EB-2007-0681

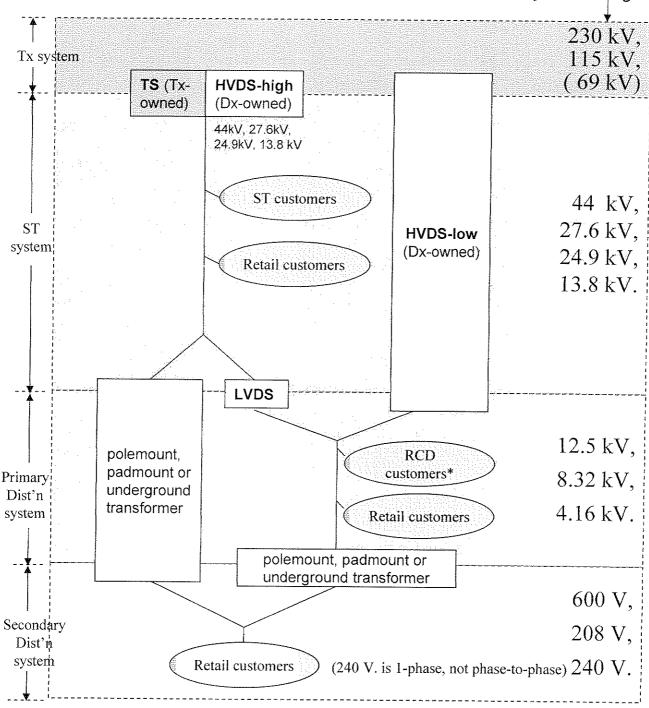
Ontario Energy Board

Evidentiary Materials Cross-examination of Panel 4 by Board Staff

July 18, 2008

## Dx System and Customers – ST basis

Nominal Phase-to-Phase system voltages



<sup>\*</sup> RCD customers are embedded distributor LDCs whose delivery points are between 12.5kV and 4.16kV (nominal phase-to-phase voltages). RCD = "Rural-Connected Distributor"

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1 2

## Table 9 Proposed Sub-transmission Delivery Points 2006 Data

Current Delivery Points	Number of Delivery	
	Points	
Urban General Service above 500 kW	10	
General Service three-phase above 500 kW	57	
Acquired LDCs General Service customers above 500 kW	72	
T-Class customers above 500 kW	124	
Farm three-phase above 500 kW	1	
Acquired Large Users	6	
Embedded Direct	42	
Embedded LDCs	358	
Total Number of Delivery Points	670	

4

6 7 The above mentioned 12 customer classes have been used in Hydro One's Cost Allocation Study to allocate the 2008 proposed Revenue Requirement amongst the customer classes.

Filed: December 18, 2007 EB-2007-0681 Exhibit G2 Tab 5 Schedule 1 Page 9 of 18

## HYDRO ONE NETWORKS INC.

#### RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: May 1, 2008

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

Charges and Loss Factors

### Monthly Rates and Charges

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#### 8 Residential – Low Density [R2]

Service Charge* - former R2 class	\$	55.55
Service Charge* - former F1 class	\$	54.70
Service Charge* - former F3 class	\$	56.31
Distribution Volumetric Rate	\$ / kWh	0.0268
Regulatory Asset Recovery - Rider #2 of former R2 class	\$ / kWh	0.0013
Regulatory Asset Recovery - Rider #2 of former F1 class	\$/kWh	0.0010
Regulatory Asset Recovery - Rider #2 of former F3 class	\$/kWh	0.0004
Regulatory Asset Recovery - Rider #3	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate (1)	\$ / kWh	0.0046
Retail Transmission Rate - Line and Transformation Connection Service Rate (1)	\$/kWh	0.0043
Wholesale Market Service Rate (1)	\$/kWh	0.0052
Rural or Remote Rate Protection Rate (1)	\$/kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25
4.77 3 A O		

<sup>\*</sup> Under the Ontario Energy Board Act, 1998 and associated regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural or Remote Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit.

