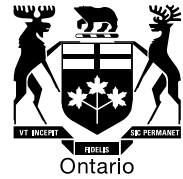


**Ontario Energy  
Board**  
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**BY E-MAIL**

February 5, 2016

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited  
Application for Rates  
Board File Number EB-2014-0116**

Please find attached OEB staff's submission on the Draft Rate Order.

*Original Signed By*

Martin Davies  
Project Advisor, Electricity Rates & Accounting

**2015-2019 ELECTRICITY DISTRIBUTION RATES**  
**Toronto Hydro-Electric System Limited**

**EB-2014-0116**

**ONTARIO ENERGY BOARD**  
**STAFF SUBMISSION ON DRAFT RATE ORDER**

**February 5, 2016**

## **INTRODUCTION**

On January 22, 2016, Toronto Hydro-Electric System Limited (Toronto Hydro) filed a draft Rate Order (DRO) pursuant to the Ontario Energy Board's EB-2014-0116 Decision and Order (Decision) dated December 29, 2015.

The DRO noted that the OEB had determined new rates to recover Toronto Hydro's 2015 revenue requirement are to be effective May 1, 2015 and implemented on March 1, 2016 and for 2016 are to be effective January 1, 2016 and implemented March 1, 2016.<sup>1</sup>

OEB staff makes its submissions on the basis of its understanding that the rate changes proposed by Toronto Hydro in the DRO encompass both the 2015 and 2016 final rate adjustments arising from the Custom Incentive Rate-Setting Application as approved by the OEB in the Decision.

OEB staff's comments on the DRO follow.

## **Confidential Filing**

### ***Background***

Toronto Hydro noted that pursuant to the OEB's *Rules of Practice and Procedure* and *Practice Direction on Confidential Filings* (the OEB confidentiality practices) and the OEB's *Decision on Confidentiality and Procedural Order No. 4*, it had kept confidential the forecasted proceeds from the disposition of properties owned by Toronto Hydro.

Toronto Hydro stated that it had redacted information relating to the forecasted proceeds from the sale of properties in two areas of the DRO, specifically: (1) DRO Introduction – page 21, Table 7 and (2) Schedule 5 – Rate Riders. Toronto Hydro stated that its redactions were minimal, keeping confidential only the information necessary to protect the forecast proceeds from the sale.

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<sup>1</sup> P. 3

## ***Discussion and Submission***

OEB staff has two submissions on this matter.

First, under the OEB confidentiality practices referenced above, Toronto Hydro is required to file an unredacted version of this material with the OEB and it has not done so to date. OEB staff submits that Toronto Hydro should file the unredacted version with the OEB at its earliest convenience and confirm in its reply submission that this has been done.

Second, OEB staff is unclear why on “Schedule 5 – Rate Riders”, the line for “Rate Rider for Operations Center Consolidation Plan Sharing” is redacted when these numbers are shown on the accompanying draft tariff sheets. OEB staff submits that Toronto Hydro should either provide an explanation as to why it believes these numbers should be maintained in confidence, or refile this page with these numbers unredacted as part of its reply submission.

## **Calculation of Capital Cuts**

### ***Background***

OEB staff has concerns about the explanations provided by Toronto Hydro in the DRO as to how it implemented the 10% capital cut required by the OEB in the Decision and believes that further explanations should be provided by Toronto Hydro in its reply submission.

OEB staff notes that Table 2, reproduced from the DRO below<sup>2</sup>, shows Toronto Hydro’s methodology for determining the overall level of the 10% annual capital cut required by the OEB:

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<sup>2</sup> P. 10

**Table 2 – Approved Capital Expenditure Amounts**

CAPEX	2016	2017	2018	2019
APPLICATION	\$518.8	\$467.4	\$470.1	\$502.2
Stretch Factor @ 0.6%	(\$3.1)	(\$2.8)	(\$2.8)	(\$3.0)
Additional reductions	(\$48.8)	(\$43.9)	(\$44.2)	(\$47.2)
DECISION: 10% Total Reduction	\$466.9	\$420.6	\$423.0	\$451.9

### ***Discussion and Submission***

OEB staff submits that Toronto Hydro has not implemented the 10% capital reduction mandated in the Decision by the OEB correctly as it has determined the capital cut as net of the stretch factor rather than prior to it as is evident in the above table. OEB staff submits that the Decision did not direct Toronto Hydro to make this cut net of the stretch factor and as such the amounts attributed to the stretch factor in the above table should be capital reductions so that for example in 2016, the capital cut should be 10% of \$518.8, or \$51.9 million instead of \$48.8 million.

