology staff, protection and control staff, field staff, software maintenance and support agreements.

b) OM&A Component of Phase 1 Release 2 Project

Hydro One also requires OM&A in 2014 to continue its implementation of Phase 1 Release 2 of its Smart Grid Pilot; specifically, costs associated with data management, process improvement and training development. Hydro One will also participate with other utilities in a detailed customer survey on customer attitudes towards smart grid. The results of this survey will be used to inform the requirements for future projects. Hydro One forecasts the 2014 requirement to be \$8.8 million. Specific details of the projects that this OM&A will fund can be found in Table 5.

**3.2 Description of 2014 Capital Expenditures**

In 2014, Hydro One will continue its Phase 1 Release 2 project, with smart grid capital expenditures forecasted to be \$29.0 million. The Business Case Summary for the release of funds for Phase 1 Release 2 projects is attached in Appendix A.

The projects identified in Table 5 are closely aligned with the specific objectives laid out in the Board's Supplemental Report on Smart Grid, and these objectives were re-iterated

1 in Chapter 5 of the Board's Filing Requirements for Electricity Transmission and  
2 Distribution Applications dated March 28, 2013.

3  
4 In the Supplemental Report on Smart Grid issued on February 11, 2013, the Board  
5 concluded that the objectives in the Minister's Directive (November 23, 2010) are  
6 aligned with the objectives of the renewed regulatory framework. The Board also  
7 outlined guidance and expectations for Distributors in relation to the establishment and  
8 implementation of a smart grid within the parameters of three objectives set out in the  
9 Minister's Directive: (i) Customer Control, (ii) Power System Flexibility and (iii)  
10 Adaptive Infrastructure.

11  
12 The Board's first key outcome identified is Customer Focus. This includes understanding  
13 customers' preferences when it comes to smart grid, educating customers on the  
14 opportunities presented by the technology and facilitating customer access to their  
15 consumption data. Hydro One will continue the Demand Response pilot where it will trial  
16 home energy management system integration with utility demand response programs.  
17 This enables customers to better understand and manage their usage.

18  
19 The Board also established an Operational Effectiveness outcome to closely align with  
20 the Power System Flexibility objective in the Minister's Directive. The Board expects  
21 distributors to demonstrate how they have incorporated investments to facilitate the  
22 integration of distributed generation and complex loads (e.g. customers with self-  
23 generation and/or storage capabilities). Hydro One plans to make enhancements to its  
24 Distribution Management System that will enable better management of the distributed  
25 generation connected to the distribution system. Hydro One will also pilot dispatching  
26 both small and large distributed generators to facilitate planned outages and maximize  
27 use of the available connection capacity. Hydro One also has pilots planned for the

1 integration of flywheel and battery energy storage into the Distribution Management  
2 System as another tool to manage the distribution system.

3  
4 The Board's third key outcome relates to the Adaptive Infrastructure objective in the  
5 Minister's Directive, including investigating opportunities for operational efficiencies  
6 and improved asset management as well as leveraging the data provided by smart grid  
7 technology. Hydro One will pilot a Conservation Voltage Reduction initiative, where the  
8 Distribution Management System will be used to flatten and lower the overall voltage  
9 profile of feeders to reduce energy usage by customers. Leveraging some of the smart  
10 meter investments, Hydro One also plans to incorporate information from its Advanced  
11 Metering Infrastructure to improve outage restoration and help locate faults faster. Hydro  
12 One will analyze, on a pilot basis, the growing set of information from the smart grid and  
13 the smart meter systems to identify and reduce energy theft.

14  
15 Details of Hydro One's smart grid Phase 1 Release 2 capital projects for 2014 based on  
16 the Board's guidance on these three objectives can be found in Table 5. While Hydro One  
17 has set a program of Phase 1 Release 2 projects to meet this guidance and has forecasted  
18 the cost of each, Hydro One will need to periodically re-evaluate its priorities based on  
19 pilot test results and the evolving state of smart grid technology to ensure a prudent and  
20 managed approach going forward.

Table 5  
Phase 1 Release 2 Smart Grid Projects

Supplemental Report on Smart Grid Objectives	Project	Scope of Work	Expected Benefit	Forecasted Expenditures (\$M)				In-Service Year
				2013		2014		
				OM&A	Capital	OM&A	Capital	
<b>Customer Control</b> <ul style="list-style-type: none"><li>Understand customers preferences</li><li>Provide information and education to customers</li><li>Facilitate customer access to consumption data</li></ul>	Consumer Research	Perform customer research to understand customer preferences and determine which smart grid technologies would be most beneficial for customers.	Obtain intelligence on customer preferences that will feed the requirements and design of the smart grid initiatives.	0.2	-	-	-	Annual
	Demand Response	Enable home energy management systems for Hydro One customers and make customer data securely available to third party applications (i.e. smart phone apps)	Help customers understand, control and reduce their electricity charges and enable more peak shaving capacity.	1.1	3.0	1.2	3.0	2015
	Mobile Customer Discovery Centre	Build mobile event trailer containing interactive exhibits designed to engage and educate consumers on how the electricity system is becoming more productive and technologically-enabled to providing better service and reliability.	Increase customer’s awareness of their electricity usage and demonstrate tools they can use to reduce their energy consumption	-	3.8	-	-	2013
<b>Power System Flexibility</b> <ul style="list-style-type: none"><li>Facilitate integration of distributed generation</li><li>Facilitate integration of complex loads (e.g. customers with self-generation and/or storage capabilities)</li></ul>	Distributed Generation Dispatch	Pilot dispatch (on/off/up/down) of both small and large distributed generators (“DGs”).	Provide operational control of DGs for both local planned outages as well as avoidance of surplus base load generation at the system level.	1.2	1.9	1.4	3.5	2015
	Distribution Management System Enhancements	Update DMS software and infrastructure to support expansion of DMS.	Provide further integration of smart grid capabilities into the central control system for operators.	0.8	1.2	1.6	4.0	2015
	Energy Storage Integration	Pilot both battery and flywheel energy storage technologies and integrate into DMS.	Incorporate energy storage into distribution operations to provide voltage regulation and absorb excess energy to integrate DG more effectively.	0.5	0.5	0.6	1.5	2015
	Validation of Smart Grid Technologies and Processes*	Conduct technical, operational and economic validation of all of the Phase 1 Release 1 delivered technologies.	Allow for planning the eventual smart grid deployment programs, ensuring prudent investments for Hydro One customers.	0.4	2.0	0.8	2.0	2014

Supplemental Report on Smart Grid Objectives	Project	Scope of Work	Expected Benefit	Forecasted Expenditures (\$M)				In-Service Year
				2013		2014		
				OM&A	Capital	OM&A	Capital	
	Infrastructure Support	Other ancillary project support functions such as communications, program management, process design and training development.	Support the delivery of individual projects.	0.7	2.1	0.3	0.8	2015
<b>Adaptive Infrastructure</b> <ul style="list-style-type: none"><li>Investigate opportunities for operational efficiencies</li><li>Investigate opportunities for improved asset management</li><li>Leverage the data provide by smart grid technology</li></ul>	Advanced Metering Infrastructure for Operations	Enhance outage management system to utilize the real time power outage notifications from customer smart meters and provide the ability to confirm outages to the control centre.	Improve time to restore outages and improve efficiency handling trouble calls.	1.2	2.2	0.6	1.6	2014
	Conservation Voltage Reduction	Pilot flattening and lowering voltage profile on feeders to reduce losses on lines and energy use by consumers.	Reduce customers’ energy consumption and manage voltage issues associated with DG and lower the line loss adjustment charged to customers.	0.6	1.2	0.6	1.6	2015
	Energy Theft & Analytics	Build an analytical system that examines meter and operational data to identify energy theft.	Identify and reduce energy theft, lowering the line loss adjustment charged to customers.	0.7	3.0	1.1	3.0	2014
	Mobility Solutions	Provide mobile versions of smart grid applications for piloting.	Empower field crews with more information to increase efficiency and speed restoration	0.5	0.9	0.3	0.9	2015
	Smart Grid Deployment	Install additional smart grid devices (e.g. sensors, reclosers, intelligent electronic devices, remote control switches).	Improve reliability and situational awareness of the distribution system.	-	-	-	6.3	2014
	Infrastructure Support	Other ancillary project support functions such as communications, program management, process design and training development.	Support the delivery of individual projects.	0.7	2.1	0.3	0.8	2015
	<b>PROJECT TOTALS</b>				<b>8.6</b>	<b>23.9</b>	<b>8.8</b>	<b>29.0</b>

<sup>1</sup> \*Validation of Smart Grid Technologies and Processes is being conducted for Phase 1 Release 1 and will meet both the Power System Flexibility and Adaptive Infrastructure objectives; however, the costs are only being shown under Power System Flexibility.

1     **4.0     INDUSTRY PARTICIPATION**

2  
3     **4.1     Participation in Board's Smart Grid Working Group**

4     Hydro One is a member of the Ontario Energy Board's Smart Grid Working Group and  
5     provided input to Board staff. Using the input of the multiple member organizations of  
6     the Smart Grid Working Group, the Board published the Supplemental Report on Smart  
7     Grid on February 11, 2013. The Board also issued Chapter 5 of the Filing Requirements  
8     for Electricity Transmission and Distribution Applications on March 28, 2013. As per the  
9     EB-2012-0136 Settlement Agreement, Hydro One is working to ensure that its smart grid  
10    expenditures are in close alignment with the Board's smart grid report and Hydro One is  
11    also working towards meeting the new filing requirements in its next rate application.

12  
13    **4.2     Collaboration with other Distributors**

14    Hydro One is not alone in Ontario in pursuing smart grid projects. Through the working  
15    group, Hydro One is aware of other smart grid projects occurring in Ontario such as the  
16    Toronto Hydro energy storage initiative and the Powerstream Fault Location Isolation  
17    and Restoration project.

18  
19    To ensure Hydro One is making prudent investments, Hydro One has collaborated  
20    through multiple forums with various other utilities, since 2010, to share information on  
21    smart grid initiatives. Hydro One is a member of the Toronto Hydro organized "E-8"  
22    group. The group is made up of the eight largest urban Distributors in Ontario plus Hydro  
23    One. The smart grid project directors of the different utilities will continue to meet on a  
24    regular basis to brief each other on their respective projects and pass along lessons  
25    learned. Hydro One is also a member of the Independent Electricity System Operator-  
26    organized Smart Grid Forum.

1 Hydro One is actively participating in the Ministry of Energy/MaRS-led Green Button  
2 Initiative. Hydro One is also involved in various national associations to further its  
3 understanding and influence the development of smart grid for the benefit of its  
4 customers. Hydro One participates in the Canadian Electrical Association Distribution  
5 Council, the SmartGrid Canada Consumer Research Initiative as well as the Standards  
6 Council of Canada. It participates in various vendor user groups which enables vendors to  
7 understand distributors' needs and to incorporate these utility requirements into their  
8 products and lower Hydro One's long term costs.

9



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9

## Hydro One Networks – Business Case Summary –50002436

### Advanced Distribution System – Phase 1 Release 2

#### Investment Driver:

In Service: December 31<sup>st</sup>, 2014

N.D.C. 2.06 – Smart Grid – (2012 - \$73.4M, 2013 - \$57.4M, 2014 - \$49.3M)

N.D.M. 2.06 – Smart Grid – (2012 - \$12.0M, 2013 - \$15.6M, 2014 - \$14.6M)

N.C.C. 2.06 – Smart Grid – (2012 - \$3.0M, 2013 - \$2.0M)

This Approval: \$97.4M

Previous Approval: \$96.0M

Project Total: \$193.4M

#### Need:

Hydro One supports the Ontario Government direction to enable renewable generation, deploy smart grid technology for the benefit of customers, and provide customers tools to encourage conservation. Without proceeding with Advanced Distribution System (ADS) – Phase 1 Release 2, Hydro One may fall short in meeting expectations and will miss the opportunity to leverage the infrastructure laid down by the smart meter implementation and ADS Phase 1 Release 1 for the benefits of our customers.

#### Investment Summary:

The ADS project is a multi-year, multi-phase/release project. ADS Phase 1 will implement smart grid business capabilities in a confined area. ADS Phase 2 (provincial program rollout) will extend the deployment of these smart grid business capabilities on a provincial basis once the technology and the business case is validated. Deployment will be via augmentation of existing replacement and refurbishment programs based on the new standards.

Phase 1 Release 2 addressed by this BCS ("Release 2") will deliver a portfolio of smart grid deployments, each delivering a new or enhanced business capability. This will take the form of new and enhanced operations technology and information technology systems as well as a limited deployment of new assets on the distribution system. Release 2 builds on and leverages the foundation of core infrastructure and processes established in Release 1.

#### Results:

Out of the portfolio of Release 2 projects, some of the key results are:

- Provide ability to mitigate power quality impacts of DG (Distributed Generation) on our transmission and distribution system.
- Reduce trouble call costs and improve outage response times.
- Use energy storage technology in the Tilsonburg area to improve power quality. This may also provide a future opportunity to reduce surplus base load generation and potentially the ability for energy arbitrage.
- Better identify and reduce energy theft.
- Reduce line losses and save customers money on energy related costs.
- Provide customers with real-time in-home monitoring and new demand response programs.

#### Costs:

	2012 (\$M)	2013 (\$M)	2014 (\$M)	Total (\$M)
Capital * and MFA	2.0	30.2	43.3	75.5
OM&A and Removals	0.3	2.8	18.8	21.9
<b>Gross Investment Cost</b>	<b>2.3</b>	<b>33.0</b>	<b>62.1</b>	<b>97.4</b>
Recoverable				
<b>Net Investment Cost</b>	<b>2.3</b>	<b>33.0</b>	<b>62.1</b>	<b>97.4</b>

\*Includes overhead and AFUDC at current rates

**Alternatives**ALTERNATIVES CONSIDERED AND REJECTED**Status Quo or Do Nothing Alternative**

Release 1 was developed to provide foundational infrastructure to primarily enable DG. Not proceeding with Release 2 would hamper significant operational benefits enabled by this initial expenditure such as: dispatch of DG, integration of storage devices for power quality and potentially resource optimization, load control for customer energy savings and power quality, voltage control to reduce energy losses and improve power quality, and finally leveraging the capability of smart meters and DMS/OMS (Distribution Management and Outage Management Systems) to reduce the cost and / or improve the response times associated with outages. Without this investment in Release 2, mitigation of power quality issues associated with distribution-connected renewable generation will require more expensive solutions (i.e. Static Var Compensators).

**Break ADS Release 2 into Individual Projects**

Hydro One could divide the ADS project into different individual projects. This approach would cost more as they would need their own individual project management, organization alignment, deployment and other common project functions. Additional integration and inter-project liaison resources would also be required as many of the projects are integrated with one another. The existing expertise of the Release 1 project would need to be allocated across the individual projects and would not be as well shared across the projects.

**Implement Full ADS Phase 1 & Phase 2**

Implement ADS Phase 1 & Phase 2 was rejected because many technologies require field trials in order for full cost-benefit and technical validation. Hydro One would like the opportunity to validate the field devices before programs are developed for provincial rollout. These programs will be brought back for approval once validated over the course of Phase 1.

ALTERNATIVES CONSIDERED FURTHER:**Alternative Two – Implement ADS Phase 1 Release 2**

A complete business case for ADS has been developed. It lays out the costs and benefits associated with the ADS Phase 1 project (broken into four releases) and the resulting set of Phase 2 provincial rollout programs that will deploy smart grid devices province-wide between now and 2040 for elements that pass Phase 1 testing. This business case also takes into account the sustainment costs of these systems and field assets.

	Phase 0 & Release 1	Release 2	Release 3	Release 4	Provincial Rollout (30 year)	Total
Project Costs	120.0M	97.4M	46.7M	33.9M	-	309.8M
Sustainment Costs (OM&A)	-	121.7M	17.4M	9.1M	557.0M	704.9M
Rollout Costs (CapEx)	-	16.8M	2.4M	7.6M	443.6M	470.2M
Internal Benefits	133.8M	383.6M	243.2M	119.9M	333.8M	1,214.3M
Internal NPV	(7.2M)	11.2M	42.1M	12.3M	(226.9M)	(178.6M)
Societal NPV	-	14.5M	-	-	2,153.1M	2,167.6M

The reason for the negative NPV for the overall ADS business case is that most of the benefits derived from provincial rollout flow to society even though Hydro One will build and maintain these new assets. This is the case for many of Hydro One's investments (e.g. forestry, pole replacements, etc). The major factors in the societal benefit are:

- societal value of improved reliability (based on industry studies conducted) - \$578M
- value of connecting more renewable generation - \$1,576M
- reduction in energy losses - \$366M

Hydro One is working with the OEB through the OEB Smart Grid Working Group and the IESO-organized Ontario Smart Grid Forum to formalize how the societal benefits will be addressed in future rate filings



Further, there are a number of expenditures considered mandatory to meet code and/or good utility practices for connecting, operating and maintaining the distribution system. Accounting for these mandatory expenditures, increases the internal NPV of the overall business case to a positive \$82M.

The multiple releases of ADS Phase 1 will occur through 2016 building new business capabilities through confined deployments and validated before full provincial rollout. Phase 2 would create programs for provincial rollout of ADS technology that will occur through 2040. These Phase 2 provincial rollout programs include the deployment of remotely-controllable tie-switches and SCADA enabled reclosers to improve reliability, telemetry devices to provide real-time data to the DMS and DG Dispatch controllers to enable more renewable generation based on economic and technical assessment. A significant amount of provincial rollout will be driven by end-of-life replacement of assets using ADS compatible standards. The Phase 2 provincial rollout will see approximately 60% of our customer served by feeders enhanced by ADS.

Release 2 will deliver business capabilities that deliver direct benefits without provincial rollout as they do not require the deployment of field devices:

1. Enable the use of smart meters to reduce trouble call costs and improve outage response times by avoiding phantom calls where Hydro One was not required, finding nested outages faster and responding to seasonal customer outages on weekdays instead of on weekend overtime.
  2. Use analysis of the smart meters profiles and localized line loss analysis in the Distribution Management System to better identify and stop energy theft.
  3. Leverage the investments in the DMS to generate the Distribution Operating Maps and perform the Load Transfer Studies, creating operational efficiencies.
  4. Further integration of the DMS with the Network Management System, Outage Response Management System, and data centre infrastructure along with a disaster recovery capability.
  5. Remediation and input of required distribution data for the generation of the DMS network model outside Owen Sound.
- The business case specific to these capabilities are identified on the R2 ONLY row in the table below.

There is also a component of Release 2 that will create new systems and business capabilities and deploy them in a limited area. The cost and benefit of these business capabilities will be validated before provincial rollout. These include:

1. Provide ability to dispatch DG for transmission system reliability and enable more generation on our existing assets. For distribution reliability we will be able to trip the DG instead of tripping the entire feeder.
2. Using smart meters to provide customers with real-time in-home monitoring as well demand response programs.
3. Performing volt-var optimization to reduce line losses and save customer energy.
4. Install both battery and flywheel technology in the Tilsonburg area to improve power quality, avoid surplus base load generation and provide an energy arbitrage opportunity.

The business case of these capabilities enabled by a provincial rollout is identified as an incremental cost and benefits on the PROV ROLLOUT row in the table below. With the combined business case identified in the R2 + PROV ROLLOUT row.

#### ADS – Release 2

	INTERNAL BENEFITS	SOCIETAL BENEFITS	COSTS TO HYDRO ONE				BENEFITS TO HYDRO ONE			
	Internal NPV	Society NPV	2010-2040 current \$M				2010-2040 current \$M			
			Total	Project Costs	Refresh Capital	Sustainment OM&A	Total	Incr. CapEx	Incr. OM&A	Energy
	2012-2040 net present value excluding the societal benefit	2012-2040 net present value of investment to society	total of all costs	project costs to be spent in 2012-2014 period	capital costs to refresh systems required for provincial rollout	sustainment costs of systems or assets deployed in provincial rollout	total of all benefits	saved capital expenditure over the period	saved OM&A expenditure over the period	saved energy we did not have to purchase on behalf of our customers
R2 ONLY	\$11.2	\$14.5	\$235.9	\$97.4	\$16.8	\$121.7	\$383.6		\$172.3	\$211.3
PROV ROLLOUT	(\$251.8)	\$1859.2	\$980.7	\$0.0	\$434.7	\$546.0	\$223.8	\$43.6	\$25.1	\$155.0
R2 + PROV ROLLOUT	(\$250.7)	\$1873.7	\$1227.9	\$109.2	\$451.3	\$667.4	\$607.4	\$43.6	\$197.4	\$366.3

RECOMMENDED ALTERNATIVE AND RATIONALE:

The Release 2 investment is in line with the mandate from the Shareholder and OEB Guidelines. This investment supports the provincial government's smart grid, renewable generation and energy conservation objectives, while providing improved operations for Hydro One distribution customers. ADS Release 2 provides customers faster outage restoration, increased operational efficiency, reduced energy theft and consequently less line loss charges. Customers can benefit further through energy conservation technology on the feeder and the capability to connect their smart meter to in-home devices.

Historically the Hydro One distribution system served about a 3200MW load peak in summer and a 3800MW load peak in winter and essentially all one-directional power flow (source to load). The Long Term Energy Plan will see 10700 MW of renewable generation overall, with ~5000 MW identified for the Hydro One distribution system. This is 143% of our summer peak. Large DG dispatch provides the needed control (for system and local network stability) to enable larger amounts of renewable power without the need of a fully redundant / parallel network build. Release 2 will also provide the control room with the situational awareness they need to manage a distribution system with this much generation.

While Release 2 is a portfolio of projects that could be divided into separate projects, many of these business capabilities are dependent on Release 1 functionality requiring the expertise of the ADS project team. The projects themselves are also highly integrated, with many of them connected with the DMS which will require considerable integration and coordination. Breaking Release 2 into multiple independent projects would also be more expensive as there would be no economies of scale for project functions such as Project Management Office, Organization Alignment and other common project functions.

The recommendation is to continue the Hydro One Smart Grid Program and implement ADS Release 2 Only. This will leverage the foundational investments made in smart meters and renewable integration to provide Hydro One customers with benefits as well as meet the mandates as set out by the government. This proposed investment will result in the implementation of a core set of business capabilities that meet our business objectives of DG Integration, Distribution Automation, Outage Restoration Optimization, Distribution Planning & Tools, and Energy Management.

Normal approval processes, either business case for future releases or business plan process for provincial programs, will continue to be followed.



## ALTERNATIVES COMPARED

Business Value	Project Level Risk		
	Current Risk	Alt 2	Comparison
Reliability	MED	LOW	The integration of renewable generation on the distribution raises the risk of power quality issues. The voltage regulating and DG dispatch capability provide a mechanism for HONI to mitigate these issues.
Customer	MED	MED	HONI will provide real time information and the ability to manage energy use to customers to give them greater control over their bill. Conservation voltage reduction and energy theft analytics will also be deployed to provide further customer savings on energy.
Competitiveness	MED	LOW	HONI can use the smart meter to improve trouble call operations by avoiding unnecessary truck rolls and improving our ability to plan work.
Regulatory/Legal	MED	MED	The Ontario Energy Board in its Decision with Reasons (dated April 9, 2010) considered "it prudent to approve the Smart Grid aspects of the Green Energy Plan". The Board also found that the "activities identified in Hydro One's Smart Grid Plan are consistent with the filing guidelines". As a result, the Board concluded that the costs as budgeted were prudent and should be recovered in rates. Release 2 extends beyond the test years (2010/11) of the above hearing which does infer some recovery risk that will need to be addressed in the 2013 Dx IRM (see Regulatory Considerations below). The timing of expenditures indicates that no more than \$10 million will be incurred prior to receipt of the OEB decision in respect to Hydro One's 2013 IRM application. The OEB decision will be reviewed with the Executive Committee before additional spending in excess of \$10 million will be approved.
Safety and Environment	MED	LOW	Implementing business capabilities that will increase the amount of renewable energy that can be connected to our distribution system as well as better leverage generator diversity within a given set of capacity. This along with voltage regulating and energy theft capability will reduce overall power consumption reducing the need for its generation. We will also be providing situational awareness to the distribution system now that it has considerable DG.
Reputation	HIGH	LOW	Hydro One will be able to connect more DGs on our existing infrastructure requiring us to turn down less customer connection applications. Hydro One will be viewed as innovative and efficient in its approach to grid modernization.
Initial Cost (\$M)		\$97.4	
Financial: PV Cost / NPV (\$M)		\$11.2	Release 2 discounted cash flow economic evaluation completed over the expected ADS system life to the year 2040. Includes the impact of sustainment OM&A, capital refresh and HONI benefits. Does not include societal benefits or provincial rollout.

**Project Risks and Mitigation:****COST**

The \$97.4M project cost estimate includes interest, overhead and funds allocated for risk mitigation. The cost estimate was developed with the Release 1 system integrator: IBM. It was based on our experience in Release 1. The estimates include an across-the-board 15% contingency allocation. As Release 2 is a project of individual sub-projects, cost risk is mitigated through re-allocation of funds between the projects. The cost will be further validated and confirmed through the statement of work process and go through the appropriate due diligence and approvals.

Sustainment costs estimates have been developed with the Lines of Business. They include the resources required to maintain the new back office systems delivered by Release 2 as well as additional field forces required to maintain the new field assets. They also include the anticipated license and maintenance fees required for new systems. The ongoing sustainment costs expected for these Release 2 systems are \$1.9M in 2013 and \$2.1M in 2014. This is to pay for additional staff to operate and maintain these new systems (mostly the DMS).

Upon provincial rollout, additional ongoing sustainments costs are required to maintain the delivered Release 1 and Release 2 systems as well as the field deployed devices. This sustainment cost sums to \$546M through to 2040.

**PROJECT MANAGEMENT**

ADS Phase 1 Release 2 is really a project of many individual sub-projects delivering specific business capabilities. HONI will leverage the Project Management Office and project governance established in Release 1 to ensure the project is successful.

**WiMAX**

The provincial rollout of Release 2 capabilities to the field is dependent on the approval of the WiMAX Deployment business case that has been prepared separately. The WiMAX Deployment will build approximately one hundred WiMAX base stations around the province at a cost of approximately \$35M. This will enable communication with all of the new smart devices outside of our transmission substations to be deployed as part of ADS. The smart devices themselves need a WiMAX communication module. The costs of these modules for all deployed smart devices are included in the ADS business case presented here.