#### Seasonal Residential - Seasonal

Service Charge – former R3	\$	19.00
Service Charge – former R4	\$	31.79
Distribution Volumetric Rate - former R3	\$/kWh	0.0469
Distribution Volumetric Rate - former R4	\$/kWh	0.0470
Regulatory Asset Recovery - Rider #2 – former R3	\$/kWh	0.0015
Regulatory Asset Recovery - Rider #2 – former R4	\$/kWh	0.0024
Regulatory Asset Recovery - Rider #3	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate (1)	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate (1)	\$/kWh	0.0043
Wholesale Market Service Rate (1)	\$/kWh	0.0052
Rural or Remote Rate Protection Rate (1)	\$ / kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

Updated: February 20, 2008

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1 2 3

# Table 6 Examples of Development of Harmonized Residential group rates Urban and R 1

Residential - Urban	LDC 1	LDC 2
Target rates	\$14.32/month & 2.29 ¢/kWh	\$14.32/month & 2.29 ¢/kWh
LDC 2007 rate	\$6.58/month	\$18.52/month
LDC increase/(decrease)	\$7.74/month	\$(4.20)/month
LDC Yearly increase/(decrease)	\$1.94/month	\$(1.05)/month
LDC year 1 rate	\$6.00 + \$1.94 = \$7.94/month & 2.40 ¢/kWh	\$18.00 - \$1.05 = \$16.95/month & 2.40 ¢/kWh
LDC Year 2 rate	\$7.94 + \$1.94 = \$9.88/month & 2.38 ¢/kWh	\$16.95 - \$1.05 = \$15.90/month & 2.38 ¢/kWh
LDC Year 3 rate	\$9.88 + \$1.94 = \$11.82/month & 2.36 ¢/kWh	\$15.90 - \$1.05 = \$14.85/month & 2.36 ¢/kWh
LDC year 4 rate	\$14.32/month & 2.29 ¢/kWh	\$14.32/month & 2.29 ¢/kWh

Residential – R1	LDC 1	LDC 2
Target rates	\$19.04/month & 2.60 ¢/kWh	\$19.04/month & 2.60 ¢/kWh
LDC 2007 rate	\$3.78/month	\$20.81/month
LDC increase/(decrease)	\$15.26/month	\$(1.77)/month
LDC Yearly increase/(decrease)	\$3.82/month	\$(0.44)/month
LDC year 1 rates	\$3.00 + \$3.82 = \$6.82/month & 2.71 ¢/kWh	\$20.00 - \$0.44 = \$19.56/month & 2.71 ¢/kWh
LDC year 2 rates	\$6.82 + \$3.82 = \$10.64/month & 2.68 ¢/kWh	\$19.56 - \$0.44 = \$19.12/month & 2.68 ¢/kWh
LDC year 3 rates	\$10.64 + \$3.82 = \$14.46/month & 2.65 ¢/kWh	\$19.12 - \$0.44 = \$18.68/month & 2.65 ¢/kWh
LDC year 4 rates	\$19.04/month & 2.60 ¢/kWh	\$19.04/month & 2.60 ¢/kWh

Updated: February 20, 2008 EB-2007-0681 Exhibit G2 Tab 2 Schedule 1 Page 12 of 16

1 2 3

# Table 7 Examples of Development of Harmonized General Service group rates General Service and Urban General Service

General Service - Energy LDC 1 LDC 2 Target rates \$30.97/month & 3.39 ¢/kWh \$30.97/month & 3.39 ¢/kWh LDC 2007 rate \$2.88/month \$41.34/month LDC increase/(decrease) \$28.09/month \$(10.37)/month LDC Yearly \$7.02/month \$(2.59)/month increase/(decrease) \$2.00 + \$7.02 = \$9.02/month\$41.00 - \$2.59 = LDC year 1 rates & 3.21 ¢/kWh \$38.41/month & 3.21 ¢/kWh \$9.02 + \$7.02 = \$16.04/month\$38.41 - \$2.59 = LDC year 2 rates & 3.27 ¢/kWh 35.82/month & 3.27 ¢/kWh\$16.04 + \$7.02 =\$35.82 - \$2.59 = LDC year 3 rates  $23.06/month & 3.34 \ \phi/kWh$ \$33.23/month & 3.34 ¢/kWh LDC year 4 rates \$30.97/month & 3.39 ¢/kWh \$30.97/month & 3.39 ¢/kWh

