

February 12, 2016

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

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Custom Incentive Rate-setting Application for 2015-2019 Electricity
Distribution Rates and Charges – Reply Submission on Draft Rate Order
OEB File No. EB-2014-0116**

We are counsel for Toronto Hydro in the above-noted matter.

Pursuant to the OEB’s Decision and Order (issued December 29, 2015), enclosed is Toronto Hydro’s Reply Submission on comments received from Board Staff, Sustainable Infrastructure Alliance of Ontario, School Energy Coalition, and Energy Probe Research Foundation on the Draft Rate Order.

Toronto Hydro did not receive any comments from other intervenors.

Please contact me if you have any questions.

Yours truly,



Crawford Smith

CS/aw

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 Toronto Hydro-Electric System Limited for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2015 and for each following year effective January 1 through to December 31, 2019.

**REPLY SUBMISSION OF
TORONTO HYDRO-ELECTRIC SYSTEM LIMITED
(on Draft Rate Order filed January 22, 2016)**

Torys LLP
79 Wellington Street West, 30th Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2
Fax: 416.865.7380

Charles Keizer
Tel: 416.865.7512

Crawford Smith
Tel: 416.865.8209

Lawyers for Toronto Hydro-Electric System
Limited

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
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**REPLY SUBMISSION OF
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(on Draft Rate Order filed January 22, 2016)**

1. The Ontario Energy Board (the “OEB”), in its Decision and Order issued December 29, 2015 (the “Decision”), invited Board Staff and intervenors in the proceeding to file comments on Toronto Hydro-Electric System Limited’s (“Toronto Hydro”) Draft Rate Order (the “DRO”) by February 5, 2016.¹
2. Toronto Hydro received comments from Board Staff (“Staff”), Sustainable Infrastructure Alliance of Ontario (“SIA”), School Energy Coalition (“SEC”), and Energy Probe Research Foundation (“Energy Probe”). This reply submission responds to these parties’ comments.

1.0 Overview

3. For the reasons set out below and in the DRO, Toronto Hydro submits that it has properly implemented the Decision. The comments by Staff and intervenors are inconsistent with the Decision. Many of the comments can be fairly characterized as

¹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015).

an attempt to re-litigate matters already decided by the OEB. That is not the purpose, nor a permitted use, of the DRO process.

2.0 Capital Reductions and Application of the Stretch Factor

4. The DRO properly incorporates the capital reductions prescribed in the Decision. It produces an overall capital funding result consistent with the intent of the Decision to establish funding in line with historic expenditures: “The 10% reduction allows an increase over the current budget, but does not allow the significant increase which Toronto Hydro seeks”² (emphasis added).
5. The table of Toronto Hydro’s historic capital expenditures reproduced in the Decision indicates that Toronto Hydro’s average capital expenditures 2012 through 2014 were approximately \$440 million per year.³ The DRO provides that Toronto Hydro’s funded capital expenditures for 2016-2019 are approximately \$441 million per year. This is a small increase over recent expenditure levels (and less than the 2.1% that the OEB established for inflation in 2015). The amount of funded capital spending provided for in the Decision and as reflected in the DRO, is very close to Toronto Hydro’s actual spend in 2011 of \$446 million, before any ICM funding was approved. It is, however, well below Toronto Hydro’s \$586 million of actual capital spending in 2014.⁴
6. Contrary to the Decision, parties’ arguments would not allow an increase over current budget. Those arguments are addressed below.

² EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 27.

³ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 20.

⁴ EB-2016-0116, Toronto Hydro Electric-System Limited Application (filed July 31, 2014, corrected February 6, 2015), Exhibit 2A, Tab 6, Schedule 2.

2.1 Toronto Hydro has Implemented the 10% Reduction in Capital Spending Ordered by the OEB

7. Energy Probe and SEC claim that Toronto Hydro has failed to appropriately implement the Decision with respect to the 10% reduction in funded capital spending.⁵ This is incorrect.
8. The Decision states clearly, unambiguously and repeatedly that the 10% capital-related reduction was to be applied to capital *expenditures*:

“Toronto Hydro’s proposed capital budget will be reduced by 10% annually.”⁶

“An annual reduction of 10% to the proposed capital spending is required.”⁷

“For the reasons stated above, the OEB has chosen to reduce the amount of requested capital spend by 10% annually.”⁸
9. These statements direct Toronto Hydro to do exactly what it did in the DRO; that is, reduce the funding of capital spending by 10% in each year of the CIR period.
10. Toronto Hydro has complied with the 10% reduction to the requested capital expenditures for each of the five years by proportionally reducing each budgeted program by 10%, subject to the two principled exceptions noted below. This too is consistent with the Decision, in which the OEB was clear and unambiguous that it was providing Toronto Hydro overall capital budget funding to work within, rather than reducing funding for any particular program or requiring Toronto Hydro to file a revised capital plan.⁹

⁵ SEC Submission, pp. 2-3; Energy Probe Submission, pp. 5-7.

⁶ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 2.

⁷ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 21.

⁸ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 27.

⁹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 27: “The OEB will not reduce spending in individual programs. It will require Toronto Hydro to work within the approved capital budget and plan accordingly.”

11. As noted above, in the DRO, Toronto Hydro incorporated two principled exceptions to the reductions:
- First, no reduction has been made to Allowance for Funds used During Construction (“AFUDC”) amounts, as a reduction would have a minimal impact on the revenue requirement.
 - Second, no reduction has been made to external plant relocations as these are pass-through costs resulting from the requirement for Toronto Hydro to move its plant to accommodate construction projects by other agencies and governmental entities. Moreover, the OEB approved a variance account to capture any over/under collection relative to the approved \$4 million reference amount for disposition at a later point.¹⁰
12. There have been no further adjustments in applying the 10% reduction. In addition, the timing assumptions of in-service additions (“ISA”) underlying the capital expenditures have remained unchanged from the applied-for budget forecasts.
13. SEC and Energy Probe submit that the 10% reduction be applied to the “C Factor.”¹¹ SEC further claims that “a reduction of the C-factor would reduce the revenue requirement from capital additions, rather than the capital additions themselves.”¹² These submissions are not grounded in the Decision. As set out above, the OEB directed that the funding of proposed capital spending be reduced. Capital spending is an input to the C-factor, not the C-factor itself. Accordingly, in the DRO, the calculation of the C-factor remains the same while the funding of capital spending is reduced by 10% in each year.¹³

¹⁰ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 50.

¹¹ SEC Submission, p. 2; Energy Probe Submission, pp. 6-7.

¹² SEC Submission, p. 2.

¹³ The CPCI calculation requires a calculation of C_n , which is based on the proposed level of capital spending. To implement the OEB’s 10% reduction in capital spending annually, Toronto Hydro reduced the amount of capital spending used in the calculation by 10% in each year.

14. Further, as shown below, SEC and Energy Probe's proposal to implement the 10% reduction directly on the C-factor results in a *higher* C-factor (although not materially so) and therefore a higher rate impact than is produced by Toronto Hydro's approach of doing what the OEB actually ordered, and reducing the capital expenditures by 10% annually.
15. Table 1 shows the impact of the proposal to reduce the capital-related revenue requirement (labelled CRR in Table 1) by 10%. As noted above, this increases the annual C factors compared to those submitted with the DRO. As a check, Table 1 also shows that applying a 10% reduction directly to the unreduced annual C factors (i.e., those calculated without implementing a 10% reduction in annual capital expenditures to avoid double counting) produces identical results.

Table 1
SEC's Proposed 10% Reduction in Cn (\$ millions)

| Row | Item | 2015 | 2016 | 2017 | 2018 | 2019 | | |
|--------------------------------------|--------------------|--------|--------|--------|--------|--------|---|---|
| A | Interest | 80.2 | 89.5 | 98.4 | 103.9 | 109.2 | } | Note: CRRR based on capex as filed (i.e., before 10% reduction) ¹⁴ |
| B | ROE | 120.9 | 135.0 | 148.3 | 156.6 | 164.6 | | |
| C | Depreciation | 206.5 | 221.6 | 248.3 | 266.8 | 287.4 | | |
| D | PILS/Taxes | 24.0 | 14.7 | 22.6 | 40.3 | 46.5 | | |
| E= | | | | | | | } | |
| A+B+C+D | Capital Related RR | 431.6 | 460.9 | 517.6 | 567.5 | 607.6 | | |
| F = | | | | | | | | |
| (E _t - E _{t-1}) | Incremental CRR | | 29.2 | 56.8 | 50.0 | 40.1 | | |
| G | OM&A | 248.9 | 252.6 | 256.4 | 260.2 | 264.1 | } | Note: Based on Table 3 in DRO |
| H | Rev. Offsets | (41.3) | (41.9) | (42.5) | (43.2) | (43.8) | | |
| I = E+G+H | Total RR | 639.2 | 671.5 | 731.5 | 784.6 | 828.0 | | |

¹⁴ EB-2016-0116, Toronto Hydro Electric-System Limited Application (filed July 31, 2014, corrected September 23, 2014), Exhibit 1B, Tab 2, Schedule 3, p. 10.

| Row | Item | 2015 | 2016 | 2017 | 2018 | 2019 | | |
|---------------------|---------------------------------------|------|------|------|------|------|--|--|
| $J = F_t / I_{t-1}$ | Cn before SEC Adjustment (%) | | 4.57 | 8.46 | 6.84 | 5.11 | | |
| $K = F * 0.9$ | 10% Reduction to Incremental CRR | | 26.3 | 51.1 | 45.0 | 36.1 | | |
| $L = K / I_{t-1}$ | Cn per SEC's 10% Reduction in CRR (%) | | 4.11 | 7.61 | 6.15 | 4.60 | | |
| | Cn per TH DRO (%) | | 4.04 | 7.55 | 5.94 | 4.40 | | |
| CHECK | | | | | | | | |
| $J = F_t / I_{t-1}$ | Cn before SEC Adjustment (%) | | 4.57 | 8.46 | 6.84 | 5.11 | | |
| $M = J * 0.9$ | SEC - Reduced Cn by 10% each year (%) | | 4.11 | 7.61 | 6.15 | 4.60 | | |
| | Cn per TH DRO (%) | | 4.04 | 7.55 | 5.94 | 4.40 | | |

2.2 Toronto Hydro has Correctly Applied the Stretch Factor to Capital

16. Staff, Energy Probe, SIA, and SEC all present variations on the same argument: the 0.6% stretch factor is in addition to, rather than included in, the 10% reduction in funded capital spending.¹⁵ There is no merit to this argument because it runs contrary to the Decision. The OEB was explicit in discussing the modifications to the C-factor arising from the Decision. The OEB held:

“The OEB is not opposed to the C-factor mechanism as proposed, but the quantum will change as it relates to revenue requirement to reflect the reduction in capital spending approved by the OEB.”¹⁶

¹⁵ Staff Submission, p. 6; SEC Submission, pp. 2-3; Energy Probe Submission, pp. 5-7; SIA Submission, pp.1-3.

¹⁶ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 18.

17. The Decision carefully balanced the approval of the C-factor,¹⁷ the assignment of the 0.6% stretch factor, and the total reduction to funded capital spending of 10%. It did so by leaving the C-factor mechanics intact and ordering a reduction to the C-factor input of capital spending in the amount of 10%. This approach created the result that the OEB intended with respect to the overall funding of capital spending (i.e., a small increase over current spending) and the total bill impact to customers (i.e., approximately 5%).¹⁸
18. The parties attempt to re-litigate the Decision by modifying the C-factor mechanics and reducing the funding of capital spending beyond 10%. These proposals disregard what is permitted procedurally in the DRO process and the Decision's careful balancing.
19. Further, the Decision states, multiple times, that the approved reduction in funded capital spending is 10%. Nowhere in the Decision does the OEB order a 10.6% reduction.
20. Moreover, an additional 0.6% reduction would not enhance productivity, the OEB's stated purpose for including a stretch factor.¹⁹ The OEB was clear in stating that Toronto Hydro should place greater emphasis on productivity in implementing its capital program.²⁰ That is one of the main reasons given by the OEB for the 10% reduction to the capital budget.²¹ Given that the stretch factor and the reduction in capital spending were approved to accomplish the same goal, encouraging greater productivity, both the Decision's logic and its language confirm that the OEB's intent was the stretch factor to form part of the 10% capital spending reduction rather than as an additional item on top of that reduction.

¹⁷ The C-factor being a defining attribute that made Toronto Hydro's application a filing pursuant to the OEB's Custom IR framework.

¹⁸ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 2.

¹⁹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), pp. 25-26.

²⁰ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), pp. 25-26.

²¹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 28.

21. In the event that the OEB did intend that the stretch factor be added to the 10% rather than be included within it as the Decision's language indicates, then the appropriate way of implementing this result is to build in an additional 0.6% into the calculation of the C_n factor by reducing capital expenditures by 10.6% instead of 10%. Table 2 below shows the impact of this change on annual capital expenditures.²² The information from Table 2 is then used to recalculate the C_n factor in Table 3.²³

Table 2

Updated Capital Expenditures with Additional 0.6% Stretch Factor (\$ millions)

| Capital Expenditures | 2016 | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|--------------|
| Application | 518.8 | 467.4 | 470.1 | 502.2 |
| OEB-Mandated 10% Reduction (excluding Stretch) | (51.9) | (46.7) | (47.0) | (50.2) |
| Subtotal | 466.9 | 420.7 | 423.1 | 452.0 |
| Additional 0.6% Stretch Factor Reduction | (2.8) | (2.5) | (2.5) | (2.7) |
| Total | 464.1 | 418.2 | 420.6 | 449.3 |

Table 3

Updated C_n Factor with Additional 0.6% Stretch Factor (\$ millions)

| Revenue Requirement Components | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Interest | 79.3 | 87.6 | 95.3 | 99.8 | 104.1 |
| ROE | 120.2 | 133.0 | 144.7 | 151.5 | 158.0 |
| Depreciation | 206.0 | 218.7 | 242.0 | 257.4 | 274.5 |
| PILs/Taxes | 25.0 | 16.9 | 24.3 | 40.2 | 45.6 |

²² Table 2 here is a modification of Table 2 from page 10 of Toronto Hydro's DRO submission.

²³ Table 3 here is a modification of Table 3 from page 13 of Toronto Hydro's DRO submission.

| Revenue Requirement Components | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------|---------------|---------------------|---------------|---------------|---------------|
| Capital-related RR | 430.50 | 456.25 | 506.30 | 548.85 | 582.17 |
| OM&A | 248.9 | 252.6 | 256.4 | 260.2 | 264.1 |
| Revenue Offsets | (41.3) | (41.9) | (42.5) | (43.2) | (43.8) |
| Total RR | 638.09 | 666.94 | 720.15 | 765.85 | 802.47 |
| C _n (%) | | 4.035 ²⁴ | 7.50 | 5.90 | 4.36 |

22. Energy Probe suggests that the OEB consult with the Pacific Economics Group to determine the appropriate way to implement the stretch factor reduction. This suggestion is entirely inappropriate. The OEB has heard this matter and issued its Decision. It is for the OEB, through its public processes, and not for an external consultant in private, to ultimately determine the appropriate way to translate the Decision into rates.
23. Implementing an additional stretch factor by having it apply directly to the capital-related revenue requirement in the 2016 to 2019 period as suggested by Staff and Energy Probe is extreme and inconsistent with the Decision.²⁵ This approach would result in a cumulative four-year reduction to Toronto Hydro's capital-related *revenue requirement* of approximately \$29 million as shown in Table 4 below. In order to achieve a reduction of this size, Toronto Hydro estimates that its funded 2016 capital spending would be reduced by an additional \$75 million and an additional \$25 million in each of 2017, 2018 and 2019 resulting in a four-year capital funding reduction of

²⁴ The 2016 C_n reflected in the DRO was 4.042. An additional significant figure has been presented to show that the C_n would decrease with the application of the additional 0.6% stretch factor, which would otherwise be lost due to rounding.

²⁵ Staff Submission, p. 6; Energy Probe Submission, pp. 5-6.

\$150 million (see Table 5).²⁶ This \$150 million would be in addition to the \$250 million reduction already included in the DRO. A total funding reduction of \$400 million over the CIR period is inconsistent with the OEB’s acceptance of Toronto Hydro’s Distribution System Plan (“DSP”) as “a comprehensive approach to capital planning by Toronto Hydro over the next five years. Generally, the OEB does not take issue with the content of the DSP.”²⁷ Instead, the Staff and Energy Probe proposals would reduce average annual capital funding from 2016 through 2019 to about 10% below actual 2011 capital spending. These draconian proposals are inconsistent with the Decision.

Table 4
Estimated Impacts of Applying Productivity Factor to Revenue (\$ millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---|-------------|-------------|-------------|-------------|-------------|--------------|
| Base Revenue Requirement (BRR) (per the DRO) | 638.1 | 667.0 | 720.5 | 766.5 | 803.5 | |
| Stretch productivity factor | | 0.6% | 0.6% | 0.6% | 0.6% | |
| Scale-to-capital (S_{cap}) | | 68.4% | 70.3% | 71.7% | 72.6% | |
| Annual BRR²⁸ | | 2.6 | 2.8 | 3.1 | 3.3 | |
| Cumulative BRR | | 2.6 | 5.4 | 8.5 | 11.9 | 28.5 |

²⁶ Reductions made in the first year continue to reduce the revenue requirement throughout the four period (2016-2019). Thus, unless the capital spending reductions are front-loaded in the manner shown, the cumulative four-year total would have to grow well beyond the \$150 million figure presented in the table.

²⁷ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 22.

²⁸ Determined by applying the S_{cap} and stretch productivity factors to the prior year BRR. For example, for 2016, the calculation would be $[68.4\% \times 0.6\% \times \$638.1 \text{ million}]$ resulting in \$2.6 million.

Table 5

Possible Outcome of Applying Productivity Factor to Revenue (\$ millions)

| Capital Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---|--------------|--------------|--------------|--------------|--------------|----------------|
| Application | 531.1 | 518.8 | 467.3 | 470.0 | 502.1 | 2,489.6 |
| OEB-Mandated 10% Reduction (excluding stretch) | (53.1) | (51.9) | (46.7) | (47.0) | (50.2) | (248.9) |
| Subtotal | 478.0 | 466.9 | 420.6 | 423.0 | 451.9 | 2,240.4 |
| Additional 0.6% Stretch Factor Reduction | - | (75.0) | (25.0) | (25.0) | (25.0) | (150.0) |
| Total | 478.0 | 391.9 | 395.6 | 398.0 | 426.9 | 2,090.4 |

2.3 Other Submissions Regarding Toronto Hydro’s Capital Spending are also without Merit

24. As Toronto Hydro explained during the course of this proceeding, while its DSP presented five years of capital programs and associated spending, it did not, and indeed could not have, presented five years of specific capital projects.²⁹ Nevertheless, Staff and SEC propose that Toronto Hydro list reductions to individual capital projects over the five year period.³⁰ That information does not exist. Regardless, this request is inconsistent with the Decision, which mandates an overall 10% reduction to funded capital spending, not a revised DSP. As the Decision states: “The OEB is generally satisfied with Toronto Hydro’s DSP and rejects the notion that Toronto Hydro’s DSP requires oversight by an independent engineer.”³¹

²⁹ See, for example, the summary provided in Toronto Hydro’s Argument in Chief at p. 2.

