

DECISION AND RATE ORDER

EB-2019-0043

HYDRO ONE NETWORKS INC.

Application for distribution rates and other charges to be effective January 1, 2020

By Delegation, Before: Theodore Antonopoulos

December 17, 2019

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1. INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) approves the 2020 Custom Incentive Rate-setting mechanism (Custom IR) update application filed by Hydro One Networks Inc. (Hydro One) under section 78 of the *Ontario Energy Board Act*, 1998 (OEB Act) for new distribution rates effective January 1, 2020.

Hydro One owns and operates the largest electricity transmission and distribution system in Ontario. The distribution system consists of a lower voltage network of distribution lines, poles and equipment. It conveys electricity at lower voltages from the transformer stations to homes and businesses throughout the province. Hydro One's distribution system serves approximately 1.3 million distribution customers and smaller electricity distributors primarily in the rural and remote areas of the province.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's *Handbook for Utility Rate Applications*.¹

In respect of Hydro One's distribution rates, the OEB approved a five year Custom IR framework that covers the years 2018 to 2022.² As part of the 2018-2022 Custom IR proceeding, the OEB issued a final rate order establishing the rates for 2019. Rates for subsequent years are to be adjusted mechanistically through a custom revenue cap adjustment formula. This is referred to in section four of this Decision as the Custom Revenue Cap Adjustment.

The key components of Hydro One's Custom IR framework are listed below:

- A custom revenue cap approach for adjusting rates for subsequent years (2020-2022) of the five year term
- A productivity factor of 0% and a stretch factor of 0.45% to remain constant over the term of the plan
- A capital factor pre-approved for each year of the plan to recover the incremental revenue including an additional 0.15% stretch factor
- An asymmetrical earnings sharing mechanism (ESM) that will share regulated earnings on a 50:50 basis between Hydro One and its customers for all earnings in excess of 100 basis points of the OEB-approved return on equity. This account will be reviewed for 2018 and 2019 earnings in the 2021 annual update

¹ Handbook for Utility Rate Applications (the Rate Handbook), October 13, 2016.

² EB-2017-0049, Decision and Order, March 7, 2019, page 20.

- application and will also be reviewed for disposition with Hydro One's next rebasing application
- A Capital In-Service Additions Variance Account to track the difference between the revenue requirement associated with actual in-service capital additions and the revenue requirement associated with the OEB-approved in-service capital additions. Hydro One will seek disposition of this account at the end of the Custom IR term³
- No adjustments to Cost of Capital for 2020 to 2022 rates inclusive
- Annual updates to Retail Transmission Service Rates (RTSRs)

As a result of the OEB's findings in this Decision and Rate Order, there will be a monthly total bill increase before taxes of \$0.32 for an R1 residential customer consuming 750 kWh, effective January 1, 2020.

The estimated monthly total bill continues to include the effect of the Distribution Rate Protection (DRP) program. The DRP program caps the base distribution charge for certain residential customers in the province of Ontario. Hydro One is one of eight electricity distributors in Ontario to which the DRP applies.⁴ This tax-funded program has been in effect since July 2017 and the current monthly base distribution charge is capped at \$36.86.

2. THE PROCESS

The OEB follows a streamlined process for Custom IR update applications. Applications of this nature may be decided by a panel of Board Members or it may be delegated to OEB staff, depending on the complexity of the application.

After an initial review of the application, the OEB determined that the application is largely mechanistic in nature with respect to the adjustments contemplated. Therefore, this Decision and Rate Order is being issued by delegated authority, without a hearing, under section 6 of the OEB Act.

Under this type of process, the application is reviewed by OEB staff to verify whether the requested adjustments are consistent with the approved Custom IR application. This

³ This bullet list refers to items being disposed at the "end of the term". For clarification, this means at the next cost based application following the expiry of the current Custom IR plan term or otherwise as the OEB may order following the expiry of the Custom IR term.

⁴ O. Reg. 198/17, s. 2.

includes but is not limited to updates or adjustments defined in the OEB's decision on the original Custom IR application.

Hydro One filed its application on August 30, 2019 supported by written evidence and completed rate models. During the course of the proceeding, the applicant responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence.

3. ORGANIZATION OF THE DECISION

In this Decision and Rate Order, the OEB addresses the following issues, and provides reasons for approving or denying Hydro One's proposals relating to each of them:

- Custom Revenue Cap Adjustment
- Cost Allocation
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Rate Design
- Retail Service Charges
- Specific Service Charges

In this 2020 annual update application, Hydro One made two changes to the Draft Rate Order filed in the original Custom IR proceeding. One change is an additional reduction of \$13.5 million to Hydro One's proposed capital plan related to 2018 Other Post-Employment Benefits, and the other change is a reduction of external revenue of \$0.7 million related to the Acquired Utilities.⁵ The OEB notes that these two changes have no impact on 2020 rates.

In the 2018-2022 Custom IR proceeding, the OEB directed Hydro One to file a standalone report to update its capital investment plan for 2018 to 2022 in the first annual update application. Hydro One filed a stand-alone report in support of its revised capital investment plan in this application. The OEB noted in the decision on the Custom IR proceeding that this report is "to be used as a baseline for future reporting and will not be adjudicated during the annual update rate proceeding."

