

Hydro One Networks Inc.
7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5680
Fax: (416) 568-5534
Frank.dandrea@HydroOne.com



Frank D'Andrea
Vice President, Regulatory Affairs & Chief Risk Officer

BY EMAIL AND RESS

September 4, 2020

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

Dear Ms. Long:

EB-2020-0202 – Hydro One Networks' 2021 Transmission Revenue Requirement Application

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision in EB-2019-0082, enclosed is Hydro One's annual update in support of its request for transmission revenue requirement effective January 1, 2021.

An electronic copy of the evidence has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in cursive script that reads "H. Andre".

Henry Andre on behalf of Frank D'Andrea

EXHIBIT LIST

Ex	Tab	Sch	Att	Contents
A				ADMINISTRATION
A	1	1		Exhibit List
A	2	1		Application
A	2	1	1	Certification of Evidence
A	3	1		Summary of OEB Directives and Undertakings From Previous Proceedings
A	4	1		Application Summary
A	4	1	1	2021 Approved Charge Determinants by Rate Pool
A	4	1	2	2021 Rates Revenue Requirement by Rate Pool
A	4	1	3	2021 Low Voltage Switchgear Credit Calculations
A	4	1	4	2021 Bill Impacts for Distribution Connected Customers
A	4	1	5	2021 Wholesale Meter Service and Exit Fee Schedule

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

APPLICATION

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an Application by Hydro One Networks Inc. for an Order or Orders made pursuant to section 78 of the *Ontario Energy Board Act, 1998* approving rates and other charges for the transmission of electricity to be effective January 1, 2021.

1. The Applicant, Hydro One Networks Inc. (“Hydro One”) is an Ontario corporation with its head office in Toronto. Hydro One carries on the business, among other things, of owning and operating transmission facilities in Ontario. The transmission business of Hydro One is referred to in this application as “Hydro One Transmission”.
2. In the OEB’s Decision and Order for Hydro One Transmission’s Custom Incentive Rate-Setting (“IR”) framework application (EB-2019-0082), the OEB approved the proposed Custom IR methodology and determined that this framework would be used to determine Hydro One Transmission’s revenue requirement for the years 2021 and 2022.
3. This is an Application for Hydro One’s 2021 transmission revenue requirement determined formulaically using the Custom IR methodology approved in EB-2019-0082.

- 1 4. Hydro One hereby applies to the Ontario Energy Board (the “Board” or the “OEB”)
2 for orders approving:
3
4 a) A total rates revenue requirement of \$1,656.6 million for 2021, to be effective
5 on January 1, 2021, along with an amendment to the 2021 Uniform
6 Transmission Rates to allow for recovery of this amount.¹
7
8 b) Other items or amounts that may be requested by Hydro One in the course of
9 this proceeding, and as may be granted by the OEB.
10
11 5. Hydro One is not requesting approval to disburse any additional deferral and variance
12 account balances beyond those amounts approved by the OEB in the EB-2019-0082
13 application.
14
15 6. The total bill impact for a typical Hydro One medium density residential (R1)
16 customer consuming 750 kWh monthly is an increase of 0.4% or \$0.56 per month. A
17 typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer
18 consuming 2,000 kWh monthly will see a total bill increase of 0.3% or \$1.19 per
19 month. More information regarding the monthly bill impacts may be found in
20 Attachment 4.
21
22 7. In preparing this Application, Hydro One has been guided by the OEB’s *Filing*
23 *Requirements for Electricity Transmission Rate Applications*.

¹ In EB-2020-0180 (2020 Uniform Transmission Rates) p. 9, the OEB determined that transmitters shall submit 2020 foregone revenue calculations for disposition as part of the process for establishing 2021 UTRs. Therefore, the presented Rates Revenue Requirement excludes amounts related to the disposition of the Transmission Foregone Revenue Deferral Account.

1 8. The written evidence filed with the OEB may be amended from time to time prior to
2 the OEB's final decision on the Application.

3
4 **NOTICE AND FORM OF HEARING REQUESTED**

5 9. Hydro One will provide notice as directed in the OEB's Letter of Direction.

6
7 10. The application may be viewed on the Internet at the following address:
8 <https://www.hydroone.com/abouthydroone/RegulatoryInformation/txrates>

9
10 11. The persons affected by this Application are the ratepayers of Hydro One's
11 transmission business and all persons affected by Ontario's Uniform Transmission
12 Rates. It is impractical to set out their names and addresses because they are too
13 numerous.