**CHANGE MANAGEMENT**

ADS Phase 1 Release 2 has specific sub-projects to handle the transition in operations for both the control centre and the field in this new operating paradigm. A deployment group is part of the Release 2 scope to ensure that the LoBs are ready to accept the new business capabilities offered by ADS.

**SUSTAINABLE DEVELOPMENT**

ADS Phase 1 Release 2 enables additional renewable generation on our distribution system. It also pilots new energy saving technology through voltage regulation that will reduce energy consumption for customers along the feeder.

**BUSINESS PLANNING**

This investment is fully funded in the 2012-2016 business plan under accomplishment IDs: Dx Capital 3726 (AR21542), Dx OM&A 3719 (AR21514), and DX MFA 3712 (AR21563).

**SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT TAX CREDITS**

ADS Release 1 resulted in a \$3.9M SRED tax credit for our innovative work in the field of smart grid. ADS Release 2 will continue to provide this platform for Hydro One to perform innovative work and we will apply for the SRED tax credit again. The value of this has not been included in this business case.

**Regulatory Considerations:**

In its decision for the 2010-11 Distribution cost of service rate hearing the OEB did deem the costs associated with Hydro One's Smart Grid Plan for 2010 and 2011 as prudent as budgeted in our Green Energy Plan (5 year plan - \$407M). They directed that the 2010 and 2011 approved -costs be captured in a variance account that will be cleared (trued-up) at the next Cost of Service rate hearing. Below is the specific wording.

"Given the unique role of Hydro One in the province, and the need to develop these capabilities, the Board considers it prudent to approve the Smart Grid aspects of the Green Energy Plan. Therefore, the Board concludes that the costs as budgeted are prudent, and should be recovered in rates."

This business case precedes specific approval of the Board for release 2 capital. Given the low amount for 2012-13 (\$35M) its currently planned to approach the Board in the 2014 IRM using a capital module. Release 2 operations, maintenance and



administration is requested in the current 2013 IRM and further the Board is made aware in our evidence the company intends to continue on the path in the 5 year Green Energy Plan with specific reference to Release 2. During oral and updated written testimony this point will be further highlighted.

The above approach does contain regulatory risk although we believe there is evidence to provide a sound justification in future argument (e.g. there is also a Ministerial Directive providing guidance to the OEB on the Province's objectives on smart grid and which investments should be encouraged – these investments are consistent with our plan). Additionally release 2 is back-end loaded to minimize expenditures in advance of the 2013 Dx decision which is anticipated in March. The total expenditures to March 2014, the date when a decision is expected, (OMA and Capital) will be below \$10M and short term exit provisions will be included in all commercial agreements to further limit exposure. Upon receipt of the OEB decision the OEB decision and future spending in excess of \$10 million will be reviewed and approved by the Executive Committee.

#### Regulatory Recovery Exposure (\$M)

	2012	2013	2014	2015
ADS Release 2 Expenditures	2.3	33.0	62.1	
Smart Grid Variance Account	(2.3)	(35.3)	(97.4)	(0)
OEB Checkpoints	OEB Decision on 2013 OM&A Smart Grid Rate Rider*	OEB Decision on potential 2014 Capital Module Smart Grid Rate Rider*	OEB Decision on 2015/2016 Distribution Cost-of-Service Application	Variance Account Cleared

\* The exposure prior to a decision on the 2013 Dx IRM application will be limited to \$10M combined capital and OMA&A).

Funds Included in Business Plan: Yes		Planner: Alex Bettencourt	
This Approval (\$M): 97.4	Previous Approval (\$M): 96.0	Current est. of Total Cost (\$M): 193.4	
<b>Signature Block:</b>			
Submitted by: Carmine Marcello	Title: Executive VP Strategy	Date: AUG 02 2012	
Reviewed by: Sandy Struthers	Title: Executive VP Finance & CFO	Date: Aug 2, 2012	
Recommended by: Laura Formosa	Title: President & CEO, Hydro One	Date: Aug 2/12	
Approved by:	Title: Board of Directors Advice	Date:	

#### Scientific Research & Experimental Development Tax Credits (SR&ED):

- Do you anticipate that an initiative to meet the set of business requirements in this document will result in a **Technological Advancement**? Yes
- Do you anticipate that the initiative will resolve a **Technological Uncertainty**? Yes



## **RETAIL TRANSMISSION SERVICE RATES**

Hydro One Distribution has adjusted its Retail Transmission Service Rates (“RTSR”) to reflect the new Uniform Transmission rates effective January 1, 2013, resulting from the Rate Order under proceeding EB-2012-0031 issued December 20, 2012. The current Uniform Transmission Rates (“UTR’s”) used to adjust the RTSR are as follows:

- Network Service Rate \$3.63 per kW per month;
- Line Connection Service Rate \$0.75 per kW per month; and
- Transformation Connection Service Rate \$1.85 per kW per month.

Hydro One Distribution calculated the proposed 2014 RTSR using the same methodology approved by the Board under the 3<sup>rd</sup> Generation IRM proceedings EB-2008-0187 and EB-2012-0136. Due to the significant proportion of load attributed to customers on Hydro One’s sub-transmission (“ST”) system, the Board has previously approved a methodology for determining Hydro One Distribution’s RTSR that first splits the transmission costs between ST customers and retail customers, and then splits the costs between retail customer classes based on their relative monthly demand.

The methodology for calculating the proposed RTSR consists of estimating the charges from the IESO for Transmission by using the 2010 load approved by the Board in Hydro One’s last cost-of-service application (EB-2009-0096) at each of its transmission connections and applying the currently approved 2013 Transmission rates. This resulted in a total estimated charge of \$241.6 million for Network services, \$41.6 million for Line Connection Charges, and \$118.8 million for Transformation charges, for a total of \$402.0 million as shown in Table 1.

The transmission charges to be recovered from each of the ST and retail rate classes are based on splitting the 2014 estimated IESO transmission charges between rate classes in the same shares applicable to those rate classes that were approved by the Board in Hydro One's last COS application EB-2009-0096.

Table 1 shows the estimated 2014 IESO transmission charges allocated to all customer classes.

**Table 1**  
**2014 IESO charges**

	<b>Tx Network</b>	<b>Tx Line</b>	<b>Tx Transformation</b>	<b>Total IESO Bill</b>	<b>Share</b>
<b>IESO Bill</b>	\$241,608,441	\$41,599,935	\$118,753,613	\$401,961,989	
<b>ST</b>	\$112,975,695	\$18,077,812	\$55,506,784	\$186,560,291	46.4%
<b>Retail</b>	\$128,632,746	\$23,522,123	\$63,246,829	\$215,401,698	53.6%
UR	\$9,998,982	\$1,874,506	\$5,040,216	\$16,913,704	
R1	\$34,307,122	\$6,447,624	\$17,336,520	\$58,091,266	
R2	\$41,197,213	\$7,470,857	\$20,087,813	\$68,755,883	
Seasonal	\$5,201,225	\$978,009	\$2,629,693	\$8,808,927	
UGe	\$2,160,919	\$385,013	\$1,035,233	\$3,581,166	
GSe	\$12,637,985	\$2,277,610	\$6,124,091	\$21,039,685	
UGd	\$3,575,777	\$636,159	\$1,710,520	\$5,922,456	
GSd	\$18,836,132	\$3,322,093	\$8,932,521	\$31,090,747	
DGen	\$25,255	\$4,376	\$11,767	\$41,399	
Lighting	\$692,135	\$125,875	\$338,455	\$1,156,464	

The transmission charges allocated to each customer class are then divided by the corresponding billing parameter for each rate class approved by the Board in Hydro One's last COS application EB-2009-0096 to derive the RTSR.

Table 2 below shows the currently approved and the proposed RTSR. Customers billed based on energy will be charged the RTSR applied to meter quantities. Customers billed

on demand will be charged the RTSR values shown in Table 2. For customers that installed load displacement generation after October 1998, RTSR connection is billed at the gross demand level consistent with the guidelines in the Distribution Rate Handbook, section 11.3.2.5, and as approved by the Board in EB-2009-0096.

**Table 2**  
**Proposed 2014 RTSR**

	<b>Current Rates</b>		<b>Proposed Rates</b>	
<b>RATE CLASS</b>	Network	Line Connection*	Network	Line Connection*
Urban (¢/kWh)	0.696	0.500	0.707	0.489
R1 (¢/kWh)	0.707	0.509	0.719	0.499
R2 (¢/kWh)	0.690	0.480	0.702	0.470
Seasonal (¢/kWh)	0.652	0.470	0.663	0.460
Urban General Service energy (¢/kWh)	0.535	0.366	0.544	0.358
General Service energy (¢/kWh)	0.518	0.358	0.527	0.350
Urban General Service demand (\$/kW))	1.75	1.19	1.78	1.17
General Service demand (\$kW)	1.68	1.14	1.71	1.11
Distributed Generator (\$/kW)	0.35	0.23	0.36	0.23
ST (\$/kW)	3.18	0.70 Line 1.63 Transf.	3.23	0.65 Line 1.62 Transf.
Street and Sentinel Lights (¢/kWh)	0.435	0.303	0.442	0.297

\* For customer classes that do not have separate proposed Line and Transformation charges, the Line Connection charges shown include Transformation charges

The proposed 2014 RTSR rates have been input into the IRM3 Model Sheet 11 (Proposed Rates).

## **RATE RIDER CALCULATIONS**

### **1.0 SMART GRID RATE RIDER**

Hydro One proposes to use a volumetric rate rider to recover the revenue requirement of \$29.3 million in 2014 for the OM&A and in-service capital costs of Smart Grid. Attachment 1 to this Exhibit shows Hydro One Distribution's calculation of the Smart Grid volumetric rate riders by rate class.

The calculation of the Smart Grid volumetric rate rider is the same as was used in the 2013 Distribution Rate Application EB-2012-0136. The Smart Grid revenue requirement share to be recovered by each rate class is based on the relative share of the revenue requirement by rate class as approved by the Board in Hydro One's last application EB-2012-0136. The volumetric rate riders are calculated by dividing the Smart Grid rate class revenue requirement by the kWh or kW charge determinants for each rate class.

### **2.0 SHARED TAX SAVINGS RATE RIDER**

Pursuant to Section 2.5 of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 28, 2012; Hydro One is proposing a Shared Tax Savings Rate Rider in 2014 to refund the shared tax savings of \$1,091,750. This amount was calculated using Sheet 5 of the Board's Shared Tax Savings Workform as described in Appendix A attached to this Exhibit. In addition, the rider will also be designed to include 13% for an HST rebate shortfall on the 2013 Shared Tax Savings Rider that is currently in effect. When the 2013 Shared Tax Savings Rate Rider was implemented in the CSS system, it was deemed to be HST exempt although it should not have been. As a result, an amount of \$141,928 will be refunded to customers. Therefore the rider for 2014

1 will include the 2014 Shared Tax Savings of \$1,091,750 and the HST rebate shortfall of  
2 \$141,928 for a total of \$1,233,678 to be refunded to customers.

3  
4 Attachment 2 to this Exhibit shows Hydro One Distribution's calculation of the Shared  
5 Tax Savings volumetric rate riders by rate class required to refund the Shared Tax  
6 Savings amount noted above.

7  
8 The calculation of the Shared Tax Savings volumetric rate riders uses the methodology  
9 prescribed by the Board in Sheet 6 of the Shared Tax Savings Workform. The Shared  
10 Tax Savings amounts to be refunded by rate class are based on the relative share of the  
11 revenue requirement by rate class as approved by the Board in Hydro One's last  
12 application EB-2012-0136. The volumetric rate riders are calculated by dividing the  
13 Shared Tax Savings rate class revenue requirement by the kWh or kW charge  
14 determinants for each rate.

## Calculation of Smart Grid Rate Rider - Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Smart Grid Revenue\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential – Urban [UR]	\$53,802,668	4.68%	\$1,370,782	1,311,340,739		\$0.00105	
Residential – Medium Density [R1]	\$243,444,080	21.19%	\$6,202,459	4,397,300,810		\$0.00141	
Residential – Low Density [R2]	\$444,172,442	38.66%	\$11,316,608	5,374,784,594		\$0.00211	
Seasonal Residential	\$94,002,030	8.18%	\$2,394,980	718,301,357		\$0.00333	
Urban General Service Energy Billed (less than 50 kW) [UGe]	\$7,257,765	0.63%	\$184,913	363,517,757		\$0.00051	
General Service Energy Billed (less than to 50 kW) [GSe - metered]	\$128,131,020	11.15%	\$3,264,517	2,195,769,825		\$0.00149	
Urban General Service Demand Billed (50 kW and above) [UGd]	\$13,263,145	1.15%	\$337,918	599,925,889	1,898,173		\$0.178
General Service Demand Billed (50 kW and above) [GSd]	\$120,762,861	10.51%	\$3,076,791	3,122,290,618	10,389,644		\$0.296
Distributed Generation [DGen]	\$425,642	0.04%	\$10,844	4,181,950	66,329		\$0.163
Sub-Transmission [ST]	\$32,089,872	2.79%	\$817,584	17,937,820,542	35,499,081		\$0.023
Sentinel Lighting	\$2,712,813	0.24%	\$69,117	21,039,860		\$0.00329	
Street Lighting	\$8,816,937	0.77%	\$224,638	122,364,767		\$0.00184	
	<b>\$1,148,881,275</b> H	<b>100.00%</b>	<b>\$29,271,151</b> I \$0				

## Calculation of Shared Tax Savings Rate Rider - Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential – Urban [UR]	\$53,802,668	4.68%	-\$57,774	1,311,340,739		-0.00004	
Residential – Medium Density [R1]	\$243,444,080	21.19%	-\$261,412	4,397,300,810		-0.00006	
Residential – Low Density [R2]	\$444,172,442	38.66%	-\$476,956	5,374,784,594		-0.00009	
Seasonal Residential	\$94,002,030	8.18%	-\$100,940	718,301,357		-0.00014	
Urban General Service Energy Billed (less than 50 kW) [UGe]	\$7,257,765	0.63%	-\$7,793	363,517,757		-0.00002	
General Service Energy Billed (less than to 50 kW) [GSe - metered]	\$128,131,020	11.15%	-\$137,588	2,195,769,825		-0.00006	
Urban General Service Demand Billed (50 kW and above) [UGd]	\$13,263,145	1.15%	-\$14,242	599,925,889	1,898,173		-0.008
General Service Demand Billed (50 kW and above) [GSd]	\$120,762,861	10.51%	-\$129,676	3,122,290,618	10,389,644		-0.012
Distributed Generation [DGen]	\$425,642	0.04%	-\$457	4,181,950	66,329		-0.007
Sub-Transmission [ST]	\$32,089,872	2.79%	-\$34,458	17,937,820,542	35,499,081		-0.001
Sentinel Lighting	\$2,712,813	0.24%	-\$2,913	21,039,860		-0.00014	
Street Lighting	\$8,816,937	0.77%	-\$9,468	122,364,767		-0.00008	
	<b>\$1,148,881,275</b>	<b>100.00%</b>	<b>-\$1,233,678</b>				
	<b>H</b>		<b>I</b>				
			\$0				



Ontario Energy Board

**2012 IRM 3 Tax Savings Workform**

Hydro One Networks Inc

This worksheet calculates the tax sharing amount.

Step 1: Press the Update Button (this will clear all input cells and reveal your latest cost of service re-basing year).

Step 2: In the green input cells below, please enter the information related to the last Cost of Service Filing.

Summary - Sharing of Tax Change Forecast Amounts

For the 2008 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

\$ 1,400,000

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2011	2014
Taxable Capital		\$ -
Deduction from taxable capital up to \$15,000,000		\$ -
Net Taxable Capital	\$ -	\$ -
Rate	0.225%	0.225%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2011	2014
Regulatory Taxable Income	\$ 126,100,000	\$ 126,100,000
Corporate Tax Rate	28.30%	26.50%
Tax Impact	\$ 34,200,000	\$ 32,016,500
<b>Tax Amount</b>	<b>\$ 34,200,000</b>	<b>\$ 32,016,500</b>
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 34,200,000	\$ 32,016,500
<b>Total Tax Related Amounts</b>	<b>\$ 34,200,000</b>	<b>\$ 32,016,500</b>
Incremental Tax Savings		<b>-\$ 2,183,500</b>
Sharing of Tax Savings (50%)		<b>-\$ 1,091,750</b>



## CUSTOMER BILL IMPACT SUMMARY

Exhibit D2, Tab 3, Schedules 1-3 shows the bill impacts resulting from the proposed rate adjustments for all rate classes.

The bill impacts have been updated to include the RPP commodity prices, Smart Metering Entity Charge, WMSC and RRRP regulatory charges in effect as of May 1, 2013.

Table 1 provides a summary of the total monthly bill impacts for all rate classes.

**Table 1**  
**Proposed 2014 Total Monthly Bill Impacts**

Customer Type	Monthly Consumption (kWh and/or kW)	Current Total Monthly Bill on Two-Tier RPP (\$)	Proposed Total Monthly Bill on Two-Tier RPP (\$)	Change (\$)	Change (%)
Residential - Urban Density [UR]	800 kWh	131.38	132.05	0.66	0.50%
Residential - Medium Density [R1]	800 kWh	146.51	147.48	0.97	0.66%
Residential - Low Density [R2]	800 kWh	158.55	160.09	1.54	0.97%
Seasonal Residential	500 kWh	123.35	124.71	1.36	1.10%
Urban General Service Energy Billed (less than to 50kW) [UGe]	2,000 kWh	287.03	287.79	0.76	0.27%
General Service Energy Billed (less than to 50kW) [Gse - metered]	2,000 kWh	361.24	363.76	2.51	0.70%
General Service Energy Billed (less than to 50kW) [Gse - Unmetered]	500 kWh	105.31	106.04	0.73	0.69%
Urban General Service Demand Billed (50kW and above) [UGd]	36,000 kWh and 117 kW	5,230.84	5,250.04	19.20	0.37%
General Service Demand Billed (50kW and above) [GSd]	36,000 kWh and 117 kW	5,842.07	5,875.27	33.20	0.57%
Distributed Generation [DGen]	3,000 kWh and 50 kW	746.10	754.33	8.23	1.10%
Sub-Transmission [ST]	36,000 kWh and 117 kW	5,017.12	5,019.75	2.64	0.05%
Sentinel Lights	62 kWh	14.74	14.93	0.19	1.30%
Street Lights	1,440 kWh	273.94	276.41	2.47	0.90%



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Version 2.3

Utility Name Hydro One Networks Inc.

Service Territory (if applicable)

Assigned EB Number EB-2013-0141


Name of Contact and Title Henry Andre, Manager - Transmission and Distribut

Phone Number 416-345-5124


Email Address henry.andre@hydroone.com

We are applying for rates effective #####

### Notes

 Pale green cells represent input cells.

 Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

 White cells contain fixed values, automatically generated values or formulae.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*



# 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

- |                                |                              |
|--------------------------------|------------------------------|
| 1. Information Sheet           | 8. Calculation of Def-Var RR |
| 2. Table of Contents           | 9. Rev2Cost_GDPIPI           |
| 3. Rate Class Selection        | 10. Other Charges & LF       |
| 4. Current Tariff Schedule     | 11. Proposed Rates           |
| 5. 2013 Continuity Schedule    | 12. Summary Sheet            |
| 6. Billing Det. for Def-Var    | 13. Final Tariff Schedule    |
| 7. Cost Allocation for Def-Var | 14. Bill Impacts             |



# 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges, including the MicroFit Class.

How many classes are listed on your most recent Board-Approved Tariff of Rates and Charges?

13

Select Your Rate Classes from the **Blue Cells** below. Please ensure that a rate class is assigned to each shaded cell.

	Rate Class Classification
1	Residential - Urban [UR]
2	Residential - Medium Density [R1]
3	Residential - Low Density [R2]
4	Seasonal Residential
5	Urban General Service Energy Billed (less than 50 kW) [UGe]
6	General Service Energy Billed (less than 50 kW) [GSe-metered]
7	General Service Energy Billed (less than to 50 kW) [GSe-Unmetered]
8	Urban General Service Demand Billed (50 kW and above) [UGd]
9	General Service Demand Billed (50 kW and above) [GSd]
10	Distributed Generation [DGen]
11	Sub Transmission [ST]
12	Sentinel Lights
13	Street Lights



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

**Hydro One Networks Inc.**

For each class, Applicants are required to copy and paste the class descriptions (located directly under the class name) and the description of the applicability of those rates (description is found under the class name and directly under the word "APPLICATION"). By using the drop-down lists located under the column labeled "Rate Description", please select the descriptions of the rates and charges that **BEST MATCHES** the descriptions on your most recent Board-Approved Tariff of Rates and Charges. If the description is not found in the drop-down list, please enter the description in the green cells under the correct class exactly as it appears on the tariff. Please do not enter more than one "Service Charge" for each class for which a base monthly fixed charge applies. **\*\*Note:** If the current RRRP consists of only one line on the current tariff schedule, enter the same rate for "Rural Rate Protection Charge - effective until April 30, 2012" and "Rural Rate Protection Charge - effective on and after May 1, 2012".

### Hydro One Networks Inc. TARIFF OF RATES AND CHARGES

#### Residential - Urban [UR] Service Classification

**APPLICATION**

#### MONTHLY RATES AND CHARGES - Delivery Component (If applicable, Effective Date MUST be included in rate description)

Service Charge	\$	12.58
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.02529
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00696
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050



## Residential - Medium Density [R1] Service Classification

--

## APPLICATION


MONTHLY RATES AND CHARGES - Delivery Component		(If applicable, Effective Date MUST be included in rate description)
1	2	3
4	5	6
7	8	9
10	11	12
13	14	15
16	17	18
19	20	21
22	23	24
25	26	27
28	29	30
31	32	33
34	35	36
37	38	39
40	41	42
43	44	45
46	47	48
49	50	51
52	53	54
55	56	57
58	59	60
61	62	63
64	65	66
67	68	69
70	71	72
73	74	75
76	77	78
79	80	81
82	83	84
85	86	87
88	89	90
91	92	93
94	95	96
97	98	99
100	101	102
103	104	105
106	107	108
109	110	111
112	113	114
115	116	117
118	119	120
121	122	123
124	125	126
127	128	129
130	131	132
133	134	135
136	137	138
139	140	141
142	143	144
145	146	147
148	149	150
151	152	153
154	155	156
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322	323	324
325	326	327
328	329	330
331	332	333
334	335	336
337	338	339
340	341	342
343	344	345
346	347	348
349	350	351
352	353	354
355	356	357
358	359	360
361	362	363
364	365	366

[illegible]

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00062
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00051
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00005)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79

# MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25




[illegible]

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00091
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00075
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00008)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25


[illegible]

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00149
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00123
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00013)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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

--

## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.00106)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00031
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00026
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00003)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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

--

## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.00093)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00065
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00054
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00006)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79

#### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



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

--

## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date MUST be included in rate description)

Service Charge	\$	29.37
Distribution Volumetric Rate	\$/kWh	0.03981
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00358
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.00093)

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.00065
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.00054
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.00006)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.2500

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

--

## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3560)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0930
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.0770
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0080)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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

--

## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.1210
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.1000
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0100)

# MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## Distributed Generation [DGen] Service Classification

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## APPLICATION


<b>MONTHLY RATES AND CHARGES - Delivery Component</b>	(If applicable, Effective Date MUST be included in rate description)

[illegible]

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**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



### Sub Transmission [ST] Service Classification

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## APPLICATION


<b>MONTHLY RATES AND CHARGES - Delivery Component</b>	(If applicable, Effective Date MUST be included in rate description)
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[illegible]

Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.0080
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0010)

#### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## Sentinel Lights Service Classification

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## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## Street Lights Service Classification

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## APPLICATION


**MONTHLY RATES AND CHARGES - Delivery Component** (If applicable, Effective Date **MUST** be included in rate description)

[illegible]

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**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2005									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-05
<b>Group 1 Accounts</b>											
LV Variance Account	1550					0					0
RSVA - Wholesale Market Service Charge	1580					0					0
RSVA - Retail Transmission Network Charge	1584					0					0
RSVA - Retail Transmission Connection Charge	1586					0					0
RSVA - Power (excluding Global Adjustment)	1588					0					0
RSVA - Power - Sub-account - Global Adjustment	1588					0					0
Recovery of Regulatory Asset Balances	1590					0					0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595					0					0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595					0					0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595					0					0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562					0					0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

<sup>1</sup> Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

<sup>2</sup> For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

<sup>3</sup> If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

<sup>4</sup> Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

<sup>5</sup> Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2006									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit / (Credit) during 2006 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2006	Adjustments during 2006 - other <sup>1</sup>	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 <sup>1</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-06
<b>Group 1 Accounts</b>											
LV Variance Account	1550	0				0	0				0
RSVA - Wholesale Market Service Charge	1580	0				0	0				0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0
RSVA - Power - Sub-account - Global Adjustment	1588	0				0	0				0
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0				0	0				0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.





Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2007									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>1</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>1</sup>	Closing Interest Amounts as of Dec-31-07
<b>Group 1 Accounts</b>											
LV Variance Account	1550	0				0	0				0
RSVA - Wholesale Market Service Charge	1580	0				0	0				0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0
RSVA - Power - Sub-account - Global Adjustment	1588	0				0	0				0
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0				0	0				0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2008									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>1</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>1</sup>	Closing Interest Amounts as of Dec-31-08
<b>Group 1 Accounts</b>											
LV Variance Account	1550	0				0	0				0
RSVA - Wholesale Market Service Charge	1580	0				0	0				0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0
RSVA - Power - Sub-account - Global Adjustment	1588	0				0	0				0
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0				0	0				0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2009									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit / (Credit) during 2009 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>1</sup>	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>1</sup>	Closing Interest Amounts as of Dec-31-09
<b>Group 1 Accounts</b>											
LV Variance Account	1550	0				0	0				0
RSVA - Wholesale Market Service Charge	1580	0				0	0				0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0
RSVA - Power - Sub-account - Global Adjustment	1588	0				0	0				0
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0				0	0				0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>										
<b>LRAM Variance Account</b>	<b>1568</b>										
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2010									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>1</sup>	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-10
<b>Group 1 Accounts</b>											
LV Variance Account	1550	0				0	0				0
RSVA - Wholesale Market Service Charge	1580	0				0	0				0
RSVA - Retail Transmission Network Charge	1584	0				0	0				0
RSVA - Retail Transmission Connection Charge	1586	0				0	0				0
RSVA - Power (excluding Global Adjustment)	1588	0				0	0				0
RSVA - Power - Sub-account - Global Adjustment	1588	0				0	0				0
Recovery of Regulatory Asset Balances	1590	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0				0	0				0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	0				0	0				0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>					0					0
<b>LRAM Variance Account</b>	<b>1568</b>					0					0
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

		2011												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-11	Transactions Debit / (Credit) during 2011 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2011	Other <sup>1</sup> Adjustments during Q1 2011	Other <sup>1</sup> Adjustments during Q2 2011	Other <sup>1</sup> Adjustments during Q3 2011	Other <sup>1</sup> Adjustments during Q4 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other <sup>1</sup>	
Group 1 Accounts														
LV Variance Account	1550	0							0	0				
RSVA - Wholesale Market Service Charge	1580	0							0	0				
RSVA - Retail Transmission Network Charge	1584	0							0	0				
RSVA - Retail Transmission Connection Charge	1586	0							0	0				
RSVA - Power (excluding Global Adjustment)	1588	0							0	0				
RSVA - Power - Sub-account - Global Adjustment	1588	0							0	0				
Recovery of Regulatory Asset Balances	1590	0							0	0				
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0							0	0				
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0							0	0				
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0							0	0				
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		0	0	0	0	0	0	0	0	0	0	0	0	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		0	0	0	0	0	0	0	0	0	0	0	0	
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Payments in Lieu of Taxes	1562	0							0	0				
Total of Group 1 and Account 1562		0	0	0	0	0	0	0	0	0	0	0	0	
Special Purpose Charge Assessment Variance Account <sup>4</sup>	1521	0							0	0				
LRAM Variance Account	1568	0							0	0				
Total including Accounts 1562, 1521 and 1568		0	0	0	0	0	0	0	0	0	0	0	0	

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	Closing Interest Amounts as of Dec-31-11
<b>Group 1 Accounts</b>		
LV Variance Account	1550	0
RSVA - Wholesale Market Service Charge	1580	0
RSVA - Retail Transmission Network Charge	1584	0
RSVA - Retail Transmission Connection Charge	1586	0
RSVA - Power (excluding Global Adjustment)	1588	0
RSVA - Power - Sub-account - Global Adjustment	1588	0
Recovery of Regulatory Asset Balances	1590	0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595	0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0
Deferred Payments in Lieu of Taxes	1562	0
<b>Total of Group 1 and Account 1562</b>		0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>	0
<b>LRAM Variance Account</b>	<b>1568</b>	0
<b>Total including Accounts 1562, 1521 and 1568</b>		0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2012				Projected Interest on Dec-31-11 Balances		2.1.7 RRR	Variance RRR vs. 2011 Balance (Principal + Interest)
		Principal Disposition during 2012 - instructed by Board	Interest Disposition during 2012 - instructed by Board	Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31 -11 balance adjusted for disposition during 2012 <sup>1</sup>	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 <sup>2</sup>	Total Claim As of Dec 31-11	
<b>Group 1 Accounts</b>									
LV Variance Account	1550			0	0	0		0	0
RSVA - Wholesale Market Service Charge	1580			0	0	0		0	0
RSVA - Retail Transmission Network Charge	1584			0	0	0		0	0
RSVA - Retail Transmission Connection Charge	1586			0	0	0		0	0
RSVA - Power (excluding Global Adjustment)	1588			0	0	0		0	0
RSVA - Power - Sub-account - Global Adjustment	1588			0	0	0		0	0
Recovery of Regulatory Asset Balances	1590			0	0	0		0	0
Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>5</sup>	1595			0	0	0		0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>5</sup>	1595			0	0	0		0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>5</sup>	1595			0	0	0		0	0
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		0	0	0	0	0	0	0	0
<b>RSVA - Power - Sub-account - Global Adjustment</b>	<b>1588</b>	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562			0	0	0	0	0	0
<b>Total of Group 1 and Account 1562</b>		0	0	0	0	0	0	0	0
<b>Special Purpose Charge Assessment Variance Account<sup>4</sup></b>	<b>1521</b>			0	0	0	0	0	0
<b>LRAM Variance Account</b>	<b>1568</b>			0	0	0	0	0	0
<b>Total including Accounts 1562, 1521 and 1568</b>		0	0	0	0	0	0	0	0

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data. Do not enter data for the MicroFit class.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue <sup>1</sup>	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) <sup>2</sup>	1595 Recovery Share Proportion (2009) <sup>2</sup>	1595 Recovery Share Proportion (2010) <sup>2</sup>	1568 LRAM Variance Account Class Allocation (\$ amounts)	kWh excluding WMP	% of Total kWh excluding WMP
Residential - Urban [UR]													#DIV/0!
Residential - Medium Density [R1]													#DIV/0!
Residential - Low Density [R2]													#DIV/0!
Seasonal Residential													#DIV/0!
Urban General Service Energy Billed (less than 50 kW) [UGe]													#DIV/0!
General Service Energy Billed (less than 50 kW) [GSe-metered]													#DIV/0!
General Service Energy Billed (less than 50 kW) [GSe-Unmetered]													#DIV/0!
Urban General Service Demand Billed (50 kW and above) [UGd]													#DIV/0!
General Service Demand Billed (50 kW and above) [GSd]													#DIV/0!
Distributed Generation [DGen]													#DIV/0!
Sub Transmission [ST]													#DIV/0!
Sentinel Lights													#DIV/0!
Street Lights													#DIV/0!
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
											Balance as per Sheet 5	0	
											Variance	0	

### Threshold Test

Total Claim (including Account 1521, 1562 and 1568)

Total Claim for Threshold Test (All Group 1 Accounts)

Threshold Test (Total claim per kWh) <sup>3</sup>

\$0	
\$0	
0.0000	Claim does not meet the threshold test. If data has been entered on Sheet 5 for Accounts 1521 and 1562, the model will only dispose of Accounts 1521 and 1562.

<sup>1</sup> For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balances

<sup>2</sup> Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

<sup>3</sup> The Threshold Test does not include the amount in 1521, 1562 nor 1568.





## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers Hydro One Networks Inc.

No input required. This worksheet allocates the deferral/variance account balances (Group 1, 1521, 1588 GA, 1562 and 1568) to the appropriate classes as per the EDDVAR Report dated July 31, 2009

### Allocation of Group 1 Accounts (including Accounts 1521, 1562, 1568)

Rate Class	% of Total kWh	% of Total non-RPP kWh	% of Total Distribution Revenue	1550	1580	1584	1586	1588*	1588 GA	1590	1595 (2008)	1595 (2009)	1595 (2010)	1521	1562	1568
Residential - Urban [UR]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential - Medium Density [R1]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential - Low Density [R2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seasonal Residential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Urban General Service Energy Billed (less than 50 kW) [UGe]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Service Energy Billed (less than 50 kW) [GSe-metered]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Service Energy Billed (less than to 50 kW) [GSe-Unmetered]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Urban General Service Demand Billed (50 kW and above) [UGd]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Service Demand Billed (50 kW and above) [GSd]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distributed Generation [DGen]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Transmission [ST]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sentinel Lights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Lights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* RSVA - Power (Excluding Global Adjustment)



# 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers Hydro One Networks Inc.

**Input required at cell C15 only.** This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

1

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588 Global	Billed kWh	Global Adjustment Rate Rider
Residential - Urban [UR]								
Residential - Medium Density [R1]								
Residential - Low Density [R2]								
Seasonal Residential								
Urban General Service Energy Billed (less than 50 kW) [UGe]								
General Service Energy Billed (less than 50 kW) [GSe- metered]								
General Service Energy Billed (less than to 50 kW) [GSe- Unmetered]								
Urban General Service Demand Billed (50 kW and above) [UGd]								
General Service Demand Billed (50 kW and above) [GSd]								
Distributed Generation [DGen]								
Sub Transmission [ST]								
Sentinel Lights								
Street Lights								
<b>Total</b>		0	0	0		0	0	



# 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

## Hydro One Networks Inc.

If applicable, please enter any adjustments related to the revenue to cost ratio model into columns C and E.  
The Price Escalator has been set at the 2012 values and will be updated by Board staff. The Stretch Factor Value will also be updated by Board staff.

Price Escalator	1.60%	Choose Stretch Factor Group	II
Productivity Factor	0.72%	Associated Stretch Factor Value	0.4%
Price Cap Index	0.48%		

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
Residential - Urban [UR]	12.58		0.0253		0.48%	12.64	0.0254
Residential - Medium Density [R1]	19.93		0.0335		0.48%	20.03	0.0337
Residential - Low Density [R2]	56.98		0.0368		0.48%	57.25	0.0370
Seasonal Residential	19.50		0.0812		0.48%	19.59	0.0816
Urban General Service Energy Billed (less than 50 kW) [UGe]	10.09		0.0167		0.48%	10.14	0.0167
General Service Energy Billed (less than 50 kW) [GSe-metered]	35.87		0.0398		0.48%	36.04	0.0400
General Service Energy Billed (less than to 50 kW) [GSe-Unmetered]	29.37		0.0398		0.48%	29.51	0.0400
Urban General Service Demand Billed (50 kW and above) [UGd]	28.40		6.9140		0.48%	28.54	6.9472
General Service Demand Billed (50 kW and above) [GSd]	51.70		11.3700		0.48%	51.95	11.4246
Distributed Generation [DGen]	37.72		5.9390		0.48%	37.90	5.9675
Sub Transmission [ST]	291.76		0.6750		0.48%	293.16	0.6782
Sentinel Lights	1.48		0.0988		0.48%	1.49	0.0992
Street Lights	1.45		0.0721		0.48%	1.46	0.0724



Please enter the following charges as found on your most recent Board-Approved Tariff Schedule. The standard Allowance rates have been included as default entries. If you have different rates, please make the appropriate corrections in the applicable cells below. As well, please enter the current Specific Service Charges below. The standard Retail Service Charges have been entered below. If you have different rates, please make the appropriate corrections in columns A, C or D as applicable (cells are unlocked).

UNIT	CURRENT
------	---------

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month  
Transformer Allowance for Ownership - per kWh of billing energy/month  
Primary Metering Allowance for transformer losses – applied to measured demand and energy

\$/kW	(0.6000)
\$/kWh	(0.0014)

## 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.

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## Customer Administration



## RETAIL SERVICE CHARGES (if applicable)

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

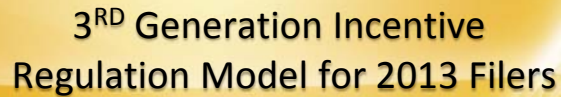
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	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	1.0780
	1.0850
	1.0920
	1.0610
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0340



Below is a listing of the proposed Monthly Fixed Charges, proposed Distribution Volumetric Rates, proposed *Deferral and Variance* account Rate Riders and all unexpired volumetric rates that were entered on Sheet 4. In the green cells (column A) below, please enter any additional rates being proposed (eg: LRAM/SSM, Tax Adjustments, etc). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable). Note: All rates with expired effective dates have been removed. As well, the Current RTSR-Network and RTSR-Connection rate descriptions entered on Sheet 4 can be found below. The associated rates have been removed from this sheet, giving the applicant the opportunity to enter updated rates (from Sheet 13 in the Board-Approved RTSR model into the cells in column I.

[illegible]

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

### MONTHLY RATES AND CHARGES - Delivery Component

### MONTHLY RATES AND CHARGES - Regulatory Component

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### MONTHLY RATES AND CHARGES - Delivery Component

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### MONTHLY RATES AND CHARGES - Delivery Component

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### MONTHLY RATES AND CHARGES - Delivery Component

### MONTHLY RATES AND CHARGES - Regulatory Component

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### MONTHLY RATES AND CHARGES - Regulatory Component

### MONTHLY RATES AND CHARGES - Delivery Component

### MONTHLY RATES AND CHARGES - Regulatory Component



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

The following table provides applicants with a class to class comparison of current vs. proposed rates.

### Current Rates

Rate Description	Unit	Amount
<b>Residential - Urban [UR]</b>		
Service Charge	\$	12.58
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0253
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0005
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0004
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

### Residential - Medium Density [R1]

Service Charge	\$	19.93
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0335
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0005
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

### Residential - Low Density [R2]

Service Charge	\$	56.98
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0368
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048

### Proposed Rates

Rate Description	Unit	Amount
<b>Residential - Urban [UR]</b>		
Service Charge	\$	12.64
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0254
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0049
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0005
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0011
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0000)
Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
<b>Residential - Medium Density [R1]</b>		
Service Charge	\$	20.03
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0337
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0014
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
<b>Residential - Low Density [R2]</b>		
Service Charge	\$	57.25
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0370
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0009	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0009
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0008	Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0021
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Seasonal Residential</b>			<b>Seasonal Residential</b>		
Service Charge	\$	19.50	Service Charge	\$	19.59
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0812	Distribution Volumetric Rate	\$/kWh	0.0816
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0065	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0007)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0007)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0015	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0015
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0012	Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0033
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Urban General Service Energy Billed (less than 50 kW)</b>			<b>Urban General Service Energy Billed (less than 50 kW)</b>		
Service Charge	\$	10.09	Service Charge	\$	10.14
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0167	Distribution Volumetric Rate	\$/kWh	0.0167
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0054	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0037	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0036
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0011)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0011)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0003	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0003
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0003	Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0000)	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0005
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0000)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>General Service Energy Billed (less than 50 kW) [GSe-</b>			<b>General Service Energy Billed (less than 50 kW) [GSe-</b>		
Service Charge	\$	35.87	Service Charge	\$	36.04
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0398	Distribution Volumetric Rate	\$/kWh	0.0400
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0036	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)

Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0005	Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0015
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>General Service Energy Billed (less than to 50 kW)</b>			<b>General Service Energy Billed (less than to 50 kW)</b>		
<b>[GSe-Unmetered]</b>			<b>[GSe-Unmetered]</b>		
Service Charge	\$	29.37	Service Charge	\$	29.51
Distribution Volumetric Rate	\$/kWh	0.0398	Distribution Volumetric Rate	\$/kWh	0.0400
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0052	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0036	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0005	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0015
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Urban General Service Demand Billed (50 kW and above)</b>			<b>Urban General Service Demand Billed (50 kW and above)</b>		
Service Charge	\$	28.40	Service Charge	\$	28.54
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	6.9140	Distribution Volumetric Rate	\$/kW	6.9472
Retail Transmission Rate - Network Service Rate	\$/kW	1.7500	Retail Transmission Rate - Network Service Rate	\$/kW	1.7800
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1900	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1700
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3560)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3560)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0930	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0930
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.0770	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.1780
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0080)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0080)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>General Service Demand Billed (50 kW and above)</b>			<b>General Service Demand Billed (50 kW and above)</b>		
Service Charge	\$	51.70	Service Charge	\$	51.95
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	11.3700	Distribution Volumetric Rate	\$/kW	11.4246
Retail Transmission Rate - Network Service Rate	\$/kW	1.6800	Retail Transmission Rate - Network Service Rate	\$/kW	1.7100
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1400	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1100
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3070)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3070)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.1210	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.1210
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.1000	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.2960
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0100)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0120)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012

Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Distributed Generation [DGen]</b>			<b>Distributed Generation [DGen]</b>		
Service Charge	\$	37.72	Service Charge	\$	37.90
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	5.9390	Distribution Volumetric Rate	\$/kW	5.9675
Retail Transmission Rate - Network Service Rate	\$/kW	0.3500	Retail Transmission Rate - Network Service Rate	\$/kW	0.3600
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.2300	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.2300
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.0480)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.0480)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0710	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0710
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.0590	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.1630
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0060)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0070)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Sub Transmission [ST]</b>			<b>Sub Transmission [ST]</b>		
Service Charge	\$	291.76	Service Charge	\$	293.16
Smart Meter Funding Adder	\$	3.92	Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	0.6750	Distribution Volumetric Rate	\$/kW	0.6782
Retail Transmission Rate - Network Service Rate	\$/kW	3.1800	Retail Transmission Rate - Network Service Rate	\$/kW	3.2300
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3300	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2700
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (General) (Effective Until December 31, 2014)	\$/kW	0.2750	Rate Rider for Deferral/Variance Account Disposition (2012) (General) (Effective Until December 31, 2014)	\$/kW	0.2750
Rate Rider for Deferral/Variance Account Disposition (2012) (Wholesale Market Service Rate) (Effective Until December 31, 2014)	\$/kW	(0.6270)	Rate Rider for Deferral/Variance Account Disposition (2012) (Wholesale Market Service Rate) (Effective Until December 31, 2014)	\$/kW	(0.6270)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0100	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0100
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kW	0.0080	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.0230
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kW	(0.0010)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0010)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Sentinel Lights</b>			<b>Sentinel Lights</b>		
Service Charge	\$	1.48	Service Charge	\$	1.49
Distribution Volumetric Rate	\$/kWh	0.0988	Distribution Volumetric Rate	\$/kWh	0.0992
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0010	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0010
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0009	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0033
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			
<b>Street Lights</b>			<b>Street Lights</b>		
Service Charge	\$	1.45	Service Charge	\$	1.46
Distribution Volumetric Rate	\$/kWh	0.0721	Distribution Volumetric Rate	\$/kWh	0.0724
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044

Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)	Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)	Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006	Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006
Rate Rider for Smart Grid Costs (Effective Until December 31, 2013)	\$/kWh	0.0005	Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0018
Rate Rider for Shared Tax Savings (Effective Until December 31, 2013)	\$/kWh	(0.0001)	Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)
Wholesale Market Service Rate	\$/kWh	0.0044	Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge - effective until April 30, 2012			Rural Rate Protection Charge	\$/kWh	0.0012
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0012	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25			





# 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

**Hydro One Networks Inc.**

The following is a complete Tariff Schedule based on the information entered in this model. Please review.  
Note: This worksheet is **unlocked** and the print margins, row heights, number formats, etc. can be adjusted.

## **Hydro One Networks Inc.** **TARIFF OF RATES AND CHARGES** **Effective and Implementation Date January 01, 2014**

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

EB-2013-0141

### **RESIDENTIAL - URBAN [UR] SERVICE CLASSIFICATION**

#### **APPLICATION**

#### **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	12.64
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0254
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0049
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0005
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0011
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0000)

#### **MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## RESIDENTIAL - MEDIUM DENSITY [R1] SERVICE CLASSIFICATION

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.03
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0337
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0014
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## RESIDENTIAL - LOW DENSITY [R2] SERVICE CLASSIFICATION

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	57.25
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0370
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0009
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0021
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# SEASONAL RESIDENTIAL SERVICE CLASSIFICATION

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	19.59
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0816
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0007)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0015
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0033
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# URBAN GENERAL SERVICE ENERGY BILLED (LESS THAN 50 KW) [UGE] SERVICE CLASSIFICAT

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.14
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0167
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0036
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0011)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0003
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0005
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0000)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## GENERAL SERVICE ENERGY BILLED (LESS THAN 50 KW) [GSE-METERED] SERVICE CLASSIFIC

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	36.04
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kWh	0.0400
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007
Smart Metering Entity Charge (Effective Until October 31, 2018)	\$	0.79
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0015
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## GENERAL SERVICE ENERGY BILLED (LESS THAN TO 50 KW) [GSE-UNMETERED] SERVICE CLA

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	29.51
Distribution Volumetric Rate	\$/kWh	0.0400
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0035
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0009)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0007
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0015
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# URBAN GENERAL SERVICE DEMAND BILLED (50 KW AND ABOVE) [UGD] SERVICE CLASSIFICA

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	28.54
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	6.9472
Retail Transmission Rate - Network Service Rate	\$/kW	1.7800
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1700
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3560)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0930
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.1780
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0080)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



## GENERAL SERVICE DEMAND BILLED (50 KW AND ABOVE) [GSD] SERVICE CLASSIFICATION

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	51.95
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	11.4246
Retail Transmission Rate - Network Service Rate	\$/kW	1.7100
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1100
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.3070)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.1210
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.2960
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0120)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# DISTRIBUTED GENERATION [DGEN] SERVICE CLASSIFICATION

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	37.90
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	5.9675
Retail Transmission Rate - Network Service Rate	\$/kW	0.3600
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.2300
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kW	(0.0480)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0710
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.1630
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0070)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## SUB TRANSMISSION [ST] SERVICE CLASSIFICATION

### APPLICATION

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	293.16
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	0.6782
Retail Transmission Rate - Network Service Rate	\$/kW	3.2300
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2700
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (General) (Effective Until December 31, 2014)	\$/kW	0.2750
2014)	\$/kW	(0.6270)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kW	0.0100
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kW	0.0230
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kW	(0.0010)

#### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# SENTINEL LIGHTS SERVICE CLASSIFICATION

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1.49
Distribution Volumetric Rate	\$/kWh	0.0992
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0010
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0033
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# STREET LIGHTS SERVICE CLASSIFICATION

## APPLICATION

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1.46
Distribution Volumetric Rate	\$/kWh	0.0724
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0030
Rate Rider for Global Adjustmnet Sub-Account Disposition (2012) - Applicable only for Non-RPP Customers (Effective Until December 31, 2014)	\$/kWh	(0.0005)
Rate Rider for Deferral/Variance Account Disposition (2012) (Effective Until December 31, 2014)	\$/kWh	(0.0010)
Rate Rider for Incremental Capital Costs (Effective Until December 31, 2014 or when new 2015 rates come into effect)	\$/kWh	0.0006
Rate Rider for Smart Grid Costs (Effective Until December 31, 2014)	\$/kWh	0.0018
Rate Rider for Shared Tax Savings (Effective Until December 31, 2014)	\$/kWh	(0.0001)

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.6000)
Transformer Allowance for Ownership - per kWh of billing energy/month	\$/kWh	(0.0014)
Primary Metering Allowance for transformer losses – applied to measured demand and energy		

## 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.

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### Customer Administration

### Non-Payment of Account

## RETAIL SERVICE CHARGES (if applicable)

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, charges for the Ministry of Energy Conservation and Renewable Energy Program, 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 retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)

Service Transaction Requests (STR)

Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	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	1.0780
	1.0850
	1.0920
	1.0610
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0340



## 3<sup>RD</sup> Generation Incentive Regulation Model for 2013 Filers

Hydro One Networks Inc.

Choose a Rate Class from the drop-down menu below and click **UPDATE**.

For Street Lighting and USL classes, please ensure that the number of customers is manually entered into cells B30 and B31.  
Click the UPDATE button to refresh the sheet.

Residential - Urban [UR]

Consumption 800 kWh  
RPP Tier One 600 kWh  
Load Factor  
Loss Factor 1.0780

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600.00	0.0780	46.80	600.00	0.0780	46.80	0.00	0.00%	35.77%	
Energy Second Tier (kWh)	262.40	0.0910	23.88	262.40	0.0910	23.88	0.00	0.00%	18.25%	
TOU - Off Peak	551.94	0.0670	36.98	551.94	0.0670	36.98	0.00	0.00%		27.90%
TOU - Mid Peak	155.23	0.1040	16.14	155.23	0.1040	16.14	0.00	0.00%		12.18%
TOU - On Peak	155.23	0.1240	19.25	155.23	0.1240	19.25	0.00	0.00%		14.52%
Service Charge	1	12.58	12.58	1	12.64	12.64	0.06	0.48%	9.66%	9.54%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	3.00%	2.96%
Distribution Volumetric Rate	800	0.0253	20.23	800	0.0254	20.32	0.09	0.43%	15.53%	15.33%
Low Voltage Volumetric Rate	800		0.00	800		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	800	(0.0005)	(0.41)	800	0.0001	0.09	0.50	(121.57)%	0.07%	0.07%
<b>Total: Distribution</b>			<b>36.32</b>			<b>36.97</b>	<b>0.65</b>	<b>1.79%</b>	<b>28.26%</b>	<b>27.89%</b>
Retail Transmission Rate - Network Service Rate	862.40	0.00696	6.00	862.40	0.0071	6.10	0.10	1.67%	4.66%	4.60%
Retail Transmission Rate - Line and Transformation Connection Service Rate	862.40	0.005	4.31	862.40	0.0049	4.22	(0.09)	-2.09%	3.23%	3.18%
<b>Total: Retail Transmission</b>			<b>10.31</b>			<b>10.32</b>	<b>0.01</b>	<b>0.10%</b>	<b>7.89%</b>	<b>7.79%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>46.63</b>			<b>47.29</b>	<b>0.66</b>	<b>1.42%</b>	<b>36.14%</b>	<b>35.68%</b>
Wholesale Market Service Rate	862.40	0.0044	3.79	862.40	0.0044	3.79	0.00	0.00%	2.90%	2.86%
Rural Rate Protection Charge	862.40	0.0012	1.03	862.40	0.0012	1.03	0.00	0.00%	0.79%	0.78%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.19%	0.19%
<b>Sub-Total: Regulatory</b>			<b>5.08</b>			<b>5.08</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.88%</b>	<b>3.83%</b>
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800.00	0.0070	5.60	0.00	0.00%	4.28%	4.22%
<b>Total Bill on RPP (before taxes)</b>			<b>127.99</b>			<b>128.65</b>	<b>0.66</b>	<b>0.52%</b>	<b>98.33%</b>	
HST		13%	16.64		13%	16.72	0.09	0.52%	12.78%	
<b>Total Bill (including HST)</b>			<b>144.63</b>			<b>145.37</b>	<b>0.75</b>	<b>0.52%</b>	<b>111.11%</b>	
Ontario Clean Energy Benefit (OCEB)		(10%)	(14.46)		(10%)	(14.54)	(0.07)	0.52%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>130.17</b>			<b>130.84</b>	<b>0.67</b>	<b>0.52%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			<b>129.68</b>			<b>130.34</b>	<b>0.66</b>	<b>0.51%</b>		<b>98.33%</b>
HST		13%	16.86		13%	16.94	0.09	0.51%		<b>12.78%</b>
<b>Total Bill (including HST)</b>			<b>146.54</b>			<b>147.28</b>	<b>0.75</b>	<b>0.51%</b>		<b>111.11%</b>
Ontario Clean Energy Benefit (OCEB)		(10%)	(14.65)		(10%)	(14.73)	(0.07)	0.51%		<b>-11.11%</b>
<b>Total Bill on TOU (including OCEB)</b>			<b>131.88</b>			<b>132.56</b>	<b>0.67</b>	<b>0.51%</b>		<b>100.00%</b>

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing should cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000

GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000

GS>50kW (kW) 100, 500, 1000

Large User - range appropriate for utility

Street/Sentinel Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.



Ontario Energy  
Board

Commission de l'énergie  
de l'Ontario



**EB-2012-0136**

**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 approving just and reasonable  
rates and other charges for electricity distribution to be  
effective January 1, 2013.