⁵ 2020 Annual Update, August 30, 2019, pp. 9-10.

⁶ EB-2017-0049, Decision and Order, March 7, 2019, pp. 71-72.

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision and Rate Order.

4. CUSTOM REVENUE CAP ADJUSTMENT

The OEB approved a five-year Custom IR plan with the revenue requirement to be adjusted annually through a revenue cap index (RCI). The approved formula is:

RCI = I - X + C, where:

- I is the Inflation Factor, as determined annually by the OEB
- X is the Productivity Factor that is equal to the sum of Hydro One's Custom Industry Total Factor Productivity measure and Hydro One's Custom Productivity Stretch Factor
- C is Hydro One's Custom Capital Factor, determined to recover the incremental revenue in each test year necessary to support Hydro One's Distribution System Plan, beyond the amount of revenue recovered in base rates⁷

The OEB accepted Hydro One's proposal to use the inflation factor set by the OEB each year.⁸ The OEB also approved Hydro One's proposal for a productivity factor of 0% and a stretch factor of 0.45% during the term of the Custom IR plan.⁹

With respect to the capital factor, the OEB approved the approach for calculating the factor; however, the OEB applied an additional 0.15% stretch factor to the capital factor to incent further productivity improvements throughout the term and to provide customers the benefit from these additional improvements upfront. The OEB also directed Hydro One to remove working capital from rate base for the calculation of the capital factor because the Rate Handbook expressly identifies the working capital allowance as an element that will not be updated as part of an annual update application.¹⁰

⁷ 2020 Annual Update, August 30, 2019, page 12 of 28.

⁸ EB-2017-0049, Decision and Order, March 7, 2019, page 26.

⁹ EB-2017-0049, Decision and Order, March 7, 2019, page 29.

¹⁰ EB-2017-0049, Decision and Order, March 7, 2019, pp. 31-33.

Table 4.1 summarizes the approved components of the RCI in the 2018-2022 Custom IR proceeding using the OEB's 2019 inflation factor of 1.50%. This value is subject to updating for 2020-2022.

RCI by Component (%) 2020 2021 2022 Inflation Factor (I) 1.50 1.50 1.50 Productivity Factor (X) -0.45 -0.45 -0.45 1.21 Capital Factor (C) 1.95 1.85 RCI Total 2.26 3.00 2.90

Table 4.1 RCI by Component¹¹

The productivity factor and the capital factor underlying the RCI were approved by the OEB for the entire duration of the Custom IR plan. Therefore, the only new adjustment for the calculation of the 2020 revenue requirement is the 2020 inflation factor.¹² The OEB has set the inflation factor for 2020 rates at 2.0% based on the established formula.¹³

The OEB approved the load forecast excluding the Acquired Utilities to be used for cost allocation and rate design purposes for 2020-2022. The approved load forecast is summarized in the following Table:

Year	GWh Delivery Forecast
2020	32,572
2021	32,618
2022	32,593

Table 4.2 Load Forecast

¹¹ 2020 Annual Update, August 30, 2019, page 13 of 28. The OEB notes that 2021 and 2022 C factors filed in this 2020 update application are different from what approved in the Draft Rate Order (DRO) in the 2018-2022 Custom IR proceeding due to the correction Hydro One made in the DRO Reply Submission on May 4, 2019 which resulted in updated C factors in this application regarding the 2018 OPEB cost.
¹² 2020 Annual Update, August 30, 2019, page 12 of 28. Also in EB-2017-0049, CME-5, February 12, 2018, Hydro One stated that the capital factor for 2020 remains unchanged once finalized in the Draft Rate Order.

¹³ The OEB has calculated the value of the inflation factor for incentive rate setting for rate changes effective in 2020, to be 2.0%.

The OEB approved an asymmetrical ESM that would apply to all years of the Custom IR plan. The ESM will share regulated earnings on a 50:50 basis between Hydro One and its customers for all earnings in excess of 100 basis points above the OEB-approved return on equity. A deferral account was established for Hydro One to record any amounts to be shared during the rate period. As required in the decision, ¹⁴ Hydro One intends to bring forward the balance related to its 2018 and 2019 earnings in its next annual update for 2021 rates once 2019 audited balances are available. The account balance will also be reviewed for disposition with Hydro One's next rebasing application. ¹⁵

Findings

The final 2020 RCI for Hydro One is 2.76% (i.e. 2.0% - 0.45% + 1.21%). The OEB approves the revenue requirement for 2020 at \$1,539.2 million, which is determined as the revenue requirement in 2019 (\$1,497.9 million) inflated by the 2020 RCI. The 2020 distribution rates are derived from the calculated 2020 revenue requirement and the approved load forecast.

The ESM deferral account is to be reviewed as part of the 2021 rate application and will also be reviewed for disposition in Hydro One's next rebasing application, therefore, no findings are required as part of this Custom IR update application for 2020 rates.

5. COST ALLOCATION

The OEB determined that the revenue requirement for the Acquired Utilities will not be consolidated in 2021, therefore, there is no need to update the cost allocation model during the Custom IR term.¹⁶ For the 2020 rate year, allocated costs by rate classes are derived by increasing the 2019 allocated costs by 2.76% for each rate class. Hydro One confirmed that the OEB approved this cost allocation methodology for 2019 to 2022 of the Custom IR period.¹⁷

The OEB approved Hydro One's proposed revenue-to-cost (R/C) ratios for customer classes that are within the ranges established by the OEB. For the distributed generation (DGen) class, the OEB accepted Hydro One's proposal to phase-in to the

¹⁴ EB-2017-0049, Decision and Order, March 7, 2019, page 40.