Updated: February 20, 2008 EB-2007-0681

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General Service - Demand	LDC 1	LDC 2
Target rates	\$46.75/month & \$9.22/kW	\$46.75/month & \$9.22/kW
LDC 2007 rate	\$2.88/month	\$293.24/month
LDC increase/(decrease)	\$43.87/month	\$(246.49)/month
LDC Yearly increase/(decrease)	\$10.97/month	\$(61.62)/month
LDC year 1 rates	\$2.00 + \$10.97 = \$12.97/month & \$9.22/kW	\$293.00 - \$61.62 = \$231.38/month & \$9.22/kW
LDC year 2 rates	\$12.97 + \$10.97 = \$23.94/month & \$9.22/kW	\$231.38 - \$61.62 = \$169.76/month & \$9.22/kW
LDC year 3 rates	\$33.94 + \$10.97 = \$34.91/month & \$9.22/kW	\$169.76 - \$61.62 = \$108.14/month & \$9.22/kW
LDC year 4 rates	\$46.75/month & \$9.22/kW	\$46.75/month & \$9.22/kW

Urban General Service - Energy	LDC 1	LDC 2	
Target rates	\$12.33/month & 2.09 ¢/kWh	\$12.33/month & 2.09 ¢/kWh	
LDC 2007 rate	\$3.74/month	\$23.65/month	
LDC increase/(decrease)	\$8.59/month	\$(11.32)/month	
LDC Yearly increase/(decrease)	\$2.15/month	\$(2.83)/month	
LDC year 1 rates	\$3.00 + \$2.15 = \$5.15/month & 2.00 ¢/kWh	\$23.00 - \$2.83 = \$20.17/month & 2.00 ¢/kWh	
LDC year 2 rates	\$5.15 + \$2.15 = \$7.30/month & 2.04 \(\xi/k\)Wh	\$20.17 - \$2.83 = \$17.34/month & 2.04 ¢/kWh	
LDC year 3 rates	\$7.30 + \$2.15 = \$9.45/month & 2.07 ¢/kWh	\$17.34 - \$2.83 = \$14.51/month & 2.07 ¢/kWh	
LDC year 4 rates	\$12.33/month & 2.09 ¢/kWh	\$12.33/month & 2.09 ¢/kWh	

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## RESULTS OF DENSITY REVIEW AND CUSTOMER

## **CLASSIFICATION**

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This exhibit shows the results of the Density Review undertaken to identify customers that meet the Urban Density classification.

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## Table 1 Customers Grouped as Urban Residential

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Current Customer Classification	on Number of Residential customers
UR	82,519
R1	11,753
R2	293
F1	128
Arnprior	2,848 out of 3,134
Brockville	8,146 out of 8,338
Caledon OH-01	8,794
Carleton Place	3,618 out of 3,711
Dryden	2,526 out of 2,634
Lindsay	6,347 out of 6,514
Owen Sound (GBE)	7,638 out of 7,833
Perth	2,745 out of 2,845
Smith Falls	3,637 out of 3,736
Stoufville	3,228 out of 3,294
Thorold	5,963 out of 7,102
Trenton (Quinte West)	5,657 out of 6,662
Total Urban Residential	155,840