14
15 12. Hydro One requests that, pursuant to Section 34.01 of the Board's *Rules of Practice*
16 *and Procedure*, this proceeding be conducted by way of written hearing.

17
18 **PROPOSED EFFECTIVE DATE**

19 13. Hydro One requests that the OEB's rate Order be effective January 1, 2021. In order
20 to address the possibility that the requested rate Order cannot be made effective by
21 that time, Hydro One requests an interim Order making its current transmission
22 revenue requirement and charges effective on an interim basis as of January 1, 2021,
23 and continuing the Transmission Foregone Revenue Deferral Account to recover any
24 differences between the interim rates and the final rates effective January 1, 2021,
25 based on the OEB's Decision and Order herein.

1 **CONTACT INFORMATION**

2 14. Hydro One requests that a copy of all documents filed with the Board by each party to
3 this application be served on the Applicant and the Applicant's counsel as follows:

4
5 **The Applicant:**

6 Eryn MacKinnon
7 Senior Regulatory Coordinator – Regulatory Affairs
8 Hydro One Networks Inc.
9 Mailing Address: 7th Floor, South Tower
10 483 Bay Street
11 Toronto, Ontario M5G 2P5
12 Telephone: (416) 345-4373
13 Fax: (416) 345-5866
14 Email: regulatory@HydroOne.com

15
16 **The Applicant's Counsel:**

17 Michael Engelberg
18 Assistant General Counsel
19 Hydro One Networks Inc.
20 Mailing Address: 8th Floor, South Tower
21 483 Bay Street
22 Toronto, Ontario M5G 2P5
23 Telephone: (416) 345-6305
24 Fax: (416) 345-6972
25 Email: mengelberg@HydroOne.com

1 **DATED** at Toronto, Ontario, this 4th day of September, 2020.

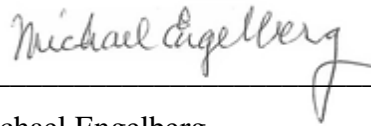
2

3

By its counsel,

4

5

A handwritten signature in cursive script that reads "Michael Engelberg". The signature is written in black ink and is positioned above a horizontal line.

6

Michael Engelberg

7

1 **CERTIFICATION OF EVIDENCE**

2

3 TO: ONTARIO ENERGY BOARD

4

5

6 The undersigned, Frank D'Andrea, being Hydro One Networks Inc.'s Vice-President of
7 Reliability Standards and Chief Regulatory Officer, hereby certifies for and on behalf of
8 Hydro One that:

9

- 10 1. I am a senior officer of Hydro One Networks Inc.;
- 11 2. This certificate is given pursuant to Chapter 1 of the Ontario Energy Board's
12 *Filing Requirements for Electricity Transmission Applications*; and
- 13 3. The evidence submitted herein is accurate, consistent and complete to the best of
14 my knowledge.

15

16 DATED this 4th day of September, 2020.

17

18



19

20 HENRY ANDRE ON BEHALF OF FRANK D'ANDREA

21

1 **SUMMARY OF OEB DIRECTIVES AND UNDERTAKINGS FROM**
2 **PREVIOUS PROCEEDINGS**

3
4 This exhibit provides a summary of directives and undertakings from past Ontario Energy
5 Board (“OEB”) proceedings and provides a status update or explains the steps Hydro One
6 has taken to address the OEB’s direction as part of this Application.

7
8 **1. EB-2019-0082 – HYDRO ONE TRANSMISSION CUSTOM INCENTIVE**
9 **RATE APPLICATION**

10
11 In EB-2019-0082, Hydro One had proposed amending the Terms and Conditions of the
12 UTR schedule, to continue treating behind the meter energy storage facilities as
13 embedded non-renewable generation. In the Decision for Hydro One’s Custom IR
14 Application, the OEB determined that it would consider these amendments in the proceeding
15 for the 2021 revenue requirement, provided Hydro One could provide evidence that affected
16 customers had been consulted.¹ Hydro One’s response may be found at Exhibit A, Tab 4,
17 Schedule 1, Section 5.2.

18
19 **2. EB-2020-0180 - 2020 UNIFORM TRANSMISSION RATES (“UTR”)**

20
21 In EB-2020-0180 the OEB determined that approved interim 2020 Ontario Uniform
22 Transmission Rates would remain in place for the remainder of 2020. The resulting 2020
23 foregone revenue and accrued interest shall be submitted for disposition as part of the process
24 for establishing 2021 UTRs. Hydro One expects to file these amounts and supporting
25 schedules at the time of the 2021 UTR rate-setting process.