¹⁵ 2020 Annual Update, August 30, 2019, page 18 of 28.

¹⁶ EB-2017-0049 Decision and Order, March 7, 2019, page 39.

¹⁷ Staff Interrogatory #1, November 8, 2019.

established range of R/C ratio to mitigate bill impacts. ¹⁸ For the 2020 rate year, Hydro One proposes to continue adjusting the DGen class R/C ratio (from 63% to 78%). The increase in revenue collected from the DGen class is offset by decreasing the revenues collected from the unmetered scattered load and R1 residential classes, which have the highest R/C ratios above 100%.

Table 5.1, below, outlines the revenue-to-cost ratios for which the applicant seeks approval for the 2020 rate year.

Table 5.1: Revenue-to-Cost Ratios

Rate Classification	2019 Ratio	Proposed 2020 Ratio
URBAN DENSITY - UR	1.09	1.10
MEDIUM DENSITY – R1	1.10	1.11
LOW DENSITY – R2	0.97	0.97
SEASONAL	1.09	1.08
GENERAL SERVICE ENERGY - GSe	0.97	0.96
GENERAL SERVICE DEMAND - GSd	0.89	0.88
URBAN GENERAL SERVICE ENERGY - UGe	1.00	1.00
URBAN GENERAL SERVICE DEMAND - UGd	0.90	0.89
STREET LIGHTING – St Lgt	0.93	0.93
SENTINEL LIGHTING – Sen Lgt	0.96	0.95
UNMETERED SCATTERED LOAD - USL	1.18	1.11
DISTRIBUTED GENERATION - DGen	0.63	0.78
SUB TRANSMISSION - ST	0.95	0.95

¹⁸ EB-2017-0049 Decision and Order, March 7, 2019. pp. 137-138.

Findings

The OEB agrees that the proposed adjustments for the 2020 rate year are consistent with Hydro One's draft rate order filing arising from the OEB's findings in its decision in the 2018-2022 Custom IR proceeding¹⁹. Hydro One's revenue-to-cost ratios are approved, as set out in Table 5.1 above.

6. RETAIL TRANSMISSION SERVICE RATES

Hydro One is billed by the Independent Electricity System Operator (IESO) at each of its transmission delivery points for the transmission of power. The IESO charges the uniform transmission rates (UTRs) approved by the OEB. RTSRs are set to recover these transmission costs from customers. Variance accounts have been approved by the OEB to record the difference between the transmission costs charged by the IESO and the revenue from customers for the RTSRs, for future disposition.

Hydro One proposed to adjust its RTSRs to reflect the determination of the final 2019 UTRs.²⁰ The final 2019 UTRs are shown in Table 6.1.

Table 6.1: UTRs²¹

UTRs (2019)	per kW
Network Service Rate	\$3.83
Connection Service Rates	
Line Connection Service Rate	\$0.96
Transformation Connection Service Rate	\$2.30

The High Voltage Distribution Stations (HVDS)-high charge is set at the same value as the RTSR-Transformation rate, and the HVDS-low charge and the common subtransmission (ST) line rates are impacted by the HVDS-high charge.²² As a result of

¹⁹ EB-2017-0049, May 9, 2019, DRO Reply Submission, page 23.

²⁰ EB-2019-0164, Decision and Rate Order, July 25, 2019.

²¹ EB-2019-0164, Decision and Rate Order, July 25, 2019.

²² EB-2017-0049, March 31, 2017, Exhibit H1, Tab 1, Schedule 1, page 22 of 32.

updating RTSRs for 2020, the 2020 HVDS-high charge, HVDS-low charge, and the common ST line charge also need to be adjusted to reflect the proposed 2020 RTSRs for transmission connection.²³

Findings

Hydro One's proposed adjustments to its RTSRs are approved. The RTSRs were adjusted based on the current UTRs. The proposed HVDS-high charge, HVDS-low charge and the common ST line charge are approved.

The differences resulting from the approval of new 2020 UTRs will be captured in Accounts RSVA – Retail Transmission Network Charge 1584 and RSVA – Retail Transmission Connection Charge 1586.

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of a Custom IR term, the OEB will review a distributor's Group 1 deferral and variance accounts (DVAs) in order to determine whether their balances should be disposed of.²⁴ OEB policy requires that Group 1 account balances be disposed of if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor can justify why balances should not be disposed of.²⁵ If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2018 actual year-end total balance for Hydro One's Group 1 DVA accounts including interest projected to December 31, 2019 is a debit of approximately \$8.8 million. This amount represents a total debit claim of \$0.0003 per kWh,²⁶ which does not exceed the disposition threshold. As a result, Hydro One is not seeking to dispose of its Group 1 DVA balances as part of the current application for 2020 distribution rates.

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²³ 2020 Annual Update, August 30, 2019, page 21 of 28.

²⁴ Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed of through a temporary charge or credit to customers known as a rate rider.
²⁵ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009.

²⁶ 2020 Annual Update, August 30, 2019, page 14 of 28, footnote 6.