OEB staff also submits that Toronto Hydro should provide additional information in its reply submission as to how it implemented the cut. For instance, the DRO states regarding Renewable Enabling Improvements (REI) Investments that “the OEB approved Toronto Hydro’s proposals to undertake a number of REI investments as part of its Distribution System Plan, subject to the 10% reduction associated with capital expenditures noted above.”<sup>3</sup>

OEB staff submits that Toronto Hydro should clarify whether in implementing the 10% capital cut, the approach it took was to cut spending on all projects by 10% (as appears to have been done with the REI investments) or whether a more project-specific approach was adopted.

In this context, OEB staff submits that Toronto Hydro should state how it defined the 10% cut (i.e. done at a specific point in time and if so what that point in time was (e.g. year end), or on an average basis and if so, how the average used was determined.)

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<sup>3</sup> P.4, L7-L9

Finally, OEB staff submits that Toronto Hydro should provide for the years 2015 and 2016 a breakdown of the spending by projects that were cut to achieve the 10% reduction to provide further clarity as to how the 10% cut was effected.

## **Street Lighting Costs**

### ***Background***

Toronto Hydro noted that the OEB had approved in its Decision, the addition of formerly unregulated assets associated with street lighting into rate base at a transfer price of \$39.8 million<sup>4</sup>. Toronto Hydro further stated in the DRO that:

The OM&A costs associated with the approved transfer of assets were not part of the 2014 OM&A. Therefore, a second step adjustment is required to increase base OM&A by \$3.7 million. This portion of OM&A is entirely offset by Toronto Hydro's allocation of an equal amount of the service fees received from the City of Toronto as a revenue offset<sup>5</sup>.

OEB staff notes that "Table 1- 2015 Revenue Requirement"<sup>6</sup> of the DRO appears to incorporate the referenced \$3.7 million increase in base OM&A. However, the "Revenue Offsets" line is shown as being adjusted down by \$4.8 million which is explained on the preceding page as due to the impact of the approved lower wireline pole attachment rate.

### ***Discussion and Submission***

OEB staff is unclear why the "Revenue Offsets" line item does not appear to also reflect the impact of the \$3.7 million service fees offset referenced above. OEB staff submits that Toronto Hydro should make this offsetting adjustment so as to offset the OM&A impact as described in the DRO above.

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<sup>4</sup> P.5, L1 – L9

<sup>5</sup> P.5, L5 – L9

<sup>6</sup> P.8

## **Stretch Factor Application to C-factor**

### ***Background***

OEB staff notes that in the Decision, the OEB made the following finding with respect to the application of the stretch factor to capital:

The OEB has consistently applied stretch factors to total costs in order to incent productivity in both the areas of capital expenditure and OM&A. The OEB finds no compelling reason to depart from this approach. While the Application put forward by Toronto Hydro may be a custom application, one of the key aspects of the OEB's RRFE is the requirement to continue to make productivity improvements. As discussed later in this Decision, the OEB is concerned that the Application does not contain enough productivity incentives. Application of the stretch factor to the C factor is one way to remedy this deficiency<sup>7</sup>.

OEB staff notes that while the Decision specifically states that Toronto Hydro is to apply the stretch factor to the C factor on a total cost basis, Toronto Hydro does not appear to have done so.

PEG's evidence described how this adjustment should be made:

PEG therefore recommends that the stretch factor be applied to all of THESL's costs, rather than non-capital costs as in the Company's proposal. Since THESL's effective stretch factor is  $(1 - \text{Scap}) * (\text{proposed stretch factor})$ , this can be accomplished by subtracting a term from Toronto Hydro's PCI equal to Scap multiplied by the Board's selected factor<sup>8</sup>.

### ***Discussion and Submission***

OEB staff submits that Toronto Hydro has not applied the stretch factor adjustment to the capital component of the C factor as required by the Decision and should be required to do so and refile the DRO incorporating it.

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<sup>7</sup> *Decision and Order* EB-2014-0116 Toronto Hydro-Electric System Limited December 29, 2015, p.18

<sup>8</sup> Pacific Economics Group LLC *Toronto Hydro Electric System Limited Custom IR Application and PSE Report Econometric Benchmarking of Toronto Hydro's Historical and Projected Total Cost and Reliability Levels Assessment and Recommendations* December 2014 (PEG Benchmarking Report), pp. 51-52.