¹ EB-2019-0082 Decision , April 23, 2020, p. 175

APPLICATION SUMMARY

1. INTRODUCTION

This Exhibit describes Hydro One Networks Inc.'s ("Hydro One") 2021 transmission revenue requirement application ("the Application").

The 2021 transmission base revenue requirement of \$1,701.0 million has been determined formulaically using the Custom IR methodology approved in EB-2019-0082. Inclusion of other revenue, deferral accounts and credits results in a rates revenue requirement of \$1,656.6 million for 2021. A detailed breakdown may be found in Attachment 2.

Hydro One is requesting the Ontario Energy Board ("OEB") to approve the total rates revenue requirement of \$1,656.6 million for 2021, to be effective on January 1, 2021.¹

Approval of the 2021 rates revenue requirement results in a total bill increase for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly of 0.4% or \$0.56 per month. A typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly will see a total bill increase of 0.3% or \$1.19 per month. More information regarding the monthly bill impacts may be found in Attachment 4.

¹ The 2021 rates revenue requirement excludes amounts related to the disposition of 2020 foregone revenue and accrued interest.

1 **2. OEB PROCEEDINGS**

2
3 On March 21, 2019, Hydro One filed a Custom Incentive Rate application (EB-2019-
4 0082) (the “Custom IR Application”) seeking approval of its electricity transmission
5 revenue requirements for 2020 to 2022.

6
7 The OEB issued its decision on April 23, 2020 (the “Decision”) and approved Hydro
8 One’s 2020 transmission revenue requirement and charge determinants on July 16, 2020,
9 effective January 1, 2020.

10
11 In EB-2020-0180 (2020 Uniform Transmission Rates (“UTR”) Decision and Order) the
12 OEB determined that approved interim 2020 Ontario Uniform Transmission Rates would
13 remain in place for the remainder of 2020.² The resulting 2020 foregone revenue and
14 accrued interest³ shall be submitted for disposition as part of the process for establishing
15 2021 UTRs.⁴ Hydro One expects to file these amounts and supporting schedules at the
16 time of the 2021 UTR rate setting process.

17
18 **3. CUSTOM REVENUE CAP INDEX ADJUSTMENT**

19
20 In the Decision for Hydro One’s Custom IR Application, the OEB accepted the Custom
21 Incentive Rate-Setting approach for adjusting Hydro One’s transmission revenue
22 requirement in 2021 and 2022. However, the OEB determined that the inflation factor
23 would be reduced by a combination of the base productivity and overall stretch factor of
24 0.3%. The OEB also approved the approach to the capital factor but imposed an

² EB-2020-0180 2020 UTR Decision and Order, July 30, 2020, p. 17

³ EB-2019-0082 Rate Order, July 16, 2020, p. 30

⁴ EB-2020-0180 2020 UTR Decision and Order, July 30, 2020, p. 17

1 additional 0.15% stretch factor to be subtracted from the calculated capital factor, as well
2 as the removal of the working capital allowance component, which was in addition to the
3 aforementioned 0.30% stretch factor.⁵

4
5 The approved formula for the Revenue Cap IR for the test year t+1 is equal to the
6 revenue in year t inflated by the Revenue Cap Index (“RCI”) set out below as:

$$RCI = I - X + C$$

7
8
9 Where:

- 10 • “I” is the Inflation Factor, as determined annually by the OEB.
- 11 • “X” is the Productivity Factor that is equal to the sum of Hydro One’s Custom
12 Industry Total Factor Productivity measure and Hydro One’s Custom Productivity
13 Stretch Factor.
- 14 • “C” is Hydro One’s Custom Capital Factor, determined to recover the incremental
15 revenue in each test year necessary to support Hydro One’s Transmission System
16 Plan, beyond the amount of revenue recovered in rates.

17
18 Consistent with the Decision, the capital (C) and productivity (X) factors for 2021 and
19 2022 will not be updated annually.⁶ Therefore, only the 2021 Inflation Factor (I) will be
20 updated based on the approved two-factor inflation formula, when the OEB issues its
21 inflation factor for incentive rate setting, sometime during the course of this proceeding.⁷
22 Table 1 summarizes the approved components of the RCI for 2021.