Findings

The OEB accepts Hydro One's proposal to defer the disposition of its 2018 Group 1 DVA balances.

8. RATE DESIGN

Transition to Fixed Rates

For the residential classes, the OEB directed Hydro One in the decision on the original Custom IR application to implement the transition to fully fixed rates using the methodology in the OEB's revenue requirement workform.²⁷ During the Draft Rate Order process of the 2018-2022 Custom IR proceeding, the transition to all-fixed residential distribution rates was suspended in the 2018 rate year to mitigate the bill impacts of the rate implementation on July 1, 2019 on low volume customers. Hydro One stated that the transition to all-fixed residential distribution rates resumed in the 2019 rate year and will be completed in 2021 for the Urban Density - UR rate class and in 2024 for the R1, R2 and Seasonal rate classes.²⁸

For the 2020 rate year, Hydro One proposed to continue the transition to fully fixed rates based on the approved mitigation plan. The OEB notes that this is subject to confirmation that the bill impacts for low volume customers at the 10th percentile of consumption are less than 10%.²⁹ Hydro One's evidence indicates that no class will experience total bill impacts of 10% or greater.

Hopper Foundry and Transformer Cost Allowance Rate Adders

The OEB has approved a Hopper Foundry rate adjustment methodology since 2007. Hydro One is allowed to levy the General Service demand (GSd) rates applicable to Hopper Foundry using monthly billing determinants derived on a time-of-use basis. Hydro One updated the Hopper Foundry rate adder for 2020 to reflect the proposed GSd rates for the GSd \geq 50 kW class. The Hopper Foundry rate reflects the lost revenue, which is the difference between the 2020 revenue calculated using the 2020 GSd distribution rates applied to actual 2016 billing determinants in kW determined on a

²⁷ EB-2017-0049 Decision and Order, March 7, 2019. Page 141.

²⁸ 2020 Annual Update, August 30, 2019, Section 7.1.

²⁹ EB-2015-0079, Decision and Order, December 22, 2015, page 7.

³⁰ EB-2017-0049, Exhibit H1-1-1, March 31, 2017, page 24 of 32.

time-of-use basis, compared to the revenue calculated using the 2020 GSd rates applied to the actual 2016 metered monthly peaks.³¹ The forecast lost revenue related to the Hopper Foundry is \$65,552 and results in a rate adder of \$0.0085/kW. This adder is included in the volumetric rate shown on the 2020 tariff schedule for the general service demand rate class.³²

The Customer Supplied Transformer Allowance (CSTA) credit is available to customers who provide their own transformation equipment.³³ Hydro One has confirmed that the OEB approved the methodology for setting the CSTA credit for 2018 to 2022.³⁴ The CSTA rate adder for 2020 reflects the forecast CSTA credit of \$683,724 and results in a rate adder of \$0.0650/kW. This adder is included in the volumetric rates shown on the 2020 rate schedules for the UGd, GSd and DGen rate classes.³⁵

Forgone Distribution Revenue

The OEB approved the recovery of forgone revenue for the 14-month period between the effective date of May 1, 2018 and the implementation date of July 1, 2019.³⁶ The OEB also approved an 18-month period from July 1, 2019 to December 31, 2020 for the collection of the forgone revenue. The OEB instructed Hydro One to include forgone revenue in the proposed base rates that will be approved on Hydro One's tariff. The proposed 2020 tariff continues to include the approved 2020 forgone revenue in base rates.³⁷

Findings

The OEB approves the 2020 fixed and volumetric rates including forgone revenue adders and the Hopper Foundry and CSTA rate adders as proposed by Hydro One.

³¹ Staff Interrogatory #2, November 8, 2019.

³² 2020 Annual Update, November 8, 2019, Section 4.7.

³³ EB-2017-0049, Exhibit H1-1-1, March 31, 2017, page 23 of 32.

³⁴ Staff Interrogatory #2, November 8, 2019.

³⁵ 2020 Annual Update, November 8, 2019, Section 4.7.

³⁶ EB-2017-0049 Decision and Order, March 7, 2019, pp. 175-176.

³⁷ 2020 Annual Update, August 30, 2019, Section 7.4.

9. RETAIL SERVICE CHARGES

The OEB issued a report on energy retail service charges (RSCs) on November 29, 2018.³⁸ This report amended the RSCs effective May 1, 2019. RSCs will also be increased by the OEB's inflation factor on January 1 of each year starting on January 1, 2020. Hydro One has updated its RSCs by the 2020 inflation rate of 2%.³⁹

Findings

The OEB approves the 2020 RSCs as proposed by Hydro One.

10. SPECIFIC SERVICE CHARGES

Specific service charges (SSCs)⁴⁰ are for certain extra miscellaneous services such as special meter reads, late payment interest, and reconnections.

Hydro One has updated SSCs for 2020 per the OEB's decision on the 2018-2022 Custom IR application.⁴¹ Hydro One has also adjusted the pole attachment charge for telecom by the OEB's inflation factor in accordance with the OEB's report on Wireline Pole Attachment Charges.⁴²

³⁸ Report of the Ontario Energy Board Energy Retailer Services Charges, November 29, 2018, EB-2015-0304.