## Billing Determinant Growth Factor Adjustment

### ***Background***

The OEB in its Decision made the following finding with respect to the billing determinant growth factor adjustment:

The OEB is of the view that a growth factor is reasonable in order to prevent an over-recovery of costs. Toronto Hydro is in the best position to anticipate what its growth factor will be over the term of the rate plan. The 0.3% suggested by Toronto Hydro appears to be reasonable as it is based on Toronto Hydro's detailed forecast of its load and customers by class for the 2015 to 2019 period which has been accepted later in the Decision<sup>9</sup>.

Toronto Hydro noted this finding in the DRO<sup>10</sup> stating that the OEB approved the Custom Price Cap Index formula as reproduced below<sup>11</sup>:

$$\text{CPCI} = I - X + C - (1 - S_{\text{OMA}}) * g$$

### ***Discussion and Submission***

OEB staff submits that the Decision stated that the growth factor should be 0.3% and did not make any reference to an adjustment of  $(1 - S_{\text{OMA}})$ , which is described by Toronto Hydro as “the scaling factor on the growth factor, where  $S_{\text{OMA}}$  for a given year is determined by the proportion of OM&A to forecast total revenue requirement.”<sup>12</sup> OEB staff notes that the effect of this adjustment is to reduce the magnitude of the growth rate adjustment.

OEB staff submits that Toronto Hydro should be directed to remove the  $(1 - S_{\text{OMA}})$  adjustment and refile the DRO on this basis.

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<sup>9</sup> *Decision and Order* EB-2014-0116 Toronto Hydro-Electric System Limited December 29, 2015, p.29

<sup>10</sup> P. 11, L3

<sup>11</sup> P.11, L5-L7

<sup>12</sup> P. 11, L18-19



## **Standby Rates**

### ***Background***

Toronto Hydro notes in the DRO that in the Application, it had requested the OEB declare the Standby Rates for the years prior to 2015 as final and the Standby Rates for the CIR Period as interim until such time as the OEB concludes its process on Standby Generation. Toronto Hydro requested that as the Decision did not specifically address this issue, the OEB do so in the Final Rate Order. Toronto Hydro noted that in the years prior to 2015, no customer was charged the Standby Rates and accordingly there is no adverse effect on any customer for these historic rates to be finalized<sup>13</sup>.

### ***Discussion and Submission***

OEB staff had in its submission opposed Toronto Hydro's proposal that historic Standby Rates be finalized. The reasons for taking this position were as stated below:

...where standby rates are concerned, no changes should be made until the OEB addresses this matter on a generic basis. It is not clear from the application the extent to which Toronto Hydro has engaged with customers for whom the standby charge is applicable to ensure the OEB has all applicable information. Accordingly, OEB staff does not support Toronto Hydro's proposal that previous standby rates be declared final at this time<sup>14</sup>.

OEB staff does not believe that there have been any changes that have occurred since the above submission was filed that would justify a change in its position expressed above and accordingly remains opposed to Toronto Hydro's request.

OEB staff does not consider that Toronto Hydro's argument is sufficient to satisfy the OEB's requirement that engagement with affected customers be conducted before requesting that standby rates be made final. It is unclear to OEB staff whether any existing customers could be charged these rates going forward and before the next cost of service or custom IR application. If there is a possibility that this could occur, then any potentially affected customers must have been

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<sup>13</sup> PP. 22-23, L22-L3

<sup>14</sup> 2015 Electricity Distribution Rates Toronto Hydro-Electric System Limited EB-2014-0116 *Ontario Energy Board Staff Submission* April 2, 2015, p. 90.

notified of the request so that they may have an opportunity to comment on how the rate is constructed and planned to be applied.

## **Revenue Requirement Work Forms (RRWF)**

### ***Background***

OEB staff notes that the Order section of the OEB's Decision stated that the draft rate orders shall also include, among other items: "For each year, a completed version of the Revenue Requirement Work Form excel spreadsheet, which can be found on the OEB's website."

Toronto Hydro filed an RRWF for 2015 in the DRO, but submitted that filing an RRWF for each of the years 2016 to 2019 would be inconsistent with the Decision<sup>15</sup>.

Toronto Hydro stated its recognition that in several other Custom IR proceedings utilities have filed multiple RRWFs, but in some cases argued this was appropriate because the rates were set on a cost of service basis for all years and in others because it provided an appropriate means of reflecting settlements that affected specific cost inputs in IR years, rather than just the PCI formula.