⁵ EB-2019-0082 Decision and Order, April 23, 2020, p. 2

⁶ EB-2019-0082 Decision and Order, April 23, 2020, p. 39

⁷ The current application adopts the inflation factor of 1.8% as a placeholder consistent with the EB-2019-0082 Draft Rate Order, May 28, 2020, p 10, Table 2

1 **Table 1 – 2021 Custom Revenue Cap Index (RCI) by Component (%)**

Custom Revenue Cap Index by Component (%)	2021
Inflation Factor (I)	1.80
Productivity Factor (X)	0.30
Capital Factor (C)	2.88
Custom RCI Total	4.38

2

3 The 2021 transmission base revenue requirement is calculated as follows:

4 **Table 2 – 2021 Base Revenue Requirement**

Year	Formula	Base Revenue Requirement
2021	2020 Base Revenue Requirement x RCI* = 1,629.6 million ⁸ x 1.0438	\$1,701.0 million

5

* RCI from Table 1.

6

7 **4. DEFERRAL AND VARIANCE ACCOUNTS**

8

9 Hydro One is not requesting approval to disburse any additional deferral and variance
10 account balances beyond those amounts approved by the OEB in the EB-2019-0082
11 application.

⁸ EB-2019-0082 Draft Rate Oder, May 28, 2020, Exhibit 1.0

1 **5. RATES**

2
3 **5.1 LOAD FORECAST**

4
5 The 2021 OEB approved load forecast for Ontario demand is presented in Table 3.⁹

6 **Table 3 – Approved 2021 Ontario Demand**

Forecast Year	Ontario Demand (MW)
2021	19,556

7
8 The 2021 OEB approved charge determinants for the Network, Line Connection and
9 Transformation Connection rate pools, based on this approved forecast of Ontario
10 demand, are provided in Attachment 1.¹⁰

11
12 **5.2 RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS**
13 **BY RATE POOL**

14
15 The rates revenue requirement is the total transmission revenue requirement adjusted for
16 other revenues, including external revenue, wholesale meter service revenue, regulatory
17 assets, export transmission service revenue and funding for the low voltage switchgear
18 credit. Inclusion of these revenue offsets results in a rates revenue requirement of
19 \$1,656.6 million for 2021. A detailed breakdown may be found in Attachment 2.

20
21 In the Decision for Hydro One's Custom IR Application, the OEB accepted Hydro One's
22 proposal to not rerun the cost allocation model for 2021.¹¹ Instead, the rates revenue
23 requirement by rate pool shall be determined using the methodology approved for Hydro

⁹ EB-2019-0082 Draft Rate Order, May 28, 2020, Exhibit 2.0

¹⁰ EB-2019-0082 Draft Rate Order, May 28, 2020, Exhibit 2.1

¹¹ Decision and Order in EB-2019-0082, issued on April 23, 2020, pp. 173; 175

1 One's 2019 transmission revenue cap adjustment.¹² The resulting rate pool allocation of
2 Hydro One's rates revenue requirement is shown Attachment 2.

3

4 In EB-2019-0082, Hydro One had proposed amending the Terms and Conditions of the
5 UTR schedule, to continue treating behind the meter energy storage facilities as
6 embedded non-renewable generation. In the Decision for Hydro One's Custom IR
7 Application, the OEB determined that it would consider these amendments in the proceeding
8 for the 2021 revenue requirement, provided that Hydro One could provide evidence that
9 affected customers had been consulted.¹³ Hydro One has not consulted customers on any
10 proposed changes to the UTR schedule, and proposes that it would be more appropriate to
11 address this issue in a generic proceeding dealing with UTR matters.

12

13 **5.3 EXTERNAL REVENUE**

14

15 In the Decision for Hydro One's Custom IR Application, the OEB approved External
16 Revenues of \$38.1 million for 2021.¹⁴ The allocation of External Revenue to rate pools
17 may be found at Attachment 2.

18

19 **5.4 WHOLESALE METER SERVICE**

20

21 In the Decision for Hydro One's Custom IR Application, the OEB approved Wholesale
22 Meter Service ("WMS") revenues of \$0.1 million for 2021.¹⁵ The WMS revenue is
23 allocated entirely to the Transformation Connection rate pool. The Wholesale Meter
24 Service and Exit Fee Schedule may be found at Attachment 5.