³⁹ 2020 Annual Update, November 8, 2019, Tariff of Rates and Charges. The OEB issued a Decision and Rate Order, on November 28, 2019, updating the generic retailer service charges effective January 1, 2020, EB-2019-0280.

⁴⁰ Specific service charges have most recently been amended by the OEB through: the Report of the OEB – "Wireline Pole Attachment Charges", EB-2015-0304, Issued March 22, 2018; and, the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order.

⁴¹ EB-2017-0049 Decision and Order, March 7, 2019, pp. 147-150.

⁴² Report of the Ontario Energy Board Wireline Pole Attachment Charges, March 22, 2018, EB-2015-0304.

Findings

The OEB approved specific service charges proposed by Hydro One that were informed by the Specific Service Charge Study filed in the 2018-2022 Custom IR application.⁴³ The OEB confirms that Hydro One has proposed SSCs for 2020 rates consistent with the OEB's decision on the 2018-2022 Custom IR application and approves the pole attachment charge as adjusted for 2020.

11. IMPLEMENTATION AND ORDER

Pursuant to the approval by the OEB of this Decision and Rate Order, the new rates are effective January 1, 2020 and are to be implemented on January 1, 2020.

As the seasonal rates matter is considered in a separate proceeding,⁴⁴ for the 2019 rate year, the OEB found it appropriate for Hydro One's rates to remain as interim for the purpose of establishing an effective date for the elimination of seasonal rates.⁴⁵ The seasonal rates proceeding is still in progress, and as such, the OEB will maintain Hydro One's rates as interim for the 2020 rate year for the same reason as noted above.

The Tariff Schedule incorporates the rates set out in the following table.

Table 11.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0005
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0030
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

⁴³ EB-2017-0049, Decision and Order, March 7, 2019, page 150.

⁴⁴ EB-2016-0315, Hydro One Distribution Seasonal Class.

⁴⁵ EB-2017-0049, Interim Rate Order, June 11, 2019, pp. 6-7.

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2018.⁴⁶

The Smart Metering Entity Charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.⁴⁷

THE ONTARIO ENERGY BOARD ORDERS THAT

The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate
Order is approved effective January 1, 2020 for electricity consumed or estimated to
have been consumed on and after such date. Hydro One Networks Inc. shall notify
its customers of the rate changes no later than the delivery of the first bill reflecting
the new final and interim rates.

DATED at Toronto, December 17, 2019

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long Registrar and Board Secretary

⁴⁶ EB-2018-0294, Decision and Order, December 20, 2018.

⁴⁷ EB-2017-0290, Decision and Order, March 1, 2018.

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2019-0043

DATED: December 17, 2019

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

RESIDENTIAL SERVICE CLASSIFICATIONS

A year-round residential customer classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. All of the following criteria must be met:

- 1. Occupant represents and warrants to Hydro One Networks Inc. that for so long as he/she has year-round residential rate status for the identified dwelling, he/she will not designate another property that he/she owns as a year-round residence for purposes of Hydro One rate classification.
- 2. Occupier must live in this residence for at least four (4) days of the week for eight (8) months of the year and the Occupier must not reside anywhere else for more than three (3) days a week during eight (8) months of the year.
- 3. The address of this residence must appear on documents such as the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.
- 4. Occupants who are eligible to vote in Provincial of Federal elections must be enumerated for this purpose at the address of this residence.

Seasonal Residential customer classification is defined as any residential service that does not meet residential year-round criteria. It includes dwellings such as cottages, chalets and camps.

Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's conditions of Service.

APPLICATION

Hydro One Networks' residential service area is sub-divided into three density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per circuit kilometer.
- Medium Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per circuit kilometer.
- Low Density Zone is defined as areas other than Urban or Medium Density Zone.

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

EB-2019-0043

Hydro One Networks Inc.TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

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

YEAR-ROUND URBAN DENSITY - UR		
MONTHLY RATES AND CHARGES - Delivery Component		
Service Charge	\$	33.52
Smart Metering Entity Charge - effective until December 31, 2022 Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020	\$	0.57
- Approved on an Interim Basis	\$	0.05
Distribution Volumetric Rate Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020	\$/kWh	0.0038
- Approved on an Interim Basis	\$/kWh	(8000.0)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	s/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0087
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0076
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
YEAR-ROUND MEDIUM DENSITY - R1**		
MONTHLY RATES AND CHARGES - Delivery Component		
Service Charge	\$	45.28
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0191
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved	*	,
on an Interim Basis (see Note 13) Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh \$/kWh	(0.0067) 0.0080
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0030
**The rates set out do not reflect the impact of the Distribution Rate Protection program on R1 customers (per EB-Order, June 21, 2018)	2018-0192, D	ecision and
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005

Standard Supply Service - Administrative Charge (if applicable)

0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

YEAR-ROUND LOW DENSITY - R2**

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge* Smart Metering Entity Charge - effective until December 31, 2022	\$ \$	106.55 0.57
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020	·	
- Approved on an Interim Basis	\$	(0.03)
Distribution Volumetric Rate	\$/kWh	0.0304
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0075
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0067

^{*}Under the Ontario Energy Board Act, 1998 and associated Regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural of Remote Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, currently at \$60.50.