³⁰ Staff Submission, pp. 4-5; SEC Submission, p. 2.

³¹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 26.

25. Similarly, both Staff and SEC ask for specific information on the projects that Toronto Hydro has or will reduce in 2015 and 2016 and the timing of these reductions.³² This request reveals a fundamental misapprehension of Toronto Hydro's capital planning as explained in the DSP. Furthermore, it goes well beyond the parameters of the DRO process to disregard the Decision and re-open the evidentiary phase of the proceeding.
26. For purpose of calculating rates, including for 2015, Toronto Hydro has reduced overall capital spending funding by 10% in accordance with the Decision.³³
27. The Decision explicitly recognizes that it is Toronto Hydro's responsibility to manage the utility, and as such, the OEB reduced overall funding of capital spending rather than reducing funding for specific projects.³⁴ The OEB left it to Toronto Hydro to implement its capital program within an overall envelope of funding. As the OEB would expect, Toronto Hydro will prudently manage the utility, taking account of safety, reliability and execution efficiency, when making capital spending decisions.
28. Finally, Energy Probe appears confused about the size of the 2015 revenue requirement reduction when compared to the reduction in capital expenditures.³⁵ Toronto Hydro has shown how the 2015 revenue requirement was calculated in Table 1 of its DRO Submission.³⁶ Further information on this calculation in response to Energy Probe is provided in Section 4 [Depreciation] and Section 5 [PILs].

³² Staff Submission, pp. 4-5; SEC Submission, p. 2.

³³ As discussed above, with two minor exceptions, Toronto Hydro reduced all projects proportionally to implement the overall 10% reduction.

³⁴ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 2.

³⁵ Energy Probe Submission, p. 5.

³⁶ EB-2014-0116, Toronto Hydro Electric-System Limited Draft Rate Order (January 22, 2016), p. 8.

3.0 Operating, Maintenance & Administration (OM&A) Adjustments

3.1 Toronto Hydro's OM&A Adjustments are Appropriate

29. Only one party, SEC, disagrees with the OM&A adjustments incorporated into the DRO. Two arguments are advanced. First, relating to the CIR application costs, SEC states that it is unable to find the OEB-approved incremental budget associated with the authorization of these costs.³⁷ Second, SEC claims that "Toronto Hydro has proposed that the OM&A budget be reduced by \$1.2 million, subject to the difference recorded in a variance account so in effect, there is no reduction."³⁸ Both claims are without merit.
30. The Decision stipulates that \$246 million is the "base OM&A" amount and then proceeds to make adjustments to base OM&A through other specific approvals. If the OEB did not intent to adjust base OM&A, the Decision would have not addressed these items. The Decision did address them in order to adjust base OM&A.
31. As explained in the DRO, Toronto Hydro adjusted base OM&A for the three items specified in the Decision, namely:
- (a) An additional \$3.7 million in annual OM&A costs associated with the approved transfer of street lighting assets (which is fully offset by corresponding revenue offsets),
 - (b) An additional \$1.2 million in annual OM&A costs associated with the approved CIR application costs,³⁹ and
 - (c) A reduction of \$2.3 million in annual OM&A costs resulting from converting from an accrual to a cash basis of accounting OPEBs costs.⁴⁰

³⁷ SEC Submission, p. 3.

³⁸ SEC Submission, p. 3.

³⁹ Amortization of these costs over the CIR period is required by s. 2.4.3.5 of the OEB Filing Requirements (July 16, 2015): "For distributors, the recovery period would normally be the duration of the expected cost of service plus IRM term under the Price Cap IR option (i.e., five years)."

⁴⁰ EB-2014-0116, Toronto Hydro-Electric System Limited Draft Rate Order (January 22, 2016), p. 4-6.

32. In response to SEC's first argument regarding CIR application costs, these were fully approved in the Decision:

"The OEB agrees with Toronto Hydro that the regulatory costs of the Application can and should be recovered over the 5 year Custom IR period. This is consistent with the OEB's usual practice, and is the reasonable way for Toronto Hydro to recover those costs. Preparation of an application often spans more than one rate year.

The OEB does not agree that any part of the costs of the Application should be disallowed. Toronto Hydro is larger and has more complex issues than most if not all distributors in Ontario, and the Application involves billions of dollars of spending."⁴¹

33. As CIR application costs were not included as part of the 2014 actual OM&A costs used by the OEB to derive Toronto Hydro's 2015 OM&A, they can only be recovered through an adjustment to the base OM&A. To not adjust base OM&A would be to deny recovery of these costs in direct contravention of the Decision.
34. As to SEC's second claim that Toronto Hydro "proposes that the OM&A be reduced by \$1.2 million, subject to recording the difference in a variance account," it is clear that SEC has confused Toronto Hydro's OM&A adjustments outlined in the DRO. Toronto Hydro increased base OM&A by \$1.2 million for CIR regulatory costs but did not propose a variance account. The variance account that SEC is likely referring to is the variance account to track the difference between cash and accrual accounting for Other Post-Employment Benefits ("OPEBs"). Toronto Hydro reduced the base OM&A by \$2.3 million to account for the move from accrual to cash, in compliance with the Decision. The fact that the OEB approved a variance account that tracks the difference between cash and accrual OPEB accounting does nothing to alter the fact that Toronto Hydro has reduced the base OM&A expense by \$2.3 million.

⁴¹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 12.

35. In response to comments made by Staff and SEC with respect to the incorporation of the street lighting OM&A costs in the DRO,⁴² the \$3.7 million adjustment in revenue offsets does not appear as an adjustment to the revenue offsets line in Table 1 of the DRO because Toronto Hydro already included this adjustment in its Application as part of the approved \$46.1 million revenue offsets amount. For further discussion of this issue, see Section 7 [Revenue Offsets] below.
36. All parties have agreed with Toronto Hydro's interpretation of the 2016-2019 escalation of OM&A using the custom price cap index.

4.0 Depreciation Expense

4.1 Toronto Hydro's Depreciation Calculations are Correct

37. SEC cites Toronto Hydro's statement that the impact of reducing capital additions in 2016 by \$48.8 million reduces depreciation by \$500,000.⁴³ This, for SEC, is a discrepancy, and it seeks a detailed calculation of the impacts of the 10% capital reduction for each year.⁴⁴ Similarly, Energy Probe notes that despite a lower 2015 base year CAPEX of \$477.9 million, the capital-related revenue requirement amount for 2015 is only \$1 million lower than the amount of \$431.6 million.⁴⁵
38. As discussed in Section 2 above, in the DRO, Toronto Hydro made the prescribed 10% reduction to the funding of capital spending. However, the amount of the 2015 depreciation expense (which was recalculated following the 10% capital budget reduction) is not solely a function of 2015 ISAs. It is also driven, primarily, by the nature and size of 2015 opening rate base, which includes a significant amount of pre-

⁴² Staff Submission, p. 6; SEC Submission, p.3.

⁴³ SEC Submission, p. 3.

⁴⁴ SEC Submission, p. 3.

⁴⁵ Energy Probe Submission, p. 5.

2015 Construction Work In Progress (“CWIP”) scheduled to come into service during the year.

39. The impact of the 10% reduction to the 2015 capital budget will, therefore, affect only the portion of the rate base reflecting the 2015 spend, or \$267.4 million of the \$531.1 in 2015 capital expenditures, as illustrated in Table 6 below. The remaining portion of the applied-for 2015 ISAs (\$267.7 million) is a function of the prior year capital spend coming into service, and as such, is not affected by the 10% reduction to the capital spending request for the CIR period. The \$0.5 million change in depreciation amount included in the 2015 Base Revenue Requirement (“BRR”) is also impacted by the anticipated timing of the 2015 projects being completed, with a large number coming into service in the latter part of the year.

The depreciation amounts embedded in the calculation of the C-factor for the years 2016 through 2019 are not affected by the pre-CIR CWIP amounts.

Table 6
Reductions to 2015 Capital Expenditures and In-service Additions (\$ millions)

| Category | Application | OEB-Mandated 10% Reduction | Revised | Change from Application |
|----------------------------------|--------------------|---------------------------------------|----------------|------------------------------------|
| Capital Expenditures | 531.1 | (53.1) | 478.0 | (10.0%) |
| Capitalization (ISA) Rate | 50.3% | 50.3% | 50.3% | - |
| ISA Related to 2015 Capex | 267.4 | (26.7) | 240.7 | (10.0%) |
| ISA Related to 2015 Opening CWIP | 267.7 | N/A | 267.7 | N/A |
| Total 2015 ISA | 535.1 | (26.7) | 508.4 | (5.0%) |

Table 7
2015 Depreciation Expense Reduction Reasonability (\$ millions)

| ISA Reduction (Calculated above) | Half Year Rule | Average Useful Life | Depreciation Reduction |
|---|-----------------------|--------------------------------|-----------------------------------|
| A | B | C | A*B/C |
| (26.7) | 50% | 25.00 years | (0.5) |

40. Similarly, this capital spend versus ISA issue also accounts for \$0.5 million of the \$1 million reduction referenced by Energy Probe. As set out in the DRO, the remainder of the \$0.5 million variance is comprised of the following: -\$0.9 million reduction in interest, -\$0.6 million reduction in Return on Deemed Equity, and +\$1.0million increase in PILs.⁴⁶

5.0 PILs

5.1 Toronto Hydro did not use Tax Shields as a Consideration in its Capital Budget Adjustment

41. SEC states that it is “not mathematically possible” for PILs expense to go up by \$900,000 per year as a result of the 10% reduction of capital spending funding.⁴⁷ SEC states that Toronto Hydro has likely elected to reduce expenditures with the highest tax shields, thereby increasing the effective tax cost of capital spending.⁴⁸ Further, SEC alleges that in the absence of a detailed budget, Toronto Hydro can spend with a higher average tax shield and pocket the difference.⁴⁹

⁴⁶ EB-2014-0116, Toronto Hydro Electric-System Limited Draft Rate Order (filed January 22, 2016), p. 11.

⁴⁷ SEC Submission, p. 4.

⁴⁸ SEC Submission, p. 4.

⁴⁹ SEC Submission, p. 4.

42. All of SEC's allegations are without merit. As set out above, Toronto Hydro applied the 10% reduction to the funding of capital spending proportionally across all of its programs, except for AFUDC and externally initiated plant relocations. Tax shield impacts were not considered.
43. Toronto Hydro's reduction of capital spending does not result in a similar reduction in PILs expense since PILs are a function of taxable income, not net income. The proportional reduction of the capital program results in corresponding reductions to depreciation, interest expense and net income. In contrast, the taxable income used to determine PILs is significantly influenced by capital cost allowance.
44. Capital cost allowance is higher than depreciation on average for both distribution assets and computer software. This results in a greater reduction in capital cost allowance than depreciation, which produces a higher PILs expense. Adjustments for the reduction in interest expense also result in higher PILs expense.

5.2 Toronto Hydro's OCCP PILs Treatment Ensures that Ratepayers Receive the Full Capital Gain after Tax

45. Staff asked Toronto Hydro to provide 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.⁵⁰
46. Two tax-related sources of ratepayer benefit are expected from the disposition of properties related to its Operating Centers Consolidation Program ("OCCP"). First, the capital gains tax expense upon disposition of the properties. Second, the tax savings realized upon distribution of the net disposition gains through rates, which results in lower taxable income and consequentially, PILs.

⁵⁰ Staff Submission, p. 14.

47. The gross up for the PILs tax savings refers to the inclusion of the tax benefits described above in the amount expected to be cleared. This ensures that ratepayers receive the full benefit of the realized capital gain after tax. To provide greater clarity, Toronto Hydro has revised the accounting entries associated with the approved variance account for OCCP gains.

48. The following example illustrates this concept.

| Ref | Category | Calculation | Result |
|-----|---|--|--------|
| A | Sale Proceeds | $A = \$250$ | \$250 |
| B | Accounting Costs | $B = \$50$ | \$50 |
| C | Capital Gain for Accounting Purposes | $C = A - B$ | \$200 |
| D | Adjusted Cost Base for Tax Purposes ⁵¹ | $D = 100$ | \$100 |
| E | Taxable Capital Gain | $E = ((A - D) \times 50\%)$ | \$75 |
| F | Tax on Capital Gain | $F = E \times \text{tax rate of } 26.5\%$ | \$20 |
| G | Net After-tax Capital Gain | $G = C - F$ | \$180 |
| H | Reduced Income Taxes Gross Up | $H = G \times \text{tax rate of } 26.5\% \times \text{gross up } 1.36$ | \$65 |
| I | OCCP Refund Balance | $I = G + H$ | \$245 |

⁵¹ Adjusted cost base ("ACB") is a calculation used to determine the cost of an asset for tax purposes. Tax legislation requires the ACB to be used in the determination of a capital gain or loss for tax purposes.

6.0 Growth Factor Adjustment

6.1 Toronto Hydro's Application of the Growth Factor Adjustment is Consistent with the OEB's Standard PCI

49. Staff submits that the Decision requires the growth factor to be 0.3% and did not make any reference to an adjustment of (1-SOMA).⁵² Staff further notes that the effect of this adjustment is to reduce the magnitude of the growth rate adjustment and that Toronto Hydro should be directed to remove the (1-SOMA) adjustment and refile the DRO on this basis.⁵³
50. In the Application, Toronto Hydro did not include a growth factor adjustment in its proposed CPCI formulation. During the argument phase, parties suggested a growth factor component should be required. In Reply Argument, Toronto Hydro noted that it was not opposed to the inclusion, but noted areas where intervenor arguments on the issue were deficient. In particular, Toronto Hydro noted that if a growth factor was to be included, it should be scaled by (1-SOMA).⁵⁴ Toronto Hydro explained in that submission that the scaled approach recognized the ratemaking principle that the OM&A costs driven by growing load ought to be funded during IR periods.
51. The Decision stipulated that the C-factor should include an element "to adjust for growth in Toronto Hydro's billing determinants in order to prevent the C factor from over-recovering capital costs."⁵⁵ The OM&A section in the Decision made no reference to a growth factor. By applying a growth factor to capital and not to OM&A, the Decision reflected the approach Toronto Hydro described in the Reply Argument.⁵⁶ Accordingly, the DRO scales the growth factor. In so doing, it precisely prevents over-

⁵² Staff Submission, p. 7.

⁵³ Staff Submission, p. 7.

⁵⁴ EB-2014-0116, Toronto Hydro-Electric System Limited Reply Argument (April 20, 2015), p. 194.

⁵⁵ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), pp. 28-29.

⁵⁶ EB-2014-0116, Toronto Hydro-Electric System Limited Reply Argument (April 20, 2015), p. 194.

recovery of capital costs while allowing growing OM&A costs associated with growth to be recovered.

52. In contrast, removing the scaling, as Staff has suggested, would apply the growth adjustment to all components of the CPCI. This would be contrary to the OEB's standard PCI, which has *no growth* adjustment component. This would also be contrary to the Decision, which specifically and exclusively applies the growth adjustment to capital.
53. Perversely, Staff's proposal would provide Toronto Hydro less OM&A funding than it would have been eligible for under Annual Incentive Rate-making. This was not the OEB's policy intention in creating Custom IR in the Renewed Regulatory Framework for Electricity ("RRFE") and is not supported by the Decision.
54. Removing the scaling factor would reduce revenue requirement by an average of about \$2 million for each year of the 2016 to 2019 period. This would require that Toronto Hydro's capital expenditures be reduced by an additional approximately \$75 million over the 2016 to 2019 period. This would represent a material incremental reduction to the already-reduced capital program over the next five years, and one which was is inconsistent with the Decision.

7.0 Revenue Offsets

7.1 Toronto Hydro has applied the Correct Revenue Offset Amounts for Street Lighting

55. Staff and SEC submit that the Revenue Offsets line item does not reflect the impact of the \$3.7 million service fees collected by Toronto Hydro from the City of Toronto for the OM&A costs associated with the approved transfer of street lighting assets because

the Revenue Offsets line in Table 1 of Toronto Hydro's DRO did not have a corresponding \$3.7 million adjustment.⁵⁷

56. The DRO sets out the correct revenue offsets. Toronto Hydro made an adjusting entry of \$3.7 million to its approved base 2015 OM&A to account for the specific OM&A costs associated with the approved transfer of street lighting assets, and noted that these OM&A costs "are 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."⁵⁸
57. The reason the \$3.7 million adjustment does not appear in Table 1, is that Toronto Hydro already included this adjustment as part of the approved \$46.1 million revenue offsets amount. The Decision approved Toronto Hydro's revenue offsets based on Toronto Hydro's 2015 forecast amounts.⁵⁹ As a result, the revenue offsets amount of \$46.1 million shown in the DRO was already inclusive of the \$3.7 million related to the offsetting fees for the OM&A component of the transferred street lighting assets (as well as an additional \$4.4 million in offsetting fees for capital related street lighting costs), and therefore did not require a separate adjustment.
58. In contrast, the Decision approved 2015 OM&A costs based on an escalation of Toronto Hydro's actual 2014 OM&A costs. Since the street lighting OM&A costs were not in the 2014 OM&A amount, the 2015 base OM&A amount also did not include these costs, therefore requiring that an adjustment be applied.

⁵⁷ Staff Submissions, p. 5; SEC Submission, p. 3.

⁵⁸ EB-2014-0116, Toronto Hydro Electric-System Limited Draft Rate Order (filed January 22, 2016), p. 5.

⁵⁹ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), page 38.

8.0 Deferral & Variance Accounts

8.1 Toronto Hydro's ICM True-up Variance Account was Approved by the OEB as Requested

59. SEC states that Toronto Hydro should not be allowed to “limit” the ICM True-up Variance Account to strictly prudence based ICM allowances.⁶⁰ In SEC’s view, any disallowance during the true-up proceeding, for whatever reason, should be captured in the account.⁶¹
60. SEC’s claim is a transparent attempt to re-litigate an issue already dealt with by the OEB. During the oral hearing and in Reply Argument, Toronto Hydro proposed the ICM true-up variance account to “capture any prudence-based adjustments made to the 2015 opening rate base through the ICM true-up process.”⁶² The intervenors which commented on this proposal generally supported this account.⁶³ The Decision references this “variance account for 2015 opening rate base to capture prudence-based ICM disallowances” and states that “there were no objections to the creation of the account, and the OEB finds that it is appropriate.”⁶⁴ The DRO properly incorporates what the Decision prescribed.

⁶⁰ SEC Submission, p. 6.

⁶¹ SEC Submission, p. 6.

⁶² EB-2014-0116, Ontario Energy Board Transcript 7 (February 26, 2015), page 157; EB-2014-0116, Ontario Energy Board Transcript 10 (March 19, 2015), page 63; EB-2014-0116, Toronto Hydro Reply Argument (filed April 20, 2015), section 6.2.5, p. 225.