¹² EB-2018-0130 Decision, April 25, 2019, p. 19: Response to OEB-Staff Interrogatory #3

¹³ EB-2019-0082 Decision , April 23, 2020, p. 175

¹⁴ EB-2019-0082 Decision , April 23, 2020, p. 157 and Draft Rate Order Exhibit 1.6, May 28, 2020

¹⁵ EB-2019-0082 Decision , April 23, 2020, p. 158

1 **5.5 LOW VOLTAGE SWITCHGEAR CREDIT**

2
3 In the Decision for Hydro One’s Custom IR Application, the OEB approved the
4 methodology to determine the Low Voltage Switchgear (“LVSG”) Credit.¹⁶ The
5 derivation of the 2021 LVSG amount of \$15.0 million may be found in Attachment 3.
6 This amount is included in Hydro One’s rates revenue requirement found in Attachment
7 2, and is allocated entirely to the Transformation Connection rate pool.
8

9 **5.6 EXPORT TRANSMISSION SERVICE**

10
11 In the Decision for Hydro One’s Custom IR Application, the OEB approved the Export
12 Transmission Service (“ETS”) Revenue based on the proposed rate of \$1.85 per MWh,
13 resulting in approved ETS revenue of \$35.9 million in 2021.¹⁷ This amount is included in
14 Hydro One’s rates revenue requirement found in Attachment 2 and is allocated entirely to
15 the Network rate pool.
16

17 **5.7 FOREGONE REVENUE CALCULATION**

18
19 In the Decision for Hydro One’s Custom IR Application, the OEB approved Hydro One’s
20 transmission revenue requirement effective January 1, 2020 and also approved foregone
21 revenue of \$28,233,896 for the period from January 1, 2020 to June 30, 2020, based on
22 the expectation that updated UTRs would be issued effective July 1, 2020.
23

24 However, in EB-2020-0180 (the 2020 UTR Decision) the OEB determined that approved
25 interim 2020 UTRs would remain in place for the remainder of 2020.¹⁸

¹⁶ EB-2019-0082 Decision , April 23, 2020, p. 158

¹⁷ EB-2019-0082 Decision, April 23, 2020, p. 158

¹⁸ EB-2020-0180 2020 UTR Decision and Order, July 30, 2020, p. 17

1 The full year 2020 foregone revenue and accrued interest¹⁹ shall be submitted for
2 disposition as part of the process for establishing 2021 UTRs. Hydro One expects to file
3 these amounts and supporting schedules at the time of the 2021 UTR rate setting process,
4 as requested by the OEB in the 2020 UTR Decision.²⁰

6 **5.8 BILL IMPACTS**

7
8 An update to the estimated average transmission cost as a percentage of the total bill for a
9 transmission and a distribution-connected customer is presented in Table 4.

10
11 **Table 4 – Estimated Transmission Cost as a Percentage of Total Electricity Market**
12 **Costs**

Bill Component	¢/kWh
Commodity ¹	12.58
Wholesale Market Service Charges ¹	0.39
Wholesale Transmission Charges ¹	1.06
Distribution Service Charges ²	3.02
Total Cost	17.05
<i>Transmission as % of Total Cost for Dx-connected customers</i>	<i>6.2%</i>
<i>Transmission as % of Total Cost for Tx-connected customers</i>	<i>7.6%</i>

13 ¹ Source: IESO Monthly Market Report, December 2019

14 ² Source: 2019 Yearbook of Electricity Distributors

15 A summary of the average bill impact as a result of the 2021 rates revenue requirement
16 relative to the approved 2020 rates revenue requirement is presented in Table 5.

¹⁹ EB-2019-0082 Rate Order, July 16, 2020, p. 30

²⁰ EB-2020-0180 2020 UTR Decision and Order, July 30, 2020, p. 17

Table 5 – Average Bill Impacts on Transmission and Distribution-Connected Customers

	2019*	2020	2021
Rates Revenue Requirement (\$M)	\$1,552.3	\$1,585.8	\$1,656.6
% Increase in Rates RR over prior year		2.2%	4.5%
% Impact of load forecast change		3.8%	0.2%
Net Impact on Average Transmission Rates		6.0%	4.6%
Transmission as a % of Tx-connected customer's Total Bill		7.6%	7.6%
Estimated Average Bill Impact for Tx-connected Customers		0.4%	0.3%
Transmission as a % of Dx-connected customer's Total Bill		6.2%	6.2%
Estimated Average Bill Impact for Dx-connected Customers		0.4%	0.3%

* 2020 interim rates revenue requirement as per the Interim 2020 UTR Order (EB-2019-0296), issued on 19th December, 2019.