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

SEASONAL

MONTHLY RATES AND CHARGES - Delivery Component

Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)

Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)

Standard Supply Service - Administrative Charge (if applicable)

\$	45.74
\$	0.57
\$	0.03
\$/kWh	0.0615
\$/kWh	(0.0009)
\$/kWh	(0.0067)
\$/kWh	0.0063
\$/kWh	0.0060
\$/kWh	0.0030
	\$ \$ \$/kWh \$/kWh \$/kWh \$/kWh

0.0004

0.0005

0.25

\$/kWh

\$/kWh

^{**}The rates set out do not reflect the impact of the Distribution Rate Protection program on R2 customers (per EB-2018-0192, Decision and Order, June 21, 2018)

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

GENERAL SERVICE CLASSIFICATIONS

General Service classification applies to any service that does not fit the description of residential classes. It includes combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Hydro One Networks' General Service area is sub-divided into two density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per circuit kilometer.
- · Non-Urban Density Zone is defined as areas other than Urban Density Zone.

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

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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 Global Adjustment and the HST.

Effective and Implementation Date January 1, 2020

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

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URBAN GENERAL SERVICE ENERGY BILLED - UGe

This classification applies to a non-residential account located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	25.54
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$	0.05
Distribution Volumetric Rate	\$/kWh	0.0309
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kWh	(8000.0)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0056
MONTHLY PATES AND SHAPSES. Partilatory Commonant		
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE ENERGY BILLED - GSe

This classification applies to a non-residential account not located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

Service Charge	\$	34.01
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$	0.03
Distribution Volumetric Rate	\$/kWh	0.0641
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0063
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0055
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

URBAN GENERAL SERVICE DEMAND BILLED - UGd

This classification applies to a non-residential account located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter of equivalent electronic meter shall be used for measuring and billing.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	100.11
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$	0.06
Distribution Volumetric Rate	\$/kW	10.6689
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kW	(0.3072)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	2.4354
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	2.0329
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE DEMAND BILLED - GSd

This classification applies to a non-residential account not located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

Service Charge	\$	116.43
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$	(0.05)
Distribution Volumetric Rate	\$/kW	18.4428
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kW	(0.2655)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	1.8805
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.5833
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

DISTRIBUTED GENERATION - DGen

This classification applies to an embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing. Class A and Class B consumers are defined in accordance with O. Reg. 429/04.

Service Charge	\$	205.12	
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	¢.	0.05	
Distribution Volumetric Rate	\$	0.05	
	\$/kW	9.4546	
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Approved on an Interim Basis	\$/kW	(0.1097)	
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved			
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)	
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	0.9141	
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	0.7713	
MONTHLY RATES AND CHARGES - Regulatory Component			
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030	
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

SUB TRANSMISSION - ST

This classification applies to either:

- Embedded supply to Local Distribution Companies (LDCs). "Embedded" meaning receiving supply via Hydro One Distribution assets, and where Hydro One is the host distributor to the embedded LDC. Situations where the LDC is supplied via Specific Facilities are included. OR
- Load which:
 - o is three-phase; and
 - is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of "directly includes Hydro One not owning the local transformation; and
 - o is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year or
 - whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW).

Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04.

Service Charge	\$	559.40
Meter Charge (for Hydro One ownership) (see Note 11)	\$	587.69
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020	•	40.07
- Approved on an Interim Basis	\$	13.07
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 14)	\$/kW	1.4854
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	\$/km	480.7922
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station		
(see Notes 1 and 14)	\$/kW	2.2712
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station		
(see Notes 1 and 14)	\$/kW	3.8047
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see		
Notes 3 and 14)	\$/kW	1.5363
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kW	0.8959
Rate Rider for Disposition of Deferral/Variance Account (Non WMP) (2019) - effective until December 31, 2020 -	*****	
Approved on an Interim Basis (see Note 10)	\$/kW	(1.2501)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved	0/114/1	(0.0007)
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Service Rates (see Notes 6 and 7)	Φ/L \	0.0000
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	3.3980
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	\$/kW	0.8045
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	\$/kW	2.0194
MONTHLY DATES AND SHADOES. Descriptions Commenced		
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. The amount of electricity consumed by unmetered connections will be based on detailed information/documentation provided by the device's manufacturer and will be agreed to by Hydro One and the customer and may be subject to periodic monitoring of actual consumption. Eligible unmetered loads include cable TV amplifiers, bus shelters, telephone booths, traffic signals, railway crossings and other small fixed loads. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Global Adjustment and the HST.

Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020)1
)1
- Approved on an Interim Basis \$ 0.0	
Distribution Volumetric Rate \$/kWh 0.021	4
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020	
- Approved on an Interim Basis \$/kWh (0.000	8)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved	
on an Interim Basis (see Note 13) \$/kWh (0.006	7)
Retail Transmission Rate - Network Service Rate (see Note 4) \$/kWh 0.005	3
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) \$/kWh 0.004	5
MONTHLY RATES AND CHARGES - Regulatory Component	
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12) \$/kWh 0.003	30
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12) \$/kWh 0.000)4
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12) \$/kWh 0.000)5
Standard Supply Service - Administrative Charge (if applicable) \$ 0.2	25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have separate service to a sentinel light. The energy consumption for sentinel lights is estimated based on Networks' profile for sentinel lighting load, which provides the amount of time each month that the sentinel lights are operating. Class B consumers are defined in accordance to O. Reg. 429/04. 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, in should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

