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, Reliability Standards & Chief Regulatory Officer

BY EMAIL AND RESS

November 23rd, 2020

Ms. Christine E. Long The Registrar 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 - Update

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.

The annual update previously submitted on September 4, 2020 has been updated to reflect the latest inflation factor based on the OEB's November 9, 2020 letter.

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

Sincerely,

Frend Dandres

Frank D'Andrea

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1		APPLICATION
2		
3		IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O.
4		1998, c. 15 (Schedule B);
5		
6		AND IN THE MATTER OF an Application by Hydro One
7		Networks Inc. for an Order or Orders made pursuant to section 78
8		of the Ontario Energy Board Act, 1998 approving rates and other
9		charges for the transmission of electricity to be effective January 1,
10		2021.
11		
12		
13	1.	The Applicant, Hydro One Networks Inc. ("Hydro One") is an Ontario corporation
14		with its head office in Toronto. Hydro One carries on the business, among other
15		things, of owning and operating transmission facilities in Ontario. The transmission
16		business of Hydro One is referred to in this application as "Hydro One
17		Transmission".
18		
19	2.	In the OEB's Decision and Order for Hydro One Transmission's Custom Incentive
20		Rate-Setting ("IR") framework application (EB-2019-0082), the OEB approved the
21		proposed Custom IR methodology and determined that this framework would be used
22		to determine Hydro One Transmission's revenue requirement for the years 2021 and
23		2022.
24		
25	3.	This is an Application for Hydro One's 2021 transmission revenue requirement
26		determined formulaically using the Custom IR methodology approved in EB-2019-
27		0082.

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- 4. Hydro One hereby applies to the Ontario Energy Board (the "Board" or the "OEB") 1 for orders approving: 2 3 a) A total rates revenue requirement of \$1,659.9 million for 2021, to be effective 4 on January 1, 2021, along with an amendment to the 2021 Uniform 5 Transmission Rates to allow for recovery of this amount.¹ 6 7 b) Other items or amounts that may be requested by Hydro One in the course of 8 this proceeding, and as may be granted by the OEB. 9 10 5. Hydro One is not requesting approval to disburse any additional deferral and variance 11 account balances beyond those amounts approved by the OEB in the EB-2019-0082 12 application. 13 14 6. The total bill impact for a typical Hydro One medium density residential (R1) 15 customer consuming 750 kWh monthly is an increase of 0.5% or \$0.59 per month. A 16 typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer 17 consuming 2,000 kWh monthly will see a total bill increase of 0.3% or \$1.24 per 18 month. More information regarding the monthly bill impacts may be found in 19 Attachment 4. 20 21 7. In preparing this Application, Hydro One has been guided by the OEB's *Filing* 22
- 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.

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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.

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1 CONTACT INFORMATION

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

5	The Applicant:	
6	Eryn MacKinnon	
7	Senior Regulatory Coordinat	tor – Regulatory Affairs
8	Hydro One Networks Inc.	
9	Mailing Address:	7 th 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:	8 th 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

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1	DATED at Toronto, Ontario, this 23 rd day of November, 2020.
2	
3	By its counsel,
4	
5	ORIGINAL SIGNED BY MICHAEL ENGELBERG
6	
7	Michael Engelberg

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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 23 rd day of November, 2020.
17	•
	Freend Dancher
18	

FRANK D'ANDREA

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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 has submitted these amounts and supporting
25	schedules in the 2021 UTR rate-setting process (EB-2020-0251).

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

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APPLICATION SUMMARY 1 2 **INTRODUCTION** 1. 3 4 This Exhibit describes Hydro One Networks Inc.'s ("Hydro One") 2021 transmission 5 revenue requirement application ("the Application"). 6 7 The 2021 transmission base revenue requirement of \$1,704.3 million has been 8 determined formulaically using the Custom IR methodology approved in EB-2019-0082. 9 Inclusion of other revenue, deferral accounts and credits results in a rates revenue 10 requirement of 1,659.9 million for 2021. A detailed breakdown may be found in 11 Attachment 2. 12 13 Hydro One is requesting the Ontario Energy Board ("OEB") to approve the total rates 14 revenue requirement of \$1,659.9 million for 2021, to be effective on January 1, 2021.¹ 15 16 Approval of the 2021 rates revenue requirement results in a total bill increase for a 17 typical Hydro One medium density residential (R1) customer consuming 750 kWh 18 monthly of 0.5% or \$0.59 per month. A typical Hydro One General Service Energy less 19 than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly will see a total bill 20 increase of 0.3% or \$1.24 per month. More information regarding the monthly bill 21 impacts may be found in Attachment 4. 22

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

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1 **2. OEB PROCEEDINGS**

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

6

The OEB issued its decision on April 23, 2020 (the "Decision") and approved Hydro
One's 2020 transmission revenue requirement and charge determinants on July 16, 2020,
effective January 1, 2020.