Approval of the 2021 rates revenue requirement results in a total bill increase for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly of 0.4% or \$0.56 per month. A typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly will see a total bill increase of 0.3% or \$1.19 per month. More information regarding the monthly bill impacts may be found in Attachment 4.

6. ATTACHMENTS

Detailed supporting information for this Application is provided in the following attachments:

Attachment 1 – 2021 Approved Charge determinants by Rate Pool

Attachment 2 – 2021 Rates Revenue Requirement by Rate Pool

Attachment 3 – 2021 Low Voltage Switchgear Credit Calculations

Attachment 4 – 2021 Bill Impacts for Distribution Connected Customers

Attachment 5 – 2021 Wholesale Meter Service and Exit Fee Schedule

Hydro One Networks Inc.

Charge Determinants for 2021

(for Setting Uniform Transmission Rates effective January 1, 2021 to December 31, 2021)

Rate Pool	2021 Total MW (Note 1)
Network	234,887
Line Connection	228,497
Transformation Connection	194,724

Note 1: Sum of 12 monthly charge determinant.

Hydro One Networks Inc.

Derivation of 2021 Rates Revenue Requirement

Table 1: 2020 Base Revenue Requirement by Transmission Rate Pool

	Network	Line Connection	Transformatio n Connection	Total
2020 Base Revenue Requirement ¹	\$1,000.0	\$184.3	\$445.4	\$1,629.6
Percentage Split by Rate Pool	61%	11%	27%	100%

¹ Per Exhibit 2.2 of Hydro One's 2020 Draft Rate Order, filed on May 28, 2020 (EB-2019-0082).

Table 2: 2021 Revenue Requirement by Rate Pool (\$ Million)

	Network	Line Connection	Transformatio n Connection	Total
Percentage Split by Rate pool	61%	11%	27%	100%
Base Revenue Requirement	\$1,043.8	\$192.3	\$464.9	\$1,701.0
External Revenue (Note 1)	(\$23.4)	(\$4.3)	(\$10.4)	(\$38.1)
WMS Revenue (Note 2)			(\$0.1)	(\$0.1)
Export Revenue (Note 3)	(\$35.9)			(\$35.9)
Deferral & Variance Account Disposition (Note 4)	\$9.6	\$1.5	\$3.6	\$14.7
LVSG Credit (Note 5)			\$15.0	\$15.0
Total Rates Revenue Requirement	\$994.1	\$189.5	\$473.0	\$1,656.6

¹ Per Section 5.3 of the application (EB-2020-0202)

² Per Section 5.4 of the application (EB-2020-0202)

³ Per Section 5.6 of the application (EB-2020-0202)

⁴ Per Section 4 of the application (EB-2020-0202) and EB-2019-0082 Draft Rate Order Exhibit 2.2 filed on May 28, 2020

⁵ Per Section 5.5 of the application (EB-2020-020)

Hydro One Networks Inc.
Low Voltage Switchgear (LVSG) Credit 2021

Year	Charge Determinant (MW)	Transformation Pool Revenue Requirement Before LVSG Credit (\$M)	Rate Before LVSG Credit (\$/kw/month)	Total Annual NCP Demand for Toronto Hydro and Hydro Ottawa (MW)	LVS Proportion (%)	Final Annual LVSG Credit (\$M)
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>	
	(A)	(B)	(C) = (B)/(A)	(D)	(E)	(F) = (C)x(D)x(E)
2021	194,724	\$457.9	\$2.35	33,586	19.0%	\$15.0

Note 1: Per Attachment 1

Note 2: Equals Total Revenue Requirement for Transformation Connection Pool less Non-Rate Revenues allocated to Transformation Connection Pool, as per information in Attachment 2

Note 3: Sum of Toronto Hydro and Hydro Ottawa total annual NCP Demand consistent with OEB approved load forecast for 2021.