Service Charge	\$	2.48
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$	0.02
Distribution Volumetric Rate	\$/kWh	0.1574
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kWh	(0.0013)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0037
MONTHLY RATES AND CHARGES - Regulatory Component		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

STREET LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have streetlights, which are devices owned by or operated for a road authority and/or municipal corporation. The energy consumption for street lights is estimated based on Networks' profile for street lighting load, which provides the amount of time each month that the street lights are operating. Class B consumers are defined in accordance with O. Reg. 429/04. 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, it should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

Service Charge	\$	2.65
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$	0.03
Distribution Volumetric Rate	\$/kWh	0.1086
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2019) - effective until December 31, 2020		
- Approved on an Interim Basis	\$/kWh	(0.0009)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved		
on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0052
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0036
MONTHLY RATES AND CHARGES - Regulatory Component		
mental in the comment of the compensation of t		
Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

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 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge \$ 5.40

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

ALLOWANCES

CUSTOMER-SUPPLIED TRANSFORMATION ALLOWANCE

Applicable to customers providing their own transformers and the primary voltage is under 50 kV

Demand Billed - per kW of billing demand/month \$/kW (0.60) Energy Billed - per kWh of billing energy/month \$/kWh (0.0014)

TRANFORMER LOSS ALLOWANCE

Applicable to non-ST customers requiring a billing adjustment for transformer losses as the result of being metered on the primary side of a transformer. The following uniform values shall be applied to measured demand and energy to calculate transformer losses for voltages up to and including 50 kV (as metered on the primary side).

For installations up to and including bank capacity of 400 kVA % (1.50)
For bank capacities over 400 kVA % (1.00)

Applicable to ST customers requiring a billing adjustment for transformer losses as the result of being metered on the secondary side of a transformer. The uniform value of 1% shall be added to measured demand and energy (as measured on the secondary side) to adjust for transformer losses.

Alternately, transformer losses may be determined from transformer test data, and measured demand and energy adjusted accordingly.

For services which are not demand metered, an assumed demand of 50% of the transformer capacity will be used to calculate the loss allowance. Where several transformers are involved, the bank capacity is assumed to be the arithmetic sum of all transformer capacities.

LOSS FACTORS

Residential - UR	1.057
Residential - R1	1.076
Residential - R2	1.105
Residential - Seasonal	1.104
General Service - UGe	1.067
General Service - GSe	1.096
General Service - UGd	1.050
General Service - GSd	1.061
Distributed Generation - Dgen	1.061
Unmetered Scattered Load	1.092
Sentinel Lights	1.092
Street Lights	1.092
Sub Transmission - ST	
Distribution Loss Factors	
Embedded Delivery Points (metering at station)	1.000
Embedded Delivery Points (metering away from station)	1.028
Total Loss Factors	
Embedded Delivery Points (metering at station)	1.006
Embedded Delivery Points (metering away from station)	1.034

Effective and Implementation Date January 1, 2020

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

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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 Global Adjustment and the HST.

Customer	Administration
Customer	Aummistration

Easement letter - letter request	\$	89.67
Easement letter - web request	\$	25.00
Returned cheque charge Account set up charge/change of occupancy charge (plus credit agency costs, if applicable)	\$ \$	7.00 38.00
Special meter reads (retailer requested off-cycle read)	\$	90.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)		
Meter dispute charge plus Measurement Canada rees (il meter round correct)	\$	30.00
Non-Payment of Account (see Note 15)		
Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Collection - reconnect at meter - during regular hours	\$	65.00
Collection - reconnect at meter - after regular hours	\$	185.00
Collection - reconnect at pole - during regular hours	\$	185.00
Collection - reconnect at pole - after regular hours	\$	415.00
Other		
Service call - customer owned equipment - during regular hours	\$	210.00*
Service call - customer owned equipment - after regular hours	\$	775.00*
Temporary service install & remove - overhead - no transformer	\$	Actual Costs
Temporary service install & remove - underground - no transformer	\$	Actual Costs
Temporary service install & remove - overhead - with transformer	\$	Actual Costs
Specific charge for access to power poles - telecom	\$	44.50
Reconnect completed after regular hours (customer/contract driven) - at meter	\$	245.00
Reconnect completed after regular hours (customer/contract) driven) - at pole	\$	475.00
Additional service layout fee - basic/complex (more than one hour)	\$	577.91
Pipeline crossings	\$	2,430.28
Water crossings	\$	3,618.57
·		4,830.33 plus
Railway crossings	\$	Railway
Taimay 01000mg0	Ψ	Feedthrough
	_	Costs
Overhead line staking per meter	\$	4.30
Underground line staking per meter	\$	3.09
Subcable line staking per meter	\$	2.70
Central metering - new service <45 kw	\$	100.00
Conversion to central metering <45 kw	\$	1,572.92
Conversion to central metering >=45 kw	\$	1,472.92
Connection impact assessments - net metering	\$	3,239.70
Connection impact assessments - embedded LDC generators	\$	2,921.93
Connection impact assessments - small projects <= 500 kw	\$	3,315.83
Connection impact assessments - small projects <= 500 kw, simplified	\$	2,001.42