**BEFORE:** Ken Quesnelle  
Presiding Member

Cynthia Chaplin  
Vice Chair and Member

## **RATE ORDER**

### **December 20, 2012**

Hydro One Networks Inc. (Hydro One) filed an application, dated June 15, 2012, with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, c.15, Schedule B, and the Board's Incentive Regulation Mechanism (IRM) framework seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2013. Hydro One has also applied for an adjustment to the rates it charges to accommodate proposed spending on projects contained in an Incremental Capital Module (ICM). The Board assigned the application File Number EB-2012-0136.

The Board issued a Notice of Application and Hearing dated July 6, 2012. On August 10, 2012 the Board issued Procedural Order No.1, approving a list of intervenors and intervenor eligibility for cost awards. Procedural Order No. 1 also included a timetable for hearing events and a draft Issues List. The Board made provision for submissions on the draft Issues List by Hydro One and intervenors.

Procedural Order No. 2 was issued on September 6, 2012 approving the Issues List and setting a number of steps in the hearing process, including interrogatories on Hydro One's evidence and intervenor evidence. Procedural Order No. 3 was issued on November 6, 2012 which included a ruling on confidentiality of certain Interrogatory responses and set dates for a Technical Conference, a Settlement Conference and for an oral hearing.

The Settlement Conference was held on November 30, 2012 and December 3, 2012. Hydro One filed a proposed Settlement Agreement on December 11, 2012. The proposed Settlement Agreement also included a Draft Rate Order.

In a Decision released on December 14, 2012, the Board approved the Settlement Agreement as filed. As the Draft Rate Order was filed with the Settlement Agreement, the Board provided for a short comment period. No party commented on or objected to, the Draft Rate Order or the related exhibits.

In the Decision, the Board also indicated that it would institute a written proceeding within this application, with regard to the issue of Payments In Lieu of Taxes (PILS) Account 1562. As these PILS amounts, if any, will be captured in a variance account, the resolution of this issue will not affect the rates approved for 2013. A procedural order will be issued shortly, establishing a structure for this hearing.

#### **THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix A of this Rate Order is approved effective January 1, 2013 for electricity consumed or estimated to have been consumed on and after such date.
2. The Tariff of Rates and Charges set out in Appendix A of this Rate Order supersedes all previous Tariff of Rates and Charges approved by the Ontario Energy Board for Hydro One Networks Inc.'s Distribution service areas, and is final in all respects.

3. Hydro One Networks Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**ISSUED** at Toronto, December 20, 2012

**ONTARIO ENERGY BOARD**

Original Signed By

Kirsten Walli  
Board Secretary

**APPENDIX A**

**HYDRO ONE NETWORKS INC. DISTRIBUTION RATE ORDER TARIFF OF RATES  
AND CHARGES**

**EB-2012-0136**

**DECEMBER 20, 2012**

**HYDRO ONE NETWORKS INC.**  
**TARIFF OF RATES AND CHARGES**  
**FOR RETAIL DISTRIBUTION SERVICE**

**Effective Date: January 1, 2013**

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

**1.0 APPLICABILITY**

These rates are applicable to Hydro One Networks' retail customers, who are supplied through Hydro One Networks' retail distribution system, including customers previously served by acquired distribution utilities.

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, or Orders 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

- a) permitted by the Distributor's License or any Codes, or Orders of the Board, and amendments thereto as approved by the Board, or as specified herein, or
- b) as identified in Hydro One Network's Distribution Customers Conditions of Service document, or
- c) related to work or service of a customized nature and required for distribution assets, for example customer-requested pole relocation, repair of damages, new connections, etc.

This schedule does not contain any rates and charges relating to the electricity commodity (under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable) or any charges or assessments that are required by law to be charged by a distributor and are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment and any applicable taxes.

## **1.1 Implementation Dates**

Distribution Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Miscellaneous Charges – January 1, 2013 for all charges billed to customers on or after that date.

Retail Transmission Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Loss Factor Adjustment – for all consumption or deemed consumption services billed following January 1, 2013 or later.

## **1.2 Customer Classifications**

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

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

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

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

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

Sub-Transmission (ST) classification refers to:

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

Or

- b) load which:
  - i) is three-phase; and
  - ii) is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of "directly" includes HON not owning the local transformation; and
  - iii) is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year or whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW).

### **1.3 Density Zones**

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

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



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

## **1.4 Rate Classes**

### Residential

- UR - Year-round Residence in an Urban High Density Zone
- R1 - Year-round Residence in a Medium Density Zone
- R2 - Year-round Residence in a Low Density Zone
- Seasonal - Seasonal Residential Occupancy

### General Service

- UGe - General Service - Urban Density  
Applicable to Farm Three Phase customers, Farm Single Phase energy-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- UGd - General Service - Urban Density  
Applicable to Farm Three Phase customers, Farm Single Phase demand-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- GSe - General Service  
Single Phase and Three Phase Energy-billed customers not located in an Urban Density Zone
- GSd - General Service  
Single Phase and Three Phase Demand-billed customers not located in an Urban Density Zone
- DGen - Distributed Generation  
Embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation.
- MicroFIT - 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
- Unmetered Scattered Load (GSe-Unmetered)  
This classification refers to certain instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Hydro One reserves the right to review all cases and may require that a meter be installed at its sole discretion. Services that

can be unmetered include cable TV amplifiers, telephone switching devices, phone booths, bus shelters, rail way crossing signals, traffic signals, and other small fixed loads.

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

#### Sub Transmission

- ST - Sub Transmission  
(Refer to criteria as specified in section 1.2)

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

#### Lighting

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

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

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

- Sentinel Lights  
This rate is applicable to all Hydro One Networks' core and acquired retail customers who have separate service to a sentinel light. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

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

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

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

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

## **1.6 Specific Service Charges**

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

# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

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

### Residential – Urban [UR]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	16.50
Distribution Volumetric Rate	\$ / kWh	0.02529
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00053
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00044
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00696
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00500

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

### Residential – Medium Density [R1]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	23.85
Distribution Volumetric Rate	\$ / kWh	0.03353
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00090)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00062
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00051
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00707
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00509

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

### Residential – Low Density [R2]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge* (includes Smart Meter Funding Adder - \$3.92)	\$	60.90
Distribution Volumetric Rate	\$ / kWh	0.03683
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00085)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00091
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00075
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00008)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00690
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00480

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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\* 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, 2013

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

### Seasonal Residential – Seasonal

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	23.42
Distribution Volumetric Rate	\$ / kWh	0.08117
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00065)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00149
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00123
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00013)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00652
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00470

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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]**

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#### **Monthly Rates and Charges - Electricity Component**

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### **Monthly Rates and Charges - Delivery Component**

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	39.79
Distribution Volumetric Rate	\$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00358

#### **Monthly Rates and Charges - Regulatory Component**

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	14.01
Distribution Volumetric Rate	\$ / kWh	0.01666
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00106)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00031
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00026
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00003)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00535
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00366

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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]**

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#### **Monthly Rates and Charges - Electricity Component**

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### **Monthly Rates and Charges - Delivery Component**

Service Charge	\$	29.37
Distribution Volumetric Rate	\$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00358

#### **Monthly Rates and Charges - Regulatory Component**

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

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

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	55.62
Distribution Volumetric Rate	\$ / kW	11.370
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.307)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.121
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.100
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.010)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.68
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	1.14

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	32.32
Distribution Volumetric Rate	\$ / kW	6.914
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.356)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.093
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.077
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.008)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.75
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	1.19

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

### Distributed Generation [DGen]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	41.64
Distribution Volumetric Rate	\$ / kW	5.939
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.048)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.071
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.059
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	0.35
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	0.23

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

### Street Lights

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge	\$	1.45
Distribution Volumetric Rate	\$ / kWh	0.07209
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00102)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00059
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00049
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00303

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
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, 2013

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

### Sentinel Lights

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge	\$	1.48
Distribution Volumetric Rate	\$ / kWh	0.09877
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00100)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00103
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00085
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00009)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00303

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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### MicroFIT Generator

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Service Charge	\$	5.40
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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

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

### Sub Transmission [ST]

#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014) (14)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	295.68
Meter Charge (for Hydro One ownership) (12)	\$	471.17
Facility charge for connection to Common ST Lines (44 kV to 13.8 kV) (9)	\$/kW (1) (15)	0.675
Facility charge for connection to Specific ST Lines (44 kV to 13.8 kV)	\$/km (2)	640.12
Facility charge for connection to Specific Primary Lines (12.5 kV to 4.16 kV)	\$/km (2)	496.09
Facility charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1) (15)	1.614
Facility charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1) (15)	3.579
Facility charge for connection to low voltage (< 13.8 kV secondary) Low Voltage Dist'n Station	\$/kW (3) (15)	1.965
Volumetric Rate Rider #9A (General) - Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (10)	\$/kW (1) (15)	0.275
Volumetric Rate Rider #9B (Wholesale Market Service Rate) Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (11)	\$/kW (1) (15)	(0.627)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$/kW (1) (15)	0.010
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$/kW (1) (15)	0.008
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$/kW (1) (15)	(0.001)
Retail Transmission Service Rates (6)(7)(8):		
Retail Transmission Rate - Network Service Rate (4)	\$/kW	3.18
Retail Transmission Rate - Line Connection Service Rate (5)	\$/kW	0.70
Retail Transmission Rate - Transformation Connection Service Rate (5)	\$/kW	1.63

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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 kilometers 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.

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

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

Note (5):

(a) The monthly billing determinant for the RTSR Line and Transformation Connection Service rates is

- for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
- for all demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.

(b) For customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, RTSR connection is billed at the gross demand level.

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

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

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

Note (9): The Common ST Lines rate also applies to the supply to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.

Note (10): "Rider 9A (General)" is charged based on appropriate billing kW.

Note (11): "Rider 9B (Wholesale Market Service Charge)" applies to those customers who were charged Wholesale Market Service Charges by Hydro One Distribution.

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

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

Note (14): The Global Adjustment rider applies to the non-LDC and non-RPP ST customers that were charged Wholesale Market Service Charges by Hydro One Distribution.

Note (15): For customers with load displacement generation above 1MW, or 2 MW for renewable generation, installed after October1998, the ST volumetric charges are billed at the gross demand level.

### **Customer-Supplied Transformation Allowance**

Applicable to customers providing their own transformers:

Primary Voltage under 50 kV (per kW)

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

## **Transformer Loss Allowance**

- Applicable to non-ST customers requiring a billing adjustment for transformer losses as the result of being metered on the primary side of a transformer. The following uniform values shall be applied to measured demand and energy to calculate transformer losses for voltages up to and including 50 kV (as metered on the primary side):
  - a) 1.5% for transformer installations up to an individual bank capacity of 400 kVA,
  - b) 1.0% for bank capacities over 400 kVA.And;
- Applicable to ST customers requiring a billing adjustment for transformer losses as the result of being metered on the secondary side of a transformer. The following uniform value shall be added to measured demand and energy (as metered on the secondary side) to adjust for transformer losses:
  - a) 1.0%
- Alternatively, transformer losses may be determined from transformer test data, and measured demand and energy adjusted accordingly.
- For services which are not demand metered, an assumed demand of 50% of the transformer capacity will be used to calculate the loss allowance. Where several transformers are involved, the bank capacity is assumed to be the arithmetic sum of all transformer capacities.

## Loss Factors

Rate Class	Factor
<b>Residential</b>	
UR	1.078
R1	1.085
R2	1.092
Seasonal	1.092
<b>General Service</b>	
GSe	1.092
GSd	1.061
UGe	1.092
UGd	1.061
DGen	1.061
<b>Lights</b>	
Street	1.092
Sentinel	1.092
<b>Sub Transmission</b>	
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

# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

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

### 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 (Plus bank charges)	\$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		
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		

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
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	

**Hydro One Networks Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2014**

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

EB-2013-0141

**RESIDENTIAL SERVICE CLASSIFICATIONS**

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

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

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

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

**APPLICATION**

Hydro One Networks' residential service area is sub-divided into three density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometer.
- Medium Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per kilometer.
- Low Density Zone is defined as areas other than Urban or Medium Density Zone.

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. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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.



# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2014

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

EB-2013-0141

## RESIDENTIAL SERVICE CLASSIFICATIONS

### YEAR-ROUND URBAN DENSITY – UR

#### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.64
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.02541
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00093)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00053
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00105
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00004)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00707
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00489

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### YEAR-ROUND MEDIUM DENSITY – R1

#### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	20.03
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.03369
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00090)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00062
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00141
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00006)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00719
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00499

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2014

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

EB-2013-0141

## YEAR-ROUND LOW DENSITY – R2

### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge*	\$	57.25
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.03701
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00085)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00091
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00211
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00009)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00702
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00470

\* 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.

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

## SEASONAL

### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.59
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.08156
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00065)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00149
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00333
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00014)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00663
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00460

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Hydro One Networks Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2014**

**This schedule supersedes and replaces all previously  
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## **GENERAL SERVICE CLASSIFICATIONS**

General Service classification applies to any service that does not fit the description of residential classes. It includes combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

Hydro One Networks' General Service area is sub-divided into two density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometer.
- Non-Urban Density Zone is defined as areas other than Urban Density Zone.

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. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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.

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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#### URBAN GENERAL SERVICE ENERGY BILLED – UGe

This classification applies to a non-residential account located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

##### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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##### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	10.14
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.01674
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00106)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00031
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00051
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00002)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00544
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00358

##### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### GENERAL SERVICE ENERGY BILLED – GSe - metered

This classification applies to a non-residential account not located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

##### MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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##### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	36.04
Smart Meter Funding Adder	\$	3.92
Smart Metering Entity Charge	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.04000
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00093)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00065
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00149
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00006)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00527
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00350

##### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Hydro One Networks Inc.** **TARIFF OF RATES AND CHARGES** **Effective and Implementation Date January 1, 2014**

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## **GENERAL SERVICE ENERGY BILLED – GSe - unmetered**

This classification refers to certain instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Hydro One reserves the right to review all cases and may require that a meter be installed at its sole discretion. Services that can be unmetered include cable TV amplifiers, telephone switching devices, phone booths, bus shelters, railway crossing signals, traffic signals, and other small fixed loads.

## **MONTHLY RATES AND CHARGES – Electricity Component**

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014	\$/kWh	(0.0005)
Applicable only for Non-RPP Customers		

## **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	29.51
Distribution Volumetric Rate	\$/kWh	0.04000
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00093)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00065
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00149
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00006)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00527
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00350

## **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2014

**This schedule supersedes and replaces all previously  
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#### **URBAN GENERAL SERVICE DEMAND BILLED – UGd**

This classification applies to a non residential account located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

#### **MONTHLY RATES AND CHARGES – Electricity Component**

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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#### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	28.54
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	6.947
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kW	(0.356)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kW	0.093
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kW	0.178
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kW	(0.008)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kW	1.78
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.17

#### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Hydro One Networks Inc.** **TARIFF OF RATES AND CHARGES** **Effective and Implementation Date January 1, 2014**

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## **GENERAL SERVICE DEMAND BILLED – GSd**

This classification applies to a non-residential account NOT located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

## **MONTHLY RATES AND CHARGES – Electricity Component**

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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## **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	51.95
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	11.425
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kW	(0.307)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kW	0.121
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kW	0.296
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kW	(0.012)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kW	1.71
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.11

## **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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**This schedule supersedes and replaces all previously  
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#### **DISTRIBUTED GENERATION – DGen**

This classification applies to an embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

#### **MONTHLY RATES AND CHARGES – Electricity Component**

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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#### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	37.90
Smart Meter Funding Adder	\$	3.92
Distribution Volumetric Rate	\$/kW	5.968
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kW	(0.048)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kW	0.071
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kW	0.163
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kW	(0.007)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kW	0.36
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kW	0.23

#### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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## SUB TRANSMISSION – ST

This classification applies to either:

- Embedded supply to Local Distribution Companies (LDCs). “Embedded” meaning receiving supply via Hydro One Distribution assets, and where Hydro One is the host distributor to the embedded LDC. Situations where the LDC is supplied via Specific Facilities are included. OR
- Load which:
  - is three-phase; and
  - is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of “directly” includes HON not owning the local transformation; and
  - is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year or whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW).

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

## MONTHLY RATES AND CHARGES – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014  
Applicable only for Non-RPP Customers

\$/kWh (0.0005)

## MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	293.16
Smart Meter Funding Adder	\$	3.92
Meter Charge (for Hydro One ownership) (see Note 12)	\$	473.43
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 9 and 15)	\$/kW	0.678
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	\$/km	643.19
Facility Charge for connection to Specific Primary Lines (12.5 kV to 4.16 kV) (see Note 2)	\$/km	498.47
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 15)	\$/kW	1.622
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 15)	\$/kW	3.596
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 15)	\$/kW	1.974
Rate Rider for Disposition of Deferral/Variance Accounts (2012) (General) – effective until December 31, 2014 (see Notes 1, 10 and 15)	\$/kW	0.275
Rate Rider for Disposition of Deferral/Variance Account (2012) (Wholesale Market Service Rate) – effective until December 31, 2014 (see Notes 1, 11 and 15)	\$/kW	(0.627)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates (see Notes 1 and 15)	\$/kW	0.010
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014 (see Notes 1 and 15)	\$/kW	0.023
Rate Rider for Application of Tax Change – effective until December 31, 2014 (see Notes 1 and 15)	\$/kW	(0.001)
Retail Transmission Service Rates (see Notes 6, 7 and 8)		
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kW	3.23
Retail Transmission Rate – Line Connection Service Rate (see Note 5)	\$/kW	0.65
Retail Transmission Rate – Transformation Connection Service Rate (see Note 5)	\$/kW	1.62

## MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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## SENTINEL LIGHTING SERVICE CLASSIFICATION

This rate is applicable to all Hydro One Networks' customers who have separate service to a sentinel light. The energy consumption for sentinel lights is estimated based on Networks' profile for sentinel lighting load, which provides the amount of time each month that the sentinel lights are operating. 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. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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 – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1.49
Distribution Volumetric Rate	\$/kWh	0.09924
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00100)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00103
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00329
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00014)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00442
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00297

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro One Networks Inc.

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## STREET LIGHTING SERVICE CLASSIFICATION

This rate is applicable to all Hydro One Networks' customers who have streetlights, which are devices owned by or operated for a road authority and/or municipal corporation. The energy consumption for street lights is estimated based on Networks' profile for street lighting load, which provides the amount of time each month that the street lights are operating. 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. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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 – Electricity Component

Rate Rider for Disposition of Global Adjustment Sub-Account (2012) – effective until December 31, 2014 Applicable only for Non-RPP Customers	\$/kWh	(0.0005)
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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1.46
Distribution Volumetric Rate	\$/kWh	0.07244
Rate Rider for Disposition of Deferral/Variance Accounts (2012) – effective until December 31, 2014	\$/kWh	(0.00102)
Rate Rider for Recovery of Incremental Capital – effective until the later of December 31, 2014 or the effective date of the 2015 rates	\$/kWh	0.00059
Rate Rider for Recovery of Smart Grid Costs – effective until December 31, 2014	\$/kWh	0.00184
Rate Rider for Application of Tax Change – effective until December 31, 2014	\$/kWh	(0.00008)
Retail Transmission Rate – Network Service Rate (see Note 4)	\$/kWh	0.00442
Retail Transmission Rate – Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.00297

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate (see Notes 7 and 13)	\$/kWh	0.0044
Rural Rate Protection Charge (see Notes 7 and 13)	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Hydro One Networks Inc.**  
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**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	\$	5.40
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# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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## ALLOWANCES

### CUSTOMER-SUPPLIED TRANSFORMATION ALLOWANCE

Applicable to customers providing their own transformers and the primary voltage is under 50 kV

Demand Billed - per kW of billing demand/month	\$/kW	(0.60)
Energy Billed - per kWh of billing energy/month	\$/kWh	(0.0014)

### TRANSFORMER LOSS ALLOWANCE

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

For installations up to and including bank capacity of 400 kVA	%	(1.5)
For bank capacities over 400 kVA	%	(1.0)

Applicable to ST customers requiring a billing adjustment for transformer losses as the result of being metered on the secondary side of a transformer. The uniform value of 1 % shall be added to measured demand and energy (as measured on the secondary side) to adjust for transformer losses.

Alternately, transformer losses may be determined from transformer test data, and measured demand and energy adjusted accordingly.

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

## LOSS FACTORS

Residential - UR	1.078
Residential - R1	1.085
Residential - R2	1.092
Residential - Seasonal	1.092
General Service - UGe	1.092
General Service - GSe	1.092
General Service - UGd	1.061
General Service - GSd	1.061
Distributed Generation - DGen	1.061
Sentinel Lights	1.092
Street Lights	1.092
Sub Transmission - ST	
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

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date January 1, 2014

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

EB-2013-0141

## **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.

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.

<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Easement charge for unregistered rights	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection/Load Limiter	\$	30.00
Collection/Disconnect/Load Limiter/Reconnect trip (at meter) - during regular hours	\$	65.00
Collection/Disconnect/Load Limiter/Reconnect trip (at meter) - after regular hours	\$	185.00
Collection/Disconnect/Load Limiter/Reconnect trip (at pole) - during regular hours	\$	185.00
Collection/Disconnect/Load Limiter/Reconnect trip (at pole) - after regular hours	\$	415.00
Temporary service install & remove	\$	500.00
Specific Charge for Cable and Telecom Companies Access to the Power Poles - \$/pole/year	\$	22.35
Specific Charge for LDCs Access to the Power Poles - \$/pole/year	\$	28.61
Service Layout Fee – Basic	\$	562.00
Service Layout Fee – Complex	\$	750.00
Crossing Application – Pipeline	\$	2,600.00
Crossing Application – Water	\$	2,960.00
Crossing Application – Railroad	\$	3,100.00
Line Staking - \$/meter	\$	3.75
Central Metering – New Service < 45 kW	\$	115.00
Conversion to Central Metering < 45 kW	\$	935.00
Conversion to Central Metering > 45 kW	\$	815.00
Tingle Voltage Test in excess of 4 hours – per hour (average 2 additional hours)	\$	125.00
Standby Administration Charge – per month	\$	480.00
Connection Impact Assessment (CIA) Charge – small and medium	\$	10,335
Connection Impact Assessment (CIA) Charge – large	\$	10,405
Sentinel Lights Rental Rate – per month	\$	7.10
Sentinel Lights Pole Rental Rate – per month	\$	4.15

**Hydro One Networks Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2014**

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

EB-2013-0141

**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 retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

**Hydro One Networks Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2014**

**This schedule supersedes and replaces all previously  
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EB-2013-0141

**NOTES:**

- (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.
- (2) The basis of the charge is kilometers of line, within the supplied LDC's service area, supplying solely that LDC.
- (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.
- (4) The monthly billing determinant for the RTSR Network Service rate is:
  - for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
  - for interval-metered customers: the peak demand from 7 AM to 7 PM (local time) on IESO business days in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.
  - for non-interval-metered demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.
- (5) (a) The monthly billing determinant for the RTSR Line and Transformation Connection Service rates is:
  - for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
  - for all demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.
  - (b) For customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, RTSR connection is billed at the gross demand level.
- (6) Delivery point with respect to RTSR is defined as the low side of the Transformer Station that steps down voltage from above 50 kV to below 50 kV. For a customer's multiple interval-metered delivery points served from the same Transformer Station, the aggregated demand at the said delivery points on the low side of the Transformer Station will be the applicable billing determinant.
- (7) These rates pertain to the IESO's defined point of sale; consequently, appropriate loss factors as approved by the Board and set out in Hydro One Distribution's loss factors must be applied to the metered load of energy-metered customers. Similarly, appropriate loss factors as approved by the Board and set out as Hydro One Distribution's loss factors must be applied to the applicable tariffs of demand-billed customers.
- (8) The loss factors, and which connection service rates are applied, are determined based on the point at which the distribution utility or customer is metered for its connection to Hydro One Distribution's system. Hydro One Distribution's connection agreements with these distribution utilities and customers will establish the appropriate loss factors and connection rates to apply from Hydro One Distribution's tariff schedules.
- (9) The Common ST Lines rate also applies to the supply to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.
- (10) Rate Rider for Disposition of Deferral/Variance Accounts (2012) (General) is charged based on appropriate billing kW.
- (11) Rate Rider for Disposition of Deferral/Variance Account (2012) (Wholesale Market Service Rate) applies to those customers who were charged Wholesale Market Service Charges by Hydro One Distribution.
- (12) The Meter charge is applied to delivery points for which Hydro One owns the metering.
- (13) The Wholesale Market Service Rate and the Rural or Remote Rate Protection Rate are charged solely to non-Wholesale-Market-Participants.
- (14) The Global Adjustment rate rider applies to the non-LDC and non-RPP ST customers that were charged Wholesale Market Service Charges by Hydro One Distribution.
- (15) For customers with load displacement generation above 1MW, or 2 MW for renewable generation, installed after October 1998, the ST volumetric charges are billed at the gross demand level.