⁶³ EB-2014-0116, Toronto Hydro Reply Argument (filed April 20, 2015), section 6.2.5, p. 225.

⁶⁴ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015), p. 52.

8.2 Toronto Hydro's Proposed Earning Sharing Mechanism (ESM) Framework Provides a Meaningful, Effective and Transparent External Trigger Mechanism for Clearance

61. SEC states that the ESM account should be cleared annually, as part of Toronto Hydro's annual filing.⁶⁵
62. The DRO proposed that the clearance of its ESM Variance Account be triggered by reaching the Group 2 DVA clearance threshold. By tying the clearance trigger to an external requirement and a long-established OEB protocol, the discretionary deliberation and additional regulatory process that SEC appears to be suggesting is intentionally avoided. No further modifications to the proposed framework are required.

8.3 Under-spending Relative to the \$4 million in the Externally Driven Capital Variance Account will be Excluded from the Capital Related Revenue Requirement Variance Account

63. SIA seeks clarity and confirmation from Toronto Hydro in respect of the interaction between the Externally Driven Capital Variance Account and the Capital Related Revenue Requirement Variance Account if spending on externally initiated plant relocations is less than \$4 million.⁶⁶
64. The Externally Driven Capital Variance Account is symmetrical and as such all over and under spending pertaining to externally initiated plant relocates will be captured in that account and will be excluded from the Capital Related Revenue Requirement Variance Account.

⁶⁵ SEC Submission, p. 5.

⁶⁶ SIA Submission, p. 4.

8.4 Toronto Hydro Confirms the Asymmetric Nature of the Capital Related Revenue Requirement Variance Account

65. Staff requested that Toronto Hydro confirm its understanding that the Capital Related Revenue Requirement Variance Account is asymmetrical and make any necessary changes to its DAO.⁶⁷
66. Toronto Hydro understands this account to be asymmetric to the benefit of ratepayers and confirms that no further changes to the DAO are necessary to reflect this asymmetry.

9.0 Standby Charges

9.1 Toronto Hydro Requested Standby Rates to be Declared Final Only for the Period Prior to 2015

67. Staff and SEC challenged Toronto Hydro's request to declare Standby Rates for the years prior to 2015 as final and the Standby Rates for the CIR Period as interim until the OEB concludes its process on Standby Generation.⁶⁸
68. Toronto Hydro brought forward this request after having discussed it with the OEB Case Manager during preparation of the DRO, in accordance with "normal and proper practice."⁶⁹ The request is for standby rates to be declared final only for the period prior to 2015, a period during which these rates were never charged.⁷⁰ Accordingly, there are no customer notification concerns.

⁶⁷ Staff Submission, p. 13.

⁶⁸ Staff Submission, p. 8; SEC Submission, p.4.

⁶⁹ SEC Submission, p. 5.

⁷⁰ EB-2016-0116, Toronto Hydro Electric-System Limited Application (filed July 31, 2014, corrected September 23, 2014), Exhibit 8, Tab 1, Schedule 1, p. 8.

69. Toronto Hydro respectfully requests a determination on this matter in the Final Rate Order.

10.0 Revenue Requirement Workforms (RRWFs)

10.1 Toronto Hydro will Produce RRWFs for Each Year of the Custom IR Application

70. Staff and SEC submit that Toronto Hydro should be directed to provide RRWFs for each year of the Custom IR application.⁷¹
71. As noted in the DRO, and as discussed with the OEB Case Manager prior to finalizing the DRO in accordance with “normal and proper practice”,⁷² Toronto Hydro did not provide the RRWFs on the basis that they would be inconsistent with the Decision and IR rate-setting.⁷³ The OEB Case Manager encouraged Toronto Hydro to explain the decision not to provide the RRWFs in the DRO, recognizing that the OEB is in the early stages of using CIR and accordingly such an explanation may be of value to the OEB.
72. In the DRO, Toronto Hydro explained that an RRWF is only appropriate for a cost of service year (e.g., 2015) because it is only in a cost of service year that the individual cost inputs are prescribed by the OEB. The RRWF, by definition, assumes that rates are equal to costs. In IR years (e.g. 2016-2019), rates are decoupled from costs, and rates are adjusted based on non-cost drivers such as a formulaic price cap index.⁷⁴
73. This decoupling is, in large part, what distinguishes Custom IR from multi-year cost of service. Toronto Hydro has proposed, and the OEB approved, a custom price-cap

⁷¹ OEB Staff Submissions, page 10; SEC Submissions, page 4.

⁷² SEC Submission, p. 5.

⁷³ EB-2014-0116, Toronto Hydro Electric-System Limited Draft Rate Order (January 22, 2016), page 15.

⁷⁴ EB-2014-0116, Toronto Hydro Electric-System Limited Draft Rate Order (January 22, 2016), page 15.

index, and not a multi-year cost of service for this five year plan. While 2015 is a rebasing (cost of service) year, Toronto Hydro's rates in 2016 through 2019 have been decoupled from its costs. Accordingly, in Toronto Hydro's respectful submission, the RRWFs cannot, by definition, produce accurate or useful results in years that costs are decoupled from price (i.e. 2016-2019).

74. Nevertheless, in Schedule 1, Toronto Hydro has produced RRWF's for each year 2016-2019 based on the approved capital and OM&A costs. The RRWFs for this period generate notional revenue requirements. However, the basis for rates and the associated distribution revenue in each of these years is the approved Custom Price Cap Index, the components of which were detailed in section 12 of the DRO and prescribed by the Decision. For these reasons, Toronto Hydro cautions against any use of the 2016-2019 RRWFs.

11.0 Bill Impacts

11.1 Toronto Hydro's Reconciliation of Bill Impacts

75. Staff requested additional information in respect of rate increase calculations, specifically, a breakdown of the distribution rate increase change from the time of the Argument-in-Chief to the DRO, by customer class.⁷⁵
76. In Schedule 2, Toronto Hydro has reconciled, for each rate class, the impacts shown in the DRO with the impacts which were included in the Argument-in-Chief. The monthly bill amounts for Sub-Total A along with the calculated percentage increases are shown. Schedule 2 clearly demonstrate the impacts of the Decision on 2016 rates (which results in lower bills and lower overall percentage increase when measured over the same base

⁷⁵ Staff Submission, pp. 11-12.

period) as well as the impacts of changes in timing, and of the approved foregone revenue rate riders.

12.0 Tariff of Rates and Charges

12.1 Toronto Hydro will Refile 2017-2019 Tariff Sheets

77. Staff submits that Toronto Hydro did not utilize the standard OEB terminology or format.⁷⁶ To address these concerns, Staff attached to its submission the 2016 Tariff of Rates and Charges conformed to the desired format and asked Toronto Hydro to use this format to refile the 2017 to 2019 tariff sheets.⁷⁷
78. Toronto Hydro filed its draft Tariff of Rates and Charges using the format from the last OEB-approved tariff sheets. Toronto Hydro has reviewed Staff's Tariff of Rates and Charges and has one proposed change to the categorization of its Specific Service Charges. As charges relating to disconnections at meter and at the pole were intended and approved for use under multiple scenarios,⁷⁸ Toronto Hydro has added these same charges under all applicable service charge categories. Apart from this change, Toronto Hydro has no issues with using the format provided by Staff. Schedule 3 contains the updated tariff sheets for 2016-2019.

⁷⁶ Staff Submission, p. 14.

⁷⁷ Staff Submission, p. 14.

⁷⁸ EB-2016-0116, Toronto Hydro Electric-System Limited Application (filed July 31, 2014, corrected November 24, 2014), Exhibit 8, Tab 2, Schedule 1.

13.0 Draft Accounting Orders

13.1 Other Post-Employment Benefits (OPEBs)

79. Staff submits that Toronto Hydro's OPEBs Draft Accounting Order ("DAO") does not conform with what was approved by the OEB in a recent Guelph Hydro case.⁷⁹ Staff's two major concerns with the DAO proposed by Toronto Hydro are that: (1) it does not compare forecast cash versus forecast accrual for each of the five years in the term, and (2) Toronto Hydro proposes carrying charges which the OEB has denied in previous proceedings, such as the Guelph Hydro case.⁸⁰
80. Toronto Hydro has revised its DAO for the OPEBs variance account to remove carrying charges from the variance account.
81. No further adjustments are warranted. There are several considerations that warrant a partial departure from the Guelph Hydro decision. First, there is a more compelling precedent of forecast accrual versus actual cash OPEB variance account.⁸¹ Second, there is inherent complexity and a disproportionate burden to accurately track the capital portion of the variance between cash and accrual methods.

13.2 Other Applicable Precedents of Forecasted Accrual vs. Actual Cash OPEB Variance Accounts

82. The OEB permitted a variance account for tracking the difference between accrual and cash basis of OPEB expenses in the Ontario Power Generation's ("OPG") 2014-2015

⁷⁹ Staff Submission, p. 12.

⁸⁰ Staff Submission, p. 12.

⁸¹ EB-2013-0321, Ontario Power Generation Inc. Decision with Reasons (November 20, 2014).

Application for Payment Amounts for Prescribed Facilities (EB-2013-0321).⁸² Toronto Hydro referred to the OPG decision in preparation of its DAO, and submits that it provides an appropriate precedent to follow until the OEB renders a decision in the ongoing generic proceeding on the subject of Pensions and OPEBs (EB-2015-0040). For clarity, and consistent with the OEB's guidance in the OPG decision, the amounts tracked would not be subject to a future prudence review, and only be subject to disposition (if any) on the basis of the outcomes of the ongoing generic proceeding, as they relate to the accounting or mechanics of recovery, as may be applicable. Furthermore, using actual cash will result in a more accurate amount for disposition as the actual cash payments will coincide with the independent actuarial reports. As such, Toronto Hydro submits that it should not be required to use forecasted cash and instead be permitted to use actual cash to track the variance between cash and accrual methods of accounting.

13.3 Complexity in Tracking the Capital Portion of the Variance between Cash and Accrual Methods

83. Another reason for departure from the methodology approved in the Guelph Hydro case but proposed by Toronto Hydro concerns the tracking of the portion of the variance attributed to capital costs. Toronto Hydro differs from Guelph Hydro in that Guelph Hydro's application did not include any capital portion of the OPEB accrual in its capital costs, whereas Toronto Hydro's application did include the capital portion of the OPEB accrual in capital.
84. Although it is possible to track the capital portion into the variance account, Toronto Hydro respectfully submits that the effort required to undertake this tracking is not justified in light of the amounts involved. As an illustration, from a revenue

⁸² EB-2013-0321, Ontario Power Generation Inc. Decision with Reasons (November 20, 2014), pp. 87-89.

- requirement standpoint the impact of the capital variance is less than \$0.1 million for 2015.
85. The complexity and effort involved in the suggested capital tracking arise because to accurately track the capital portion, Toronto Hydro would be required to allocate the variance for 2015 proportionally across upwards of a thousand discrete capital projects. This granular level of tracking would have to be reconciled at least four times a year, as Toronto Hydro publishes quarterly financial reports to fulfil its obligations as a reporting issuer with the Ontario Securities Commission (“OSC”). The quarterly financial statements include the reporting and disclosure of regulatory assets and liabilities. Furthermore, Toronto Hydro would be required to maintain two sets of fixed assets ledgers since the financial reports issued for OSC purposes require that the OPEB amount under the accrual accounting method be capitalized as part of Property, Plant and Equipment and Intangibles including CWIP. As such, the variance between cash and accrual methods for the capital portion would not be recorded in the regulatory variance account for OSC reporting purposes.
86. Accordingly, the amounts for Property, Plant and Equipment and Intangibles including CWIP recorded for OSC reporting purposes will differ from the amounts recorded for regulatory purposes. Considering Toronto Hydro’s current financial systems capabilities, this level of tracking and reporting would demand an excessive and unreasonable amount of manual effort and resources, particularly when this level of effort is compared to the materiality of revenue requirement amounts involved. Given that there is no timeline for when a final conclusion will issue from the OEB’s OPEB policy consultation on the appropriate regulatory treatment of OPEB costs, the required tracking could continue for years. In light of the above-noted considerations, Toronto Hydro respectfully submits that it should not be required to track the variance related to the capital portion of the impact of transition between accrual and cash treatment of OPEB disbursements.

87. Based on a preliminary review of the public record in the Guelph Hydro proceeding, it is not apparent that many of these OPEB issues that are material in Toronto Hydro's situation were live and litigated. The case is not a useful precedent in this instance and Staff's proposal should be rejected.

13.4 Renewable Enabling Investments (REI)

88. Staff submits that a new accounting order is not necessary for the REI variance account as detailed guidance in the area has already been provided.⁸³
89. Toronto Hydro consents to withdrawing the DAO for the REI variance account.

14.0 Draft Accounting Orders ("DAO")

90. Schedule 4 contains Toronto Hydro's updated DAOs.

15.0 Confidential Filing

15.1 Toronto Hydro Acted in Accordance with OEB Confidentiality Practices

91. Staff submits that Toronto Hydro has not filed an unredacted version of the DRO.⁸⁴
92. Pursuant to the OEB's Rules of Practice and Procedure and Practice Direction on Confidential Filings (the OEB confidentiality practices), Toronto Hydro mailed an unredacted version of its DRO to the OEB on January 25, 2016. As Staff have indicated

⁸³ Staff Submission, p. 13.

⁸⁴ Staff Submission, p. 3.

that they did not receive this filing, Toronto Hydro re-sent the unredacted version of the DRO to the OEB on February 8, 2016.

93. Staff also sought clarity on why the line for “Rate Rider for Operations Center Consolidation Plan Sharing” (“OCCP”) in Schedule 5- Rate Riders was redacted.⁸⁵
94. In Schedule 5, Toronto Hydro has refiled Schedule 5 from the DRO with the line for the Rate Rider for OCCP unredacted.

⁸⁵ Staff Submission, p. 3.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

| | |
|--------------------|---------------------------------------|
| Utility Name | Toronto Hydro-Electric System Limited |
| Service Territory | |
| Assigned EB Number | EB-2014-0116 |
| Name and Title | Anthony Lam, Economist - Rates |
| Phone Number | 416 542 2876 |
| Email Address | alam@torontohydro.com |

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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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev. Def. Suff](#)

[9. Rev. Req](#)

[10. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel***



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

| | Initial Application | (2) | | (6) | Per Board Decision |
|----------|--|-----------|------|-------------------|--------------------|
| 1 | Rate Base | | | | |
| | Gross Fixed Assets (average) | \$ - | | \$6,218,168,173 | \$6,218,168,173 |
| | Accumulated Depreciation (average) | \$ - (5) | | (\$2,885,356,810) | (\$2,885,356,810) |
| | Allowance for Working Capital: | | | | |
| | Controllable Expenses | \$ - | | \$252,594,897 | \$252,594,897 |
| | Cost of Power | \$ - | | \$2,771,977,004 | \$2,771,977,004 |
| | Working Capital Rate (%) | 0.00% (9) | | (9) | 8.02% (9) |
| 2 | Utility Income | | | | |
| | Operating Revenues: | | | | |
| | Distribution Revenue at Current Rates | | | | \$642,619,172 |
| | Distribution Revenue at Proposed Rates | | | | \$670,999,617 |
| | Other Revenue: | | | | |
| | Specific Service Charges | | | | \$9,965,487 |
| | Late Payment Charges | | | | \$4,060,000 |
| | Other Distribution Revenue | | | | \$27,868,165 |
| | Other Income and Deductions | | | | \$ - |
| | Total Revenue Offsets | \$ - (7) | | | \$41,893,652 |
| | Operating Expenses: | | | | |
| | OM+A Expenses | \$ - (10) | \$ - | \$248,546,444 | ## \$248,546,444 |
| | Depreciation/Amortization | \$ - | \$ - | \$218,710,886 | \$218,710,886 |
| | Property taxes | \$ - | \$ - | \$6,048,452 | \$6,048,452 |
| | Other expenses | \$ - | 0 | \$ - | \$0 |
| 3 | Taxes/PILs | | | | |
| | Taxable Income: | | | | |
| | Adjustments required to arrive at taxable income | (3) | | | (\$83,145,028) |
| | Utility Income Taxes and Rates: | | | | |
| | Income taxes (not grossed up) | | | | \$10,950,381 |
| | Income taxes (grossed up) | | | | \$14,898,478 |
| | Federal tax (%) | | | | 15.00% |
| | Provincial tax (%) | | | | 11.50% |
| | Income Tax Credits | | | | (\$2,263,000) |
| 4 | Capitalization/Cost of Capital | | | | |
| | Capital Structure: | | | | |
| | Long-term debt Capitalization Ratio (%) | | | | 56.0% |
| | Short-term debt Capitalization Ratio (%) | (8) | (8) | | 4.0% (8) |
| | Common Equity Capitalization Ratio (%) | | | | 40.0% |
| | Preferred Shares Capitalization Ratio (%) | | | | 100.0% |
| | Cost of Capital | | | | |
| | Long-term debt Cost Rate (%) | | | | 4.28% |
| | Short-term debt Cost Rate (%) | | | | 1.38% |
| | Common Equity Cost Rate (%) | | | | 9.30% |
| | Preferred Shares Cost Rate (%) | | | | |

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 - (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
 - (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
 - (8) 4.0% unless an Applicant has proposed or been approved for another amount.
 - (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
 - (10) Investment tax credits of \$2 million reclass to Taxes/PILs



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

| Rate Base | | | | | | | | | |
|-----------|------------------------------------|-----|---------------------|--|------|--|--------------------|-------|-------------------|
| Line No. | Particulars | | Initial Application | | | | Per Board Decision | | |
| 1 | Gross Fixed Assets (average) | (3) | \$ - | | \$ - | | \$ - | ##### | \$6,218,168,173 |
| 2 | Accumulated Depreciation (average) | (3) | \$ - | | \$ - | | \$ - | ##### | (\$2,885,356,810) |
| 3 | Net Fixed Assets (average) | (3) | \$ - | | \$ - | | \$ - | ##### | \$3,332,811,362 |
| 4 | Allowance for Working Capital | (1) | \$ - | | \$ - | | \$ - | ##### | \$242,641,377 |
| 5 | Total Rate Base | | \$ - | | \$ - | | \$ - | ##### | \$3,575,452,739 |

(1) Allowance for Working Capital - Derivation

| | | | | | | |
|----|----------------------------|-------|-------|-------|-------|-----------------|
| 6 | Controllable Expenses | \$ - | \$ - | \$ - | ##### | \$252,594,897 |
| 7 | Cost of Power | \$ - | \$ - | \$ - | ##### | \$2,771,977,004 |
| 8 | Working Capital Base | \$ - | \$ - | \$ - | ##### | \$3,024,571,901 |
| 9 | Working Capital Rate % (2) | 0.00% | 0.00% | 0.00% | 8.02% | 8.02% |
| 10 | Working Capital Allowance | \$ - | \$ - | \$ - | ##### | \$242,641,377 |