Effective and Implementation Date January 1, 2020

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

approved schedules of Rates, Charges and Loss Factors		
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Connection impact assessments - greater than capacity allocation exempt projects - capacity allocation required	•	0.705.05
projects Connection impact assessments - greater than capacity allocation exempt projects - TS review for LDC capacity	\$	8,765.05
allocation required projects	\$	5,817.80
Specific charge for access to power poles - LDC	\$	see below
Specific charge for access to power poles - generators	\$	see below
Specific charge for access to power poles - municipal streetlights	\$	2.04
Sentinel light rental charge	\$	10.00
Sentinel light pole rental charge	\$	7.00
	Ψ	
*Base Charge only. Additional work on equipment will be based on actual costs.		
Specific Charge for LDCs Access to the Power Poles (\$/pole/year)		
LDC rate for 10' of power space	\$	87.90
LDC rate for 15' of power space	\$	105.48
LDC rate for 20' of power space	\$	117.20
LDC rate for 25' of power space	\$	125.57
LDC rate for 30' of power space	\$	131.85
LDC rate for 35' of power space	\$	136.73
LDC rate for 40' of power space	\$	140.64
LDC rate for 45' of power space	\$	143.83
LDC rate for 50' of power space	\$	146.50
LDC rate for 55' of power space	\$	148.75
LDC rate for 60' of power space	\$	150.68
Specific Charge for Generator Access to the Power Poles (\$/pole/year)		
Generator rate for 10' of power space	\$	87.90
Generator rate for 15' of power space	\$	105.48
Generator rate for 20' of power space	\$	117.20
Generator rate for 25' of power space	\$	125.57
Generator rate for 30' of power space	\$	131.85
Generator rate for 35' of power space	\$	136.73
Generator rate for 40' of power space	\$	140.64
Generator rate for 45' of power space	\$	143.83
Generator rate for 50' of power space	\$	146.50
Generator rate for 55' of power space	\$	148.75
Generator rate for 60' of power space	\$	150.68

Effective and Implementation Date January 1, 2020

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

EB-2019-0043

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 Global Adjustment and the HST.

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	102.00
Monthly fixed charge, per retailer	\$	40.80
Monthly variable charge, per customer, per retailer	\$	1.02
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(0.61)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.51
Processing fee, per request, applied to the requesting party	\$	1.02
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)	\$	4.08
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the		
Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.04

Effective and Implementation Date January 1, 2020

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NOTES

- The basis of the charge is the customer's monthly maximum demand. For an ST customer with multiple delivery
 points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand
 will be the applicable billing determinant. Demand is not aggregated between stations.
- The basis of the charge is the customer's monthly maximum demand. For an ST customer with multiple delivery points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand will be the applicable billing determinant. Demand is not aggregated between stations.
- 3. The basis of the charge is the "non-coincident demand" at each delivery point of the customer supplied by the station. This is measured as the kW demand at the delivery point at the time in the month of maximum load on the delivery point. For a customer connected through two or more distribution stations, the total charge for the connection to the shared distribution stations is the sum of the relevant charges for each of the distribution stations.
- 4. The monthly billing determinant for the RTSR Network Service rate is:
 - For energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Ontario Energy Board.
 - b. For interval-metered customers: the peak demand from 7 AM to 7 PM (local time) on IESO business days in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
 - c. For non-interval-metered demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
- 5. The monthly billing determinant for the RTSR Line and Transformation Connection Service rates:
 - For energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Ontario Energy Board.
 - b. For all demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
 - c. For customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, RTSR connection is billed at the gross demand level.
- 6. Delivery point with respect to RTSR is defined as the low side of the Transformer Station that steps down voltage from above 50 kV to below 50 kV. For customer with multiple interval-metered delivery points served from the same Transformer Station, the aggregated demand at the said delivery points on the low side of the Transformer Station will be the applicable billing determinant.
- 7. The loss factors, and which connection service rates are applied, are determined based on the point at which the distribution utility or customer is metered for its connection to Hydro One Distribution's system. Hydro One Distribution's connection agreements with these distribution utilities and customers will establish the appropriate loss factors and connection rates to apply from Hydro One Distribution's tariff schedules.
- The Common ST Lines rate also applies to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.
- 9. Rate Rider for Disposition of Deferral/Variance Accounts (General) is charged based on appropriate billing kW.
- Rate Rider for Disposition of Deferral/Variance Account (non-WMP customers) applies to non-WMP Class A or Class B customers.
- 11. The Meter charge is applied per metering facility at delivery points for which Hydro One owns the metering.
- 12. The Wholesale Market Service Rate and the Rural or Remote Electricity Rate Protection Charge are applied solely to non-Wholesale Market Participants. For Class A customers, distributors shall bill the actual CBDR costs to Class A customers in proportion to their contribution to peak. These rates pertain to the IESO's defined point of sale; consequently, appropriate loss factors as approved by the Ontario Energy Board must be applied to the customers metered energy.
- 13. The Global Adjustment rate rider applies to metered energy consumption adjusted by the total loss factor, as approved by the Ontario Energy Board, for non-LDC, non-RPP and Class B customers that are charged Wholesale Market Service Charges by Hydro One Distribution.
- 14. For customers with load displacement generation at 1MW or above, or 2MW or above for renewable generation, installed after October 1998, the ST volumetric charges are billed at the gross demand level.
- 15. Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019.