10

In EB-2020-0180 (2020 Uniform Transmission Rates ("UTR") Decision and Order) the OEB determined that approved interim 2020 Ontario Uniform Transmission Rates would remain in place for the remainder of 2020.² The resulting 2020 foregone revenue and accrued interest³ shall be submitted for disposition as part of the process for establishing 2021 UTRs.⁴ Hydro One has filed these amounts and supporting schedules in the 2021 UTR rate setting process (EB-2020-0251).

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3. CUSTOM REVENUE CAP INDEX ADJUSTMENT

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In the Decision for Hydro One's Custom IR Application, the OEB accepted the Custom Incentive Rate-Setting approach for adjusting Hydro One's transmission revenue requirement in 2021 and 2022. However, the OEB determined that the inflation factor would be reduced by a combination of the base productivity and overall stretch factor of 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

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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:
7	
8	RCI = I - X + C
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. On November 9, 2020 the
21	OEB issued its inflation factor for incentive rate setting. ⁷ Table 1 summarizes the
22	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 OEB Letter - 2021 Inflation Parameters, November 9, 2020: Appendix: 2021 Inflation Parameters by Industry Sector

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Table 1 – 2021 Custon	n Revenue Can Inde	x (RCI) by Comn	onent (%)
1 able 1 = 2021 Custon	n Kevenue Cap mue	x (KCI) by Comp	UHEIII (70)

Custom Revenue Cap Index by Component (%)	2021
Inflation Factor (I)	2.00
Productivity Factor (X)	0.30
Capital Factor (C)	2.88
Custom RCI Total	4.58

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1

- 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 1.0458	\$1,704.3 million

5 * RCI from Table 1.

6 7

4. DEFERRAL AND VARIANCE ACCOUNTS

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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

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5. RATES 5.1 LOAD FORECAST The 2021 OEB approved load forecast for Ontario demand is presented in Table 3.⁹ Table 3 – Approved 2021 Ontario Demand **Forecast Year Ontario Demand (MW)** 2021 19,556 The 2021 OEB approved charge determinants for the Network, Line Connection and Transformation Connection rate pools, based on this approved forecast of Ontario demand, are provided in Attachment 1.¹⁰ 5.2 **RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY RATE POOL** The rates revenue requirement is the total transmission revenue requirement adjusted for other revenues, including external revenue, wholesale meter service revenue, regulatory assets, export transmission service revenue and funding for the low voltage switchgear credit. Inclusion of these revenue offsets results in a rates revenue requirement of \$1,659.9 million for 2021. A detailed breakdown may be found in Attachment 2. In the Decision for Hydro One's Custom IR Application, the OEB accepted Hydro One's proposal to not rerun the cost allocation model for 2021.¹¹ Instead, the rates revenue requirement by rate pool shall be determined using the methodology approved for Hydro

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

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

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

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

3

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

12

13 **5.3**

14

In the Decision for Hydro One's Custom IR Application, the OEB approved External Revenues of \$38.1 million for 2021.¹⁴ The allocation of External Revenue to rate pools

17 18

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5.4 WHOLESALE METER SERVICE

may be found at Attachment 2.

EXTERNAL REVENUE

20

In the Decision for Hydro One's Custom IR Application, the OEB approved Wholesale Meter Service ("WMS") revenues of \$0.1 million for 2021.¹⁵ The WMS revenue is allocated entirely to the Transformation Connection rate pool. The Wholesale Meter 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

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1 2

5.5 LOW VOLTAGE SWITCHGEAR CREDIT

- In the Decision for Hydro One's Custom IR Application, the OEB approved the methodology to determine the Low Voltage Switchgear ("LVSG") Credit.¹⁶ The derivation of the 2021 LVSG amount of \$15.0 million may be found in Attachment 3. This amount is included in Hydro One's rates revenue requirement found in Attachment 2, and is allocated entirely to the Transformation Connection rate pool.
- 8 9

5.6 EXPORT TRANSMISSION SERVICE

10

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

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5.7 FOREGONE REVENUE CALCULATION

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

- 23
- However, in EB-2020-0180 (the 2020 UTR Decision) the OEB determined that approved
 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

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The full year 2020 foregone revenue and accrued interest¹⁹ shall be submitted for disposition as part of the process for establishing 2021 UTRs. Hydro One has filed these amounts and supporting schedules in the 2021 UTR rate setting process (EB-2020-0251).