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1 2

Table 2
Customers Grouped as General Service Urban Energy

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Current Customer Classification	Number of Urban General Service Energy		
UG	5,309		
G1	425		
G3	432		
F1	18		
Amprior	294 out of 438		
Brockville	934 out of 969		
Carleton Place	284 out of 347		
Dryden	427 out of 445		
Lindsay	777 out of 837		
Owen Sound (GBE)	1,107 out of 1,140		
Perth	417 out of 447		
Smith Falls	578 out of 635		
Stoufville	271 out of 276		
Thorold	441 out of 695		
Trenton (Quinte West)	713 out of 825		
Total Urban General Service energy	12,427		

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1 2

## Table 3 Customers Grouped as General Service Urban Demand

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Current Customer Classification	Number of Urban General Service Demand
UG	593
G1	8
G3	119
Arnprior	27 out of 48
Brockville	141 out of 159
Carleton Place	26 out of 34
Dryden	50
Lindsay	85 out of 110
Owen Sound (GBE)	104 out of 117
Perth	33 out of 46
Smith Falls	43 out of 50
Stoufville	23 out of 25
Thorold	40 out of 69
Trenton (Quinte West)	83 out of 106
Total Urban General Service energy	1,375

4

5 The following is a list of the communities analyzed:

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- 7 Clarence Rockland
- 8 Dryden
- 9 Perth
- 10 Amprior
- 11 Stouffville
- 12 Carleton Place
- 13 Smiths Falls
- 14 Trenton
- 15 Essex
- 16 Lindsay
- 17 Thorold
- 18 Owen Sound
- 19 Brockville
- 20 East Gwillimbury Twp

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## HARMONIZATION OF ACQUIRED LDC CUSTOMERS

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1

#### 1.0 INTRODUCTION

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- 5 This exhibit provides numerical details in support of the proposed harmonization plan for
- the 88 Acquired Utilities. Included here also are the complete set of likely customer bill
- 7 impacts.

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- 9 Initially, a review is provided of the existing rates for each of the Acquired Utilities as of
- May 1st, 2007 including Regulatory Asset Rate Riders. Then the harmonization proposal
- 11 supporting data is presented.

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### 2.0 ACQUIRED LDC RATE CLASSES AND CURRENT RATES

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The current individual rates and rate riders for each of the Acquired LDCs are shown in Tables 1, 2, 3 and 4 with Table 5 being a summary.

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Table 1
Acquired Utility Residential Rates and Rate Riders on May 1<sup>st</sup>, 2007

	Customers 2006	2007 Rates excluding rate riders			2007 Rate Rider # 1	2007 Rate Rider # 2
		\$/customer	¢/kWh	¢/kWh	¢/kWh	
Ailsa Craig	348	10.51	0.82	0.35	0.11	
Arkona	217	5.84	0.26	0.68	0.33	
Amprior	3134	11.54	1.47	0.49	0.18	
Arran-Elderslie	1681	9.02	0.95	0.35	0.15	
Artemesia	412	12.73	0.93	0.59	0.34	
Bancroft	1002	13.48	0.95	0.34	0.12	
Bath	737	13.38	0.86	0.68	0.38	
Blandford-Blenheim	838	11.63	0.90	0.63	0.33	
Blyth	382	7.19	0.91	0.54	0.27	
Bobcaygeon	1641	14.47	0.97	0.28	0.10	
Brighton	2320	11.61	1.07	0.37	0.11	

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	Customers 2006	2007 Rates rate ri	0	ł I	2007 Rate Rider # 2	
Whitchurch-Stouffville	3294	10.54	1.02		0.12	
South Bruce Peninsula	893	15.83	1.55	0.37	0.14	
Woodville	320	3.78	0.95	0.51	0.26	
Wyoming	829	11.52	0.81	0.36	0.11	
Terrace Bay	1025	20.81	1.45	0.9	97	