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

| Line No. | Particulars | Initial Application | | | | Per Board Decision | | | |
|----------|--|---------------------|--|------|--|--------------------|--|---------------|---------------|
| | Operating Revenues: | | | | | | | | |
| 1 | Distribution Revenue (at Proposed Rates) | \$ - | | \$ - | | \$ - | | \$670,999,617 | \$670,999,617 |
| 2 | Other Revenue (1) | \$ - | | \$ - | | \$ - | | \$41,893,652 | \$41,893,652 |
| 3 | Total Operating Revenues | \$ - | | \$ - | | \$ - | | \$712,893,269 | \$712,893,269 |
| | Operating Expenses: | | | | | | | | |
| 4 | OM+A Expenses | \$ - | | \$ - | | \$ - | | \$248,546,444 | \$248,546,444 |
| 5 | Depreciation/Amortization | \$ - | | \$ - | | \$ - | | \$218,710,886 | \$218,710,886 |
| 6 | Property taxes | \$ - | | \$ - | | \$ - | | \$6,048,452 | \$6,048,452 |
| 7 | Capital taxes | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 8 | Other expense | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 9 | Subtotal (lines 4 to 8) | \$ - | | \$ - | | \$ - | | \$473,305,783 | \$473,305,783 |
| 10 | Deemed Interest Expense | \$ - | | \$ - | | \$ - | | \$87,669,532 | \$87,669,532 |
| 11 | Total Expenses (lines 9 to 10) | \$ - | | \$ - | | \$ - | | \$560,975,315 | \$560,975,315 |
| 12 | Utility income before income taxes | \$ - | | \$ - | | \$ - | | \$151,917,954 | \$151,917,954 |
| 13 | Income taxes (grossed-up) | \$ - | | \$ - | | \$ - | | \$14,898,478 | \$14,898,478 |
| 14 | Utility net income | \$ - | | \$ - | | \$ - | | \$137,019,477 | \$137,019,477 |

Notes

Other Revenues / Revenue Offsets

| | | | | | | | | | |
|-----|-----------------------------|------|--|------|--|------|--|--------------|--------------|
| (1) | Specific Service Charges | \$ - | | \$ - | | \$ - | | \$9,965,487 | |
| | Late Payment Charges | \$ - | | \$ - | | \$ - | | \$4,060,000 | |
| | Other Distribution Revenue | \$ - | | \$ - | | \$ - | | \$27,868,165 | |
| | Other Income and Deductions | \$ - | | \$ - | | \$ - | | \$ - | |
| | Total Revenue Offsets | \$ - | | \$ - | | \$ - | | \$ - | \$41,893,652 |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

| Line No. | Particulars | Application | | Per Board Decision |
|--|--|-------------|-------|--------------------|
| <u>Determination of Taxable Income</u> | | | | |
| 1 | Utility net income before taxes | \$ - | \$ - | \$133,006,842 |
| 2 | Adjustments required to arrive at taxable utility income | \$ - | \$ - | (\$83,145,028) |
| 3 | Taxable income | \$ - | \$ - | \$49,861,814 |
| <u>Calculation of Utility income Taxes</u> | | | | |
| 4 | Income taxes | \$ - | \$ - | \$10,950,381 |
| 6 | Total taxes | \$ - | \$ - | \$10,950,381 |
| 7 | Gross-up of Income Taxes | \$ - | \$ - | \$3,948,097 |
| 8 | Grossed-up Income Taxes | \$ - | \$ - | \$14,898,478 |
| 9 | PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | \$ - | \$ - | \$14,898,478 |
| 10 | Other tax Credits | \$ - | \$ - | (\$2,263,000) |
| <u>Tax Rates</u> | | | | |
| 11 | Federal tax (%) | 0.00% | 0.00% | 15.00% |
| 12 | Provincial tax (%) | 0.00% | 0.00% | 11.50% |
| 13 | Total tax rate (%) | 0.00% | 0.00% | 26.50% |

Notes

Capitalization/Cost of Capital

| Line No. | Particulars | Capitalization Ratio | | Cost Rate | | Return |
|----------------------------|---------------------|----------------------|-----------------|-----------|--|---------------|
| | | (%) | (\$) | (%) | | (\$) |
| Initial Application | | | | | | |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| | | | | | | |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| Per Board Decision | | | | | | |
| | Debt | | | | | |
| 8 | Long-term Debt | 56.00% | \$2,002,253,534 | 4.28% | | \$85,695,882 |
| 9 | Short-term Debt | 4.00% | \$143,018,110 | 1.38% | | \$1,973,650 |
| 10 | Total Debt | 60.00% | \$2,145,271,644 | 4.09% | | \$87,669,532 |
| | Equity | | | | | |
| 11 | Common Equity | 40.00% | \$1,430,181,096 | 9.30% | | \$133,006,842 |
| 12 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |

| | | | | | |
|----|--------------|----------------|------------------------|--------------|----------------------|
| 13 | Total Equity | <u>40.00%</u> | <u>\$1,430,181,096</u> | <u>9.30%</u> | <u>\$133,006,842</u> |
| 14 | Total | <u>100.00%</u> | <u>\$3,575,452,739</u> | <u>6.17%</u> | <u>\$220,676,374</u> |

Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

| Line No. | Particulars | Initial Application | | Per Board Decision | |
|----------|--|---------------------------|-------------------|---------------------------|-------------------|
| | | At Current Approved Rates | At Proposed Rates | At Current Approved Rates | At Proposed Rates |
| 1 | Revenue Deficiency from Below | | \$ - | | \$ - |
| 2 | Distribution Revenue | \$ - | \$ - | \$ - | \$ - |
| 3 | Other Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| | Offsets - net | | | | |
| 4 | Total Revenue | \$ - | \$ - | \$ - | \$ - |
| 5 | Operating Expenses | \$ - | \$ - | \$ - | \$ - |
| 6 | Deemed Interest Expense | \$ - | \$ - | \$ - | \$ - |
| 8 | Total Cost and Expenses | \$ - | \$ - | \$ - | \$ - |
| 9 | Utility Income Before Income Taxes | \$ - | \$ - | \$ - | \$ - |
| 10 | Tax Adjustments to Accounting Income per 2013 PILs model | \$ - | \$ - | \$ - | \$ - |
| 11 | Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 12 | Income Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% |
| 13 | Income Tax on Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 14 | Income Tax Credits | \$ - | \$ - | \$ - | \$ - |
| 15 | Utility Net Income | \$ - | \$ - | \$ - | \$ - |
| 16 | Utility Rate Base | \$ - | \$ - | \$ - | \$ - |
| 17 | Deemed Equity Portion of Rate Base | \$ - | \$ - | \$ - | \$ - |
| 18 | Income/(Equity Portion of Rate Base) | 0.00% | 0.00% | 0.00% | 0.00% |
| 19 | Target Return - Equity on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 20 | Deficiency/Sufficiency in Return on Equity | 0.00% | 0.00% | 0.00% | 0.00% |
| 21 | Indicated Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 22 | Requested Rate of Return on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 23 | Deficiency/Sufficiency in Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 24 | Target Return on Equity | \$ - | \$ - | \$ - | \$ - |
| 25 | Revenue Deficiency/(Sufficiency) | \$ - | \$ - | \$ - | \$ - |
| 26 | Gross Revenue Deficiency/(Sufficiency) | \$ - (1) | \$ - | \$ - (1) | \$ - |

Notes:
(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

| Line No. | Particulars | Application | | Per Board Decision | |
|----------|---|-------------|-----|--------------------|-----------------|
| 1 | OM&A Expenses | \$ - | | \$ - | \$248,546,444 |
| 2 | Amortization/Depreciation | \$ - | | \$ - | \$218,710,886 |
| 3 | Property Taxes | \$ - | | \$ - | \$6,048,452 |
| 5 | Income Taxes (Grossed up) | \$ - | | \$ - | \$14,898,478 |
| 6 | Other Expenses | \$ - | | \$ - | \$ - |
| 7 | Return | | | | |
| | Deemed Interest Expense | \$ - | | \$ - | \$87,669,532 |
| | Return on Deemed Equity | \$ - | | \$ - | \$133,006,842 |
| 8 | Service Revenue Requirement (before Revenues) | \$ - | | \$ - | \$708,880,634 |
| 9 | Revenue Offsets | \$ - | | \$ - | \$41,893,652 |
| 10 | Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment) | \$ - | | \$ - | \$666,986,982 |
| 11 | Distribution revenue | \$ - | | \$ - | \$670,999,617 |
| 12 | Other revenue | \$ - | | \$ - | \$41,893,652 |
| 13 | Total revenue | \$ - | | \$ - | \$712,893,269 |
| 14 | Difference (Total Revenue Less Distribution Revenue Requirement before Revenues) | \$ - | (1) | \$ - | (1) \$4,012,635 |

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.) Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

| Reference ⁽¹⁾ | Item / Description ⁽²⁾ | Cost of Capital | | Rate Base and Capital Expenditures | | | Operating Expenses | | | Revenue Requirement | | | |
|--------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------------------|-----------------|--------------------------------|-----------------------------|------------|------|-----------------------------|----------------|--------------------------|---|
| | | Regulated Return on Capital | Regulated Rate of Return | Rate Base | Working Capital | Working Capital Allowance (\$) | Amortization / Depreciation | Taxes/PILs | OM&A | Service Revenue Requirement | Other Revenues | Base Revenue Requirement | Grossed up Revenue Deficiency / Sufficiency |
| 1 | Original Application | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

| | |
|--------------------|---------------------------------------|
| Utility Name | Toronto Hydro-Electric System Limited |
| Service Territory | |
| Assigned EB Number | EB-2014-0116 |
| Name and Title | Anthony Lam, Economist - Rates |
| Phone Number | 416 542 2876 |
| Email Address | alam@torontohydro.com |

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your 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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 - (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
 - (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
 - (8) 4.0% unless an Applicant has proposed or been approved for another amount.
 - (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
 - (10) Investment tax credits of \$2 million reclass to Taxes/PILs



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

| Line No. | Rate Base Particulars | Initial Application | Per Board Decision |
|----------|--|---------------------|------------------------|
| 1 | Gross Fixed Assets (average) (3) | \$ - | \$6,672,300,736 |
| 2 | Accumulated Depreciation (average) (3) | \$ - | (\$3,035,540,305) |
| 3 | Net Fixed Assets (average) (3) | \$ - | \$3,636,760,430 |
| 4 | Allowance for Working Capital (1) | \$ - | \$253,721,239 |
| 5 | Total Rate Base | \$ - | \$3,890,481,669 |

(1) Allowance for Working Capital - Derivation

| | | | | | | |
|----|----------------------------|-------|-------|-------|-------|-----------------|
| 6 | Controllable Expenses | \$ - | \$ - | \$ - | ##### | \$256,383,820 |
| 7 | Cost of Power | \$ - | \$ - | \$ - | ##### | \$2,915,656,284 |
| 8 | Working Capital Base | \$ - | \$ - | \$ - | ##### | \$3,172,040,104 |
| 9 | Working Capital Rate % (2) | 0.00% | 0.00% | 0.00% | 8.00% | 8.00% |
| 10 | Working Capital Allowance | \$ - | \$ - | \$ - | ##### | \$253,721,239 |

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

| Line No. | Particulars | Initial Application | | | | Per Board Decision | |
|----------|--|---------------------|------|------|---------------|--------------------|--|
| | Operating Revenues: | | | | | | |
| 1 | Distribution Revenue (at Proposed Rates) | \$ - | \$ - | \$ - | \$724,675,013 | \$724,675,013 | |
| 2 | Other Revenue (1) | \$ - | \$ - | \$ - | \$42,522,057 | \$42,522,057 | |
| 3 | Total Operating Revenues | \$ - | \$ - | \$ - | \$767,197,069 | \$767,197,069 | |
| | Operating Expenses: | | | | | | |
| 4 | OM+A Expenses | \$ - | \$ - | \$ - | \$252,244,641 | \$252,244,641 | |
| 5 | Depreciation/Amortization | \$ - | \$ - | \$ - | \$242,188,503 | \$242,188,503 | |
| 6 | Property taxes | \$ - | \$ - | \$ - | \$6,139,179 | \$6,139,179 | |
| 7 | Capital taxes | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 8 | Other expense | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 9 | Subtotal (lines 4 to 8) | \$ - | \$ - | \$ - | \$500,572,323 | \$500,572,323 | |
| 10 | Deemed Interest Expense | \$ - | \$ - | \$ - | \$95,393,991 | \$95,393,991 | |
| 11 | Total Expenses (lines 9 to 10) | \$ - | \$ - | \$ - | \$595,966,314 | \$595,966,314 | |
| 12 | Utility income before income taxes | \$ - | \$ - | \$ - | \$171,230,755 | \$171,230,755 | |
| 13 | Income taxes (grossed-up) | \$ - | \$ - | \$ - | \$22,305,680 | \$22,305,680 | |
| 14 | Utility net income | \$ - | \$ - | \$ - | \$148,925,075 | \$148,925,075 | |

Notes

Other Revenues / Revenue Offsets

| | | | | | | | |
|-----|-----------------------------|------|------|------|--------------|--------------|--|
| (1) | Specific Service Charges | \$ - | \$ - | \$ - | \$10,114,969 | \$10,114,969 | |
| | Late Payment Charges | \$ - | \$ - | \$ - | \$4,120,900 | \$4,120,900 | |
| | Other Distribution Revenue | \$ - | \$ - | \$ - | \$28,286,188 | \$28,286,188 | |
| | Other Income and Deductions | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Total Revenue Offsets | \$ - | \$ - | \$ - | \$ - | \$42,522,057 | |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

| Line No. | Particulars | Application | | | | Per Board Decision |
|--|--|-------------|--|-------|--|--------------------|
| <u>Determination of Taxable Income</u> | | | | | | |
| 1 | Utility net income before taxes | \$ - | | \$ - | | \$144,725,918 |
| 2 | Adjustments required to arrive at taxable utility income | \$ - | | \$ - | | (\$74,319,594) |
| 3 | Taxable income | \$ - | | \$ - | | \$70,406,324 |
| <u>Calculation of Utility income Taxes</u> | | | | | | |
| 4 | Income taxes | \$ - | | \$ - | | \$16,394,675 |
| 6 | Total taxes | \$ - | | \$ - | | \$16,394,675 |
| 7 | Gross-up of Income Taxes | \$ - | | \$ - | | \$5,911,005 |
| 8 | Grossed-up Income Taxes | \$ - | | \$ - | | \$22,305,680 |
| 9 | PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | \$ - | | \$ - | | \$22,305,680 |
| 10 | Other tax Credits | \$ - | | \$ - | | (\$2,263,000) |
| <u>Tax Rates</u> | | | | | | |
| 11 | Federal tax (%) | 0.00% | | 0.00% | | 15.00% |
| 12 | Provincial tax (%) | 0.00% | | 0.00% | | 11.50% |
| 13 | Total tax rate (%) | 0.00% | | 0.00% | | 26.50% |

Notes

Capitalization/Cost of Capital

| Line No. | Particulars | Capitalization Ratio | | Cost Rate | | Return |
|----------|------------------|----------------------|-----------------|-----------|--|---------------|
| | | Initial Application | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| | | Per Board Decision | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| | | Per Board Decision | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 8 | Long-term Debt | 56.00% | \$2,178,669,735 | 4.28% | | \$93,246,445 |
| 9 | Short-term Debt | 4.00% | \$155,619,267 | 1.38% | | \$2,147,546 |
| 10 | Total Debt | 60.00% | \$2,334,289,002 | 4.09% | | \$95,393,991 |
| | Equity | | | | | |
| 11 | Common Equity | 40.00% | \$1,556,192,668 | 9.30% | | \$144,725,918 |
| 12 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |

| | | | | | |
|----|--------------|----------------|------------------------|--------------|----------------------|
| 13 | Total Equity | <u>40.00%</u> | <u>\$1,556,192,668</u> | <u>9.30%</u> | <u>\$144,725,918</u> |
| 14 | Total | <u>100.00%</u> | <u>\$3,890,481,669</u> | <u>6.17%</u> | <u>\$240,119,909</u> |

Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

| Line No. | Particulars | Initial Application | | | | Per Board Decision | |
|----------|--|---------------------------|-------------------|---------------------------|-------------------|---------------------------|------------------------|
| | | At Current Approved Rates | At Proposed Rates | At Current Approved Rates | At Proposed Rates | At Current Approved Rates | At Proposed Rates |
| 1 | Revenue Deficiency from Below | | \$ - | | \$ - | | \$49,165,365 |
| 2 | Distribution Revenue | \$ - | \$ - | \$ - | \$ - | \$671,310,492 | \$675,509,648 |
| 3 | Other Operating Revenue | \$ - | \$ - | \$ - | \$ - | \$42,522,057 | \$42,522,057 |
| | Offsets - net | | | | | | |
| 4 | Total Revenue | \$ - | \$ - | \$ - | \$ - | \$713,832,549 | \$767,197,069 |
| 5 | Operating Expenses | \$ - | \$ - | \$ - | \$ - | \$500,572,323 | \$500,572,323 |
| 6 | Deemed Interest Expense | \$ - | \$ - | \$ - | \$ - | \$95,393,991 | \$95,393,991 |
| 8 | Total Cost and Expenses | \$ - | \$ - | \$ - | \$ - | \$595,966,314 | \$595,966,314 |
| 9 | Utility Income Before Income Taxes | \$ - | \$ - | \$ - | \$ - | \$117,866,235 | \$171,230,755 |
| 10 | Tax Adjustments to Accounting Income per 2013 PILs model | \$ - | \$ - | \$ - | \$ - | (\$74,319,594) | (\$74,319,594) |
| 11 | Taxable Income | \$ - | \$ - | \$ - | \$ - | \$43,546,641 | \$96,911,161 |
| 12 | Income Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% | 26.50% | 26.50% |
| 13 | Income Tax on Taxable Income | \$ - | \$ - | \$ - | \$ - | \$11,539,860 | \$25,681,458 |
| 14 | Income Tax Credits | \$ - | \$ - | \$ - | \$ - | (\$2,263,000) | (\$2,263,000) |
| 15 | Utility Net Income | \$ - | \$ - | \$ - | \$ - | \$108,589,375 | \$148,925,075 |
| 16 | Utility Rate Base | \$ - | \$ - | \$ - | \$ - | \$3,890,481,669 | \$3,890,481,669 |
| 17 | Deemed Equity Portion of Rate Base | \$ - | \$ - | \$ - | \$ - | \$1,556,192,668 | \$1,556,192,668 |
| 18 | Income/(Equity Portion of Rate Base) | 0.00% | 0.00% | 0.00% | 0.00% | 6.98% | 9.57% |
| 19 | Target Return - Equity on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% | 9.30% | 9.30% |
| 20 | Deficiency/Sufficiency in Return on Equity | 0.00% | 0.00% | 0.00% | 0.00% | -2.32% | 0.27% |
| 21 | Indicated Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% | 5.24% | 6.28% |
| 22 | Requested Rate of Return on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% | 6.17% | 6.17% |
| 23 | Deficiency/Sufficiency in Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% | -0.93% | 0.11% |
| 24 | Target Return on Equity | \$ - | \$ - | \$ - | \$ - | \$144,725,918 | \$144,725,918 |
| 25 | Revenue Deficiency/(Sufficiency) | \$ - | \$ - | \$ - | \$ - | \$36,136,543 | \$4,199,157 |
| 26 | Gross Revenue Deficiency/(Sufficiency) | \$ - (1) | \$ - | \$ - (1) | \$ - | \$49,165,365 (1) | \$4,199,157 |