Toronto Hydro submitted that in principle an RRWF is only appropriate for a cost of service year because it is only in a cost of service year that the individual cost inputs are prescribed by the OEB, with individual cost inputs not adjusted in IR years, rather it is the rates themselves being adjusted. Toronto Hydro argued that this is consistent with the "price cap" approach to rate regulation of electricity distributors in Ontario.

Toronto Hydro stated its recognition that for the OEB and other parties to validate the IR year calculations of revenue requirements and rates, some breakdown of key inputs are necessary. Accordingly, Toronto Hydro stated it had provided these key inputs at the appropriate level of granularity in the DRO.

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<sup>15</sup> PP. 15-16

Toronto Hydro concluded that producing an RRWF for an IR year would be inaccurate and misleading as it would suggest that the OEB is approving specific costs when that is not the case.

### ***Discussion and Submission***

OEB staff would first note in responding to Toronto Hydro's submissions on this matter that the OEB approves rates, not specific costs, whether or not the rate year in question is determined on a cost of service or IR basis. OEB staff would further note that the OEB's order required Toronto Hydro to provide RRWFs for each year of the Custom IR period and that Toronto Hydro has not done so.

OEB staff submits that Toronto Hydro should be directed by the OEB to provide RRWFs for each year of the Custom IR application as the annual RRWFs would be useful to the OEB and parties to the proceeding in better understanding the year-by-year changes in Toronto Hydro's rates during the Custom IR period.

However, OEB staff would consider it reasonable if these annual RRWFs were provided at the time of each annual rate adjustment, which would mean that only the 2016 RRWF would need to be provided at the present time.

### **Provide Breakdown and Explanation for Magnitude of Distribution Rate Increases**

#### ***Background***

OEB staff notes that in its Decision, the OEB stated regarding rate impacts "While Toronto Hydro will provide more accurate bill impacts with its draft rate order filing, the OEB approximates that this Decision will increase the distribution portion of the bill by 5%."<sup>16</sup>

OEB staff further notes that as is shown in Column D of the summary table below, the Sub-Total A distribution rate increases presented by Toronto Hydro in the DRO are considerably above 5%, with the exception of the Street Lighting class which is showing a small decrease.

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<sup>16</sup> *Decision and Order* EB-2014-0116 Toronto Hydro-Electric System Limited December 29, 2015, p.2

	Sub-Total A Rate Increases - Decision Impacts (%)				
	A 2015	B 2016	C A+B	D 2016	E D-B
<b>Residential</b>	9.4	7.4	16.8	23.3	6.5
<b>CSMUR</b>	1.7	6.2	7.9	9.9	2.0
<b>GS&lt;50</b>	10.1	5.0	15.1	25.9	10.8
<b>GS 50-999</b>	11.5	5.8	17.3	23.0	5.7
<b>GS 1,000 - 4,999</b>	8.5	8.0	16.5	19.1	2.6
<b>Large Use</b>	8.9	8.3	17.2	19.7	2.5
<b>Street Lighting</b>	-8.9	7.8	-1.1	-0.5	0.6
<b>USL</b>	15.2	6.2	21.4	25.3	3.9

Sources: Columns A and B: Toronto Hydro Electric System Limited EB-2014-0116 Argument-in-Chief Compendium March 19, 2015 Tab 7F, p.12. Column D: Toronto Hydro-Electric System Limited EB-2014-0116 Draft Rate Order Schedule 9 Filed 2016 Jan 22

The table above summarizes in Columns A and B the 2015 and 2016 distribution rate increases that were anticipated by Toronto Hydro at the time of the filing of its Argument-in-Chief. When these two rate increases are totalled as is seen in column C above, they are for most classes still significantly below the 2016 increases in the DRO, shown in column D, in spite of the reductions ordered by the OEB in the Decision. The rate change differences for each customer class in the DRO, as compared to the combined 2015 and 2016 rate increases presented in the Argument-in-Chief, are shown in Column E. These are as high as 10.8% for the GS<50 class and an additional 6.5% for the Residential class with only the Street Lighting class experiencing less than a 1% differential.

### ***Discussion and Submission***

OEB staff submits that it would be useful to the OEB and parties to this proceeding if Toronto Hydro provided more information as to how these rate increases were calculated, specifically a breakdown of the distribution rate increase change from the time of the Argument-in-Chief to the DRO by customer class.