Note 4: Per EB-2019-0082, Exhibit II, Tab 1, Schedule 3, page 7

Hydro One Networks Inc. 2021 Bill Impacts for Distribution-Connected Customers

Table 1: Medium Density (R1) Residential Customer Bill Impacts

	Typical R1 Residential Customer		
	400 kWh	750 kWh	1,800 kWh
Total Bill as of Jul 1, 2020 ¹	\$81.78	\$126.53	\$260.80
RTSR included in 2020 R1 Customer's Bill (based on 2019 Final UTR)	\$6.54	\$12.27	\$29.44
<i>Estimated 2020 Monthly RTSR</i> ²	\$6.91	\$12.95	\$31.09
2020 increase in Monthly Bill	\$0.37	\$0.69	\$1.65
<i>2020 increase as a % of total bill</i>	0.4%	0.5%	0.6%
<i>Estimated 2021 Monthly RTSR</i> ²	\$7.21	\$13.52	\$32.44
2021 increase in Monthly Bill	\$0.30	\$0.56	\$1.35
<i>2021 increase as a % of total bill</i>	0.4%	0.4%	0.5%

¹Total bill including HST, based on time-of-use commodity prices effective June 1, 2020 and 2020 distribution rates approved per Distribution Rate Order EB-2019-0043 (includes impacts of all components of the Fair Hydro Plan).

²The impact on RTSR is assumed to be the net impact on average transmission rates, as per Table 5 in Exhibit A, Tab 4, Schedule 1, adjusted for Hydro One's revenue disbursement allocator per 2020 UTR Order, Schedule A (EB-2020-0180).

Table 2: General Service Energy less than 50 kW (GSe < 50 kW) Customer Bill Impacts

	GSe Customer Monthly Bill		
	1,000 kWh	2,000 kWh	15,000 kWh
Total Bill as of Jul 1, 2020 ¹	\$207.59	\$386.88	\$2,717.59
RTSR included in 2020 R1 Customer's Bill (based on 2019 Final UTR)	\$12.93	\$25.87	\$193.99
<i>Estimated 2020 Monthly RTSR</i> ²	\$13.66	\$27.31	\$204.86
2020 increase in Monthly Bill	\$0.72	\$1.45	\$10.87
<i>2020 increase as a % of total bill</i>	0.3%	0.4%	0.4%
<i>Estimated 2021 Monthly RTSR</i> ²	\$14.25	\$28.50	\$213.77
2021 increase in Monthly Bill	\$0.59	\$1.19	\$8.91
<i>2021 increase as a % of total bill</i>	0.3%	0.3%	0.3%

¹Total bill including HST, based on time-of-use commodity prices effective June 1, 2020 and 2020 distribution rates approved per Distribution Rate Order EB-2019-0043 (includes impacts of all components of the Fair Hydro Plan).

²The impact on RTSR is assumed to be the net impact on average transmission rates, as per Table 5 in Exhibit A, Tab 4, Schedule 1, adjusted for Hydro One's revenue disbursement allocator per 2020 UTR Order, Schedule A (EB-2020-0180).

**HYDRO ONE NETWORKS INC.
WHOLESALE METER SERVICE
AND EXIT FEE SCHEDULE**

	HYDRO ONE NETWORKS - WHOLESALE METER SERVICE
--	---

APPLICABILITY:

This fee schedule is applicable to the *metered market participants** that are transmission customers of Hydro One Networks (“Networks”) and to *metered market participants* that are customers of a Local Distribution Company (“LDC”) that is connected to the transmission system owned by Networks.

* The terms and acronyms that are italicized in this schedule have the meanings ascribed thereto in Chapter 11 of the Market Rules for the Ontario Electricity Market.

a) Fee for Wholesale Meter Service

The *metered market participant* in respect of a *load facility* (including customers of an LDC) shall be required to pay an annual fee of \$7,900 for each *meter point* that is under the transitional arrangement for a *metering installation* in accordance with Section 3.2 of Chapter 6 of the Market Rules for the Ontario Electricity Market.

This Wholesale Meter Service annual fee shall remain in place until all the remaining meter points exit the transitional arrangement.

b) Fee for Exit from Transitional Arrangement

The *metered market participant* in respect of a *load facility* (including customers of an LDC) or a *generation facility* may exit from the transitional arrangement for a *metering installation* upon payment of a one-time exit fee of \$ 5,200 per *meter point*.

EFFECTIVE DATE: January 1, 2020	BOARD ORDER: EB-2019-0082	REPLACING BOARD ORDER: EB-2017-0280 December 20, 2017	Page 2 of 2 Wholesale Meter Service & Exit Fee Schedule for Hydro One Networks Inc.
---	-------------------------------------	--	---