Notes:
(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

| Line No. | Particulars | Application | | Per Board Decision | |
|----------|---|-------------|-----|--------------------|-----------------|
| 1 | OM&A Expenses | \$ - | | \$ - | \$252,244,641 |
| 2 | Amortization/Depreciation | \$ - | | \$ - | \$242,188,503 |
| 3 | Property Taxes | \$ - | | \$ - | \$6,139,179 |
| 5 | Income Taxes (Grossed up) | \$ - | | \$ - | \$22,305,680 |
| 6 | Other Expenses | \$ - | | \$ - | \$ - |
| 7 | Return | | | | |
| | Deemed Interest Expense | \$ - | | \$ - | \$95,393,991 |
| | Return on Deemed Equity | \$ - | | \$ - | \$144,725,918 |
| 8 | Service Revenue Requirement (before Revenues) | \$ - | | \$ - | \$762,997,912 |
| 9 | Revenue Offsets | \$ - | | \$ - | \$42,522,057 |
| 10 | Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment) | \$ - | | \$ - | \$720,475,856 |
| 11 | Distribution revenue | \$ - | | \$ - | \$724,675,013 |
| 12 | Other revenue | \$ - | | \$ - | \$42,522,057 |
| 13 | Total revenue | \$ - | | \$ - | \$767,197,069 |
| 14 | Difference (Total Revenue Less Distribution Revenue Requirement before Revenues) | \$ - | (1) | \$ - | (1) \$4,199,157 |

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.) Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

| Reference ⁽¹⁾ | Item / Description ⁽²⁾ | Cost of Capital | | Rate Base and Capital Expenditures | | | Operating Expenses | | | Revenue Requirement | | | |
|--------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------------------|-----------------|--------------------------------|-----------------------------|------------|------|-----------------------------|----------------|--------------------------|---|
| | | Regulated Return on Capital | Regulated Rate of Return | Rate Base | Working Capital | Working Capital Allowance (\$) | Amortization / Depreciation | Taxes/PILs | OM&A | Service Revenue Requirement | Other Revenues | Base Revenue Requirement | Grossed up Revenue Deficiency / Sufficiency |
| | Original Application | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

| | |
|--------------------|---------------------------------------|
| Utility Name | Toronto Hydro-Electric System Limited |
| Service Territory | |
| Assigned EB Number | EB-2014-0116 |
| Name and Title | Anthony Lam, Economist - Rates |
| Phone Number | 416 542 2876 |
| Email Address | alam@torontohydro.com |

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Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**

| Initial Application | (2) | | (6) | Per Board Decision |
|-----------------------------------|------|-------|------|--------------------|
| \$ - | | | | \$7,010,652,763 |
| \$ - | (5) | | \$0 | (\$3,200,970,661) |
| \$ - | | | | \$260,229,577 |
| \$ - | | | | \$3,072,415,965 |
| 0.00% | (9) | 0.00% | (9) | 7.98% |
| \$ - | | | | \$726,559,620 |
| \$ - | | | | \$772,158,617 |
| \$ - | | | | \$10,266,694 |
| \$ - | | | | \$4,182,714 |
| \$ - | | | | \$28,710,480 |
| \$ - | | | | \$ - |
| \$ - | (7) | | | \$43,159,888 |
| \$ - | (10) | | \$ - | \$255,998,311 |
| \$ - | | | \$ - | \$257,694,641 |
| \$ - | | | \$ - | \$6,231,267 |
| \$ - | | | 0 | \$ - |
| \$ - | (3) | | | (\$37,054,220) |
| \$ - | | | | \$28,095,225 |
| \$ - | | | | \$38,224,796 |
| 0.00% | | | | 15.00% |
| 0.00% | | | | 11.50% |
| \$ - | | | | (\$2,263,000) |
| 0.0% | | | | 56.0% |
| 0.0% | (8) | | (8) | 4.0% |
| 0.0% | | | | 40.0% |
| Capital Structure must total 100% | | | | |
| 0.00% | | | | 4.28% |
| 0.00% | | | | 1.38% |
| 0.00% | | | | 9.30% |

3. Data Input Sheet

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc.,
- (2) use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (10) Investment tax credits of \$2 million reclass to Taxes/PILs



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

| Rate Base | | | | | | | | | |
|-----------|------------------------------------|-----|---------------------|--|------|--|--------------------|-------|-------------------|
| Line No. | Particulars | | Initial Application | | | | Per Board Decision | | |
| 1 | Gross Fixed Assets (average) | (3) | \$ - | | \$ - | | \$ - | ##### | \$7,010,652,763 |
| 2 | Accumulated Depreciation (average) | (3) | \$ - | | \$ - | | \$ - | ##### | (\$3,200,970,661) |
| 3 | Net Fixed Assets (average) | (3) | \$ - | | \$ - | | \$ - | ##### | \$3,809,682,101 |
| 4 | Allowance for Working Capital | (1) | \$ - | | \$ - | | \$ - | ##### | \$265,951,242 |
| 5 | Total Rate Base | | \$ - | | \$ - | | \$ - | ##### | \$4,075,633,343 |

(1) Allowance for Working Capital - Derivation

| | | | | | | | |
|----|----------------------------|-------|-------|-------|-------|--|-----------------|
| 6 | Controllable Expenses | \$ - | \$ - | \$ - | ##### | | \$260,229,577 |
| 7 | Cost of Power | \$ - | \$ - | \$ - | ##### | | \$3,072,415,965 |
| 8 | Working Capital Base | \$ - | \$ - | \$ - | ##### | | \$3,332,645,542 |
| 9 | Working Capital Rate % (2) | 0.00% | 0.00% | 0.00% | 7.98% | | 7.98% |
| 10 | Working Capital Allowance | \$ - | \$ - | \$ - | ##### | | \$265,951,242 |

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

| Line No. | Particulars | Initial Application | | | | Per Board Decision | | | |
|----------|--|---------------------|--|------|--|--------------------|--|---------------|---------------|
| | Operating Revenues: | | | | | | | | |
| 1 | Distribution Revenue (at Proposed Rates) | \$ - | | \$ - | | \$ - | | \$772,158,617 | \$772,158,617 |
| 2 | Other Revenue (1) | \$ - | | \$ - | | \$ - | | \$43,159,888 | \$43,159,888 |
| 3 | Total Operating Revenues | \$ - | | \$ - | | \$ - | | \$815,318,504 | \$815,318,504 |
| | Operating Expenses: | | | | | | | | |
| 4 | OM+A Expenses | \$ - | | \$ - | | \$ - | | \$255,998,311 | \$255,998,311 |
| 5 | Depreciation/Amortization | \$ - | | \$ - | | \$ - | | \$257,694,641 | \$257,694,641 |
| 6 | Property taxes | \$ - | | \$ - | | \$ - | | \$6,231,267 | \$6,231,267 |
| 7 | Capital taxes | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 8 | Other expense | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 9 | Subtotal (lines 4 to 8) | \$ - | | \$ - | | \$ - | | \$519,924,218 | \$519,924,218 |
| 10 | Deemed Interest Expense | \$ - | | \$ - | | \$ - | | \$99,933,881 | \$99,933,881 |
| 11 | Total Expenses (lines 9 to 10) | \$ - | | \$ - | | \$ - | | \$619,858,099 | \$619,858,099 |
| 12 | Utility income before income taxes | \$ - | | \$ - | | \$ - | | \$195,460,406 | \$195,460,406 |
| 13 | Income taxes (grossed-up) | \$ - | | \$ - | | \$ - | | \$38,224,796 | \$38,224,796 |
| 14 | Utility net income | \$ - | | \$ - | | \$ - | | \$157,235,610 | \$157,235,610 |

Notes

Other Revenues / Revenue Offsets

| | | | | | | | | |
|-----|-----------------------------|------|--|------|--|------|--|--------------|
| (1) | Specific Service Charges | \$ - | | \$ - | | \$ - | | \$10,266,694 |
| | Late Payment Charges | \$ - | | \$ - | | \$ - | | \$4,182,714 |
| | Other Distribution Revenue | \$ - | | \$ - | | \$ - | | \$28,710,480 |
| | Other Income and Deductions | \$ - | | \$ - | | \$ - | | \$ - |
| | Total Revenue Offsets | \$ - | | \$ - | | \$ - | | \$43,159,888 |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

| Line No. | Particulars | Application | | Per Board Decision |
|--|--|-------------|-------|--------------------|
| <u>Determination of Taxable Income</u> | | | | |
| 1 | Utility net income before taxes | \$ - | \$ - | \$151,613,560 |
| 2 | Adjustments required to arrive at taxable utility income | \$ - | \$ - | (\$37,054,220) |
| 3 | Taxable income | \$ - | \$ - | \$114,559,340 |
| <u>Calculation of Utility income Taxes</u> | | | | |
| 4 | Income taxes | \$ - | \$ - | \$28,095,225 |
| 6 | Total taxes | \$ - | \$ - | \$28,095,225 |
| 7 | Gross-up of Income Taxes | \$ - | \$ - | \$10,129,571 |
| 8 | Grossed-up Income Taxes | \$ - | \$ - | \$38,224,796 |
| 9 | PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | \$ - | \$ - | \$38,224,796 |
| 10 | Other tax Credits | \$ - | \$ - | (\$2,263,000) |
| <u>Tax Rates</u> | | | | |
| 11 | Federal tax (%) | 0.00% | 0.00% | 15.00% |
| 12 | Provincial tax (%) | 0.00% | 0.00% | 11.50% |
| 13 | Total tax rate (%) | 0.00% | 0.00% | 26.50% |

Notes

Capitalization/Cost of Capital

| Line No. | Particulars | Capitalization Ratio | | Cost Rate | | Return |
|----------|------------------|----------------------|-----------------|-----------|--|---------------|
| | | Initial Application | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| | | Per Board Decision | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | | \$ - |
| | Equity | | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | | \$ - |
| | | Per Board Decision | | | | |
| | | (%) | (\$) | (%) | | (\$) |
| | Debt | | | | | |
| 8 | Long-term Debt | 56.00% | \$2,282,354,672 | 4.28% | | \$97,684,131 |
| 9 | Short-term Debt | 4.00% | \$163,025,334 | 1.38% | | \$2,249,750 |
| 10 | Total Debt | 60.00% | \$2,445,380,006 | 4.09% | | \$99,933,881 |
| | Equity | | | | | |
| 11 | Common Equity | 40.00% | \$1,630,253,337 | 9.30% | | \$151,613,560 |
| 12 | Preferred Shares | 0.00% | \$ - | 0.00% | | \$ - |

| | | | | | |
|----|--------------|----------------|------------------------|--------------|----------------------|
| 13 | Total Equity | <u>40.00%</u> | <u>\$1,630,253,337</u> | <u>9.30%</u> | <u>\$151,613,560</u> |
| 14 | Total | <u>100.00%</u> | <u>\$4,075,633,343</u> | <u>6.17%</u> | <u>\$251,547,441</u> |

Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

| Line No. | Particulars | Initial Application | | Per Board Decision | |
|----------|--|---------------------------|-------------------|---------------------------|-------------------|
| | | At Current Approved Rates | At Proposed Rates | At Current Approved Rates | At Proposed Rates |
| 1 | Revenue Deficiency from Below | | \$ - | | \$ - |
| 2 | Distribution Revenue | \$ - | \$ - | \$ - | \$ - |
| 3 | Other Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| | Offsets - net | | | | |
| 4 | Total Revenue | \$ - | \$ - | \$ - | \$ - |
| 5 | Operating Expenses | \$ - | \$ - | \$ - | \$ - |
| 6 | Deemed Interest Expense | \$ - | \$ - | \$ - | \$ - |
| 8 | Total Cost and Expenses | \$ - | \$ - | \$ - | \$ - |
| 9 | Utility Income Before Income Taxes | \$ - | \$ - | \$ - | \$ - |
| 10 | Tax Adjustments to Accounting Income per 2013 PILs model | \$ - | \$ - | \$ - | \$ - |
| 11 | Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 12 | Income Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% |
| 13 | Income Tax on Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 14 | Income Tax Credits | \$ - | \$ - | \$ - | \$ - |
| 15 | Utility Net Income | \$ - | \$ - | \$ - | \$ - |
| 16 | Utility Rate Base | \$ - | \$ - | \$ - | \$ - |
| 17 | Deemed Equity Portion of Rate Base | \$ - | \$ - | \$ - | \$ - |
| 18 | Income/(Equity Portion of Rate Base) | 0.00% | 0.00% | 0.00% | 0.00% |
| 19 | Target Return - Equity on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 20 | Deficiency/Sufficiency in Return on Equity | 0.00% | 0.00% | 0.00% | 0.00% |
| 21 | Indicated Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 22 | Requested Rate of Return on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 23 | Deficiency/Sufficiency in Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 24 | Target Return on Equity | \$ - | \$ - | \$ - | \$ - |
| 25 | Revenue Deficiency/(Sufficiency) | \$ - | \$ - | \$ - | \$ - |
| 26 | Gross Revenue Deficiency/(Sufficiency) | \$ - (1) | \$ - | \$ - (1) | \$ - |

Notes:
(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

| Line No. | Particulars | Application | | | | Per Board Decision | |
|----------|---|-------------|-----|------|-----|--------------------|-----|
| 1 | OM&A Expenses | \$ - | | \$ - | | \$255,998,311 | |
| 2 | Amortization/Depreciation | \$ - | | \$ - | | \$257,694,641 | |
| 3 | Property Taxes | \$ - | | \$ - | | \$6,231,267 | |
| 5 | Income Taxes (Grossed up) | \$ - | | \$ - | | \$38,224,796 | |
| 6 | Other Expenses | \$ - | | \$ - | | \$ - | |
| 7 | Return | | | | | | |
| | Deemed Interest Expense | \$ - | | \$ - | | \$99,933,881 | |
| | Return on Deemed Equity | \$ - | | \$ - | | \$151,613,560 | |
| 8 | Service Revenue Requirement (before Revenues) | \$ - | | \$ - | | \$809,696,455 | |
| 9 | Revenue Offsets | \$ - | | \$ - | | \$43,159,888 | |
| 10 | Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment) | \$ - | | \$ - | | \$766,536,567 | |
| 11 | Distribution revenue | \$ - | | \$ - | | \$772,158,617 | |
| 12 | Other revenue | \$ - | | \$ - | | \$43,159,888 | |
| 13 | Total revenue | \$ - | | \$ - | | \$815,318,504 | |
| 14 | Difference (Total Revenue Less Distribution Revenue Requirement before Revenues) | \$ - | (1) | \$ - | (1) | \$5,622,049 | (1) |

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)
Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

| Reference ⁽¹⁾ | Item / Description ⁽²⁾ | Cost of Capital | | Rate Base and Capital Expenditures | | | Operating Expenses | | | Revenue Requirement | | | |
|--------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------------------|-----------------|--------------------------------|-----------------------------|------------|------|-----------------------------|----------------|--------------------------|---|
| | | Regulated Return on Capital | Regulated Rate of Return | Rate Base | Working Capital | Working Capital Allowance (\$) | Amortization / Depreciation | Taxes/PILs | OM&A | Service Revenue Requirement | Other Revenues | Base Revenue Requirement | Grossed up Revenue Deficiency / Sufficiency |
| | Original Application | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

| | |
|--------------------|---------------------------------------|
| Utility Name | Toronto Hydro-Electric System Limited |
| Service Territory | |
| Assigned EB Number | EB-2014-0116 |
| Name and Title | Anthony Lam, Economist - Rates |
| Phone Number | 416 542 2876 |
| Email Address | alam@torontohydro.com |

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Notes:

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- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Data Input ⁽¹⁾

| | Initial Application (2) | (6) | Per Board Decision |
|--|-------------------------|-------------------|--------------------|
| 1 Rate Base | | | |
| Gross Fixed Assets (average) | \$ - | \$7,350,658,057 | \$7,350,658,057 |
| Accumulated Depreciation (average) | \$ - (5) | (\$3,375,918,819) | (\$3,375,918,819) |
| Allowance for Working Capital: | | | |
| Controllable Expenses | \$ - | \$264,133,021 | \$264,133,021 |
| Cost of Power | \$ - | \$3,245,955,420 | \$3,245,955,420 |
| Working Capital Rate (%) | 0.00% (9) | 0.00% (9) | 7.96% (9) |
| 2 Utility Income | | | |
| Operating Revenues: | | | |
| Distribution Revenue at Current Rates | \$ - | | \$775,251,365 |
| Distribution Revenue at Proposed Rates | \$ - | | \$811,606,015 |
| Other Revenue: | | | |
| Specific Service Charges | \$ - | | \$10,420,694 |
| Late Payment Charges | \$ - | | \$4,245,454 |
| Other Distribution Revenue | \$ - | | \$29,141,138 |
| Other Income and Deductions | \$ - | | \$ - |
| Total Revenue Offsets | \$ - (7) | | \$43,807,286 |
| Operating Expenses: | | | |
| OM+A Expenses | \$ - (10) | \$259,808,285 | \$259,808,285 |
| Depreciation/Amortization | \$ - | \$274,956,858 | \$274,956,858 |
| Property taxes | \$ - | \$6,324,736 | \$6,324,736 |
| Other expenses | \$ - | \$ - | \$0 |
| 3 Taxes/PILs | | | |
| Taxable Income: | \$ - (3) | | (\$28,538,082) |
| Adjustments required to arrive at taxable income | | | |
| Utility Income Taxes and Rates: | | | |
| Income taxes (not grossed up) | \$ - | | \$32,111,329 |
| Income taxes (grossed up) | \$ - | | \$43,688,883 |
| Federal tax (%) | 0.00% | | 15.00% |
| Provincial tax (%) | 0.00% | | 11.50% |
| Income Tax Credits | \$ - | | (\$2,263,000) |
| 4 Capitalization/Cost of Capital | | | |
| Capital Structure: | | | |
| Long-term debt Capitalization Ratio (%) | 0.0% | | 56.0% |
| Short-term debt Capitalization Ratio (%) | 0.0% (8) | (8) | 4.0% (8) |
| Common Equity Capitalization Ratio (%) | 0.0% | | 40.0% |
| Preferred Shares Capitalization Ratio (%) | | | 100.0% |
| Cost of Capital | | | |
| Long-term debt Cost Rate (%) | 0.00% | | 4.28% |
| Short-term debt Cost Rate (%) | 0.00% | | 1.38% |
| Common Equity Cost Rate (%) | 0.00% | | 9.30% |
| Preferred Shares Cost Rate (%) | | | |

Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 - (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
 - (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
 - (8) 4.0% unless an Applicant has proposed or been approved for another amount.
 - (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
 - (10) Investment tax credits of \$2 million reclass to Taxes/PILs