OEB staff believes that it would be useful if Toronto Hydro broke these changes down into three components:

- (1) impacts of reductions ordered in the Decision;

(2) impact of timing differences of 2016 implementation as compared to the 2015 implementation envisaged at the time of the Argument-in-Chief, exclusive of foregone revenue recovery (e.g. rate riders expiring in 2015);

(3) impact of foregone revenue recovery.

Toronto Hydro should also include any other information that it believes would be helpful in clarifying these matters.

## **Draft Accounting Orders (DAOs)**

### ***Background***

OEB staff notes that the OEB also approved Toronto Hydro's requests to establish new deferral and variance accounts for which Toronto Hydro provided DAOs incorporating explanations for each of the accounts and sample accounting entries.

### ***Discussion and Submission***

OEB staff has a number of comments about the DAOs that it will discuss with Toronto Hydro to resolve. OEB staff has four concerns in this area that it wishes to bring to the OEB's attention.

The first is that Toronto Hydro's DAO for the account to track variance between cash vs accrual accounting for other post-employment benefits (OPEBs) is not in conformity with that approved by the OEB in the recent Guelph Hydro case<sup>17</sup>. OEB staff submits that as this variance account is generic in nature, Toronto Hydro's DAO should be in conformity with that approved in the Guelph Hydro proceeding. OEB staff's two major concerns with the DAO proposed by Toronto Hydro are that: (1) it is not comparing forecast cash vs forecast accrual for each of the five years in the term, and (2) Toronto Hydro is proposing carrying charges

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<sup>17</sup> *Decision and Rate Order* EB-2015-0073 Guelph Hydro Electric Systems Inc. November 26, 2015, Schedule B.

which the OEB has denied in previous proceedings such as the referenced Guelph Hydro case.

The second relates to the DAO proposed for the variance account for renewable enabling investments. OEB staff submits that a new accounting order is not necessary as detailed guidance in this area has already been provided and it is this guidance that should be followed.<sup>18</sup>

The third relates to the DAO for the capital-related revenue requirement variance account. OEB staff notes that the DAO does not specifically refer to the asymmetric nature of this account. However, the Decision provided the following characterization of it which establishes its asymmetry:

In order to protect ratepayers, SEC recommended the establishment of a variance account to track the revenue requirement associated with approved in-service capital additions and actuals, if they were less than approved. AMPCO supported this recommendation. The creation of such an account would allow Toronto Hydro to catch up in subsequent years as long as it did not go over the cumulative total and would ensure that if Toronto Hydro is behind on its capital program in any given year, ratepayers are to be held whole.

Toronto Hydro submitted that although concerns of some parties about the potential for over-recovery if actual in-service amounts are less than forecast in a given year are unfounded, it nevertheless proposes a capital related revenue requirement variance account to address any concerns relating to the company's ability to place capital in-service over the Custom IR term. However, it is critical to Toronto Hydro that the CRRRVA operate on a cumulative basis rather than annually as it is only if it operates on a cumulative basis that Toronto Hydro can maintain the required flexibility to plan and execute its capital investment strategy in response to the various factors that may require the shifting of projects and project spending earlier or later in the Custom IR term.

The OEB approves the creation of the CRRRVA account<sup>19</sup>.

OEB staff submits that Toronto Hydro should confirm its agreement with the asymmetric nature of this account and make any necessary modifications to the DAO to reflect this asymmetry. If Toronto Hydro does not agree that this account is asymmetric it should provide a full explanation as to how it believes this account would work and how its interpretation would align with the Decision in its reply submission.

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<sup>18</sup> Ontario Energy Board *Accounting Procedures Handbook Guidance* #8 and #9, March 2015.

<sup>19</sup> Decision, pp. 52-53.

OEB staff's final concern relates to the variance account for the gains on sales of properties related to Toronto Hydro's operating centers consolidation program (OCCP) variance account. OEB staff notes that Toronto Hydro's description of this account begins with the statement: "Toronto Hydro will be clearing to ratepayers, through an OEB-approved rate rider, the forecasted net gains on the sale of the 5800 Yonge and 28 Underwriters properties, grossed up for the PILs tax savings." OEB staff submits that it would be helpful to the OEB and parties if Toronto Hydro provided an explanation as to how the forecasted net gains on the sale of the referenced properties would be grossed up for the PILs tax savings along with a quantitative example of how the gross up would occur.

### **Tariff of Rates and Charges**

OEB staff submits that Toronto Hydro's proposed Tariff of Rates and Charges did not in a number of instances use the standard OEB terminology or format and that these discrepancies should be addressed before the Final Rate Order is issued.