## Residential - Urban Density [UR]

Consumption	800
RPP Tier One	600
Load Factor	
Loss Factor	1.078

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	35.44%	
Energy Second Tier (kWh)	262	0.091	23.88	262	0.091	23.88	0.00	0.00%	18.08%	
TOU - Off Peak	552	0.067	36.98	552	0.067	36.98	0.00	0.00%		27.64%
TOU - Mid Peak	155	0.104	16.14	155	0.104	16.14	0.00	0.00%		12.07%
TOU - On Peak	155	0.124	19.25	155	0.124	19.25	0.00	0.00%		14.39%
Service Charge	1	12.58	12.58	1	12.64	12.64	0.06	0.48%	9.57%	9.45%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	3.57%	3.52%
Distribution Volumetric Rate	800	0.02529	20.23	800	0.02541	20.33	0.10	0.47%	15.39%	15.20%
Low Voltage Volumetric Rate	800		0.00	800		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	800	(0.00001)	(0.01)	800	0.00061	0.49	0.50	(6200.00)%	0.37%	0.36%
<b>Total: Distribution</b>			<b>37.51</b>			<b>38.17</b>	<b>0.65</b>	<b>1.74%</b>	<b>28.90%</b>	<b>28.53%</b>
Retail Transmission Rate - Network Service Rate	862	0.00696	6.00	862	0.00707	6.10	0.09	1.58%	4.62%	4.56%
Retail Transmission Rate - Line and Transformation Connection Service Rate	862	0.00500	4.31	862	0.00489	4.22	(0.09)	-2.20%	3.19%	3.15%
<b>Total: Retail Transmission</b>			<b>10.31</b>			<b>10.31</b>	<b>0.00</b>	<b>0.00%</b>	<b>7.81%</b>	<b>7.71%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>47.83</b>			<b>48.48</b>	<b>0.65</b>	<b>1.36%</b>	<b>36.71%</b>	<b>36.24%</b>
Wholesale Market Service Rate	862	0.0044	3.79	862	0.0044	3.79	0.00	0.00%	2.87%	2.84%
Rural Rate Protection Charge	862	0.0012	1.03	862	0.0012	1.03	0.00	0.00%	0.78%	0.77%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.19%	0.19%
<b>Sub-Total: Regulatory</b>			<b>5.08</b>			<b>5.08</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.85%</b>	<b>3.80%</b>
<b>Debt Retirement Charge (DRC)</b>	800	0.007	<b>5.60</b>	800	0.007	<b>5.60</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.24%</b>	<b>4.19%</b>
<b>Total Bill on RPP (before taxes)</b>			129.19			129.84	0.65	0.50%	98.33%	
<b>HST</b>		13%	16.79		13%	16.88	0.08	0.50%	12.78%	
<b>Total Bill (including HST)</b>			145.98			146.72	0.74	0.50%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(14.60)		(10%)	(14.67)	(0.07)	0.50%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>131.38</b>			<b>132.05</b>	<b>0.66</b>	<b>0.50%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			130.88			131.53	0.65	0.50%		98.33%
<b>HST</b>		13%	17.01		13%	17.10	0.08	0.50%		12.78%
<b>Total Bill (including HST)</b>			147.89			148.63	0.74	0.50%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(14.79)		(10%)	(14.86)	(0.07)	0.50%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>133.11</b>			<b>133.77</b>	<b>0.66</b>	<b>0.50%</b>		<b>100.00%</b>

## Residential - Medium Density [R1]

Consumption	800
RPP Tier One	600
Load Factor	
Loss Factor	1.085

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	31.73%	
Energy Second Tier (kWh)	268	0.091	24.39	268	0.091	24.39	0.00	0.00%	16.54%	
TOU - Off Peak	556	0.067	37.22	556	0.067	37.22	0.00	0.00%		24.95%
TOU - Mid Peak	156	0.104	16.25	156	0.104	16.25	0.00	0.00%		10.89%
TOU - On Peak	156	0.124	19.37	156	0.124	19.37	0.00	0.00%		12.99%
Service Charge	1	19.93	19.93	1	20.03	20.03	0.10	0.50%	13.58%	13.43%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	3.19%	3.16%
Distribution Volumetric Rate	800	0.03353	26.82	800	0.03369	26.95	0.13	0.48%	18.27%	18.07%
Low Voltage Volumetric Rate	800		0.00	800		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	800	0.00018	0.14	800	0.00107	0.86	0.71	494.44%	0.58%	0.57%
<b>Total: Distribution</b>			<b>51.61</b>			<b>52.55</b>	<b>0.94</b>	<b>1.82%</b>	<b>35.63%</b>	<b>35.23%</b>
Retail Transmission Rate - Network Service Rate	868	0.00707	6.14	868	0.00719	6.24	0.10	1.70%	4.23%	4.18%
Retail Transmission Rate - Line and Transformation Connection Service Rate	868	0.00509	4.42	868	0.00499	4.33	(0.09)	-1.96%	2.94%	2.90%
<b>Total: Retail Transmission</b>			<b>10.55</b>			<b>10.57</b>	<b>0.02</b>	<b>0.16%</b>	<b>7.17%</b>	<b>7.09%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>62.16</b>			<b>63.12</b>	<b>0.96</b>	<b>1.54%</b>	<b>42.80%</b>	<b>42.32%</b>
Wholesale Market Service Rate	868	0.0044	3.82	868	0.0044	3.82	0.00	0.00%	2.59%	2.56%
Rural Rate Protection Charge	868	0.0012	1.04	868	0.0012	1.04	0.00	0.00%	0.71%	0.70%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.17%	0.17%
<b>Sub-Total: Regulatory</b>			<b>5.11</b>			<b>5.11</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.47%</b>	<b>3.43%</b>
<b>Debt Retirement Charge (DRC)</b>	800	0.007	<b>5.60</b>	800	0.007	<b>5.60</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.80%</b>	<b>3.75%</b>
<b>Total Bill on RPP (before taxes)</b>			144.06			145.02	0.96	0.66%	98.33%	
<b>HST</b>		13%	18.73		13%	18.85	0.12	0.66%	12.78%	
<b>Total Bill (including HST)</b>			162.79			163.87	1.08	0.66%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(16.28)</b>		<b>(10%)</b>	<b>(16.39)</b>	<b>(0.11)</b>	0.66%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>146.51</b>			<b>147.48</b>	<b>0.97</b>	<b>0.66%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			145.72			146.67	0.96	0.66%		98.33%
<b>HST</b>		13%	18.94		13%	19.07	0.12	0.66%		12.78%
<b>Total Bill (including HST)</b>			164.66			165.74	1.08	0.66%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(16.47)</b>		<b>(10%)</b>	<b>(16.57)</b>	<b>(0.11)</b>	0.66%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>148.19</b>			<b>149.17</b>	<b>0.97</b>	<b>0.66%</b>		<b>100.00%</b>

## Residential - Low Density [R2]

Consumption	800
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	29.23%	
Energy Second Tier (kWh)	274	0.091	24.90	274	0.091	24.90	0.00	0.00%	15.55%	
TOU - Off Peak	559	0.067	37.46	559	0.067	37.46	0.00	0.00%		23.16%
TOU - Mid Peak	157	0.104	16.35	157	0.104	16.35	0.00	0.00%		10.11%
TOU - On Peak	157	0.124	19.50	157	0.124	19.50	0.00	0.00%		12.06%
Service Charge	1	28.48	28.48	1	28.75	28.75	0.27	0.95%	17.96%	17.78%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	2.94%	2.91%
Distribution Volumetric Rate	800	0.03683	29.46	800	0.03701	29.61	0.14	0.49%	18.50%	18.31%
Low Voltage Volumetric Rate	800		0.00	800		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	800	0.00073	0.58	800	0.00208	1.66	1.08	184.93%	1.04%	1.03%
<b>Total: Distribution</b>			<b>63.24</b>			<b>64.73</b>	<b>1.49</b>	<b>2.36%</b>	<b>40.44%</b>	<b>40.03%</b>
Retail Transmission Rate - Network Service Rate	874	0.00690	6.03	874	0.00702	6.13	0.10	1.74%	3.83%	3.79%
Retail Transmission Rate - Line and Transformation Connection Service Rate	874	0.00480	4.19	874	0.00470	4.11	(0.09)	-2.08%	2.56%	2.54%
<b>Total: Retail Transmission</b>			<b>10.22</b>			<b>10.24</b>	<b>0.02</b>	<b>0.17%</b>	<b>6.40%</b>	<b>6.33%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>73.46</b>			<b>74.97</b>	<b>1.51</b>	<b>2.06%</b>	<b>46.83%</b>	<b>46.36%</b>
Wholesale Market Service Rate	874	0.0044	3.84	874	0.0044	3.84	0.00	0.00%	2.40%	2.38%
Rural Rate Protection Charge	874	0.0012	1.05	874	0.0012	1.05	0.00	0.00%	0.65%	0.65%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.16%	0.15%
<b>Sub-Total: Regulatory</b>			<b>5.14</b>			<b>5.14</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.21%</b>	<b>3.18%</b>
<b>Debt Retirement Charge (DRC)</b>	800	0.007	<b>5.60</b>	800	0.007	<b>5.60</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.50%</b>	<b>3.46%</b>
<b>Total Bill on RPP (before taxes)</b>			155.90			157.41	1.51	0.97%	98.33%	
<b>HST</b>		13%	20.27		13%	20.46	0.20	0.97%	12.78%	
<b>Total Bill (including HST)</b>			176.17			177.87	1.71	0.97%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(17.62)</b>		<b>(10%)</b>	<b>(17.79)</b>	<b>(0.17)</b>	0.97%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>158.55</b>			<b>160.09</b>	<b>1.54</b>	<b>0.97%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			157.51			159.03	1.51	0.96%		98.33%
<b>HST</b>		13%	20.48		13%	20.67	0.20	0.96%		12.78%
<b>Total Bill (including HST)</b>			177.99			179.70	1.71	0.96%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(17.80)</b>		<b>(10%)</b>	<b>(17.97)</b>	<b>(0.17)</b>	0.96%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>160.19</b>			<b>161.73</b>	<b>1.54</b>	<b>0.96%</b>		<b>100.00%</b>

## Seasonal Residential

Consumption	500
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	546	0.078	42.59	546	0.078	42.59	0.00	0.00%	34.15%	
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%	
TOU - Off Peak	349	0.067	23.41	349	0.067	23.41	0.00	0.00%		18.29%
TOU - Mid Peak	98	0.104	10.22	98	0.104	10.22	0.00	0.00%		7.99%
TOU - On Peak	98	0.124	12.19	98	0.124	12.19	0.00	0.00%		9.52%
Service Charge	1	19.50	19.50	1	19.59	19.59	0.09	0.46%	15.71%	15.31%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	3.78%	3.68%
Distribution Volumetric Rate	500	0.08117	40.59	500	0.08156	40.78	0.19	0.48%	32.70%	31.86%
Low Voltage Volumetric Rate	500		0.00	500		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	500	0.00194	0.97	500	0.00403	2.02	1.05	107.73%	1.62%	1.57%
<b>Total: Distribution</b>			<b>65.77</b>			<b>67.10</b>	<b>1.33</b>	<b>2.02%</b>	<b>53.80%</b>	<b>52.42%</b>
Retail Transmission Rate - Network Service Rate	546	0.00652	3.56	546	0.00663	3.62	0.06	1.69%	2.90%	2.83%
Retail Transmission Rate - Line and Transformation Connection Service Rate	546	0.00470	2.57	546	0.00460	2.51	(0.05)	-2.13%	2.01%	1.96%
<b>Total: Retail Transmission</b>			<b>6.13</b>			<b>6.13</b>	<b>0.01</b>	<b>0.09%</b>	<b>4.92%</b>	<b>4.79%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>71.89</b>			<b>73.23</b>	<b>1.34</b>	<b>1.86%</b>	<b>58.72%</b>	<b>57.21%</b>
Wholesale Market Service Rate	546	0.0044	2.40	546	0.0044	2.40	0.00	0.00%	1.93%	1.88%
Rural Rate Protection Charge	546	0.0012	0.66	546	0.0012	0.66	0.00	0.00%	0.53%	0.51%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.20%	0.20%
<b>Sub-Total: Regulatory</b>			<b>3.31</b>			<b>3.31</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.65%</b>	<b>2.58%</b>
<b>Debt Retirement Charge (DRC)</b>	500	0.007	<b>3.50</b>	500	0.007	<b>3.50</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.81%</b>	<b>2.73%</b>
<b>Total Bill on RPP (before taxes)</b>			121.29			122.62	1.34	1.10%	98.33%	
<b>HST</b>		13%	15.77		13%	15.94	0.17	1.10%	12.78%	
<b>Total Bill (including HST)</b>			137.05			138.56	1.51	1.10%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(13.71)</b>		<b>(10%)</b>	<b>(13.86)</b>	<b>(0.15)</b>	1.10%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>123.35</b>			<b>124.71</b>	<b>1.36</b>	<b>1.10%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			124.52			125.85	1.34	1.07%		98.33%
<b>HST</b>		13%	16.19		13%	16.36	0.17	1.07%		12.78%
<b>Total Bill (including HST)</b>			140.71			142.22	1.51	1.07%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(14.07)</b>		<b>(10%)</b>	<b>(14.22)</b>	<b>(0.15)</b>	1.07%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>126.64</b>			<b>127.99</b>	<b>1.36</b>	<b>1.07%</b>		<b>100.00%</b>

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

Consumption	2,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL			Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)				
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	20.33%	
Energy Second Tier (kWh)	1,434	0.091	130.49	1,434	0.091	130.49	0.00	0.00%	45.34%	
TOU - Off Peak	1,398	0.067	93.65	1,398	0.067	93.65	0.00	0.00%		33.21%
TOU - Mid Peak	393	0.104	40.88	393	0.104	40.88	0.00	0.00%		14.50%
TOU - On Peak	393	0.124	48.75	393	0.124	48.75	0.00	0.00%		17.29%
Service Charge	1	10.09	10.09	1	10.14	10.14	0.05	0.50%	3.52%	3.60%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	1.64%	1.67%
Distribution Volumetric Rate	2,000	0.01666	33.32	2,000	0.01674	33.48	0.16	0.48%	11.63%	11.87%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	(0.00052)	(1.04)	2,000	(0.00026)	(0.52)	0.52	(50.00)%	-0.18%	-0.18%
<b>Total: Distribution</b>			<b>47.08</b>			<b>47.81</b>	<b>0.73</b>	<b>1.55%</b>	<b>16.61%</b>	<b>16.95%</b>
Retail Transmission Rate - Network Service Rate	2,184	0.00535	11.68	2,184	0.00544	11.88	0.20	1.68%	4.13%	4.21%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,184	0.00366	7.99	2,184	0.00358	7.82	(0.17)	-2.19%	2.72%	2.77%
<b>Total: Retail Transmission</b>			<b>19.68</b>			<b>19.70</b>	<b>0.02</b>	<b>0.11%</b>	<b>6.85%</b>	<b>6.99%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>66.76</b>			<b>67.51</b>	<b>0.75</b>	<b>1.13%</b>	<b>23.46%</b>	<b>23.94%</b>
Wholesale Market Service Rate	2,184	0.0044	9.61	2,184	0.0044	9.61	0.00	0.00%	3.34%	3.41%
Rural Rate Protection Charge	2,184	0.0012	2.62	2,184	0.0012	2.62	0.00	0.00%	0.91%	0.93%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.09%	0.09%
<b>Sub-Total: Regulatory</b>			<b>12.48</b>			<b>12.48</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.34%</b>	<b>4.43%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.86%</b>	<b>4.96%</b>
<b>Total Bill on RPP (before taxes)</b>			282.23			282.98	0.75	0.27%	98.33%	
<b>HST</b>		13%	36.69		13%	36.79	0.10	0.27%	12.78%	
<b>Total Bill (including HST)</b>			318.92			319.77	0.85	0.27%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(31.89)		(10%)	(31.98)	(0.08)	0.27%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>287.03</b>			<b>287.79</b>	<b>0.76</b>	<b>0.27%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			276.52			277.27	0.75	0.27%		98.33%
<b>HST</b>		13%	35.95		13%	36.05	0.10	0.27%		12.78%
<b>Total Bill (including HST)</b>			312.47			313.32	0.85	0.27%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(31.25)		(10%)	(31.33)	(0.08)	0.27%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>281.22</b>			<b>281.98</b>	<b>0.76</b>	<b>0.27%</b>		<b>100.00%</b>

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

Consumption	2,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	16.08%	
Energy Second Tier (kWh)	1,434	0.091	130.49	1,434	0.091	130.49	0.00	0.00%	35.87%	
TOU - Off Peak	1,398	0.067	93.65	1,398	0.067	93.65	0.00	0.00%		26.16%
TOU - Mid Peak	393	0.104	40.88	393	0.104	40.88	0.00	0.00%		11.42%
TOU - On Peak	393	0.124	48.75	393	0.124	48.75	0.00	0.00%		13.62%
Service Charge	1	35.87	35.87	1	36.04	36.04	0.17	0.47%	9.91%	10.07%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	1.29%	1.32%
Distribution Volumetric Rate	2,000	0.03981	79.62	2,000	0.04000	80.00	0.38	0.48%	21.99%	22.35%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	0.00020	0.40	2,000	0.00115	2.30	1.90	475.00%	0.63%	0.64%
<b>Total: Distribution</b>			<b>120.60</b>			<b>123.05</b>	<b>2.45</b>	<b>2.03%</b>	<b>33.83%</b>	<b>34.38%</b>
Retail Transmission Rate - Network Service Rate	2,184	0.00518	11.31	2,184	0.00527	11.51	0.20	1.74%	3.16%	3.22%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,184	0.00358	7.82	2,184	0.00350	7.64	(0.17)	-2.23%	2.10%	2.14%
<b>Total: Retail Transmission</b>			<b>19.13</b>			<b>19.15</b>	<b>0.02</b>	<b>0.11%</b>	<b>5.27%</b>	<b>5.35%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>139.73</b>			<b>142.20</b>	<b>2.47</b>	<b>1.77%</b>	<b>39.09%</b>	<b>39.73%</b>
Wholesale Market Service Rate	2,184	0.0044	9.61	2,184	0.0044	9.61	0.00	0.00%	2.64%	2.68%
Rural Rate Protection Charge	2,184	0.0012	2.62	2,184	0.0012	2.62	0.00	0.00%	0.72%	0.73%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.07%	0.07%
<b>Sub-Total: Regulatory</b>			<b>12.48</b>			<b>12.48</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.43%</b>	<b>3.49%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.85%</b>	<b>3.91%</b>
<b>Total Bill on RPP (before taxes)</b>			355.21			357.68	2.47	0.70%	98.33%	
<b>HST</b>		13%	46.18		13%	46.50	0.32	0.70%	12.78%	
<b>Total Bill (including HST)</b>			401.38			404.18	2.79	0.70%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(40.14)</b>		<b>(10%)</b>	<b>(40.42)</b>	<b>(0.28)</b>	0.70%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>361.24</b>			<b>363.76</b>	<b>2.51</b>	<b>0.70%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			349.49			351.97	2.47	0.71%		98.33%
<b>HST</b>		13%	45.43		13%	45.76	0.32	0.71%		12.78%
<b>Total Bill (including HST)</b>			394.93			397.72	2.79	0.71%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(39.49)</b>		<b>(10%)</b>	<b>(39.77)</b>	<b>(0.28)</b>	0.71%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>355.43</b>			<b>357.95</b>	<b>2.51</b>	<b>0.71%</b>		<b>100.00%</b>



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

Consumption	500
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	546	0.078	42.59	546	0.078	42.59	0.00	0.00%	40.16%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	29.37	29.37	1	29.51	29.51	0.14	0.48%	27.83%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	500	0.03981	19.91	500	0.04000	20.00	0.10	0.48%	18.86%
Low Voltage Volumetric Rate	500		0.00	500		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	500	0.00020	0.10	500	0.00115	0.58	0.48	475.00%	0.54%
<b>Total: Distribution</b>			<b>49.38</b>			<b>50.09</b>	<b>0.71</b>	<b>1.44%</b>	<b>47.23%</b>
Retail Transmission Rate - Network Service Rate	546	0.00518	2.83	546	0.00527	2.88	0.05	1.74%	2.71%
Retail Transmission Rate - Line and Transformation Connection Service Rate	546	0.00358	1.95	546	0.00350	1.91	(0.04)	-2.23%	1.80%
<b>Total: Retail Transmission</b>			<b>4.78</b>			<b>4.79</b>	<b>0.01</b>	<b>0.11%</b>	<b>4.52%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>54.16</b>			<b>54.87</b>	<b>0.72</b>	<b>1.32%</b>	<b>51.75%</b>
Wholesale Market Service Rate	546	0.0044	2.40	546	0.0044	2.40	0.00	0.00%	2.27%
Rural Rate Protection Charge	546	0.0012	0.66	546	0.0012	0.66	0.00	0.00%	0.62%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.24%
<b>Sub-Total: Regulatory</b>			<b>3.31</b>			<b>3.31</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.12%</b>
<b>Debt Retirement Charge (DRC)</b>	500	0.007	<b>3.50</b>	500	0.007	<b>3.50</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.30%</b>
<b>Total Bill on RPP (before taxes)</b>			103.55			104.27	0.72	0.69%	98.33%
<b>HST</b>		13%	13.46		13%	13.55	0.09	0.69%	12.78%
<b>Total Bill (including HST)</b>			117.02			117.82	0.81	0.69%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(11.70)		(10%)	(11.78)	(0.08)	0.69%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>105.31</b>			<b>106.04</b>	<b>0.73</b>	<b>0.69%</b>	<b>100.00%</b>

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

Consumption (kWh)	36,000
RPP Tier One	750
Load Factor	42%
Loss Factor	1.061
Peak (kW)	117

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	38,196	0.078	2,979.31	38,196	0.078	2,979.31	0.00	0.00%	56.75%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	28.40	28.40	1	28.54	28.54	0.14	0.49%	0.54%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.07%
Distribution Volumetric Rate	117	6.914	808.94	117	6.947	812.80	3.86	0.48%	15.48%
Low Voltage Volumetric Rate	117		0.00	117		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	117	(0.194)	(22.70)	117	(0.093)	(10.88)	11.82	(52.06)%	-0.21%
<b>Total: Distribution</b>			<b>818.56</b>			<b>834.38</b>	<b>15.82</b>	<b>1.93%</b>	<b>15.89%</b>
Retail Transmission Rate - Network Service Rate	117	1.86	217.62	117	1.89	221.13	3.51	1.61%	4.21%
Retail Transmission Rate - Line and Transformation Connection Service Rate	117	1.26	147.42	117	1.24	145.08	(2.34)	-1.59%	2.76%
<b>Total: Retail Transmission</b>			<b>365.04</b>			<b>366.21</b>	<b>1.17</b>	<b>0.32%</b>	<b>6.98%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>1,183.60</b>			<b>1,200.59</b>	<b>16.99</b>	<b>1.44%</b>	<b>22.87%</b>
Wholesale Market Service Rate	38,196	0.0044	168.06	38,196	0.0044	168.06	0.00	0.00%	3.20%
Rural Rate Protection Charge	38,196	0.0012	45.84	38,196	0.0012	45.84	0.00	0.00%	0.87%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>214.15</b>			<b>214.15</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.08%</b>
<b>Debt Retirement Charge (DRC)</b>	36,000	0.007	<b>252.00</b>	36,000	0.007	<b>252.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.80%</b>
<b>Total Bill on RPP (before taxes)</b>			4,629.07			4,646.05	16.99	0.37%	88.50%
<b>HST</b>		13%	601.78		13%	603.99	2.21	0.37%	11.50%
<b>Total Bill (including HST)</b>			5,230.84			5,250.04	19.20	0.37%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>5,230.84</b>			<b>5,250.04</b>	<b>19.20</b>	<b>0.37%</b>	<b>100.00%</b>



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

Consumption (kWh)	36,000
RPP Tier One	750
Load Factor	42%
Loss Factor	1.061
Peak (kW)	117

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	38,196	0.078	2,979.31	38,196	0.078	2,979.31	0.00	0.00%	50.71%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	51.70	51.70	1	51.95	51.95	0.25	0.48%	0.88%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.07%
Distribution Volumetric Rate	117	11.370	1,330.29	117	11.425	1,336.73	6.44	0.48%	22.75%
Low Voltage Volumetric Rate	117		0.00	117		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	117	(0.096)	(11.23)	117	0.098	11.47	22.70	(202.08)%	0.20%
<b>Total: Distribution</b>			<b>1,374.68</b>			<b>1,404.06</b>	<b>29.38</b>	<b>2.14%</b>	<b>23.90%</b>
Retail Transmission Rate - Network Service Rate	117	1.78	208.26	117	1.81	211.77	3.51	1.69%	3.60%
Retail Transmission Rate - Line and Transformation Connection Service Rate	117	1.21	141.57	117	1.18	138.06	(3.51)	-2.48%	2.35%
<b>Total: Retail Transmission</b>			<b>349.83</b>			<b>349.83</b>	<b>0.00</b>	<b>0.00%</b>	<b>5.95%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>1,724.51</b>			<b>1,753.89</b>	<b>29.38</b>	<b>1.70%</b>	<b>29.85%</b>
Wholesale Market Service Rate	38,196	0.0044	168.06	38,196	0.0044	168.06	0.00	0.00%	2.86%
Rural Rate Protection Charge	38,196	0.0012	45.84	38,196	0.0012	45.84	0.00	0.00%	0.78%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>214.15</b>			<b>214.15</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.64%</b>
<b>Debt Retirement Charge (DRC)</b>	36,000	0.007	<b>252.00</b>	36,000	0.007	<b>252.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.29%</b>
<b>Total Bill on RPP (before taxes)</b>			5,169.97			5,199.36	29.38	0.57%	88.50%
<b>HST</b>		13%	672.10		13%	675.92	3.82	0.57%	11.50%
<b>Total Bill (including HST)</b>			5,842.07			5,875.27	33.20	0.57%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>5,842.07</b>			<b>5,875.27</b>	<b>33.20</b>	<b>0.57%</b>	<b>100.00%</b>

## Distributed Generation [DGen]

Consumption (kWh)	3,000
RPP Tier One	750
Load Factor	8%
Loss Factor	1.061
Peak (kW)	50

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	3,183	0.078	248.30	3,183	0.078	248.30	0.00	0.00%	32.92%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	37.72	37.72	1	37.90	37.90	0.18	0.48%	5.02%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.52%
Distribution Volumetric Rate	50	5.939	296.95	50	5.968	298.40	1.45	0.49%	39.56%
Low Voltage Volumetric Rate	50		0.00	50		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	50	0.076	3.80	50	0.179	8.95	5.15	135.53%	1.19%
<b>Total: Distribution</b>			<b>342.39</b>			<b>349.17</b>	<b>6.78</b>	<b>1.98%</b>	<b>46.29%</b>
Retail Transmission Rate - Network Service Rate	50	0.37	18.50	50	0.38	19.00	0.50	2.70%	2.52%
Retail Transmission Rate - Line and Transformation Connection Service Rate	50	0.24	12.00	50	0.24	12.00	0.00	0.00%	1.59%
<b>Total: Retail Transmission</b>			<b>30.50</b>			<b>31.00</b>	<b>0.50</b>	<b>1.64%</b>	<b>4.11%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>372.89</b>			<b>380.17</b>	<b>7.28</b>	<b>1.95%</b>	<b>50.40%</b>
Wholesale Market Service Rate	3,183	0.0044	14.01	3,183	0.0044	14.01	0.00	0.00%	1.86%
Rural Rate Protection Charge	3,183	0.0012	3.82	3,183	0.0012	3.82	0.00	0.00%	0.51%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.03%
<b>Sub-Total: Regulatory</b>			<b>18.08</b>			<b>18.08</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.40%</b>
<b>Debt Retirement Charge (DRC)</b>	3,000	0.007	<b>21.00</b>	3,000	0.007	<b>21.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.78%</b>
<b>Total Bill on RPP (before taxes)</b>			660.27			667.55	7.28	1.10%	88.50%
<b>HST</b>		13%	85.83		13%	86.78	0.95	1.10%	11.50%
<b>Total Bill (including HST)</b>			746.10			754.33	8.23	1.10%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>746.10</b>			<b>754.33</b>	<b>8.23</b>	<b>1.10%</b>	<b>100.00%</b>