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

| Line No. | Rate Base Particulars | Initial Application | | | | | | Per Board Decision |
|----------|--|---------------------|--|-------------|--|-------------|--------------|------------------------|
| 1 | Gross Fixed Assets (average) (3) | \$ - | | \$ - | | \$ - | ##### | \$7,350,658,057 |
| 2 | Accumulated Depreciation (average) (3) | \$ - | | \$ - | | \$ - | ##### | (\$3,375,918,819) |
| 3 | Net Fixed Assets (average) (3) | \$ - | | \$ - | | \$ - | ##### | \$3,974,739,237 |
| 4 | Allowance for Working Capital (1) | \$ - | | \$ - | | \$ - | ##### | \$279,361,069 |
| 5 | Total Rate Base | \$ - | | \$ - | | \$ - | ##### | \$4,254,100,306 |

(1) Allowance for Working Capital - Derivation

| | | | | | | | | |
|----|----------------------------|-------|--|-------|--|-------|-------|-----------------|
| 6 | Controllable Expenses | \$ - | | \$ - | | \$ - | ##### | \$264,133,021 |
| 7 | Cost of Power | \$ - | | \$ - | | \$ - | ##### | \$3,245,955,420 |
| 8 | Working Capital Base | \$ - | | \$ - | | \$ - | ##### | \$3,510,088,441 |
| 9 | Working Capital Rate % (2) | 0.00% | | 0.00% | | 0.00% | 7.96% | 7.96% |
| 10 | Working Capital Allowance | \$ - | | \$ - | | \$ - | ##### | \$279,361,069 |

- Notes**
- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
- (3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Utility Income

| Line No. | Particulars | Initial Application | | | | Per Board Decision | | | |
|----------|--|---------------------|--|------|--|--------------------|--|---------------|---------------|
| | Operating Revenues: | | | | | | | | |
| 1 | Distribution Revenue (at Proposed Rates) | \$ - | | \$ - | | \$ - | | \$811,606,015 | \$811,606,015 |
| 2 | Other Revenue (1) | \$ - | | \$ - | | \$ - | | \$43,807,286 | \$43,807,286 |
| 3 | Total Operating Revenues | \$ - | | \$ - | | \$ - | | \$855,413,300 | \$855,413,300 |
| | Operating Expenses: | | | | | | | | |
| 4 | OM+A Expenses | \$ - | | \$ - | | \$ - | | \$259,808,285 | \$259,808,285 |
| 5 | Depreciation/Amortization | \$ - | | \$ - | | \$ - | | \$274,956,858 | \$274,956,858 |
| 6 | Property taxes | \$ - | | \$ - | | \$ - | | \$6,324,736 | \$6,324,736 |
| 7 | Capital taxes | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 8 | Other expense | \$ - | | \$ - | | \$ - | | \$ - | \$ - |
| 9 | Subtotal (lines 4 to 8) | \$ - | | \$ - | | \$ - | | \$541,089,879 | \$541,089,879 |
| 10 | Deemed Interest Expense | \$ - | | \$ - | | \$ - | | \$104,309,862 | \$104,309,862 |
| 11 | Total Expenses (lines 9 to 10) | \$ - | | \$ - | | \$ - | | \$645,399,741 | \$645,399,741 |
| 12 | Utility income before income taxes | \$ - | | \$ - | | \$ - | | \$210,013,560 | \$210,013,560 |
| 13 | Income taxes (grossed-up) | \$ - | | \$ - | | \$ - | | \$43,688,883 | \$43,688,883 |
| 14 | Utility net income | \$ - | | \$ - | | \$ - | | \$166,324,677 | \$166,324,677 |

Notes

Other Revenues / Revenue Offsets

| | | | | | | | | |
|-----|-----------------------------|------|--|------|--|------|--|--------------|
| (1) | Specific Service Charges | \$ - | | \$ - | | \$ - | | \$10,420,694 |
| | Late Payment Charges | \$ - | | \$ - | | \$ - | | \$4,245,454 |
| | Other Distribution Revenue | \$ - | | \$ - | | \$ - | | \$29,141,138 |
| | Other Income and Deductions | \$ - | | \$ - | | \$ - | | \$ - |
| | Total Revenue Offsets | \$ - | | \$ - | | \$ - | | \$43,807,286 |



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

| Line No. | Particulars | Application | | | | Per Board Decision |
|--|--|-------------|--|-------|--|--------------------|
| <u>Determination of Taxable Income</u> | | | | | | |
| 1 | Utility net income before taxes | \$ - | | \$ - | | \$158,252,531 |
| 2 | Adjustments required to arrive at taxable utility income | \$ - | | \$ - | | (\$28,538,082) |
| 3 | Taxable income | \$ - | | \$ - | | \$129,714,449 |
| <u>Calculation of Utility income Taxes</u> | | | | | | |
| 4 | Income taxes | \$ - | | \$ - | | \$32,111,329 |
| 6 | Total taxes | \$ - | | \$ - | | \$32,111,329 |
| 7 | Gross-up of Income Taxes | \$ - | | \$ - | | \$11,577,554 |
| 8 | Grossed-up Income Taxes | \$ - | | \$ - | | \$43,688,883 |
| 9 | PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | \$ - | | \$ - | | \$43,688,883 |
| 10 | Other tax Credits | \$ - | | \$ - | | (\$2,263,000) |
| <u>Tax Rates</u> | | | | | | |
| 11 | Federal tax (%) | 0.00% | | 0.00% | | 15.00% |
| 12 | Provincial tax (%) | 0.00% | | 0.00% | | 11.50% |
| 13 | Total tax rate (%) | 0.00% | | 0.00% | | 26.50% |

Notes

Capitalization/Cost of Capital

| Line No. | Particulars | Capitalization Ratio | | Cost Rate | Return |
|----------|---------------------|----------------------|-----------------|-----------|---------------|
| | | Initial Application | | | |
| | | (%) | (\$) | (%) | (\$) |
| | Debt | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | \$ - |
| | Equity | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | \$ - |
| | | | | | |
| | | (%) | (\$) | (%) | (\$) |
| | Debt | | | | |
| 1 | Long-term Debt | 0.00% | \$ - | 0.00% | \$ - |
| 2 | Short-term Debt | 0.00% | \$ - | 0.00% | \$ - |
| 3 | Total Debt | 0.00% | \$ - | 0.00% | \$ - |
| | Equity | | | | |
| 4 | Common Equity | 0.00% | \$ - | 0.00% | \$ - |
| 5 | Preferred Shares | 0.00% | \$ - | 0.00% | \$ - |
| 6 | Total Equity | 0.00% | \$ - | 0.00% | \$ - |
| 7 | Total | 0.00% | \$ - | 0.00% | \$ - |
| | | Per Board Decision | | | |
| | | (%) | (\$) | (%) | (\$) |
| | Debt | | | | |
| 8 | Long-term Debt | 56.00% | \$2,382,296,172 | 4.28% | \$101,961,599 |
| 9 | Short-term Debt | 4.00% | \$170,164,012 | 1.38% | \$2,348,263 |
| 10 | Total Debt | 60.00% | \$2,552,460,184 | 4.09% | \$104,309,862 |
| | Equity | | | | |
| 11 | Common Equity | 40.00% | \$1,701,640,123 | 9.30% | \$158,252,531 |
| 12 | Preferred Shares | 0.00% | \$ - | 0.00% | \$ - |
| 13 | Total Equity | 40.00% | \$1,701,640,123 | 9.30% | \$158,252,531 |
| 14 | Total | 100.00% | \$4,254,100,306 | 6.17% | \$262,562,394 |

Notes

- (1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

| Line No. | Particulars | Initial Application | | Per Board Decision | |
|----------|--|---------------------------|-------------------|---------------------------|-------------------|
| | | At Current Approved Rates | At Proposed Rates | At Current Approved Rates | At Proposed Rates |
| 1 | Revenue Deficiency from Below | | \$ - | | \$ - |
| 2 | Distribution Revenue | \$ - | \$ - | \$ - | \$ - |
| 3 | Other Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| | Offsets - net | | | | |
| 4 | Total Revenue | \$ - | \$ - | \$ - | \$ - |
| 5 | Operating Expenses | \$ - | \$ - | \$ - | \$ - |
| 6 | Deemed Interest Expense | \$ - | \$ - | \$ - | \$ - |
| 8 | Total Cost and Expenses | \$ - | \$ - | \$ - | \$ - |
| 9 | Utility Income Before Income Taxes | \$ - | \$ - | \$ - | \$ - |
| 10 | Tax Adjustments to Accounting Income per 2013 PILs model | \$ - | \$ - | \$ - | \$ - |
| 11 | Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 12 | Income Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% |
| 13 | Income Tax on Taxable Income | \$ - | \$ - | \$ - | \$ - |
| 14 | Income Tax Credits | \$ - | \$ - | \$ - | \$ - |
| 15 | Utility Net Income | \$ - | \$ - | \$ - | \$ - |
| 16 | Utility Rate Base | \$ - | \$ - | \$ - | \$ - |
| 17 | Deemed Equity Portion of Rate Base | \$ - | \$ - | \$ - | \$ - |
| 18 | Income/(Equity Portion of Rate Base) | 0.00% | 0.00% | 0.00% | 0.00% |
| 19 | Target Return - Equity on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 20 | Deficiency/Sufficiency in Return on Equity | 0.00% | 0.00% | 0.00% | 0.00% |
| 21 | Indicated Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 22 | Requested Rate of Return on Rate Base | 0.00% | 0.00% | 0.00% | 0.00% |
| 23 | Deficiency/Sufficiency in Rate of Return | 0.00% | 0.00% | 0.00% | 0.00% |
| 24 | Target Return on Equity | \$ - | \$ - | \$ - | \$ - |
| 25 | Revenue Deficiency/(Sufficiency) | \$ - | \$ - | \$ - | \$ - |
| 26 | Gross Revenue Deficiency/(Sufficiency) | \$ - (1) | \$ - | \$ - (1) | \$ - |

Notes:
(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

| Line No. | Particulars | Application | | Per Board Decision | |
|----------|---|-------------|-----|--------------------|---------------------|
| 1 | OM&A Expenses | \$ - | | \$ - | \$259,808,285 |
| 2 | Amortization/Depreciation | \$ - | | \$ - | \$274,956,858 |
| 3 | Property Taxes | \$ - | | \$ - | \$6,324,736 |
| 5 | Income Taxes (Grossed up) | \$ - | | \$ - | \$43,688,883 |
| 6 | Other Expenses | \$ - | | \$ - | \$ - |
| 7 | Return | | | | |
| | Deemed Interest Expense | \$ - | | \$ - | \$104,309,862 |
| | Return on Deemed Equity | \$ - | | \$ - | \$158,252,531 |
| 8 | Service Revenue Requirement (before Revenues) | \$ - | | \$ - | \$847,341,155 |
| 9 | Revenue Offsets | \$ - | | \$ - | \$43,807,286 |
| 10 | Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment) | \$ - | | \$ - | \$803,533,869 |
| 11 | Distribution revenue | \$ - | | \$ - | \$811,606,015 |
| 12 | Other revenue | \$ - | | \$ - | \$43,807,286 |
| 13 | Total revenue | \$ - | | \$ - | \$855,413,300 |
| 14 | Difference (Total Revenue Less Distribution Revenue Requirement before Revenues) | \$ - | (1) | \$ - | (1) \$8,072,145 (1) |

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

| Reference ⁽¹⁾ | Item / Description ⁽²⁾ | Cost of Capital | | Rate Base and Capital Expenditures | | | Operating Expenses | | | Revenue Requirement | | | |
|--------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------------------|-----------------|--------------------------------|-----------------------------|------------|------|-----------------------------|----------------|--------------------------|---|
| | | Regulated Return on Capital | Regulated Rate of Return | Rate Base | Working Capital | Working Capital Allowance (\$) | Amortization / Depreciation | Taxes/PILs | OM&A | Service Revenue Requirement | Other Revenues | Base Revenue Requirement | Grossed up Revenue Deficiency / Sufficiency |
| 1 | Original Application | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|--------------------|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| | Average Bills and Percentage Change Impacts | | | | | | | | | | | |
| Residential | As Originally Filed | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$30.93 | \$37.73 | | \$39.59 | | \$30.93 | | \$38.31 | | | |
| 2 | Rate Riders \$ (Note 2) | \$2.05 | -\$1.64 | | -\$0.83 | | \$0.08 | | -\$1.30 | | | |
| 3 | Subtotal Distribution \$ | \$32.98 | \$36.09 | 9.4% | \$38.76 | 7.4% | \$31.01 | -6.0% | \$37.01 | 19.3% | 12.2% | -5.3% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | \$0.00 | | \$1.23 | 4.0% | 3.7% | 3.7% |
| 5 | Total \$ | \$32.98 | \$36.09 | 9.4% | \$38.76 | 7.4% | \$31.01 | -6.0% | \$38.24 | 23.3% | 15.9% | -1.6% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|--|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| CSMURAverage Bills and Percentage Change Impacts | | | | | | | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$26.09 | \$28.42 | | \$29.82 | | \$26.09 | | \$29.01 | | | |
| 2 | Rate Riders \$ (Note 2) | \$1.09 | -\$0.78 | | -\$0.45 | | \$0.00 | | -\$0.64 | | | |
| 3 | Subtotal Distribution \$ | \$27.18 | \$27.64 | 1.7% | \$29.37 | 6.2% | \$26.09 | -4.0% | \$28.37 | 8.7% | 4.4% | -3.7% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | | | \$0.31 | 1.2% | 1.1% | 1.1% |
| 5 | Total \$ | \$27.18 | \$27.64 | 1.7% | \$29.37 | 6.2% | \$26.09 | -4.0% | \$28.68 | 9.9% | 5.5% | -2.5% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|----------------------------------|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| <u>General Service <50 kW</u> | | | | | | Average Bills and Percentage Change Impacts | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$70.66 | \$86.71 | | \$90.99 | | \$70.66 | | \$87.99 | | | |
| 2 | Rate Riders \$ (Note 2) | \$12.24 | \$4.54 | | \$4.83 | | \$5.60 | | \$4.77 | | | |
| 3 | Subtotal Distribution \$ | \$82.90 | \$91.25 | 10.1% | \$95.82 | 5.0% | \$76.26 | -8.0% | \$92.76 | 21.6% | 11.9% | -3.7% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | | | \$3.24 | 4.2% | 3.9% | 3.9% |
| 5 | Total \$ | \$82.90 | \$91.25 | 10.1% | \$95.82 | 5.0% | \$76.26 | -8.0% | \$96.00 | 25.9% | 15.8% | 0.2% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|---------------------------|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| General Service 50-999 kW | | | | | | Average Bills and Percentage Change Impacts | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$2,252.39 | \$2,708.26 | | \$2,842.07 | | \$2,252.39 | | \$2,753.93 | | | |
| 2 | Rate Riders \$ (Note 2) | \$123.50 | -\$58.88 | | -\$38.70 | | \$18.79 | | -\$49.59 | | | |
| 3 | Subtotal Distribution \$ | \$2,375.89 | \$2,649.38 | 11.5% | \$2,803.37 | 5.8% | \$2,271.18 | -4.4% | \$2,704.34 | 19.1% | 13.8% | -4.2% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | | | \$90.02 | 4.0% | 3.8% | 3.8% |
| 5 | Total \$ | \$2,375.89 | \$2,649.38 | 11.5% | \$2,803.37 | 5.8% | \$2,271.18 | -4.4% | \$2,794.36 | 23.0% | 17.6% | -0.4% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|--|---------------------------------|------------|-------------|------|-------------|---|------------|-------|-------------|--|-------|-------|
| General Service 1,000-4,999 kW | | | | | | Average Bills and Percentage Change Impacts | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| 2014 Existing Rates Effective May 1, 2014 | | | | | | 2015 Existing Rates Effective May 1, 2015 | | | | 2016 Proposed DRO vs. 2014 Existing =J/A | | |
| 2015 Proposed Rates Per AIC | | | | | | Existing Rate Change 2014 to 2015 =G/A | | | | AIC vs. DRO Rate Impact Reduction Between Filings =L-F | | |
| 2015 Proposed Percent Rate Change =B/A | | | | | | 2016 Proposed Rates Per DRO | | | | | | |
| 2016 Proposed Rates Per AIC | | | | | | Rate Change Per DRO =J/G | | | | | | |
| 2016 Proposed Percent Rate Change =D/B | | | | | | | | | | | | |
| Cumulative Rate Change Per AIC (Note 1) =F/A | | | | | | | | | | | | |
| 1 | Base Distribution \$ | \$8,776.18 | \$10,416.67 | | \$10,931.23 | | \$8,776.18 | | \$10,610.67 | | | |
| 2 | Rate Riders \$ (Note 2) | \$364.98 | -\$501.40 | | -\$225.27 | | \$0.00 | | -\$485.92 | | | |
| 3 | Subtotal Distribution \$ | \$9,141.16 | \$9,915.27 | 8.5% | \$10,705.96 | 8.0% | \$8,776.18 | -4.0% | \$10,124.75 | 15.4% | 10.8% | -6.4% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | \$0.00 | | \$323.80 | 3.7% | 3.5% | 3.5% |
| 5 | Total \$ | \$9,141.16 | \$9,915.27 | 8.5% | \$10,705.96 | 8.0% | \$8,776.18 | -4.0% | \$10,448.55 | 19.1% | 14.3% | -2.8% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|-----------------------|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| | Average Bills and Percentage Change Impacts | | | | | | | | | | | |
| 1 2 3 4 5 | As Originally Filed | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| | \$48,720.71 | \$58,198.45 | | \$61,073.11 | | | \$48,720.71 | | \$59,298.95 | | | |
| | \$2,026.96 | -\$2,938.69 | | -\$1,231.14 | | | \$0.00 | | -\$2,857.56 | | | |
| | \$50,747.67 | \$55,259.76 | 8.9% | \$59,841.97 | 8.3% | 17.9% | \$48,720.71 | -4.0% | \$56,441.39 | 15.8% | 11.2% | -6.7% |
| | \$0.00 | \$0.00 | | \$0.00 | | | \$0.00 | | \$1,896.35 | 3.9% | 3.7% | 3.7% |
| | \$50,747.67 | \$55,259.76 | 8.9% | \$59,841.97 | 8.3% | 17.9% | \$48,720.71 | -4.0% | \$58,337.74 | 19.7% | 15.0% | -3.0% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|---|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| Street Lighting | | | | | | | | | | | | |
| Average Bills and Percentage Change Impacts | | | | | | | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$6.16 | \$6.16 | \$6.47 | | | \$6.16 | | \$6.43 | | | |
| 2 | Rate Riders \$ (Note 2) | \$0.25 | -\$0.32 | -\$0.17 | | | \$0.00 | | -\$0.31 | | | |
| 3 | Subtotal Distribution \$ | \$6.41 | \$5.84 | -8.9% | \$6.30 | 7.8% | \$6.16 | -3.9% | \$6.12 | -0.7% | -4.6% | -2.8% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | \$0.00 | | | \$0.00 | | \$0.01 | 0.2% | 0.2% | 0.2% |
| 5 | Total \$ | \$6.41 | \$5.84 | -8.9% | \$6.30 | 7.8% | \$6.16 | -3.9% | \$6.13 | -0.5% | -4.4% | -2.7% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

| Line No. | A | B | C | D | E | F | G | H | J | K | L | M |
|---|---|-----------------------------|--|-----------------------------|--|--|---|--|-----------------------------|--------------------------|--|--|
| USL | | | | | | | | | | | | |
| Average Bills and Percentage Change Impacts | | | | | | | | | | | | |
| As Originally Filed | | | | | | Draft Rate Order | | | | Comparative | | |
| | 2014 Existing Rates Effective May 1, 2014 | 2015 Proposed Rates Per AIC | 2015 Proposed Percent Rate Change =B/A | 2016 Proposed Rates Per AIC | 2016 Proposed Percent Rate Change =D/B | Cumulative Rate Change Per AIC (Note 1) =F/A | 2015 Existing Rates Effective May 1, 2015 | Existing Rate Change 2014 to 2015 =G/A | 2016 Proposed Rates Per DRO | Rate Change Per DRO =J/G | 2016 Proposed DRO vs. 2014 Existing =J/A | AIC vs. DRO Rate Impact Reduction Between Filings =L-F |
| 1 | Base Distribution \$ | \$28.05 | \$34.73 | | \$36.45 | | \$28.05 | | \$35.07 | | | |
| 2 | Rate Riders \$ (Note 2) | \$1.18 | -\$1.05 | | -\$0.68 | | \$0.00 | | -\$1.19 | | | |
| 3 | Subtotal Distribution \$ | \$29.23 | \$33.68 | 15.2% | \$35.77 | 6.2% | \$28.05 | -4.0% | \$33.88 | 20.8% | 15.9% | -6.5% |
| 4 | Foregone Revenue Rate Riders \$ | \$0.00 | \$0.00 | | \$0.00 | | | | \$1.27 | 4.5% | 4.3% | 4.3% |
| 5 | Total \$ | \$29.23 | \$33.68 | 15.2% | \$35.77 | 6.2% | \$28.05 | -4.0% | \$35.15 | 25.3% | 20.2% | -2.1% |

Notes

1 - Cumulative Rate Change 2014-2016 per AIC differs from the OEB figures in column C of the table on page 11 of 14 in the OEB's response to Toronto Hydro's DRO filing because those figures do not account for compounding of rate increases between years.