OEB staff has attached to this submission for Toronto Hydro's review the 2016 Tariff of Rates and Charges conformed to the current OEB format. OEB staff submits that Toronto Hydro should as part of its reply submission resubmit the 2017 to 2019 tariff sheets in this format. If Toronto Hydro has any concerns with the OEB staff revisions to the Tariff of Rates and Charges, OEB staff submits that these should also be outlined in the reply submission along with the reasons for the concern/s.

- All of which is respectfully submitted-

Attachment

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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

EB-2014-0116

### RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Further details concerning the terms of service 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	23.07 (per 30 days)
Rate Rider for Recovery of 2008 – 2010 Smart Meter Costs – effective until April 30, 2017	\$	0.08 (per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78 (per 30 days)
Rate Rider for Recovery of Smart Metering Entity Variance – effective until December 31, 2016	\$	0.06 (per 30 days)
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	0.28 (per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$	(0.17) (per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$	(0.08) (per 30 days)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$	(0.03) (per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$	(0.48) (per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$	(1.48) (per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$	0.10 (per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$	0.03 (per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$	0.46 (per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	0.93 (per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.30 (per 30 days)

Issued XXXX XX, 2016



# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015  
Implementation Date March 1, 2016

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

EB-2014-0116

### RESIDENTIAL SERVICE CLASSIFICATION

#### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Distribution Volumetric Rate	\$/kWh	0.01905
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kWh	0.00006
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kWh	(0.00009)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00914
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00786

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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

EB-2014-0116

## COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Further details concerning the terms of service 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.29	(per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78	(per 30 days)
Rate Rider for Recovery of Smart Metering Entity Variance – effective until December 31, 2016	\$	0.03	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$	(0.07)	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$	(0.00)	(per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$	(0.19)	(per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$	(0.59)	(per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$	0.04	(per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$	0.01	(per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$	0.18	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	0.21	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.10	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015  
Implementation Date March 1, 2016

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

EB-2014-0116

## COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE

### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Distribution Volumetric Rate	\$/kWh 0.02910
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kWh 0.00002
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kWh (0.00006)
Retail Transmission Rate – Network Service Rate	\$/kWh 0.00914
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh 0.00786

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh 0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh 0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh 0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$ 0.25 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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EB-2014-0116

## ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on the preceding Residential Service Classifications of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

### APPLICATION

The application of the credits is in accordance with the Distribution System Code (Section 9) and subsection 79.2 of the Ontario Energy Board Act, 1998.

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

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;  
“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;  
“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;  
“household” means the account-holder and any other people living at the accountholder's service address for at least six months in a year, including people other than the account-holder's spouse, children or other relatives;  
“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

### MONTHLY RATES AND CHARGES

#### Class A

(a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;  
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;  
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons;  
(d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;  
but does not include account-holders in Class E.

OESP Credit

\$ (30.00) (per 30 days)

#### Class B

(a) account-holders with a household income of \$28,000 or less living in a household of three persons;  
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;  
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;  
but does not include account-holders in Class F.

OESP Credit

\$ (34.00) (per 30 days)

#### Class C

(a) account-holders with a household income of \$28,000 or less living in a household of four persons;  
(b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;  
(c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;  
but does not include account-holders in Class G.

OESP Credit

\$ (38.00) (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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EB-2014-0116

### ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

#### Class D

(a) account-holders with a household income of \$28,000 or less living in a household of five persons;  
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;  
 but does not include account-holders in Class H.  
 OESP Credit \$ (42.00) (per 30 days)

#### Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:  
 (a) the dwelling to which the account relates is heated primarily by electricity;  
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or  
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.  
 OESP Credit \$ (45.00) (per 30 days)

#### Class F

(a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;  
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or  
 (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:  
     i. the dwelling to which the account relates is heated primarily by electricity;  
     ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or  
     iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.  
 OESP Credit \$ (50.00) (per 30 days)

#### Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:  
 (a) the dwelling to which the account relates is heated primarily by electricity;  
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or  
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.  
 OESP Credit \$ (55.00) (per 30 days)

#### Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:  
 (a) the dwelling to which the account relates is heated primarily by electricity;  
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or  
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.  
 OESP Credit \$ (60.00) (per 30 days)

#### Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:  
 (a) the dwelling to which the account relates is heated primarily by electricity;  
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or  
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.  
 OESP Credit \$ (75.00) (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015