## Sub-Transmission [ST]

Consumption (kWh)	36,000
RPP Tier One	750
Load Factor	42%
Loss Factor	1.034
Peak (kW)	117

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	37,224	0.078	2,903.50	37,224	0.078	2,903.50	0.00	0.00%	57.84%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	291.76	291.76	1	293.16	293.16	1.40	0.48%	5.84%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.08%
Distribution Volumetric Rate	117	0.675	78.98	117	0.678	79.33	0.35	0.44%	1.58%
Low Voltage Volumetric Rate	117		0.00	117		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	117	0.292	34.16	117	0.307	35.92	1.76	5.14%	0.72%
<b>Total: Distribution</b>			<b>408.82</b>			<b>412.33</b>	<b>3.51</b>	<b>0.86%</b>	<b>8.21%</b>
Retail Transmission Rate - Network Service Rate	117	3.29	384.93	117	3.34	390.78	5.85	1.52%	7.78%
Retail Transmission Rate - Line and Transformation Connection Service Rate	117	2.41	281.97	117	2.35	274.95	(7.02)	-2.49%	5.48%
<b>Total: Retail Transmission</b>			<b>666.90</b>			<b>665.73</b>	<b>(1.17)</b>	<b>(0.18%)</b>	<b>13.26%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>1,075.72</b>			<b>1,078.06</b>	<b>2.34</b>	<b>0.22%</b>	<b>21.48%</b>
Wholesale Market Service Rate	37,224	0.0044	163.79	37,224	0.0044	163.79	0.00	0.00%	3.26%
Rural Rate Protection Charge	37,224	0.0012	44.67	37,224	0.0012	44.67	0.00	0.00%	0.89%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>208.71</b>			<b>208.71</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.16%</b>
<b>Debt Retirement Charge (DRC)</b>	36,000	0.007	<b>252.00</b>	36,000	0.007	<b>252.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>5.02%</b>
<b>Total Bill on RPP (before taxes)</b>			4,439.92			4,442.26	2.34	0.05%	88.50%
<b>HST</b>		13%	577.19		13%	577.49	0.30	0.05%	11.50%
<b>Total Bill (including HST)</b>			5,017.12			5,019.75	2.64	0.05%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>5,017.12</b>			<b>5,019.75</b>	<b>2.64</b>	<b>0.05%</b>	<b>100.00%</b>

## Sentinel Lights

Consumption	62
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	68	0.078	5.28	68	0.078	5.28	0.00	0.00%	35.36%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	1.48	1.48	1	1.49	1.49	0.01	0.68%	9.98%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	62	0.09877	6.12	62	0.09924	6.15	0.03	0.48%	41.20%
Low Voltage Volumetric Rate	62		0.00	62		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	62	0.00079	0.05	62	0.00318	0.20	0.15	302.53%	1.32%
<b>Total: Distribution</b>			<b>7.65</b>			<b>7.84</b>	<b>0.19</b>	<b>2.45%</b>	<b>52.50%</b>
Retail Transmission Rate - Network Service Rate	68	0.00435	0.29	68	0.00442	0.30	0.00	1.61%	2.00%
Retail Transmission Rate - Line and Transformation Connection Service Rate	68	0.00303	0.21	68	0.00297	0.20	(0.00)	-1.98%	1.35%
<b>Total: Retail Transmission</b>			<b>0.50</b>			<b>0.50</b>	<b>0.00</b>	<b>0.14%</b>	<b>3.35%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>8.15</b>			<b>8.34</b>	<b>0.19</b>	<b>2.31%</b>	<b>55.85%</b>
Wholesale Market Service Rate	68	0.0044	0.30	68	0.0044	0.30	0.00	0.00%	1.99%
Rural Rate Protection Charge	68	0.0012	0.08	68	0.0012	0.08	0.00	0.00%	0.54%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	1.67%
<b>Sub-Total: Regulatory</b>			<b>0.63</b>			<b>0.63</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.21%</b>
<b>Debt Retirement Charge (DRC)</b>	62	0.007	<b>0.43</b>	62	0.007	<b>0.43</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.91%</b>
<b>Total Bill on RPP (before taxes)</b>			14.50			14.68	0.19	1.30%	98.33%
<b>HST</b>		13%	1.88		13%	1.91	0.02	1.30%	12.78%
<b>Total Bill (including HST)</b>			16.38			16.59	0.21	1.30%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(1.64)</b>		<b>(10%)</b>	<b>(1.66)</b>	<b>(0.02)</b>	1.30%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>14.74</b>			<b>14.93</b>	<b>0.19</b>	<b>1.30%</b>	<b>100.00%</b>

## Street Lights

Consumption	1,440
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	21.16%
Energy Second Tier (kWh)	822	0.091	74.85	822	0.091	74.85	0.00	0.00%	27.08%
Service Charge	1	1.45	1.45	1	1.46	1.46	0.01	0.69%	0.53%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	1,440	0.07209	103.81	1,440	0.07244	104.31	0.50	0.49%	37.74%
Low Voltage Volumetric Rate	1,440		0.00	1,440		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,440	0.00001	0.01	1,440	0.00133	1.92	1.90	13200.00%	0.69%
<b>Total: Distribution</b>			<b>105.27</b>			<b>107.69</b>	<b>2.41</b>	<b>2.29%</b>	<b>38.96%</b>
Retail Transmission Rate - Network Service Rate	1,572	0.00435	6.84	1,572	0.00442	6.95	0.11	1.61%	2.51%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,572	0.00303	4.76	1,572	0.00297	4.67	(0.09)	-1.98%	1.69%
<b>Total: Retail Transmission</b>			<b>11.60</b>			<b>11.62</b>	<b>0.02</b>	<b>0.14%</b>	<b>4.20%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>116.88</b>			<b>119.31</b>	<b>2.43</b>	<b>2.08%</b>	<b>43.16%</b>
Wholesale Market Service Rate	1,572	0.0044	6.92	1,572	0.0044	6.92	0.00	0.00%	2.50%
Rural Rate Protection Charge	1,572	0.0012	1.89	1,572	0.0012	1.89	0.00	0.00%	0.68%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.09%
<b>Sub-Total: Regulatory</b>			<b>9.06</b>			<b>9.06</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.28%</b>
<b>Debt Retirement Charge (DRC)</b>	1,440	0.007	<b>10.08</b>	1,440	0.007	<b>10.08</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.65%</b>
<b>Total Bill on RPP (before taxes)</b>			269.36			271.79	2.43	0.90%	98.33%
<b>HST</b>		13%	35.02		13%	35.33	0.32	0.90%	12.78%
<b>Total Bill (including HST)</b>			304.38			307.12	2.75	0.90%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(30.44)</b>		<b>(10%)</b>	<b>(30.71)</b>	<b>(0.27)</b>	0.90%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>273.94</b>			<b>276.41</b>	<b>2.47</b>	<b>0.90%</b>	<b>100.00%</b>

## Residential - Urban Density [UR]

Consumption	100
RPP Tier One	600
Load Factor	
Loss Factor	1.078

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	108	0.078	8.41	108	0.078	8.41	0.00	0.00%	26.50%	
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	#DIV/0!	0.00%	
TOU - Off Peak	69	0.067	4.62	69	0.067	4.62	0.00	0.00%		14.27%
TOU - Mid Peak	19	0.104	2.02	19	0.104	2.02	0.00	0.00%		6.23%
TOU - On Peak	19	0.124	2.41	19	0.124	2.41	0.00	0.00%		7.43%
Service Charge	1	12.58	12.58	1	12.64	12.64	0.06	0.48%	39.83%	39.03%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	14.84%	14.54%
Distribution Volumetric Rate	100	0.02529	2.53	100	0.02541	2.54	0.01	0.47%	8.01%	7.85%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	(0.00001)	(0.00)	100	0.00061	0.06	0.06	(6200.00)%	0.19%	0.19%
<b>Total: Distribution</b>			<b>19.82</b>			<b>19.95</b>	<b>0.13</b>	<b>0.68%</b>	<b>62.87%</b>	<b>61.61%</b>
Retail Transmission Rate - Network Service Rate	108	0.00696	0.75	108	0.00707	0.76	0.01	1.58%	2.40%	2.35%
Retail Transmission Rate - Line and Transformation Connection Service Rate	108	0.00500	0.54	108	0.00489	0.53	(0.01)	-2.20%	1.66%	1.63%
<b>Total: Retail Transmission</b>			<b>1.29</b>			<b>1.29</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.06%</b>	<b>3.98%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>21.11</b>			<b>21.24</b>	<b>0.13</b>	<b>0.63%</b>	<b>66.94%</b>	<b>65.59%</b>
Wholesale Market Service Rate	108	0.0044	0.47	108	0.0044	0.47	0.00	0.00%	1.49%	1.46%
Rural Rate Protection Charge	108	0.0012	0.13	108	0.0012	0.13	0.00	0.00%	0.41%	0.40%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.79%	0.77%
<b>Sub-Total: Regulatory</b>			<b>0.85</b>			<b>0.85</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.69%</b>	<b>2.64%</b>
<b>Debt Retirement Charge (DRC)</b>	100	0.007	<b>0.70</b>	100	0.007	<b>0.70</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.21%</b>	<b>2.16%</b>
<b>Total Bill on RPP (before taxes)</b>			31.07			31.20	0.13	0.43%	98.33%	
<b>HST</b>		13%	4.04		13%	4.06	0.02	0.43%	12.78%	
<b>Total Bill (including HST)</b>			35.11			35.26	0.15	0.43%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(3.51)		(10%)	(3.53)	(0.02)	0.43%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>31.60</b>			<b>31.73</b>	<b>0.14</b>	<b>0.43%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			31.71			31.84	0.13	0.42%		98.33%
<b>HST</b>		13%	4.12		13%	4.14	0.02	0.42%		12.78%
<b>Total Bill (including HST)</b>			35.83			35.98	0.15	0.42%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(3.58)		(10%)	(3.60)	(0.02)	0.42%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>32.25</b>			<b>32.38</b>	<b>0.14</b>	<b>0.42%</b>		<b>100.00%</b>

## Residential - Medium Density [R1]

Consumption	100
RPP Tier One	600
Load Factor	
Loss Factor	1.085

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	109	0.078	8.46	109	0.078	8.46	0.00	0.00%	21.04%	
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	#DIV/0!	0.00%	
TOU - Off Peak	69	0.067	4.65	69	0.067	4.65	0.00	0.00%		11.38%
TOU - Mid Peak	20	0.104	2.03	20	0.104	2.03	0.00	0.00%		4.97%
TOU - On Peak	20	0.124	2.42	20	0.124	2.42	0.00	0.00%		5.92%
Service Charge	1	19.93	19.93	1	20.03	20.03	0.10	0.50%	49.79%	48.99%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	11.71%	11.52%
Distribution Volumetric Rate	100	0.03353	3.35	100	0.03369	3.37	0.02	0.48%	8.37%	8.24%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	0.00018	0.02	100	0.00107	0.11	0.09	494.44%	0.27%	0.26%
<b>Total: Distribution</b>			<b>28.01</b>			<b>28.22</b>	<b>0.20</b>	<b>0.73%</b>	<b>70.14%</b>	<b>69.02%</b>
Retail Transmission Rate - Network Service Rate	109	0.00707	0.77	109	0.00719	0.78	0.01	1.70%	1.94%	1.91%
Retail Transmission Rate - Line and Transformation Connection Service Rate	109	0.00509	0.55	109	0.00499	0.54	(0.01)	-1.96%	1.35%	1.32%
<b>Total: Retail Transmission</b>			<b>1.32</b>			<b>1.32</b>	<b>0.00</b>	<b>0.16%</b>	<b>3.28%</b>	<b>3.23%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>29.33</b>			<b>29.54</b>	<b>0.21</b>	<b>0.71%</b>	<b>73.42%</b>	<b>72.25%</b>
Wholesale Market Service Rate	109	0.0044	0.48	109	0.0044	0.48	0.00	0.00%	1.19%	1.17%
Rural Rate Protection Charge	109	0.0012	0.13	109	0.0012	0.13	0.00	0.00%	0.32%	0.32%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.62%	0.61%
<b>Sub-Total: Regulatory</b>			<b>0.86</b>			<b>0.86</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.13%</b>	<b>2.10%</b>
<b>Debt Retirement Charge (DRC)</b>	100	0.007	<b>0.70</b>	100	0.007	<b>0.70</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.74%</b>	<b>1.71%</b>
<b>Total Bill on RPP (before taxes)</b>			39.35			39.56	0.21	0.53%	98.33%	
<b>HST</b>		13%	5.12		13%	5.14	0.03	0.53%	12.78%	
<b>Total Bill (including HST)</b>			44.47			44.70	0.23	0.53%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(4.45)		(10%)	(4.47)	(0.02)	0.53%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>40.02</b>			<b>40.23</b>	<b>0.21</b>	<b>0.53%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			39.99			40.20	0.21	0.52%		98.33%
<b>HST</b>		13%	5.20		13%	5.23	0.03	0.52%		12.78%
<b>Total Bill (including HST)</b>			45.19			45.43	0.23	0.52%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(4.52)		(10%)	(4.54)	(0.02)	0.52%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>40.67</b>			<b>40.88</b>	<b>0.21</b>	<b>0.52%</b>		<b>100.00%</b>



# Residential - Low Density [R2]

Consumption	100
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	109	0.078	8.52	109	0.078	8.52	0.00	0.00%	17.19%	
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	#DIV/0!	0.00%	
TOU - Off Peak	70	0.067	4.68	70	0.067	4.68	0.00	0.00%		9.33%
TOU - Mid Peak	20	0.104	2.04	20	0.104	2.04	0.00	0.00%		4.07%
TOU - On Peak	20	0.124	2.44	20	0.124	2.44	0.00	0.00%		4.85%
Service Charge	1	28.48	28.48	1	28.75	28.75	0.27	0.95%	58.01%	57.26%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	9.50%	9.38%
Distribution Volumetric Rate	100	0.03683	3.68	100	0.03701	3.70	0.02	0.49%	7.47%	7.37%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	0.00073	0.07	100	0.00208	0.21	0.14	184.93%	0.42%	0.41%
<b>Total: Distribution</b>			<b>36.95</b>			<b>37.37</b>	<b>0.42</b>	<b>1.14%</b>	<b>75.41%</b>	<b>74.42%</b>
Retail Transmission Rate - Network Service Rate	109	0.00690	0.75	109	0.00702	0.77	0.01	1.74%	1.55%	1.53%
Retail Transmission Rate - Line and Transformation Connection Service Rate	109	0.00480	0.52	109	0.00470	0.51	(0.01)	-2.08%	1.04%	1.02%
<b>Total: Retail Transmission</b>			<b>1.28</b>			<b>1.28</b>	<b>0.00</b>	<b>0.17%</b>	<b>2.58%</b>	<b>2.55%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>38.22</b>			<b>38.65</b>	<b>0.43</b>	<b>1.11%</b>	<b>77.99%</b>	<b>76.97%</b>
Wholesale Market Service Rate	109	0.0044	0.48	109	0.0044	0.48	0.00	0.00%	0.97%	0.96%
Rural Rate Protection Charge	109	0.0012	0.13	109	0.0012	0.13	0.00	0.00%	0.26%	0.26%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.50%	0.50%
<b>Sub-Total: Regulatory</b>			<b>0.86</b>			<b>0.86</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.74%</b>	<b>1.72%</b>
<b>Debt Retirement Charge (DRC)</b>	100	0.007	<b>0.70</b>	100	0.007	<b>0.70</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.41%</b>	<b>1.39%</b>
<b>Total Bill on RPP (before taxes)</b>			48.30			48.73	0.43	0.88%	98.33%	
<b>HST</b>		13%	6.28		13%	6.33	0.06	0.88%	12.78%	
<b>Total Bill (including HST)</b>			54.58			55.06	0.48	0.88%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(5.46)		(10%)	(5.51)	(0.05)	0.88%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>49.12</b>			<b>49.56</b>	<b>0.43</b>	<b>0.88%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			48.95			49.37	0.43	0.87%		98.33%
<b>HST</b>		13%	6.36		13%	6.42	0.06	0.87%		12.78%
<b>Total Bill (including HST)</b>			55.31			55.79	0.48	0.87%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(5.53)		(10%)	(5.58)	(0.05)	0.87%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>49.78</b>			<b>50.21</b>	<b>0.43</b>	<b>0.87%</b>		<b>100.00%</b>



## Seasonal Residential

Consumption	100
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	109.20	0.078	8.52	109.20	0.078	8.52	0.00	0.00%	18.96%	
Energy Second Tier (kWh)	0.00	0.091	0.00	0.00	0.091	0.00	0.00	0.00%	0.00%	
TOU - Off Peak	70	0.067	4.68	69.89	0.067	4.68	0.00	0.00%		10.27%
TOU - Mid Peak	20	0.104	2.04	19.66	0.104	2.04	0.00	0.00%		4.49%
TOU - On Peak	20	0.124	2.44	19.66	0.124	2.44	0.00	0.00%		5.35%
Service Charge	1	19.50	19.50	1	19.59	19.59	0.09	0.46%	43.62%	42.99%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	10.49%	10.34%
Distribution Volumetric Rate	100	0.08117	8.12	100	0.08156	8.16	0.04	0.48%	18.16%	17.90%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	0.00194	0.19	100	0.00403	0.40	0.21	107.73%	0.90%	0.88%
<b>Total: Distribution</b>			<b>32.52</b>			<b>32.86</b>	<b>0.34</b>	<b>1.04%</b>	<b>73.16%</b>	<b>72.10%</b>
Retail Transmission Rate - Network Service Rate	109	0.00652	0.71	109.20	0.00663	0.72	0.01	1.69%	1.61%	1.59%
Retail Transmission Rate - Line and Transformation Connection Service Rate	109	0.00470	0.51	109.20	0.00460	0.50	(0.01)	-2.13%	1.12%	1.10%
<b>Total: Retail Transmission</b>			<b>1.23</b>			<b>1.23</b>	<b>0.00</b>	<b>0.09%</b>	<b>2.73%</b>	<b>2.69%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>33.75</b>			<b>34.09</b>	<b>0.34</b>	<b>1.00%</b>	<b>75.89%</b>	<b>74.79%</b>
Wholesale Market Service Rate	109	0.0044	0.48	109.20	0.0044	0.48	0.00	0.00%	1.07%	1.05%
Rural Rate Protection Charge	109	0.0012	0.13	109.20	0.0012	0.13	0.00	0.00%	0.29%	0.29%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.56%	0.55%
<b>Sub-Total: Regulatory</b>			<b>0.86</b>			<b>0.86</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.92%</b>	<b>1.89%</b>
<b>Debt Retirement Charge (DRC)</b>	100.00	0.007	<b>0.70</b>	100.00	0.007	<b>0.70</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.56%</b>	<b>1.54%</b>
<b>Total Bill on RPP (before taxes)</b>			43.83			44.16	0.34	0.77%	98.33%	
<b>HST</b>		13%	5.70		13%	5.74	0.04	0.77%	12.78%	
<b>Total Bill (including HST)</b>			49.52			49.91	0.38	0.77%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(4.95)</b>		<b>(10%)</b>	<b>(4.99)</b>	<b>(0.04)</b>	0.77%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>44.57</b>			<b>44.92</b>	<b>0.34</b>	<b>0.77%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			44.47			44.81	0.34	0.76%		98.33%
<b>HST</b>		13%	5.78		13%	5.83	0.04	0.76%		12.78%
<b>Total Bill (including HST)</b>			50.25			50.64	0.38	0.76%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(5.03)</b>		<b>(10%)</b>	<b>(5.06)</b>	<b>(0.04)</b>	0.76%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>45.23</b>			<b>45.57</b>	<b>0.34</b>	<b>0.76%</b>		<b>100.00%</b>

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

Consumption	1,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	39.90%	
Energy Second Tier (kWh)	342	0.091	31.12	342	0.091	31.12	0.00	0.00%	21.23%	
TOU - Off Peak	699	0.067	46.82	699	0.067	46.82	0.00	0.00%		31.50%
TOU - Mid Peak	197	0.104	20.44	197	0.104	20.44	0.00	0.00%		13.75%
TOU - On Peak	197	0.124	24.37	197	0.124	24.37	0.00	0.00%		16.39%
Service Charge	1	10.09	10.09	1	10.14	10.14	0.05	0.50%	6.92%	6.82%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	3.21%	3.17%
Distribution Volumetric Rate	1,000	0.01666	16.66	1,000	0.01674	16.74	0.08	0.48%	11.42%	11.26%
Low Voltage Volumetric Rate	1,000		0.00	1,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,000	(0.00052)	(0.52)	1,000	(0.00026)	(0.26)	0.26	(50.00)%	-0.18%	-0.17%
<b>Total: Distribution</b>			<b>30.94</b>			<b>31.33</b>	<b>0.39</b>	<b>1.26%</b>	<b>21.37%</b>	<b>21.07%</b>
Retail Transmission Rate - Network Service Rate	1,092	0.00535	5.84	1,092	0.00544	5.94	0.10	1.68%	4.05%	4.00%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,092	0.00366	4.00	1,092	0.00358	3.91	(0.09)	-2.19%	2.67%	2.63%
<b>Total: Retail Transmission</b>			<b>9.84</b>			<b>9.85</b>	<b>0.01</b>	<b>0.11%</b>	<b>6.72%</b>	<b>6.63%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>40.78</b>			<b>41.18</b>	<b>0.40</b>	<b>0.98%</b>	<b>28.09%</b>	<b>27.70%</b>
Wholesale Market Service Rate	1,092	0.0044	4.80	1,092	0.0044	4.80	0.00	0.00%	3.28%	3.23%
Rural Rate Protection Charge	1,092	0.0012	1.31	1,092	0.0012	1.31	0.00	0.00%	0.89%	0.88%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.17%	0.17%
<b>Sub-Total: Regulatory</b>			<b>6.37</b>			<b>6.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.34%</b>	<b>4.28%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	0.007	<b>7.00</b>	1,000	0.007	<b>7.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.77%</b>	<b>4.71%</b>
<b>Total Bill on RPP (before taxes)</b>			143.77			144.17	0.40	0.28%	98.33%	
<b>HST</b>		13%	18.69		13%	18.74	0.05	0.28%	12.78%	
<b>Total Bill (including HST)</b>			162.46			162.91	0.45	0.28%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(16.25)		(10%)	(16.29)	(0.05)	0.28%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>146.21</b>			<b>146.62</b>	<b>0.41</b>	<b>0.28%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			145.78			146.19	0.40	0.28%		98.33%
<b>HST</b>		13%	18.95		13%	19.00	0.05	0.28%		12.78%
<b>Total Bill (including HST)</b>			164.74			165.19	0.45	0.28%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(16.47)		(10%)	(16.52)	(0.05)	0.28%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>148.26</b>			<b>148.67</b>	<b>0.41</b>	<b>0.28%</b>		<b>100.00%</b>

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

Consumption	1,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	29.58%	
Energy Second Tier (kWh)	342	0.091	31.12	342	0.091	31.12	0.00	0.00%	15.74%	
TOU - Off Peak	699	0.067	46.82	699	0.067	46.82	0.00	0.00%		23.43%
TOU - Mid Peak	197	0.104	20.44	197	0.104	20.44	0.00	0.00%		10.23%
TOU - On Peak	197	0.124	24.37	197	0.124	24.37	0.00	0.00%		12.20%
Service Charge	1	35.87	35.87	1	36.04	36.04	0.17	0.47%	18.22%	18.04%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	2.38%	2.36%
Distribution Volumetric Rate	1,000	0.03981	39.81	1,000	0.04000	40.00	0.19	0.48%	20.23%	20.02%
Low Voltage Volumetric Rate	1,000		0.00	1,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,000	0.00020	0.20	1,000	0.00115	1.15	0.95	475.00%	0.58%	0.58%
<b>Total: Distribution</b>			<b>80.59</b>			<b>81.90</b>	<b>1.31</b>	<b>1.63%</b>	<b>41.41%</b>	<b>40.99%</b>
Retail Transmission Rate - Network Service Rate	1,092	0.00518	5.66	1,092	0.00527	5.75	0.10	1.74%	2.91%	2.88%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,092	0.00358	3.91	1,092	0.00350	3.82	(0.09)	-2.23%	1.93%	1.91%
<b>Total: Retail Transmission</b>			<b>9.57</b>			<b>9.58</b>	<b>0.01</b>	<b>0.11%</b>	<b>4.84%</b>	<b>4.79%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>90.16</b>			<b>91.48</b>	<b>1.32</b>	<b>1.47%</b>	<b>46.25%</b>	<b>45.78%</b>
Wholesale Market Service Rate	1,092	0.0044	4.80	1,092	0.0044	4.80	0.00	0.00%	2.43%	2.40%
Rural Rate Protection Charge	1,092	0.0012	1.31	1,092	0.0012	1.31	0.00	0.00%	0.66%	0.66%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.13%	0.13%
<b>Sub-Total: Regulatory</b>			<b>6.37</b>			<b>6.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.22%</b>	<b>3.19%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	0.007	<b>7.00</b>	1,000	0.007	<b>7.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.54%</b>	<b>3.50%</b>
<b>Total Bill on RPP (before taxes)</b>			193.14			194.46	1.32	0.68%	98.33%	
<b>HST</b>		13%	25.11		13%	25.28	0.17	0.68%	12.78%	
<b>Total Bill (including HST)</b>			218.25			219.74	1.49	0.68%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(21.83)</b>		<b>(10%)</b>	<b>(21.97)</b>	<b>(0.15)</b>	0.68%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>196.43</b>			<b>197.77</b>	<b>1.34</b>	<b>0.68%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			195.16			196.48	1.32	0.68%		98.33%
<b>HST</b>		13%	25.37		13%	25.54	0.17	0.68%		12.78%
<b>Total Bill (including HST)</b>			220.53			222.03	1.49	0.68%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(22.05)</b>		<b>(10%)</b>	<b>(22.20)</b>	<b>(0.15)</b>	0.68%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>198.48</b>			<b>199.82</b>	<b>1.34</b>	<b>0.68%</b>		<b>100.00%</b>