2 - Excludes Foregone Revenue Rate Riders.

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

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) |
| 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 | |

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**

RESIDENTIAL 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

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**

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) |
| 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 | |

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**

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE

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**

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)

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)

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**

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

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

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 | |
| 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

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) |
| 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

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

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) |
| 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

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

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) |
| 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

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

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.

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 – 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**

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 | |
| 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 | |

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**

UNMETERED SCATTERED LOAD 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

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

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.

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 (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) |

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**

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.

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.

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 | \$ | 5.33 | (per 30 days) |
|----------------|----|------|---------------|

ALLOWANCES

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

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**

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

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 Regular Hours | \$ | 400.00 |
| - At Pole - During Regular Hours | \$ | 300.00 |
| - At Pole - After Regular Hours | \$ | 820.00 |
| 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 Meter – During Regular Hours | \$ | 120.00 |
| Disconnect/Reconnect at Meter – After Regular Hours | \$ | 400.00 |
| 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

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**

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.

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.

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.

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 |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 28.19 | (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 Stranded Meter Assets – effective until December 31, 2019 | \$ | 0.28 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.01541 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 23.32 | (per 30 days) |
| Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018 | \$ | 0.78 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.02353 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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; 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)

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)

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 33.28 | (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 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 | 0.03079 | |
| 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 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 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 47.83 | (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 | 7.5281 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 913.22 | (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 | 5.9196 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 | \$ | 4,029.94 | (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 | 6.3488 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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.

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 – 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 | \$ | 227.20 | (per 30 days) |
| Distribution Volumetric Rate | | | |
| For General Service 50 – 999 kW Service Classification | \$/kVA | 7.5281 | (per 30 days) |
| For General Service 1,000 – 4,999 kW Service Classification | \$/kVA | 5.9196 | (per 30 days) |
| For Large Use Service Classification | \$/kVA | 6.3488 | (per 30 days) |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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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 | \$ | 6.66 | (per 30 days) |
| Connection Charge (per connection) | \$ | 0.68 | (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 | 0.08346 | |
| 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 | |
| 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 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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 approved schedules of Rates, Charges and Loss Factors**

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.

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 (per device) | \$ | 1.49 | (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 | 32.9757 | (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 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) |

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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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.

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.

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 | \$ | 5.33 | (per 30 days) |
|----------------|----|------|---------------|

ALLOWANCES

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

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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

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 Regular Hours | \$ | 400.00 |
| - At Pole - During Regular Hours | \$ | 300.00 |
| - At Pole - After Regular Hours | \$ | 820.00 |
| 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 Meter – During Regular Hours | \$ | 120.00 |
| Disconnect/Reconnect at Meter – After Regular Hours | \$ | 400.00 |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2017

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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.

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.

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 |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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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.

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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 | \$ | 33.72 | (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 Stranded Meter Assets – effective until December 31, 2019 | \$ | 0.28 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.01043 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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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.

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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 | \$ | 27.44 | (per 30 days) |
| Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018 | \$ | 0.78 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.01665 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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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)

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)

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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 | \$ | 35.33 | (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 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 | 0.03269 | |
| 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 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 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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 | \$ | 50.78 | (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 | 7.9926 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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 | \$ | 969.57 | (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 | 6.2848 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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 | \$ | 4,278.59 | (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 | 6.7405 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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.

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 – 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 | \$ | 241.22 | (per 30 days) |
| Distribution Volumetric Rate | | | |
| For General Service 50 – 999 kW Service Classification | \$/kVA | 7.9926 | (per 30 days) |
| For General Service 1,000 – 4,999 kW Service Classification | \$/kVA | 6.2848 | (per 30 days) |
| For Large Use Service Classification | \$/kVA | 6.7405 | (per 30 days) |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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 | \$ | 7.07 | (per 30 days) |
| Connection Charge (per connection) | \$ | 0.72 | (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 | 0.08861 | |
| 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 | |
| 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 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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.

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 (per device) | \$ | 1.58 | (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 | 35.0103 | (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 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) |

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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.

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.

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 | \$ | 5.33 | (per 30 days) |
|----------------|----|------|---------------|

ALLOWANCES

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

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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

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 Regular Hours | \$ | 400.00 |
| - At Pole - During Regular Hours | \$ | 300.00 |
| - At Pole - After Regular Hours | \$ | 820.00 |
| 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 Meter – During Regular Hours | \$ | 120.00 |
| Disconnect/Reconnect at Meter – After Regular Hours | \$ | 400.00 |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2018

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

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.

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.

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.

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 |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 38.73 | (per 30 days) |
| Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2019 | \$ | 0.28 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.00546 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 31.50 | (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) |
| Distribution Volumetric Rate | \$/kWh | 0.00871 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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)

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)

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 36.96 | (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 | 0.03420 | |
| 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 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 | |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 53.12 | (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 | 8.3611 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 1014.27 | (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 | 6.5745 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 4,475.83 | (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 | 7.0512 | (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 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) |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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.

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 – 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 | \$ | 252.34 | (per 30 days) |
| Distribution Volumetric Rate | | | |
| For General Service 50 – 999 kW Service Classification | \$/kVA | 8.3611 | (per 30 days) |
| For General Service 1,000 – 4,999 kW Service Classification | \$/kVA | 6.5745 | (per 30 days) |
| For Large Use Service Classification | \$/kVA | 7.0512 | (per 30 days) |

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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 | \$ | 7.40 | (per 30 days) |
| Connection Charge (per connection) | \$ | 0.75 | (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 | 0.09269 | |
| Rate Rider for Recovery of the Gain on the Sale of Named Properties – effective until December 31, 2019 | \$/kWh | 0.00029 | |
| 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 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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.

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 (per device) | \$ | 1.65 | (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 | 36.6243 | (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 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) |

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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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.

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.

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 | \$ | 5.33 | (per 30 days) |
|----------------|----|------|---------------|

ALLOWANCES

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

Toronto Hydro-Electric System Limited

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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

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

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 Regular Hours | \$ | 400.00 |
| - At Pole - During Regular Hours | \$ | 300.00 |
| - At Pole - After Regular Hours | \$ | 820.00 |
| 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 Meter – During Regular Hours | \$ | 120.00 |
| Disconnect/Reconnect at Meter – After Regular Hours | \$ | 400.00 |
| 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

INTERIM TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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.

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.

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 |

**NEW VARIANCE AND DEFERRAL ACCOUNTS – DRAFT ACCOUNTING
ORDERS**

**1. EXTERNALLY DRIVEN CAPITAL VARIANCE ACCOUNT – DRAFT ACCOUNTING
ORDER**

The OEB approved the revenue requirement associated with \$4.0 million of annual in-service amounts for work related to third party initiated relocation and expansion projects (externally driven capital work). Since expenditures under this program can be volatile and difficult to predict, Toronto Hydro will record to this variance account the amounts for this type of work that vary from the approved amounts. For example, if Toronto Hydro puts in service \$10 million of externally driven capital work in 2015, it will record the revenue requirement impact related to the \$6 million to the variance account. This symmetrical variance account will record variances above and below \$4.0 million and amounts recorded or recordable in this account will not be recorded in the Capital-Related Revenue Requirement Variance Account.

Carrying charges will apply to the opening revenue requirement balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

At a later date, Toronto Hydro will apply to clear the revenue requirement associated with the balances in these accounts to ratepayers.

Toronto Hydro will establish the following variance accounts to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount THESL Externally Driven Revenue Requirement

- Account 1508, Other Regulatory Assets, Subaccount THESL Externally Driven Revenue Requirement Carrying Charges

The sample accounting entries for the variance accounts are provided below.

A. To record the revenue requirement in the Externally Driven Capital Variance

Account:

- DR 1508 Other Regulatory Assets, Subaccount THESL Externally Driven Revenue Requirement
- CR 4080 Distribution Services Revenue

B. To record the carrying charges in subaccount THESL Externally Driven Revenue Requirement:

- DR 1508 Other Regulatory Assets, Subaccount THESL Externally Driven Revenue Requirement Carrying Charges
- CR 4405 Interest and Dividend Income

2. DERECOGNITION VARIANCE ACCOUNT – DRAFT ACCOUNTING ORDER

Under Modified IFRS, the gain or loss associated with the derecognition of assets is required to be recorded as a depreciation expense during the period in which the item is derecognized. Due to the dynamic nature of Toronto Hydro's capital program and operating environment, Toronto Hydro is likely to experience a significant degree of ongoing volatility in year over year losses on derecognition over the CIR Period. To manage this volatility, Toronto Hydro will record to a variance account the amounts which vary from the OEB-approved amounts.

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

1 At a later date, Toronto Hydro will apply to clear the balances in these accounts to
2 ratepayers.

3
4 Toronto Hydro will establish the following variance accounts to record the amounts
5 described above:

- 6 • Account 1508, Other Regulatory Assets, Subaccount THESL Derecognition
7 Amounts
- 8 • Account 1508, Other Regulatory Assets, Subaccount THESL Derecognition
9 Amounts Carrying Charges

10
11 The sample accounting entries for the variance accounts are provided below.

12 A. To record the amounts that vary from the amounts included in the 2015 Revenue
13 Requirement and the amounts included in the 2016-2019 C-Factor calculations
14 related to the Derecognition amounts:

- 15 ○ DR 1508 Other Regulatory Assets, Subaccount THESL Derecognition
16 Amounts
- 17 ○ CR 4080 Distribution Services Revenue

18 B. To record the carrying charges in subaccount THESL Derecognition Amounts:

- 19 ○ DR 1508 Other Regulatory Assets, Subaccount THESL Derecognition
20 Amounts Carrying Charges
- 21 ○ CR 4405 Interest and Dividend Income

22

1 **3. RENEWABLE ENABLING INVESTMENTS PROVINCIAL RATE PROTECTION**
2 **RECOVERY VARIANCE ACCOUNT – DRAFT ACCOUNTING ORDER**

3 Staff submits that a new accounting order is not necessary for the Renewable Enabling
4 Investments (“REI”) variance account as detailed guidance in this area has already been
5 provided.¹

6 Toronto Hydro has no concerns with omitting the accounting order for the REIs variance
7 account and will record variances in accordance with that guidance.

8
9
10 **4. MANDATORY TRANSITION TO MONTHLY BILLING DEFERRAL ACCOUNT –**
11 **DRAFT ACCOUNTING ORDER**

12
13 The OEB requires that all distributors transition customers in the Residential and General
14 Service less than 50 kW (GS < 50kW) rate classes to monthly billing by December 31,
15 2016. The OEB approved a deferral account in which Toronto Hydro will record the
16 incremental costs and savings that result from this mandatory transition. Since the timing
17 and costs of the transition are yet unknown, no amount related to these incremental costs
18 and savings were included in the Application.⁴ Toronto Hydro will also record in a
19 deferral account the revenue requirement associated with the capital cost amounts in the
20 Mandatory Transition to Monthly Billing Deferral Account.

21
22 Carrying charges will apply to the opening revenue requirement balances in the accounts
23 (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance
24 accounts.

25

¹ OEB Staff Submissions, page 13.

⁴ EB-2014-0116, Toronto Hydro-Electric System Limited Decision and Order (December 29, 2015) at pp. 51-52.

1 At a later date, Toronto Hydro will apply to clear the balances in this account to
2 ratepayers.

3
4 Toronto Hydro will record as a debit to the deferral account the incremental costs of the
5 mandatory transition to monthly billing.

6
7 Toronto Hydro will calculate and record as a credit to the deferral account the
8 incremental savings (if any) arising from benefits realised in the course of the mandatory
9 transition to monthly billing.

10
11 Toronto Hydro will establish the following deferral accounts to record the amounts
12 described above:

- 13 • Account 1508, Other Regulatory Assets, Subaccount Mandatory Transition to
14 Monthly Billing
- 15 • Account 1508, Other Regulatory Assets, Subaccount Mandatory Transition to
16 Monthly Billing Revenue Requirement
- 17 • Account 1508, Other Regulatory Assets, Subaccount Mandatory Transition to
18 Monthly Billing Revenue Requirement Carrying Charges

19
20 The sample accounting entries for the deferral accounts are provided below.

21 A. To record on a monthly basis the incremental costs of the mandatory transition to
22 monthly billing:

- 23 ○ DR 1508 Other Regulatory Assets, Subaccount Mandatory Transition to
24 Monthly Billing
- 25 ○ CR XXXX Operating, Maintenance and Administration Expenses / Property
26 Plant and Equipment / Depreciation Expense / Construction Work-in-Progress
27 (various accounts - dependent on the type of costs)

28 B. To record on a monthly basis the incremental savings of the mandatory transition
29 to monthly billing:

- 1 ○ DR XXXX Operating, Maintenance and Administration Expenses / Property
- 2 Plant and Equipment / Depreciation Expense / Construction Work-in-Progress
- 3 (various accounts – dependent on the type of costs)
- 4 ○ CR 1508, Other Regulatory Assets, Subaccount Mandatory Transition to
- 5 Monthly Billing

6 C. To record the revenue requirement on the capital costs in the Mandatory

7 Transition to Monthly Billing Deferral Account:

- 8 ○ DR 1508 Other Regulatory Assets, Subaccount Mandatory Transition to
- 9 Monthly Billing Revenue Requirement
- 10 ○ CR 4080 Distribution Services Revenue

11

12 D. To record the carrying charges in subaccount Mandatory Transition to Monthly

13 Billing Revenue Requirement:

- 14 ○ DR 1508 Other Regulatory Assets, Subaccount Mandatory Transition to
- 15 Monthly Billing Revenue Requirement Carrying Charges
- 16 ○ CR 4405 Interest and Dividend Income

17

18

19 **5. GAINS ON SALE OF PROPERTIES RELATED TO TORONTO HYDRO'S OPERATING**

20 **CENTERS CONSOLIDATION PROGRAM (OCCP) VARIANCE ACCOUNT – DRAFT**

21 **ACCOUNTING ORDER**

22

23 Toronto Hydro will be clearing to ratepayers, through an OEB-approved rate rider, the

24 forecasted net gains on the sale of the 5800 Yonge and 28 Underwriters properties,

25 grossed up for the PILs tax savings. However, since the timing of the sale of both

26 properties and the final amount of the net gain from the sale of both properties are not

27 known at the time of rate finalization, the OEB approved a variance account in which

28 Toronto Hydro will track the difference between the total forecasted gains net of tax with

1 the forecasted gross up for the PILs tax savings and the actual gains net of tax with the
2 actual gross up for the PILs tax savings.

3
4 Carrying charges will apply to the opening balances in the accounts (exclusive of
5 accumulated interest) at the OEB-approved rate for deferral and variance accounts.

6
7 At a later date, Toronto Hydro will apply to clear the balances in this account to
8 ratepayers.

9
10 Toronto Hydro will establish the following variance accounts to record the amounts
11 described above:

- 12 • Account 1508, Other Regulatory Assets, Subaccount OCCP Gains Variance
13 Account
- 14 • Account 1508, Other Regulatory Assets, Subaccount OCCP Gains Variance
15 Account Carrying Charges

16
17 Toronto Hydro will use the following account to record the OEB-approved rate rider
18 associated with the forecasted gains being cleared to ratepayers:

- 19 • Account 1508 Other Regulatory Assets, Subaccount Regulatory Deferred Gain on
20 Disposal (Rate Rider Account)

21
22 The sample accounting entries for the variance accounts are provided below.