Implementation Date March 1, 2016

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

EB-2014-0116

### GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	30.87 (per 30 days)
Rate Rider for Recovery of 2008 – 2010 Smart Meter Costs – effective until April 30, 2017	\$	5.60 (per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78 (per 30 days)
Rate Rider for Recovery of Smart Metering Entity Variance – effective until December 31, 2016	\$	0.06 (per 30 days)
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	1.55 (per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	0.83 (per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.27 (per 30 days)
Distribution Volumetric Rate	\$/kWh	0.02856
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kWh	0.00006
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kWh	(0.00018)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kWh	(0.00009)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$/kWh	0.00056
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$/kWh	(0.00051)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$/kWh	(0.00156)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$/kWh	0.00013
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kWh	0.00003
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kWh	0.00049
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kWh	(0.00009)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kWh	0.00081
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kWh	0.00026

Issued XXXX XX, 2016

**Toronto Hydro-Electric System Limited**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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

EB-2014-0116

**GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION**

**MONTHLY RATES AND CHARGES – Delivery Component (continued)**

Retail Transmission Rate – Network Service Rate	\$/kWh	0.00884
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00709

**MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015

Implementation Date March 1, 2016

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

EB-2014-0116

### GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	44.37	(per 30 days)
Rate Rider for Recovery of 2008 – 2010 Smart Meter Costs – effective until April 30, 2017	\$	18.79	(per 30 days)
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019	\$	4.64	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	1.07	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.33	(per 30 days)
Distribution Volumetric Rate	\$/kVA	6.9834	(per 30 days)
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kVA	0.0225	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kVA	(0.0292)	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kVA	(0.0138)	(per 30 days)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$/kVA	0.1286	(per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$/kVA	(0.0814)	(per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$/kVA	(0.2512)	(per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$/kVA	0.0114	(per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kVA	0.0047	(per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kVA	0.0781	(per 30 days)
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kVA	(0.0354)	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.1750	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.0534	(per 30 days)

Issued XXXX XX, 2016



# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015  
Implementation Date March 1, 2016

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EB-2014-0116

### GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

#### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Retail Transmission Rate – Network Service Rate	\$/kW	3.1647 (per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.7017 (per 30 days)

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015

Implementation Date March 1, 2016

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EB-2014-0116

### GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	847.14	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	19.92	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	5.89	(per 30 days)
Distribution Volumetric Rate	\$/kVA	5.4913	(per 30 days)
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kVA	0.0273	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kVA	(0.0232)	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kVA	(0.0110)	(per 30 days)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$/kVA	(0.0041)	(per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$/kVA	(0.0653)	(per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$/kVA	(0.2017)	(per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$/kVA	0.0056	(per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kVA	0.0038	(per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kVA	0.0627	(per 30 days)
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kVA	(0.0401)	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.1294	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.0382	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015  
Implementation Date March 1, 2016

This schedule supersedes and replaces all previously  
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EB-2014-0116

### GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

#### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Retail Transmission Rate – Network Service Rate	\$/kW	3.0576 (per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.6990 (per 30 days)

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015

Implementation Date March 1, 2016

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### LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	3,738.35	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	90.17	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	26.93	(per 30 days)
Distribution Volumetric Rate	\$/kVA	5.8894	(per 30 days)
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kVA	0.0261	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kVA	(0.0241)	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kVA	(0.0114)	(per 30 days)
Rate Rider for Disposition of LRAM Variance Account – effective until December 31, 2016	\$/kVA	(0.0223)	(per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$/kVA	(0.0675)	(per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$/kVA	(0.2084)	(per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$/kVA	0.0044	(per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kVA	0.0039	(per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kVA	0.0648	(per 30 days)
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kVA	(0.0423)	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.1452	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.0434	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015  
Implementation Date March 1, 2016

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## LARGE USE SERVICE CLASSIFICATION

### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Retail Transmission Rate – Network Service Rate	\$/kW	3.4855	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.9986	(per 30 days)

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013	
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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EB-2014-0116

## STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires THESL to provide back-up service. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

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### MONTHLY RATES AND CHARGES – Delivery Component - APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).