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

Consumption	100
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	109	0.078	8.52	109	0.078	8.52	0.00	0.00%	18.75%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	29.37	29.37	1	29.51	29.51	0.14	0.48%	64.97%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	100	0.03981	3.98	100	0.04000	4.00	0.02	0.48%	8.81%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	0.00020	0.02	100	0.00115	0.12	0.10	475.00%	0.25%
<b>Total: Distribution</b>			<b>33.37</b>			<b>33.63</b>	<b>0.25</b>	<b>0.76%</b>	<b>74.03%</b>
Retail Transmission Rate - Network Service Rate	109	0.00518	0.57	109	0.00527	0.58	0.01	1.74%	1.27%
Retail Transmission Rate - Line and Transformation Connection Service Rate	109	0.00358	0.39	109	0.00350	0.38	(0.01)	-2.23%	0.84%
<b>Total: Retail Transmission</b>			<b>0.96</b>			<b>0.96</b>	<b>0.00</b>	<b>0.11%</b>	<b>2.11%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>34.33</b>			<b>34.58</b>	<b>0.26</b>	<b>0.74%</b>	<b>76.14%</b>
Wholesale Market Service Rate	109	0.0044	0.48	109	0.0044	0.48	0.00	0.00%	1.06%
Rural Rate Protection Charge	109	0.0012	0.13	109	0.0012	0.13	0.00	0.00%	0.29%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.55%
<b>Sub-Total: Regulatory</b>			<b>0.86</b>			<b>0.86</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.90%</b>
Debt Retirement Charge (DRC)	100	0.007	0.70	100	0.007	0.70	0.00	0.00%	1.54%
<b>Total Bill on RPP (before taxes)</b>			44.41			44.66	0.26	0.57%	98.33%
<b>HST</b>		13%	5.77		13%	5.81	0.03	0.57%	12.78%
<b>Total Bill (including HST)</b>			50.18			50.47	0.29	0.57%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(5.02)		(10%)	(5.05)	(0.03)	0.57%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>45.16</b>			<b>45.42</b>	<b>0.26</b>	<b>0.57%</b>	<b>100.00%</b>

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

Consumption (kWh)	15,000
RPP Tier One	750
Load Factor	34%
Loss Factor	1.061
Peak (kW)	60

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	15,915	0.078	1,241.35	15,915	0.078	1,241.35	0.00	0.00%	53.14%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	28.40	28.40	1	28.54	28.54	0.14	0.49%	1.22%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.17%
Distribution Volumetric Rate	60	6.914	414.84	60	6.947	416.82	1.98	0.48%	17.84%
Low Voltage Volumetric Rate	60		0.00	60		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	60	(0.194)	(11.64)	60	(0.093)	(5.58)	6.06	(52.06)%	-0.24%
<b>Total: Distribution</b>			<b>435.52</b>			<b>443.70</b>	<b>8.18</b>	<b>1.88%</b>	<b>18.99%</b>
Retail Transmission Rate - Network Service Rate	60	1.86	111.60	60	1.89	113.40	1.80	1.61%	4.85%
Retail Transmission Rate - Line and Transformation Connection Service Rate	60	1.26	75.60	60	1.24	74.40	(1.20)	-1.59%	3.18%
<b>Total: Retail Transmission</b>			<b>187.20</b>			<b>187.80</b>	<b>0.60</b>	<b>0.32%</b>	<b>8.04%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>622.72</b>			<b>631.50</b>	<b>8.78</b>	<b>1.41%</b>	<b>27.03%</b>
Wholesale Market Service Rate	15,915	0.0044	70.02	15,915	0.0044	70.02	0.00	0.00%	3.00%
Rural Rate Protection Charge	15,915	0.0012	19.10	15,915	0.0012	19.10	0.00	0.00%	0.82%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.01%
<b>Sub-Total: Regulatory</b>			<b>89.37</b>			<b>89.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.83%</b>
<b>Debt Retirement Charge (DRC)</b>	15,000	0.007	<b>105.00</b>	15,000	0.007	<b>105.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.49%</b>
<b>Total Bill on RPP (before taxes)</b>			2,058.44			2,067.22	8.78	0.43%	88.50%
<b>HST</b>		13%	267.60		13%	268.74	1.14	0.43%	11.50%
<b>Total Bill (including HST)</b>			2,326.04			2,335.96	9.92	0.43%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>2,326.04</b>			<b>2,335.96</b>	<b>9.92</b>	<b>0.43%</b>	<b>100.00%</b>

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

Consumption (kWh)	15,000
RPP Tier One	750
Load Factor	34%
Loss Factor	1.061
Peak (kW)	60

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	15,915	0.078	1,241.35	15,915	0.078	1,241.35	0.00	0.00%	46.50%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	51.70	51.70	1	51.95	51.95	0.25	0.48%	1.95%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.15%
Distribution Volumetric Rate	60	11.370	682.20	60	11.425	685.50	3.30	0.48%	25.68%
Low Voltage Volumetric Rate	60		0.00	60		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	60	(0.096)	(5.76)	60	0.098	5.88	11.64	(202.08)%	0.22%
<b>Total: Distribution</b>			<b>732.06</b>			<b>747.25</b>	<b>15.19</b>	<b>2.07%</b>	<b>27.99%</b>
Retail Transmission Rate - Network Service Rate	60	1.78	106.80	60	1.81	108.60	1.80	1.69%	4.07%
Retail Transmission Rate - Line and Transformation Connection Service Rate	60	1.21	72.60	60	1.18	70.80	(1.80)	-2.48%	2.65%
<b>Total: Retail Transmission</b>			<b>179.40</b>			<b>179.40</b>	<b>0.00</b>	<b>0.00%</b>	<b>6.72%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>911.46</b>			<b>926.65</b>	<b>15.19</b>	<b>1.67%</b>	<b>34.71%</b>
Wholesale Market Service Rate	15,915	0.0044	70.02	15,915	0.0044	70.02	0.00	0.00%	2.62%
Rural Rate Protection Charge	15,915	0.0012	19.10	15,915	0.0012	19.10	0.00	0.00%	0.72%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.01%
<b>Sub-Total: Regulatory</b>			<b>89.37</b>			<b>89.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.35%</b>
<b>Debt Retirement Charge (DRC)</b>	15,000	0.007	<b>105.00</b>	15,000	0.007	<b>105.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.93%</b>
<b>Total Bill on RPP (before taxes)</b>			2,347.18			2,362.37	15.19	0.65%	88.50%
<b>HST</b>		13%	305.13		13%	307.11	1.97	0.65%	11.50%
<b>Total Bill (including HST)</b>			2,652.31			2,669.48	17.16	0.65%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>2,652.31</b>			<b>2,669.48</b>	<b>17.16</b>	<b>0.65%</b>	<b>100.00%</b>



## Distributed Generation [DGen]

Consumption (kWh)	300
RPP Tier One	750
Load Factor	4%
Loss Factor	1.061
Peak (kW)	10

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	318	0.078	24.83	318	0.078	24.83	0.00	0.00%	15.87%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	37.72	37.72	1	37.90	37.90	0.18	0.48%	24.22%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	2.51%
Distribution Volumetric Rate	10	5.939	59.39	10	5.968	59.68	0.29	0.49%	38.15%
Low Voltage Volumetric Rate	10		0.00	10		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	10	0.076	0.76	10	0.179	1.79	1.03	135.53%	1.14%
<b>Total: Distribution</b>			<b>101.79</b>			<b>103.29</b>	<b>1.50</b>	<b>1.47%</b>	<b>66.02%</b>
Retail Transmission Rate - Network Service Rate	10	0.37	3.70	10	0.38	3.80	0.10	2.70%	2.43%
Retail Transmission Rate - Line and Transformation Connection Service Rate	10	0.24	2.40	10	0.24	2.40	0.00	0.00%	1.53%
<b>Total: Retail Transmission</b>			<b>6.10</b>			<b>6.20</b>	<b>0.10</b>	<b>1.64%</b>	<b>3.96%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>107.89</b>			<b>109.49</b>	<b>1.60</b>	<b>1.48%</b>	<b>69.98%</b>
Wholesale Market Service Rate	318	0.0044	1.40	318	0.0044	1.40	0.00	0.00%	0.90%
Rural Rate Protection Charge	318	0.0012	0.38	318	0.0012	0.38	0.00	0.00%	0.24%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.16%
<b>Sub-Total: Regulatory</b>			<b>2.03</b>			<b>2.03</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.30%</b>
<b>Debt Retirement Charge (DRC)</b>	300	0.007	<b>2.10</b>	300	0.007	<b>2.10</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.34%</b>
<b>Total Bill on RPP (before taxes)</b>			136.85			138.45	1.60	1.17%	88.50%
<b>HST</b>		13%	17.79		13%	18.00	0.21	1.17%	11.50%
<b>Total Bill (including HST)</b>			154.64			156.45	1.81	1.17%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>154.64</b>			<b>156.45</b>	<b>1.81</b>	<b>1.17%</b>	<b>100.00%</b>

## Sub-Transmission [ST]

Consumption (kWh)	15,000
RPP Tier One	750
Load Factor	34%
Loss Factor	1.034
Peak (kW)	60

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	15,510	0.078	1,209.76	15,510	0.078	1,209.76	0.00	0.00%	50.99%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	291.76	291.76	1	293.16	293.16	1.40	0.48%	12.36%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.17%
Distribution Volumetric Rate	60	0.675	40.50	60	0.678	40.68	0.18	0.44%	1.71%
Low Voltage Volumetric Rate	60		0.00	60		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	60	0.292	17.52	60	0.307	18.42	0.90	5.14%	0.78%
<b>Total: Distribution</b>			<b>353.70</b>			<b>356.18</b>	<b>2.48</b>	<b>0.70%</b>	<b>15.01%</b>
Retail Transmission Rate - Network Service Rate	60	3.29	197.40	60	3.34	200.40	3.00	1.52%	8.45%
Retail Transmission Rate - Line and Transformation Connection Service Rate	60	2.41	144.60	60	2.35	141.00	(3.60)	-2.49%	5.94%
<b>Total: Retail Transmission</b>			<b>342.00</b>			<b>341.40</b>	<b>(0.60)</b>	<b>(0.18%)</b>	<b>14.39%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>695.70</b>			<b>697.58</b>	<b>1.88</b>	<b>0.27%</b>	<b>29.40%</b>
Wholesale Market Service Rate	15,510	0.0044	68.24	15,510	0.0044	68.24	0.00	0.00%	2.88%
Rural Rate Protection Charge	15,510	0.0012	18.61	15,510	0.0012	18.61	0.00	0.00%	0.78%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.01%
<b>Sub-Total: Regulatory</b>			<b>87.10</b>			<b>87.10</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.67%</b>
<b>Debt Retirement Charge (DRC)</b>	15,000	0.007	<b>105.00</b>	15,000	0.007	<b>105.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.43%</b>
<b>Total Bill on RPP (before taxes)</b>			2,097.56			2,099.44	1.88	0.09%	88.50%
<b>HST</b>		13%	272.68		13%	272.93	0.24	0.09%	11.50%
<b>Total Bill (including HST)</b>			2,370.25			2,372.37	2.12	0.09%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>2,370.25</b>			<b>2,372.37</b>	<b>2.12</b>	<b>0.09%</b>	<b>100.00%</b>



## Sentinel Lights

Consumption	10
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	11	0.078	0.85	11	0.078	0.85	0.00	0.00%	21.88%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	1.48	1.48	1	1.49	1.49	0.01	0.68%	38.27%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	10	0.09877	0.99	10	0.09924	0.99	0.00	0.48%	25.49%
Low Voltage Volumetric Rate	10		0.00	10		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	10	0.00079	0.01	10	0.00318	0.03	0.02	302.53%	0.82%
<b>Total: Distribution</b>			<b>2.48</b>			<b>2.51</b>	<b>0.04</b>	<b>1.56%</b>	<b>64.58%</b>
Retail Transmission Rate - Network Service Rate	11	0.00435	0.05	11	0.00442	0.05	0.00	1.61%	1.24%
Retail Transmission Rate - Line and Transformation Connection Service Rate	11	0.00303	0.03	11	0.00297	0.03	(0.00)	-1.98%	0.83%
<b>Total: Retail Transmission</b>			<b>0.08</b>			<b>0.08</b>	<b>0.00</b>	<b>0.14%</b>	<b>2.07%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>2.56</b>			<b>2.59</b>	<b>0.04</b>	<b>1.51%</b>	<b>66.66%</b>
Wholesale Market Service Rate	11	0.0044	0.05	11	0.0044	0.05	0.00	0.00%	1.23%
Rural Rate Protection Charge	11	0.0012	0.01	11	0.0012	0.01	0.00	0.00%	0.34%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	6.42%
<b>Sub-Total: Regulatory</b>			<b>0.31</b>			<b>0.31</b>	<b>0.00</b>	<b>0.00%</b>	<b>7.99%</b>
<b>Debt Retirement Charge (DRC)</b>	10	0.007	<b>0.07</b>	10	0.007	<b>0.07</b>	<b>0.00</b>	<b>0.00%</b>	<b>1.80%</b>
<b>Total Bill on RPP (before taxes)</b>			3.79			3.83	0.04	1.02%	98.33%
<b>HST</b>		13%	0.49		13%	0.50	0.01	1.02%	12.78%
<b>Total Bill (including HST)</b>			4.28			4.33	0.04	1.02%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(0.43)</b>		<b>(10%)</b>	<b>(0.43)</b>	<b>(0.00)</b>	1.02%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>3.85</b>			<b>3.89</b>	<b>0.04</b>	<b>1.02%</b>	<b>100.00%</b>

## Street Lights

Consumption	200
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	218	0.078	17.04	218	0.078	17.04	0.00	0.00%	44.39%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	1.45	1.45	1	1.46	1.46	0.01	0.69%	3.80%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	200	0.07209	14.42	200	0.07244	14.49	0.07	0.49%	37.75%
Low Voltage Volumetric Rate	200		0.00	200		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	200	0.00001	0.00	200	0.00133	0.27	0.26	13200.00%	0.69%
<b>Total: Distribution</b>			<b>15.87</b>			<b>16.21</b>	<b>0.34</b>	<b>2.17%</b>	<b>42.25%</b>
Retail Transmission Rate - Network Service Rate	218	0.00435	0.95	218	0.00442	0.97	0.02	1.61%	2.52%
Retail Transmission Rate - Line and Transformation Connection Service Rate	218	0.00303	0.66	218	0.00297	0.65	(0.01)	-1.98%	1.69%
<b>Total: Retail Transmission</b>			<b>1.61</b>			<b>1.61</b>	<b>0.00</b>	<b>0.14%</b>	<b>4.21%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>17.48</b>			<b>17.83</b>	<b>0.35</b>	<b>1.98%</b>	<b>46.45%</b>
Wholesale Market Service Rate	218	0.0044	0.96	218	0.0044	0.96	0.00	0.00%	2.50%
Rural Rate Protection Charge	218	0.0012	0.26	218	0.0012	0.26	0.00	0.00%	0.68%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.65%
<b>Sub-Total: Regulatory</b>			<b>1.47</b>			<b>1.47</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.84%</b>
<b>Debt Retirement Charge (DRC)</b>	200	0.007	<b>1.40</b>	200	0.007	<b>1.40</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.65%</b>
<b>Total Bill on RPP (before taxes)</b>			37.39			37.74	0.35	0.93%	98.33%
<b>HST</b>		13%	4.86		13%	4.91	0.05	0.93%	12.78%
<b>Total Bill (including HST)</b>			42.25			42.64	0.39	0.93%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(4.23)		(10%)	(4.26)	(0.04)	0.93%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>38.03</b>			<b>38.38</b>	<b>0.35</b>	<b>0.93%</b>	<b>100.00%</b>

## Residential - Urban Density [UR]

Consumption	2,000
RPP Tier One	600
Load Factor	
Loss Factor	1.078

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	14.85%	
Energy Second Tier (kWh)	1,556	0.091	141.60	1,556	0.091	141.60	0.00	0.00%	44.93%	
TOU - Off Peak	1,380	0.067	92.45	1,380	0.067	92.45	0.00	0.00%		30.06%
TOU - Mid Peak	388	0.104	40.36	388	0.104	40.36	0.00	0.00%		13.12%
TOU - On Peak	388	0.124	48.12	388	0.124	48.12	0.00	0.00%		15.65%
Service Charge	1	12.58	12.58	1	12.64	12.64	0.06	0.48%	4.01%	4.11%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	1.49%	1.53%
Distribution Volumetric Rate	2,000	0.02529	50.58	2,000	0.02541	50.82	0.24	0.47%	16.12%	16.52%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	(0.00001)	(0.02)	2,000	0.00061	1.22	1.24	(6200.00)%	0.39%	0.40%
<b>Total: Distribution</b>			<b>67.85</b>			<b>69.39</b>	<b>1.54</b>	<b>2.27%</b>	<b>22.02%</b>	<b>22.56%</b>
Retail Transmission Rate - Network Service Rate	2,156	0.00696	15.01	2,156	0.00707	15.24	0.24	1.58%	4.84%	4.96%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,156	0.00500	10.78	2,156	0.00489	10.54	(0.24)	-2.20%	3.35%	3.43%
<b>Total: Retail Transmission</b>			<b>25.79</b>			<b>25.79</b>	<b>0.00</b>	<b>0.00%</b>	<b>8.18%</b>	<b>8.38%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>93.64</b>			<b>95.18</b>	<b>1.54</b>	<b>1.64%</b>	<b>30.20%</b>	<b>30.94%</b>
Wholesale Market Service Rate	2,156	0.0044	9.49	2,156	0.0044	9.49	0.00	0.00%	3.01%	3.08%
Rural Rate Protection Charge	2,156	0.0012	2.59	2,156	0.0012	2.59	0.00	0.00%	0.82%	0.84%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.08%	0.08%
<b>Sub-Total: Regulatory</b>			<b>12.32</b>			<b>12.32</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.91%</b>	<b>4.01%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.44%</b>	<b>4.55%</b>
<b>Total Bill on RPP (before taxes)</b>			308.36			309.90	1.54	0.50%	98.33%	
<b>HST</b>		13%	40.09		13%	40.29	0.20	0.50%	12.78%	
<b>Total Bill (including HST)</b>			348.44			350.18	1.74	0.50%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(34.84)</b>		<b>(10%)</b>	<b>(35.02)</b>	<b>(0.17)</b>	0.50%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>313.60</b>			<b>315.16</b>	<b>1.57</b>	<b>0.50%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			300.89			302.43	1.54	0.51%		98.33%
<b>HST</b>		13%	39.12		13%	39.32	0.20	0.51%		12.78%
<b>Total Bill (including HST)</b>			340.01			341.75	1.74	0.51%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(34.00)</b>		<b>(10%)</b>	<b>(34.17)</b>	<b>(0.17)</b>	0.51%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>306.01</b>			<b>307.57</b>	<b>1.57</b>	<b>0.51%</b>		<b>100.00%</b>

# Residential - Medium Density [R1]

Consumption	2,000
RPP Tier One	600
Load Factor	
Loss Factor	1.085

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	13.66%	
Energy Second Tier (kWh)	1,570	0.091	142.87	1,570	0.091	142.87	0.00	0.00%	41.72%	
TOU - Off Peak	1,389	0.067	93.05	1,389	0.067	93.05	0.00	0.00%		27.79%
TOU - Mid Peak	391	0.104	40.62	391	0.104	40.62	0.00	0.00%		12.13%
TOU - On Peak	391	0.124	48.43	391	0.124	48.43	0.00	0.00%		14.47%
Service Charge	1	19.93	19.93	1	20.03	20.03	0.10	0.50%	5.85%	5.98%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	1.38%	1.41%
Distribution Volumetric Rate	2,000	0.03353	67.06	2,000	0.03369	67.38	0.32	0.48%	19.67%	20.13%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	0.00018	0.36	2,000	0.00107	2.14	1.78	494.44%	0.62%	0.64%
<b>Total: Distribution</b>			<b>92.06</b>			<b>94.26</b>	<b>2.20</b>	<b>2.39%</b>	<b>27.52%</b>	<b>28.15%</b>
Retail Transmission Rate - Network Service Rate	2,170	0.00707	15.34	2,170	0.00719	15.60	0.26	1.70%	4.56%	4.66%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,170	0.00509	11.05	2,170	0.00499	10.83	(0.22)	-1.96%	3.16%	3.23%
<b>Total: Retail Transmission</b>			<b>26.39</b>			<b>26.43</b>	<b>0.04</b>	<b>0.16%</b>	<b>7.72%</b>	<b>7.89%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>118.45</b>			<b>120.69</b>	<b>2.24</b>	<b>1.89%</b>	<b>35.24%</b>	<b>36.05%</b>
Wholesale Market Service Rate	2,170	0.0044	9.55	2,170	0.0044	9.55	0.00	0.00%	2.79%	2.85%
Rural Rate Protection Charge	2,170	0.0012	2.60	2,170	0.0012	2.60	0.00	0.00%	0.76%	0.78%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.07%	0.07%
<b>Sub-Total: Regulatory</b>			<b>12.40</b>			<b>12.40</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.62%</b>	<b>3.70%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.09%</b>	<b>4.18%</b>
<b>Total Bill on RPP (before taxes)</b>			334.52			336.76	2.24	0.67%	98.33%	
<b>HST</b>		13%	43.49		13%	43.78	0.29	0.67%	12.78%	
<b>Total Bill (including HST)</b>			378.01			380.54	2.54	0.67%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(37.80)</b>		<b>(10%)</b>	<b>(38.05)</b>	<b>(0.25)</b>	0.67%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>340.21</b>			<b>342.49</b>	<b>2.28</b>	<b>0.67%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			326.96			329.20	2.24	0.69%		98.33%
<b>HST</b>		13%	42.50		13%	42.80	0.29	0.69%		12.78%
<b>Total Bill (including HST)</b>			369.46			371.99	2.54	0.69%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(36.95)</b>		<b>(10%)</b>	<b>(37.20)</b>	<b>(0.25)</b>	0.69%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>332.51</b>			<b>334.80</b>	<b>2.28</b>	<b>0.69%</b>		<b>100.00%</b>

## Residential - Low Density [R2]

Consumption	2,000
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600	0.078	46.80	600	0.078	46.80	0.00	0.00%	12.98%	
Energy Second Tier (kWh)	1,584	0.091	144.14	1,584	0.091	144.14	0.00	0.00%	39.96%	
TOU - Off Peak	1,398	0.067	93.65	1,398	0.067	93.65	0.00	0.00%		26.54%
TOU - Mid Peak	393	0.104	40.88	393	0.104	40.88	0.00	0.00%		11.59%
TOU - On Peak	393	0.124	48.75	393	0.124	48.75	0.00	0.00%		13.81%
Service Charge	1	28.48	28.48	1	28.75	28.75	0.27	0.95%	7.97%	8.15%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	1.31%	1.33%
Distribution Volumetric Rate	2,000	0.03683	73.66	2,000	0.03701	74.02	0.36	0.49%	20.52%	20.97%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	0.00073	1.46	2,000	0.00208	4.16	2.70	184.93%	1.15%	1.18%
<b>Total: Distribution</b>			<b>108.31</b>			<b>111.64</b>	<b>3.33</b>	<b>3.07%</b>	<b>30.95%</b>	<b>31.64%</b>
Retail Transmission Rate - Network Service Rate	2,184	0.00690	15.07	2,184	0.00702	15.33	0.26	1.74%	4.25%	4.34%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,184	0.00480	10.48	2,184	0.00470	10.26	(0.22)	-2.08%	2.85%	2.91%
<b>Total: Retail Transmission</b>			<b>25.55</b>			<b>25.60</b>	<b>0.04</b>	<b>0.17%</b>	<b>7.10%</b>	<b>7.25%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>133.86</b>			<b>137.24</b>	<b>3.37</b>	<b>2.52%</b>	<b>38.05%</b>	<b>38.89%</b>
Wholesale Market Service Rate	2,184	0.0044	9.61	2,184	0.0044	9.61	0.00	0.00%	2.66%	2.72%
Rural Rate Protection Charge	2,184	0.0012	2.62	2,184	0.0012	2.62	0.00	0.00%	0.73%	0.74%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.07%	0.07%
<b>Sub-Total: Regulatory</b>			<b>12.48</b>			<b>12.48</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.46%</b>	<b>3.54%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.88%</b>	<b>3.97%</b>
<b>Total Bill on RPP (before taxes)</b>			351.29			354.66	3.37	0.96%	98.33%	
<b>HST</b>		13%	45.67		13%	46.11	0.44	0.96%	12.78%	
<b>Total Bill (including HST)</b>			396.95			400.77	3.81	0.96%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(39.70)</b>		<b>(10%)</b>	<b>(40.08)</b>	<b>(0.38)</b>	0.96%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>357.26</b>			<b>360.69</b>	<b>3.43</b>	<b>0.96%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			343.62			347.00	3.37	0.98%		98.33%
<b>HST</b>		13%	44.67		13%	45.11	0.44	0.98%		12.78%
<b>Total Bill (including HST)</b>			388.30			392.11	3.81	0.98%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(38.83)</b>		<b>(10%)</b>	<b>(39.21)</b>	<b>(0.38)</b>	0.98%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>349.47</b>			<b>352.90</b>	<b>3.43</b>	<b>0.98%</b>		<b>100.00%</b>