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5.8 BILL IMPACTS

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

9

Table 4 – Estimated Transmission Cost as a Percentage of Total Electricity Market 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
Transmission as % of Total Cost for Dx-connected customers	6.2%
Transmission as % of Total Cost for Tx-connected customers	7.6%

¹ Source: IESO Monthly Market Report, December 2019

² Source: 2019 Yearbook of Electricity Distributors

12 13

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

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

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019* ,552.3	2020 \$1,585.8 2.2%	2021 \$1,659.9 4.7%
,552.3	2.2%	. ,
		4.7%
	3.8%	0.2%
	6.0%	4.8%
	94.1%	94.1%
	7.6%	7.6%
	0.4%	0.3%
	6.2%	6.2%
	0.3%	0.3%
		94.1% 7.6% 0.4% 6.2%

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

2

1

2019 Rates Revenue Requirement as per the Decision and Order in EB-2018-0130, Schedule A, issued on June 13, 2019.

** Based on 2020 UTR Order issued on July 31, 2020 (EB-2020-0180), Schedule A

3 4

Approval of the 2021 rates revenue requirement results in a total bill increase for a 5

typical Hydro One medium density residential (R1) customer consuming 750 kWh 6

monthly of 0.5% or \$0.59 per month. A typical Hydro One General Service Energy less 7

than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly will see a total bill

8

increase of 0.3% or \$1.24 per month. More information regarding the monthly bill 9

impacts may be found in Attachment 4. 10

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1 6. ATTACHMENTS

2

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

- 5
- ⁶ Attachment 1 2021 Approved Charge determinants by Rate Pool
- 7 Attachment 2 2021 Rates Revenue Requirement by Rate Pool Updated November 23,
- 8 2020
- 9 Attachment 3 2021 Low Voltage Switchgear Credit Calculations Updated November
- 10 23, 2020
- 11 Attachment 4 2021 Bill Impacts for Distribution Connected Customers Updated
- 12 November 23, 2020
- 13 Attachment 5 2021 Wholesale Meter Service and Exit Fee Schedule

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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.

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Hydro One Networks Inc.

Derivation of 2021 Rates Revenue Requirement

Tuble 1. 2020 Buse Revenue Requirement by				
	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%

Table 1: 2020 Base Revenue Requirement by Transmission Rate Pool

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

	Network	Line Connection	Transformatio n Connection	Total
Percentage Split by Rate pool	61%	11%	27%	100%
Base Revenue Requirement	\$1,045.8	\$192.7	\$465.8	\$1,704.3
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	\$996.1	\$189.9	\$473.9	\$1,659.9

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

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-2020-0202)

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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)
	(Note 1)	(Note 2)		(Note 3)	(Note 4)	
	(A)	(B)	(C) = (B)/(A)	(D)	(E)	(F) = (C)x(D)x(E)
2021	194,724	\$458.8	\$2.36	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 11, Tab 1, Schedule 3, page 7

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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
Estimated 2020 Monthly RTSR ²	\$6.91	\$12.95	\$31.09
2020 increase in Monthly Bill	\$0.37	\$0.69	\$1.65
2020 increase as a % of total bill	0.4%	0.5%	0.6%
Estimated 2021 Monthly RTSR ²	\$7.22	\$13.54	\$32.50
2021 increase in Monthly Bill	\$0.31	\$0.59	\$1.41
2021 increase as a % of total bill	0.4%	0.5%	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		thly 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
Estimated 2020 Monthly RTSR ²	\$13.66	\$27.31	\$204.86
2020 increase in Monthly Bill	\$0.72	\$1.45	\$10.87
2020 increase as a % of total bill	0.3%	0.4%	0.4%
Estimated 2021 Monthly RTSR ²	\$14.28	\$28.56	\$214.17
2021 increase in Monthly Bill	\$0.62	\$1.24	\$9.31
2021 increase as a % of total bill	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).

Filed: 2020-09-04 EB-2020-0202 Exhibit A Tab 4 Schedule 1 Attachment 5 Page 1 of 2

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