23
24 **December 31, 2015 entries**

25 A. Record the OEB-approved net forecasted gains to be cleared to customers through
26 a rate rider:

- 27 ○ DR 4080 Distribution Services Revenue
- 28 ○ CR 1508 Other Regulatory Assets, Subaccount Regulatory Deferred Gain on
29 Disposal (Rate Rider Account)

1 B. Record the variance between the approved net forecasted gains and the actual net
2 gains as at the end of 2015:

- 3 ○ DR 1508 Other Regulatory Assets, Subaccount OCCP Gains Variance
4 Account
5 ○ CR 4080 Distribution Services Revenue
6

7 **2016 and future years' entries**

8 C. Record the refunding of the rate rider to customers. The offsetting credit will be
9 to Account 1100 Customer Accounts Receivable since the ratepayers' bills should
10 be reduced by the rate rider refund:

- 11 ○ DR 4080 Distribution Services Revenue
12 ○ CR 1100 Customer Accounts Receivable
13 ○ DR 1508 Other Regulatory Assets, Subaccount Regulatory Deferred Gain on
14 Disposal (Rate Rider Account)
15 ○ CR 4080 Distribution Services Revenue

16 D. Record the actual PILs tax savings materialized, which is being given back to
17 ratepayers. The PILs tax savings is the result of the rate rider cash refund to
18 customers:

- 19 ○ DR 2294 Accrual for Taxes, "Payments in Lieu of Taxes", Etc.
20 ○ CR 6110 Income Taxes
21 ○ DR 4080 Distribution Services Revenue
22 ○ CR 1508 Other Regulatory Assets, Subaccount OCCP Gains Variance
23 Account

24 E. Record the actual sale of the property, net of taxes (assuming a net gain).

- 25 ○ DR 1005 Cash
26 ○ DR XXXX Accumulated Depreciation of PP&E (various accounts – depends
27 on type of asset)
28 ○ CR XXXX Property, plant and equipment (various accounts – depends on
29 type of asset)

- CR 2294 Accrual for Taxes, “Payments in Lieu of Taxes”, Etc.
- CR 4355 Gain on Disposition of Utility and Other Property
- DR 4355 Gain on Disposition of Utility and Other Property
- CR 1508 Other Regulatory Assets, Subaccount OCCP Gains Variance Account

F. Record the carrying charges based on the net of the balances in Account 1508 subaccount OCCP Gains Variance Account and Account 1508 subaccount Regulatory Deferred Gain on Disposal (Rate Rider Account). The carrying charges are determined using simple interest applied on the monthly net opening balances:

- DR 6035 Other Interest Expense / CR 4405 Interest and Dividend Income
- CR/DR 1508 Other Regulatory Assets, Subaccount OCCP Gains Variance Account Carrying Charges

6. ICM TRUE-UP VARIANCE ACCOUNT – DRAFT ACCOUNTING ORDER

At this time, the ICM True-up process has not been completed. As such, differences in the amount of ICM-eligible work that should be included in the 2015 opening rate base could occur as a result of the OEB’s findings during that process. This variance account will capture any differences between amounts included in 2015 rate base and any disallowances based on prudence that may result from the ICM True-Up. Specifically, this variance account will track the revenue requirement impact of any capital in-service additions and the related depreciation expense included in the 2015 revenue requirement through the CIR Decision that are found to be imprudent in the ICM True-Up.

Carrying charges will apply to the opening revenue requirement balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

At a later date, Toronto Hydro will apply to clear the balances in this account to ratepayers.

Toronto Hydro will establish the following variance accounts to record the amounts described above:

- Account 1508 Other Regulatory Assets, Subaccount THESL ICM True-Up Revenue Requirement Variance Account
- Account 1508, Other Regulatory Assets, Subaccount THESL ICM True-Up Revenue Requirement Variance Account Carrying Charges

The sample accounting entries for the variance accounts are provided below.

- A. To record the revenue requirement associated with disallowed rate base:
 - DR 4080 Distribution Services Revenue
- B. CR 1508 Other Regulatory Assets, Subaccount THESL ICM True-Up Revenue Requirement Variance Account To record the carrying charges in subaccount THESL ICM True-Up Revenue Requirement Variance Account:
 - DR 6035 Other Interest Expense
 - CR 1508 Other Regulatory Assets, Subaccount THESL ICM True-Up Revenue Requirement Variance Account Carrying Charges

7. CAPITAL-RELATED REVENUE REQUIREMENT VARIANCE ACCOUNT – DRAFT ACCOUNTING ORDER

In order to address the possibility that Toronto Hydro may not bring its entire capital program in-service during the CIR Period, Toronto Hydro will record in a variance account the variance between the cumulative 2015 to 2019 capital related revenue requirement included in rates and the actual capital in-service additions related revenue requirement over the period. Toronto Hydro will record the variance on a cumulative

1 basis to ensure that Toronto Hydro has the flexibility to optimize the implementation of
2 its capital investment strategy, which may involve shifting the timing of project spending
3 within the CIR Period.

4
5 Carrying charges will apply to the opening balances in the account (exclusive of
6 accumulated interest) at the OEB-approved rate for deferral and variance accounts.

7
8 At a later date, Toronto Hydro will apply to clear the balances in this account to
9 ratepayers.

10
11 Toronto Hydro will establish the following Variance Accounts to record the amounts
12 described above:

- 13 • Account 1508, Other Regulatory Assets, Subaccount Capital Related Revenue
14 Requirement Variance Account
- 15 • Account 1508, Other Regulatory Assets, Subaccount Capital Related Revenue
16 Requirement Variance Account Carrying Charges

17
18 The sample accounting entry for the variance accounts are provided below.

- 19 A. To record the difference between the cumulative 2015 to 2019 capital related
20 revenue requirement included in rates and the actual capital in-service additions
21 related revenue requirement over the period (see note 1 below):

- 22 ○ DR 4080 Distribution Services Revenue
- 23 ○ CR 1508 Other Regulatory Assets, Subaccount Capital Related Revenue
24 Requirement Variance Account

- 25 B. To record the carrying charges in subaccount Capital Related Revenue
26 Requirement Variance Account:

- 27 ○ DR 6035 Other Interest Expense
- 28 ○ CR 1508 Other Regulatory Assets, Subaccount Capital Related Revenue
29 Requirement Variance Account Carrying Charges

Note:

1. Capital Related Revenue Requirement Variance Account calculation:

Record the net of:

- i. The approved revenue requirement associated with the cumulative 2015 to 2019 capital related revenue requirement;
- AND
- ii. The actual capital in-service additions related revenue requirement over the period.

**8. OTHER POST-EMPLOYMENT BENEFITS (OPEBs) CASH VERSUS ACCRUAL
VARIANCE ACCOUNT – DRAFT ACCOUNTING ORDER**

The OEB has initiated an industry-wide policy consultation on rate-regulated utility OPEBs. Pending a final conclusion on the treatment of OPEBs, for ratemaking purposes, the OEB requires Toronto Hydro to calculate recovery for OPEBs using cash payments instead of the accounting cost calculated under the accrual method. As such, Toronto Hydro will record in a variance account the difference between (i) the forecasted OPEBs costs related to Toronto Hydro's OM&A programs using the accounting accrual method and (ii) the OPEBs cash payments made to the plan.

At a later date, Toronto Hydro will apply to clear the balances in this account to ratepayers.

Toronto Hydro will establish the following variance accounts to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount Other Post-Employment Benefits Cash vs Accrual Variance Account

1 The sample accounting entry for the variance accounts are provided below.

2 A. To record the difference between the forecasted OPEBs costs and the OPEBs plan
3 payments made:

- 4 ○ DR 1508 Other Regulatory Assets, Subaccount Other Post-Employment
5 Benefits Cash vs Accrual Variance Account
- 6 ○ CR 5646 Employee Pensions and OPEB

7
8
9 **9. EARNINGS SHARING MECHANISM (ESM) VARIANCE ACCOUNT**

10
11 Toronto Hydro shall establish an account to record amounts related to any earnings
12 outside of Toronto Hydro's approved annual return on equity (ROE) exceeding a +/- 100
13 basis-point dead band, to be shared on an equal basis between Toronto Hydro and its
14 ratepayers. The earnings variance will only arise from non-capital related differences
15 between approved and actual revenues. The ratepayer share of the earnings shall be
16 grossed up for any tax impacts and credited to this account.

17
18 Carrying charges will apply to the opening balances in the account (exclusive of
19 accumulated interest) at the OEB-approved rate for deferral and variance accounts.

20
21 At a later date, Toronto Hydro will apply to clear the balances in this account to
22 ratepayers.

23
24 Toronto Hydro will establish the following variance accounts to record the amounts
25 described above:

- 26 • Account 1508, Other Regulatory Assets, Subaccount Earnings Sharing
27 Mechanism Variance Account
- 28 • Account 1508, Other Regulatory Assets, Subaccount Earnings Sharing
29 Mechanism Variance Account Carrying Charges

1

2 The sample accounting entry for the variance accounts are provided below.

3 A. To record half (50%) of the amounts related to any earnings outside of Toronto
4 Hydro's approved ROE +/- 100 basis points:

- 5 ○ DR 4080 Distribution Services Revenue
6 ○ CR 1508 Other Regulatory Assets, Subaccount Earnings Sharing Mechanism
7 Variance Account

8 B. To record the carrying charges in subaccount Earnings Sharing Mechanism
9 Variance Account:

- 10 ○ DR 6035 Other Interest Expense
11 ○ CR 1508 Other Regulatory Assets, Subaccount Earnings Sharing Mechanism
12 Variance Account Carrying Charges

Rate Riders Development

| | UNMETERED SCATTERED LOAD | | | | | | | | |
|---|--------------------------------|-------------|---------------|-------------------|----------------------|---------------|----------------|------------|----------------|
| | RESIDENTIAL | CSMUR | GS < 50 kW | GS - 50 to 999 kW | GS > 1000 to 4999 kW | LARGE USER | STREETLIGHTING | | |
| | A | B | C | D | E | F | G | H | I |
| 2015 Forecast Billing Determinants | | | | | | | | | |
| kVA | N/A | N/A | N/A | 26,395,826 | 10,671,871 | 5,305,030 | 324,479 | N/A | 42,697,206 |
| kWh | 4,909,898,145 | 213,116,822 | 2,118,402,162 | 9,848,614,894 | 4,654,535,571 | 2,228,386,374 | 114,092,929 | 41,132,354 | 24,128,179,251 |
| Non-RPP kWh | 308,667,131 | 1,831,511 | 360,993,267 | 7,203,076,041 | 4,431,593,661 | 2,228,386,374 | 114,074,934 | 4,404,055 | 14,803,939,178 |
| Number of Customers | 612,985 | 54,122 | 69,131 | 12,054 | 440 | 49 | 1 | 898 | 749,680 |
| Allocators | | | | | | | | | |
| 2013 kWh | 20.2% | 0.4% | 8.8% | 40.5% | 20.0% | 9.4% | 0.5% | 0.2% | 100.0% |
| 2013 Distribution Revenue | 43.4% | 1.8% | 12.8% | 26.4% | 8.6% | 4.4% | 2.1% | 0.5% | 100.0% |
| 2011 Revenue Offsets | 50.6% | 1.9% | 18.9% | 20.5% | 4.1% | 1.6% | 1.6% | 0.8% | 100.0% |
| 2009/10 Reg Assets Allocation | 18.2% | 0.7% | 8.2% | 42.4% | 19.6% | 10.2% | 0.5% | 0.2% | 100.0% |
| 2013 Non-RPP kWh | 2.1% | 0.0% | 2.4% | 48.3% | 31.0% | 15.4% | 0.8% | 0.0% | 100.0% |
| 2011-13 LRAMVA | -4.6% | 0.1% | 27.2% | 81.1% | -1.1% | -2.8% | 0.0% | 0.0% | 100.0% |
| 2013 Smart Metering Entity Rider Recovery | 85.2% | 5.2% | 9.6% | | | | | | |
| Stranded Meters | 51.4% | 0.0% | 31.8% | 16.8% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |

| | Total Amount For Clearance | ALLOCATOR | RESIDENTIAL | CSMUR | GS < 50 kW | GS - 50 to 999 kW | GS > 1000 to 4999 kW | LARGE USER | STREETLIGHTING | UNMETERED SCATTERED LOAD | TOTAL |
|---|-------------------------------|-------------------------------------|-----------------|--------------|----------------|-------------------|----------------------|----------------|----------------|--------------------------------|-----------------|
| Rate Rider for RSVA - WMS | | 2013 kWh | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Rider for RSVA - Network | | 2013 kWh | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Rider for RSVA - Connection | | 2013 kWh | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Rider for RSVA - Power - GA | | 2013 Non-RPP kWh | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Rider for Smart Metering Entity | \$ 440,222 | 2013 Smart Metering Entity Recovery | \$ 375,165 | \$ 22,792 | \$ 42,265 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 440,222 |
| Rate Rider for Low Voltage Variance | \$ 1,243,869 | 2013 kWh | \$ 251,869 | \$ 5,035 | \$ 109,302 | \$ 503,506 | \$ 248,861 | \$ 117,527 | \$ 5,739 | \$ 2,031 | \$ 1,243,869 |
| Rate Rider for PILs and Tax Variance | \$ (2,477,855) | 2013 Distribution Revenue | \$ (1,074,291) | \$ (45,550) | \$ (318,298) | \$ (653,631) | \$ (212,638) | \$ (108,868) | \$ (52,768) | \$ (11,810) | \$ (2,477,855) |
| Rate Rider for PILs and Tax Variance HST | \$ (1,171,876) | 2013 Distribution Revenue | \$ (508,075) | \$ (21,543) | \$ (150,536) | \$ (309,128) | \$ (100,565) | \$ (51,488) | \$ (24,956) | \$ (5,586) | \$ (1,171,876) |
| Rate Rider for Gain on Sale Named Properties | \$ 5,751,104 | 2011 Revenue Offsets | \$ 2,911,291 | \$ 111,412 | \$ 1,085,597 | \$ 1,176,695 | \$ 234,628 | \$ 91,363 | \$ 93,756 | \$ 46,363 | \$ 5,751,104 |
| Rate Rider for Hydro One Capital Contributions Variance | \$ 1,853,428 | 2013 Distribution Revenue | \$ 803,567 | \$ 34,071 | \$ 238,086 | \$ 488,914 | \$ 159,053 | \$ 81,433 | \$ 39,470 | \$ 8,834 | \$ 1,853,428 |
| Rate Rider for Residual RARA | \$ (1,810,389) | 2009/10 Reg Assets Allocation | \$ (329,829) | \$ (12,622) | \$ (148,909) | \$ (767,101) | \$ (354,001) | \$ (184,593) | \$ (9,645) | \$ (3,688) | \$ (1,810,389) |
| Rate Rider for LRAMVA | \$ 3,552,374 | 2011-13 LRAMVA | \$ (161,870) | \$ 2,976 | \$ 967,980 | \$ 2,881,653 | \$ (37,559) | \$ (100,807) | \$ - | \$ - | \$ 3,552,374 |
| Rate Rider for Stranded Meters Disposition | \$ 15,791,311 | Stranded Meters | \$ 8,118,464 | \$ - | \$ 5,020,984 | \$ 2,651,863 | \$ - | \$ - | \$ - | \$ - | \$ 15,791,311 |
| Rate Rider for IFRS - 2014 Derecognition | \$ 30,506,428 | 2013 Distribution Revenue | \$ 13,226,272 | \$ 560,798 | \$ 3,918,767 | \$ 8,047,259 | \$ 2,617,921 | \$ 1,340,345 | \$ 649,661 | \$ 145,405 | \$ 30,506,428 |
| Rate Rider for POEB - Tax Savings | \$ (23,300,560) | 2013 Distribution Revenue | \$ (10,102,118) | \$ (428,333) | \$ (2,993,122) | \$ (6,146,430) | \$ (1,999,547) | \$ (1,023,745) | \$ (496,206) | \$ (111,059) | \$ (23,300,560) |
| Rate Rider for 2012-14 Lost Revenue | \$ 33,304,363 | 2013 Distribution Revenue | \$ 14,439,336 | \$ 612,232 | \$ 4,278,182 | \$ 8,785,323 | \$ 2,858,027 | \$ 1,463,276 | \$ 709,245 | \$ 158,741 | \$ 33,304,363 |
| Rate Rider for Operations Center Consolidation Plan Sharing | | 2013 Distribution Revenue | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

| | Proposed Recovery Period (years) | Billing Unit | RESIDENTIAL | CSMUR | GS < 50 kW | GS - 50 to 999 kW | GS > 1000 to 4999 kW | LARGE USER | STREETLIGHTING | UNMETERED SCATTERED LOAD |
|---|-------------------------------------|------------------|-------------|-----------|------------|-------------------|----------------------|------------|----------------|--------------------------------|
| Rate Riders | | | | | | | | | | |
| Volumetric Rate Riders | | | | | | | | | | |
| Rate Rider for RSVA - WMS | 1 | \$/kWh or \$/kVA | - | - | - | - | - | - | - | - |
| Rate Rider for RSVA - Network | 1 | \$/kWh or \$/kVA | - | - | - | - | - | - | - | - |
| Rate Rider for RSVA - Connection | 1 | \$/kWh or \$/kVA | - | - | - | - | - | - | - | - |
| Rate Rider for RSVA - Power - GA | 2 | \$/kWh | - | - | - | - | - | - | - | - |
| Rate Rider for Low Voltage Variance | 1 | \$/kWh or \$/kVA | 0.00005 | 0.00002 | 0.00005 | 0.0188 | 0.0230 | 0.0219 | 0.0174 | 0.00005 |
| Rate Rider for PILs and Tax Variance | 1 | \$/kWh or \$/kVA | - 0.00022 | - 0.00021 | - 0.00015 | - 0.0244 | - 0.0197 | - 0.0202 | - 0.1604 | - 0.00029 |
| Rate Rider for PILs and Tax Variance HST | 1 | \$/kWh or \$/kVA | - 0.00010 | - 0.00010 | - 0.00007 | - 0.0116 | - 0.0093 | - 0.0096 | - 0.0759 | - 0.00014 |
| Rate Rider for Gain on Sale Named Properties | 1 | \$/kWh or \$/kVA | 0.00059 | 0.00052 | 0.00051 | 0.0440 | 0.0217 | 0.0170 | 0.2850 | 0.00113 |
| Rate Rider for Hydro One Capital Contributions Variance | 1 | \$/kWh or \$/kVA | 0.00016 | 0.00016 | 0.00011 | 0.0183 | 0.0147 | 0.0151 | 0.1200 | 0.00021 |
| Rate Rider for Residual RARA | 1 | \$/kWh or \$/kVA | - 0.00007 | - 0.00006 | - 0.00007 | - 0.0287 | - 0.0327 | - 0.0343 | - 0.0293 | - 0.00009 |
| Rate Rider for LRAMVA | 1 | \$/kWh or \$/kVA | - 0.00003 | 0.00001 | 0.00046 | 0.1077 | - 0.0035 | - 0.0187 | - | - |
| Rate Rider for IFRS - 2014 Derecognition | 4 | \$/kWh or \$/kVA | 0.00067 | 0.00066 | 0.00046 | 0.0752 | 0.0605 | 0.0623 | 0.4937 | 0.00088 |
| Rate Rider for POEB - Tax Savings | 3 | \$/kWh or \$/kVA | - 0.00069 | - 0.00067 | - 0.00047 | - 0.0766 | - 0.0616 | - 0.0634 | - 0.5028 | - 0.00090 |
| Rate Rider for 2012-14 Lost Revenue | 4 | \$/kWh or \$/kVA | 0.00074 | 0.00072 | 0.00050 | 0.0821 | 0.0660 | 0.0680 | 0.5390 | 0.00096 |
| Rate Rider for Operations Center Consolidation Plan Sharing | 3 | \$/kWh or \$/kVA | -0.00213 | -0.00208 | -0.00147 | -0.2331 | -0.1901 | -0.1922 | -1.5641 | -0.00280 |
| Per Customer Rate Riders | | | | | | | | | | |
| Rate Rider for Stranded Meters Disposition | 5 | \$/cust/30 days | 0.22 | | 1.19 | 3.62 | | | | |
| Rate Rider for Smart Metering Entity | 1 | \$/cust/30 days | 0.05 | 0.03 | 0.05 | | | | | |