# Seasonal Residential

Consumption	1,000
RPP Tier One	600
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	600.00	0.078	46.80	600	0.078	46.80	0.00	0.00%	20.26%	
Energy Second Tier (kWh)	492.00	0.091	44.77	492	0.091	44.77	0.00	0.00%	19.39%	
TOU - Off Peak	699	0.067	46.82	699	0.067	46.82	0.00	0.00%		20.27%
TOU - Mid Peak	197	0.104	20.44	197	0.104	20.44	0.00	0.00%		8.85%
TOU - On Peak	197	0.124	24.37	197	0.124	24.37	0.00	0.00%		10.55%
Service Charge	1	19.50	19.50	1	19.59	19.59	0.09	0.46%	8.48%	8.48%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	2.04%	2.04%
Distribution Volumetric Rate	1,000	0.08117	81.17	1,000	0.08156	81.56	0.39	0.48%	35.31%	35.30%
Low Voltage Volumetric Rate	1,000		0.00	1,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,000	0.00194	1.94	1,000	0.00403	4.03	2.09	107.73%	1.74%	1.74%
<b>Total: Distribution</b>			<b>107.32</b>			<b>109.89</b>	<b>2.57</b>	<b>2.39%</b>	<b>47.58%</b>	<b>47.57%</b>
Retail Transmission Rate - Network Service Rate	1,092	0.00652	7.12	1,092	0.00663	7.24	0.12	1.69%	3.13%	3.13%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,092	0.00470	5.13	1,092	0.00460	5.02	(0.11)	-2.13%	2.18%	2.17%
<b>Total: Retail Transmission</b>			<b>12.25</b>			<b>12.26</b>	<b>0.01</b>	<b>0.09%</b>	<b>5.31%</b>	<b>5.31%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>119.57</b>			<b>122.15</b>	<b>2.58</b>	<b>2.16%</b>	<b>52.89%</b>	<b>52.88%</b>
Wholesale Market Service Rate	1,092	0.0044	4.80	1,092	0.0044	4.80	0.00	0.00%	2.08%	2.08%
Rural Rate Protection Charge	1,092	0.0012	1.31	1,092	0.0012	1.31	0.00	0.00%	0.57%	0.57%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.11%	0.11%
<b>Sub-Total: Regulatory</b>			<b>6.37</b>			<b>6.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.76%</b>	<b>2.76%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	0.007	<b>7.00</b>	1,000	0.007	<b>7.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.03%</b>	<b>3.03%</b>
<b>Total Bill on RPP (before taxes)</b>			224.51			227.09	2.58	1.15%	98.33%	
<b>HST</b>		13%	29.19		13%	29.52	0.34	1.15%	12.78%	
<b>Total Bill (including HST)</b>			253.70			256.61	2.92	1.15%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(25.37)		(10%)	(25.66)	(0.29)	1.15%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>228.33</b>			<b>230.95</b>	<b>2.62</b>	<b>1.15%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			224.58			227.16	2.58	1.15%		98.33%
<b>HST</b>		13%	29.20		13%	29.53	0.34	1.15%		12.78%
<b>Total Bill (including HST)</b>			253.77			256.69	2.92	1.15%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(25.38)		(10%)	(25.67)	(0.29)	1.15%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>228.40</b>			<b>231.02</b>	<b>2.62</b>	<b>1.15%</b>		<b>100.00%</b>



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

Consumption	15,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	2.76%	
Energy Second Tier (kWh)	15,630	0.091	1,422.33	15,630	0.091	1,422.33	0.00	0.00%	66.99%	
TOU - Off Peak	10,483	0.067	702.37	10,483	0.067	702.37	0.00	0.00%		34.86%
TOU - Mid Peak	2,948	0.104	306.63	2,948	0.104	306.63	0.00	0.00%		15.22%
TOU - On Peak	2,948	0.124	365.60	2,948	0.124	365.60	0.00	0.00%		18.14%
Service Charge	1	10.09	10.09	1	10.14	10.14	0.05	0.50%	0.48%	0.50%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	0.22%	0.23%
Distribution Volumetric Rate	15,000	0.01666	249.90	15,000	0.01674	251.10	1.20	0.48%	11.83%	12.46%
Low Voltage Volumetric Rate	15,000		0.00	15,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	15,000	(0.00052)	(7.80)	15,000	(0.00026)	(3.90)	3.90	(50.00)%	-0.18%	-0.19%
<b>Total: Distribution</b>			<b>256.90</b>			<b>262.05</b>	<b>5.15</b>	<b>2.00%</b>	<b>12.34%</b>	<b>13.00%</b>
Retail Transmission Rate - Network Service Rate	16,380	0.00535	87.63	16,380	0.00544	89.11	1.47	1.68%	4.20%	4.42%
Retail Transmission Rate - Line and Transformation Connection Service Rate	16,380	0.00366	59.95	16,380	0.00358	58.64	(1.31)	-2.19%	2.76%	2.91%
<b>Total: Retail Transmission</b>			<b>147.58</b>			<b>147.75</b>	<b>0.16</b>	<b>0.11%</b>	<b>6.96%</b>	<b>7.33%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>404.48</b>			<b>409.80</b>	<b>5.31</b>	<b>1.31%</b>	<b>19.30%</b>	<b>20.34%</b>
Wholesale Market Service Rate	16,380	0.0044	72.07	16,380	0.0044	72.07	0.00	0.00%	3.39%	3.58%
Rural Rate Protection Charge	16,380	0.0012	19.66	16,380	0.0012	19.66	0.00	0.00%	0.93%	0.98%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.01%	0.01%
<b>Sub-Total: Regulatory</b>			<b>91.98</b>			<b>91.98</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.33%</b>	<b>4.56%</b>
<b>Debt Retirement Charge (DRC)</b>	15,000	0.007	<b>105.00</b>	15,000	0.007	<b>105.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.95%</b>	<b>5.21%</b>
<b>Total Bill on RPP (before taxes)</b>			2,082.29			2,087.61	5.31	0.26%	98.33%	
<b>HST</b>		13%	270.70		13%	271.39	0.69	0.26%	12.78%	
<b>Total Bill (including HST)</b>			2,352.99			2,358.99	6.00	0.26%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(235.30)		(10%)	(235.90)	(0.60)	0.26%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>2,117.69</b>			<b>2,123.09</b>	<b>5.40</b>	<b>0.26%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			1,976.07			1,981.39	5.31	0.27%		98.33%
<b>HST</b>		13%	256.89		13%	257.58	0.69	0.27%		12.78%
<b>Total Bill (including HST)</b>			2,232.96			2,238.97	6.00	0.27%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(223.30)		(10%)	(223.90)	(0.60)	0.27%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>2,009.66</b>			<b>2,015.07</b>	<b>5.40</b>	<b>0.27%</b>		<b>100.00%</b>

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

Consumption	15,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL						
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	2.32%	
Energy Second Tier (kWh)	15,630	0.091	1,422.33	15,630	0.091	1,422.33	0.00	0.00%	56.41%	
TOU - Off Peak	10,483	0.067	702.37	10,483	0.067	702.37	0.00	0.00%		29.10%
TOU - Mid Peak	2,948	0.104	306.63	2,948	0.104	306.63	0.00	0.00%		12.70%
TOU - On Peak	2,948	0.124	365.60	2,948	0.124	365.60	0.00	0.00%		15.15%
Service Charge	1	35.87	35.87	1	36.04	36.04	0.17	0.47%	1.43%	1.49%
Service Charge Rate Rider(s)	1	4.71	4.71	1	4.71	4.71	0.00	0.00%	0.19%	0.20%
Distribution Volumetric Rate	15,000	0.03981	597.15	15,000	0.04000	600.00	2.85	0.48%	23.79%	24.86%
Low Voltage Volumetric Rate	15,000		0.00	15,000		0.00	0.00	0.00%	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	15,000	0.00020	3.00	15,000	0.00115	17.25	14.25	475.00%	0.68%	0.71%
<b>Total: Distribution</b>			<b>640.73</b>			<b>658.00</b>	<b>17.27</b>	<b>2.70%</b>	<b>26.09%</b>	<b>27.26%</b>
Retail Transmission Rate - Network Service Rate	16,380	0.00518	84.85	16,380	0.00527	86.32	1.47	1.74%	3.42%	3.58%
Retail Transmission Rate - Line and Transformation Connection Service Rate	16,380	0.00358	58.64	16,380	0.00350	57.33	(1.31)	-2.23%	2.27%	2.38%
<b>Total: Retail Transmission</b>			<b>143.49</b>			<b>143.65</b>	<b>0.16</b>	<b>0.11%</b>	<b>5.70%</b>	<b>5.95%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>784.22</b>			<b>801.65</b>	<b>17.43</b>	<b>2.22%</b>	<b>31.79%</b>	<b>33.21%</b>
Wholesale Market Service Rate	16,380	0.0044	72.07	16,380	0.0044	72.07	0.00	0.00%	2.86%	2.99%
Rural Rate Protection Charge	16,380	0.0012	19.66	16,380	0.0012	19.66	0.00	0.00%	0.78%	0.81%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.01%	0.01%
<b>Sub-Total: Regulatory</b>			<b>91.98</b>			<b>91.98</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.65%</b>	<b>3.81%</b>
<b>Debt Retirement Charge (DRC)</b>	15,000	0.007	<b>105.00</b>	15,000	0.007	<b>105.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.16%</b>	<b>4.35%</b>
<b>Total Bill on RPP (before taxes)</b>			2,462.03			2,479.46	17.43	0.71%	98.33%	
<b>HST</b>		13%	320.06		13%	322.33	2.27	0.71%	12.78%	
<b>Total Bill (including HST)</b>			2,782.09			2,801.79	19.70	0.71%	111.11%	
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(278.21)		(10%)	(280.18)	(1.97)	0.71%	-11.11%	
<b>Total Bill on RPP (including OCEB)</b>			<b>2,503.88</b>			<b>2,521.61</b>	<b>17.73</b>	<b>0.71%</b>	<b>100.00%</b>	
<b>Total Bill on TOU (before taxes)</b>			2,355.81			2,373.24	17.43	0.74%		98.33%
<b>HST</b>		13%	306.25		13%	308.52	2.27	0.74%		12.78%
<b>Total Bill (including HST)</b>			2,662.06			2,681.76	19.70	0.74%		111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(266.21)		(10%)	(268.18)	(1.97)	0.74%		-11.11%
<b>Total Bill on TOU (including OCEB)</b>			<b>2,395.86</b>			<b>2,413.59</b>	<b>17.73</b>	<b>0.74%</b>		<b>100.00%</b>



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

Consumption	1,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	31.39%
Energy Second Tier (kWh)	342	0.091	31.12	342	0.091	31.12	0.00	0.00%	16.70%
Service Charge	1	29.37	29.37	1	29.51	29.51	0.14	0.48%	15.84%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	1,000	0.03981	39.81	1,000	0.04000	40.00	0.19	0.48%	21.47%
Low Voltage Volumetric Rate	1,000		0.00	1,000		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,000	0.00020	0.20	1,000	0.00115	1.15	0.95	475.00%	0.62%
<b>Total: Distribution</b>			<b>69.38</b>			<b>70.66</b>	<b>1.28</b>	<b>1.84%</b>	<b>37.92%</b>
Retail Transmission Rate - Network Service Rate	1,092	0.00518	5.66	1,092	0.00527	5.75	0.10	1.74%	3.09%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,092	0.00358	3.91	1,092	0.00350	3.82	(0.09)	-2.23%	2.05%
<b>Total: Retail Transmission</b>			<b>9.57</b>			<b>9.58</b>	<b>0.01</b>	<b>0.11%</b>	<b>5.14%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>78.95</b>			<b>80.24</b>	<b>1.29</b>	<b>1.64%</b>	<b>43.06%</b>
Wholesale Market Service Rate	1,092	0.0044	4.80	1,092	0.0044	4.80	0.00	0.00%	2.58%
Rural Rate Protection Charge	1,092	0.0012	1.31	1,092	0.0012	1.31	0.00	0.00%	0.70%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.13%
<b>Sub-Total: Regulatory</b>			<b>6.37</b>			<b>6.37</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.42%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	0.007	<b>7.00</b>	1,000	0.007	<b>7.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.76%</b>
<b>Total Bill on RPP (before taxes)</b>			181.93			183.22	1.29	0.71%	98.33%
<b>HST</b>		13%	23.65		13%	23.82	0.17	0.71%	12.78%
<b>Total Bill (including HST)</b>			205.58			207.04	1.46	0.71%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(20.56)</b>		<b>(10%)</b>	<b>(20.70)</b>	<b>(0.15)</b>	0.71%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>185.03</b>			<b>186.34</b>	<b>1.31</b>	<b>0.71%</b>	<b>100.00%</b>

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

Consumption (kWh)	1,500,000
RPP Tier One	750
Load Factor	51%
Loss Factor	1.061
Peak (kW)	4,000

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	1,591,500	0.078	124,136.97	1,591,500	0.078	124,136.97	0.00	0.00%	59.86%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	28.40	28.40	1	28.54	28.54	0.14	0.49%	0.01%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.00%
Distribution Volumetric Rate	4,000	6.914	27,656.00	4,000	6.947	27,788.00	132.00	0.48%	13.40%
Low Voltage Volumetric Rate	4,000		0.00	4,000		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	4,000	(0.194)	(776.00)	4,000	(0.093)	(372.00)	404.00	(52.06)%	-0.18%
<b>Total: Distribution</b>			<b>26,912.32</b>			<b>27,448.46</b>	<b>536.14</b>	<b>1.99%</b>	<b>13.24%</b>
Retail Transmission Rate - Network Service Rate	4,000	1.86	7,440.00	4,000	1.89	7,560.00	120.00	1.61%	3.65%
Retail Transmission Rate - Line and Transformation Connection Service Rate	4,000	1.26	5,040.00	4,000	1.24	4,960.00	(80.00)	-1.59%	2.39%
<b>Total: Retail Transmission</b>			<b>12,480.00</b>			<b>12,520.00</b>	<b>40.00</b>	<b>0.32%</b>	<b>6.04%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>39,392.32</b>			<b>39,968.46</b>	<b>576.14</b>	<b>1.46%</b>	<b>19.27%</b>
Wholesale Market Service Rate	1,591,500	0.0044	7,002.60	1,591,500	0.0044	7,002.60	0.00	0.00%	3.38%
Rural Rate Protection Charge	1,591,500	0.0012	1,909.80	1,591,500	0.0012	1,909.80	0.00	0.00%	0.92%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>8,912.65</b>			<b>8,912.65</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.30%</b>
<b>Debt Retirement Charge (DRC)</b>	1,500,000	0.007	<b>10,500.00</b>	1,500,000	0.007	<b>10,500.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>5.06%</b>
<b>Total Bill on RPP (before taxes)</b>			182,941.93			183,518.07	576.14	0.31%	88.50%
<b>HST</b>		13%	23,782.45		13%	23,857.35	74.90	0.31%	11.50%
<b>Total Bill (including HST)</b>			206,724.39			207,375.42	651.04	0.31%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>206,724.39</b>			<b>207,375.42</b>	<b>651.04</b>	<b>0.31%</b>	<b>100.00%</b>

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

Consumption (kWh)	1,500,000
RPP Tier One	750
Load Factor	51%
Loss Factor	1.061
Peak (kW)	4,000

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL			Change (\$)	Change (%)	% of Total Bill
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)			
Energy First Tier (kWh)	1,591,500	0.078	124,136.97	1,591,500	0.078	124,136.97	0.00	0.00%	54.48%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	51.70	51.70	1	51.95	51.95	0.25	0.48%	0.02%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.00%
Distribution Volumetric Rate	4,000	11.370	45,480.00	4,000	11.425	45,700.00	220.00	0.48%	20.06%
Low Voltage Volumetric Rate	4,000		0.00	4,000		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	4,000	(0.096)	(384.00)	4,000	0.098	392.00	776.00	(202.08)%	0.17%
<b>Total: Distribution</b>			<b>45,151.62</b>			<b>46,147.87</b>	<b>996.25</b>	<b>2.21%</b>	<b>20.25%</b>
Retail Transmission Rate - Network Service Rate	4,000	1.78	7,120.00	4,000	1.81	7,240.00	120.00	1.69%	3.18%
Retail Transmission Rate - Line and Transformation Connection Service Rate	4,000	1.21	4,840.00	4,000	1.18	4,720.00	(120.00)	-2.48%	2.07%
<b>Total: Retail Transmission</b>			<b>11,960.00</b>			<b>11,960.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>5.25%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>57,111.62</b>			<b>58,107.87</b>	<b>996.25</b>	<b>1.74%</b>	<b>25.50%</b>
Wholesale Market Service Rate	1,591,500	0.0044	7,002.60	1,591,500	0.0044	7,002.60	0.00	0.00%	3.07%
Rural Rate Protection Charge	1,591,500	0.0012	1,909.80	1,591,500	0.0012	1,909.80	0.00	0.00%	0.84%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>8,912.65</b>			<b>8,912.65</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.91%</b>
<b>Debt Retirement Charge (DRC)</b>	1,500,000	0.007	<b>10,500.00</b>	1,500,000	0.007	<b>10,500.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.61%</b>
<b>Total Bill on RPP (before taxes)</b>			200,661.23			201,657.48	996.25	0.50%	88.50%
<b>HST</b>		13%	26,085.96		13%	26,215.47	129.51	0.50%	11.50%
<b>Total Bill (including HST)</b>			226,747.19			227,872.96	1,125.76	0.50%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>226,747.19</b>			<b>227,872.96</b>	<b>1,125.76</b>	<b>0.50%</b>	<b>100.00%</b>

## Distributed Generation [DGen]

Consumption (kWh)	35,000
RPP Tier One	750
Load Factor	6%
Loss Factor	1.061
Peak (kW)	750

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	37,135	0.078	2,896.57	37,135	0.078	2,896.57	0.00	0.00%	30.27%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	37.72	37.72	1	37.90	37.90	0.18	0.48%	0.40%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.04%
Distribution Volumetric Rate	750	5.939	4,454.25	750	5.968	4,476.00	21.75	0.49%	46.78%
Low Voltage Volumetric Rate	750		0.00	750		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	750	0.076	57.00	750	0.179	134.25	77.25	135.53%	1.40%
<b>Total: Distribution</b>			<b>4,552.89</b>			<b>4,652.07</b>	<b>99.18</b>	<b>2.18%</b>	<b>48.62%</b>
Retail Transmission Rate - Network Service Rate	750	0.37	277.50	750	0.38	285.00	7.50	2.70%	2.98%
Retail Transmission Rate - Line and Transformation Connection Service Rate	750	0.24	180.00	750	0.24	180.00	0.00	0.00%	1.88%
<b>Total: Retail Transmission</b>			<b>457.50</b>			<b>465.00</b>	<b>7.50</b>	<b>1.64%</b>	<b>4.86%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>5,010.39</b>			<b>5,117.07</b>	<b>106.68</b>	<b>2.13%</b>	<b>53.48%</b>
Wholesale Market Service Rate	37,135	0.0044	163.40	37,135	0.0044	163.40	0.00	0.00%	1.71%
Rural Rate Protection Charge	37,135	0.0012	44.56	37,135	0.0012	44.56	0.00	0.00%	0.47%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>208.21</b>			<b>208.21</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.18%</b>
<b>Debt Retirement Charge (DRC)</b>	35,000	0.007	<b>245.00</b>	35,000	0.007	<b>245.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.56%</b>
<b>Total Bill on RPP (before taxes)</b>			8,360.17			8,466.85	106.68	1.28%	88.50%
<b>HST</b>		13%	1,086.82		13%	1,100.69	13.87	1.28%	11.50%
<b>Total Bill (including HST)</b>			9,446.99			9,567.54	120.55	1.28%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>9,446.99</b>			<b>9,567.54</b>	<b>120.55</b>	<b>1.28%</b>	<b>100.00%</b>

## Sub-Transmission [ST]

Consumption (kWh)	1,500,000
RPP Tier One	750
Load Factor	51%
Loss Factor	1.034
Peak (kW)	4,000

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL			Change (\$)	Change (%)	% of Total Bill
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)			
Energy First Tier (kWh)	1,551,000	0.078	120,977.97	1,551,000	0.078	120,977.97	0.00	0.00%	64.05%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	291.76	291.76	1	293.16	293.16	1.40	0.48%	0.16%
Service Charge Rate Rider(s)	1	3.92	3.92	1	3.92	3.92	0.00	0.00%	0.00%
Distribution Volumetric Rate	4,000	0.675	2,700.00	4,000	0.678	2,712.00	12.00	0.44%	1.44%
Low Voltage Volumetric Rate	4,000		0.00	4,000		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	4,000	0.292	1,168.00	4,000	0.307	1,228.00	60.00	5.14%	0.65%
<b>Total: Distribution</b>			<b>4,163.68</b>			<b>4,237.08</b>	<b>73.40</b>	<b>1.76%</b>	<b>2.24%</b>
Retail Transmission Rate - Network Service Rate	4,000	3.29	13,160.00	4,000	3.34	13,360.00	200.00	1.52%	7.07%
Retail Transmission Rate - Line and Transformation Connection Service Rate	4,000	2.41	9,640.00	4,000	2.35	9,400.00	(240.00)	-2.49%	4.98%
<b>Total: Retail Transmission</b>			<b>22,800.00</b>			<b>22,760.00</b>	<b>(40.00)</b>	<b>(0.18%)</b>	<b>12.05%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>26,963.68</b>			<b>26,997.08</b>	<b>33.40</b>	<b>0.12%</b>	<b>14.29%</b>
Wholesale Market Service Rate	1,551,000	0.0044	6,824.40	1,551,000	0.0044	6,824.40	0.00	0.00%	3.61%
Rural Rate Protection Charge	1,551,000	0.0012	1,861.20	1,551,000	0.0012	1,861.20	0.00	0.00%	0.99%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
<b>Sub-Total: Regulatory</b>			<b>8,685.85</b>			<b>8,685.85</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.60%</b>
<b>Debt Retirement Charge (DRC)</b>	1,500,000	0.007	<b>10,500.00</b>	1,500,000	0.007	<b>10,500.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>5.56%</b>
<b>Total Bill on RPP (before taxes)</b>			167,127.49			167,160.89	33.40	0.02%	88.50%
<b>HST</b>		13%	21,726.57		13%	21,730.92	4.34	0.02%	11.50%
<b>Total Bill (including HST)</b>			188,854.07			188,891.81	37.74	0.02%	100.00%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>0%</b>	<b>0.00</b>		<b>0%</b>	<b>0.00</b>	0.00	0.00%	0.00%
<b>Total Bill on RPP (including OCEB)</b>			<b>188,854.07</b>			<b>188,891.81</b>	<b>37.74</b>	<b>0.02%</b>	<b>100.00%</b>

## Sentinel Lights

Consumption	100
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	109	0.078	8.52	109	0.078	8.52	0.00	0.00%	37.03%
Energy Second Tier (kWh)	0	0.091	0.00	0	0.091	0.00	0.00	0.00%	0.00%
Service Charge	1	1.48	1.48	1	1.49	1.49	0.01	0.68%	6.48%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	100	0.09877	9.88	100	0.09924	9.92	0.05	0.48%	43.14%
Low Voltage Volumetric Rate	100		0.00	100		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	100	0.00079	0.08	100	0.00318	0.32	0.24	302.53%	1.38%
<b>Total: Distribution</b>			<b>11.44</b>			<b>11.73</b>	<b>0.30</b>	<b>2.59%</b>	<b>51.00%</b>
Retail Transmission Rate - Network Service Rate	109	0.00435	0.48	109	0.00442	0.48	0.01	1.61%	2.10%
Retail Transmission Rate - Line and Transformation Connection Service Rate	109	0.00303	0.33	109	0.00297	0.32	(0.01)	-1.98%	1.41%
<b>Total: Retail Transmission</b>			<b>0.81</b>			<b>0.81</b>	<b>0.00</b>	<b>0.14%</b>	<b>3.51%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>12.24</b>			<b>12.54</b>	<b>0.30</b>	<b>2.43%</b>	<b>54.51%</b>
Wholesale Market Service Rate	109	0.0044	0.48	109	0.0044	0.48	0.00	0.00%	2.09%
Rural Rate Protection Charge	109	0.0012	0.13	109	0.0012	0.13	0.00	0.00%	0.57%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	1.09%
<b>Sub-Total: Regulatory</b>			<b>0.86</b>			<b>0.86</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.75%</b>
<b>Debt Retirement Charge (DRC)</b>	100	0.007	<b>0.70</b>	100	0.007	<b>0.70</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.04%</b>
<b>Total Bill on RPP (before taxes)</b>			22.32			22.62	0.30	1.33%	98.33%
<b>HST</b>		13%	2.90		13%	2.94	0.04	1.33%	12.78%
<b>Total Bill (including HST)</b>			25.22			25.56	0.34	1.33%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		(10%)	(2.52)		(10%)	(2.56)	(0.03)	1.33%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>22.70</b>			<b>23.00</b>	<b>0.30</b>	<b>1.33%</b>	<b>100.00%</b>

## Street Lights

Consumption	2,000
RPP Tier One	750
Load Factor	
Loss Factor	1.092

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL					
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750	0.078	58.50	750	0.078	58.50	0.00	0.00%	15.11%
Energy Second Tier (kWh)	1,434	0.091	130.49	1,434	0.091	130.49	0.00	0.00%	33.71%
Service Charge	1	1.45	1.45	1	1.46	1.46	0.01	0.69%	0.38%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	2,000	0.07209	144.18	2,000	0.07244	144.88	0.70	0.49%	37.43%
Low Voltage Volumetric Rate	2,000		0.00	2,000		0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	0.00001	0.02	2,000	0.00133	2.66	2.64	13200.00%	0.69%
<b>Total: Distribution</b>			<b>145.65</b>			<b>149.00</b>	<b>3.35</b>	<b>2.30%</b>	<b>38.49%</b>
Retail Transmission Rate - Network Service Rate	2,184	0.00435	9.50	2,184	0.00442	9.65	0.15	1.61%	2.49%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,184	0.00303	6.62	2,184	0.00297	6.49	(0.13)	-1.98%	1.68%
<b>Total: Retail Transmission</b>			<b>16.12</b>			<b>16.14</b>	<b>0.02</b>	<b>0.14%</b>	<b>4.17%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>161.77</b>			<b>165.14</b>	<b>3.37</b>	<b>2.08%</b>	<b>42.66%</b>
Wholesale Market Service Rate	2,184	0.0044	9.61	2,184	0.0044	9.61	0.00	0.00%	2.48%
Rural Rate Protection Charge	2,184	0.0012	2.62	2,184	0.0012	2.62	0.00	0.00%	0.68%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.06%
<b>Sub-Total: Regulatory</b>			<b>12.48</b>			<b>12.48</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.22%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	0.007	<b>14.00</b>	2,000	0.007	<b>14.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>3.62%</b>
<b>Total Bill on RPP (before taxes)</b>			377.24			380.61	3.37	0.89%	98.33%
<b>HST</b>		13%	49.04		13%	49.48	0.44	0.89%	12.78%
<b>Total Bill (including HST)</b>			426.28			430.09	3.81	0.89%	111.11%
<b>Ontario Clean Energy Benefit (OCEB)</b>		<b>(10%)</b>	<b>(42.63)</b>		<b>(10%)</b>	<b>(43.01)</b>	<b>(0.38)</b>	0.89%	-11.11%
<b>Total Bill on RPP (including OCEB)</b>			<b>383.66</b>			<b>387.08</b>	<b>3.43</b>	<b>0.89%</b>	<b>100.00%</b>