Service Charge	\$	210.76 (per 30 days)
Distribution Volumetric Rate		
For General Service 50 – 999 kW Service Classification	\$/kVA	6.9834 (per 30 days)
For General Service 1,000 – 4,999 kW Service Classification	\$/kVA	5.4913 (per 30 days)
For Large Use Service Classification	\$/kVA	5.8894 (per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2015

Implementation Date March 1, 2016

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

EB-2014-0116

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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, 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	6.18	(per 30 days)
Connection Charge (per connection)	\$	0.63	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	0.17	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue (per connection)			
– effective until December 31, 2019	\$	0.02	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.05	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue (per connection)			
– effective until December 31, 2019	\$	0.01	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.07742	
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kWh	0.00006	
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kWh	(0.00035)	
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kWh	(0.00016)	
Rate Rider for Disposition of Post Employment Benefit – Tax Savings			
– effective until December 31, 2018	\$/kWh	(0.00096)	
Rate Rider for Application of Operations Center Consolidation Plan Sharing			
– effective until December 31, 2018	\$/kWh	(0.00296)	
Rate Rider for Recovery of the Gain on the Sale of Named Properties			
– effective until December 31, 2019	\$/kWh	0.00029	

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# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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EB-2014-0116

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

#### MONTHLY RATES AND CHARGES – Delivery Component (continued)

Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kWh	0.00006
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kWh	0.00092
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kWh	(0.00011)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kWh	0.00214
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kWh	0.00066
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00555
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00497

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25 (per 30 days)



# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2015**  
**Implementation Date March 1, 2016**

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EB-2014-0116

### STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per device)	\$	1.38	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$	0.00	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$	0.00	(per 30 days)
Distribution Volumetric Rate	\$/kVA	30.5897	(per 30 days)
Rate Rider for Recovery of Low Voltage Variance – effective until December 31, 2016	\$/kVA	0.0210	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance – effective until December 31, 2016	\$/kVA	(0.1926)	(per 30 days)
Rate Rider for Disposition of PILS and Tax Variance - HST – effective until December 31, 2016	\$/kVA	(0.0911)	(per 30 days)
Rate Rider for Disposition of Post Employment Benefit – Tax Savings – effective until December 31, 2018	\$/kVA	(0.5347)	(per 30 days)
Rate Rider for Application of Operations Center Consolidation Plan Sharing – effective until December 31, 2018	\$/kVA	(1.6506)	(per 30 days)
Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019	\$/kVA	0.0741	(per 30 days)
Rate Rider for Recovery of Hydro One Capital Contributions Variance – effective until December 31, 2019	\$/kVA	0.0312	(per 30 days)
Rate Rider for Application of IFRS – 2014 Derecognition – effective until December 31, 2019	\$/kVA	0.5133	(per 30 days)
Rate Rider for Disposition of Residual Regulatory Asset Recovery Account – effective until December 31, 2016	\$/kVA	(0.0364)	(per 30 days)
Rate Rider for Recovery of 2015 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.0000	(per 30 days)
Rate Rider for Recovery of 2016 Foregone Revenue – effective until December 31, 2019	\$/kVA	0.0547	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8147	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	3.2215	(per 30 days)

Issued XXXX XX, 2016

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

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Implementation Date March 1, 2016

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EB-2014-0116

## STREET LIGHTING SERVICE CLASSIFICATION

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013	
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

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EB-2014-0116

### microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.33	(per 30 days)
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### ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for transformer losses	%	(1.00)	
– applied to measured demand and energy			

# Toronto Hydro-Electric System Limited

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EB-2014-0116

### SPECIFIC SERVICE CHARGES

#### APPLICATION

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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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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#### Customer Administration

Account History	\$	25.00
Duplicate Invoices for Previous Billing	\$	25.00
Request for Other Billing or System Information	\$	25.00
Easement Letter	\$	25.00
Income Tax Letter	\$	25.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00
Returned Cheque charge (plus bank charges)	\$	25.00
Special Meter Reads	\$	55.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00

#### Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – No Disconnection	\$	55.00
Disconnect/Reconnect Charges for non-payment of account		
- At Meter During Regular Hours	\$	120.00
- At Meter After Hours	\$	400.00
Install/Remove Load Control Device – During Regular hours	\$	120.00
Install/Remove Load Control Device – After Regular hours	\$	400.00

#### Other

Service Call – Customer Owned Equipment	\$	55.00
Disconnect/Reconnect at Pole - During Regular Hours	\$	300.00
Disconnect/Reconnect at Pole - After Regular Hours	\$	820.00
Temporary Service Install & Remove – Overhead – No Transformer	\$	2,040.00
Specific Charge for Access to the Power Poles (Wireline Attachments) – per pole/year	\$	42.00

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

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EB-2014-0116

## 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

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

### 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	1.0376
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0187
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0272
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0085