	Customers	2007 Rates	excluding iders	2007 Rate Rider # 1	2007 Rate Rider # 2
		\$/customer	¢/kWh	¢/kWh	¢/kWh
Ailsa Craig	45	17.31	1.32	0.17	0.09
Arkona	37	3.20	0.86	0.51	0.36
Arnprior	461	21.38	1.17	0.16	0.06
Arran-Elderslie	243	8.83	1.03	0.17	0.09
Artemesia	92	19.62	1.74	0.49	0.34
Bancroft	300	24.41	1.18	0.17	0.08
Bath	53	10.65	1.47	0.29	0.24
Blandford-Blenheim	125	23.85	1.14	0.28	0.20
Blyth	73	21.63	1.05	0.26	0.20
Bobcaygeon	282	23.20	1.38	0.18	0.09
Brighton	247	22.90	1.35	0.20	0.08
Brockville	1009	21.65	0.78	0.13	0.04
Caledon CH	623	24.21	1.80	0.14	0.08
Caledon GS 05		23.34	2.19	0.22	0.20
Caledon OH	1,004	25.56	1.70	0.16	0.07
Campbellford-Seymour	295	16.19	1.19	0.17	0.05
Carleton Place	378	23.65	1.68	0.13	0.07
Cavan-Millbrook-North Monaghan	82	22.28	1.50	0.33	0.26
Centre Hastings	165	18.38	0.97	0.14	0.06
Chalk River	31	21.33	1.79	0.39	0.34
Champlain	179	20.59	0.91	0.26	0.15
Cobden	89	21.93	2.13	0.36	0.30
Deep River	168	23.94	2.26	0.15	0.14
Deseronto	70	10.14	1.35	0.13	0.05
Dryden	450	19.11	1.03	0.12	0.04

Filed: December 18, 2007 EB-2007-0681 Exhibit G2 Tab 8 Schedule 1 Page 3 of 6

## Hydro One Networks Inc. TARIFF OF RATES AND CHARGES

for the Service Area Formerly Served by Hydro-Electric Commission of the Town of Arnprior Effective Date: May 1, 2008

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

#### **MONTHLY RATES AND CHARGES**

#### Residential - UR/R1 Amprior

Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (3) Retail Transmission Rate - Line and Transformation Connection Service Rate (3) Wholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3) Standard Supply Service (Regulated Price Plan) - Administration Charge  General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (3) Retail Transmission Rate - Line and Transformation Connection Service Rate (3) Retail Transmission Rate - Line and Transformation Connection Service Rate (3) Retail Transmission Rate - Regulated Price Plan) - Administration Charge  General Service Rate (3) Rural or Remote Rate Protection Rate (3) Rural or Rural	Service Charge	\$	11.70
Regulatory Asset Recovery - Rider #3		\$ / kWh	0.0240
Retail Transmission Rate - Network Service Rate (3)		\$ / kWh	0.0018
Retail Transmission Rate - Network Service Rate (3)         \$ / kWh         0.004           Retail Transmission Rate - Line and Transformation Connection Service Rate (3)         \$ / kWh         0.005           Rural or Remote Rate Protection Rate (3)         \$ / kWh         0.001           Standard Supply Service (Regulated Price Plan) - Administration Charge         \$ / kWh         0.02           General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior         \$ / kWh         0.020           Service Charge         \$ / kWh         0.020           Distribution Volumetric Rate         \$ / kWh         0.020           Regulatory Asset Recovery - Rider #2         \$ / kWh         0.000           Regulatory Asset Recovery - Rider #3         \$ / kWh         0.003           Retail Transmission Rate - Network Service Rate (3)         \$ / kWh         0.003           Retail Transmission Rate - Line and Transformation Connection Service Rate (3)         \$ / kWh         0.003           Rural or Remote Rate Protection Rate (3)         \$ / kWh         0.001           Standard Supply Service (Regulated Price Plan) - Administration Charge         \$ / kWh         0.25           General Service Charge         \$ / kW         7.33           Distribution Volumetric Rate         \$ / kW         7.24           Regulatory Asset Recovery - Rider #2	Regulatory Asset Recovery - Rider #3	\$ / kWh	(0.0002
Retail Transmission Rate - Line and Transformation Connection Service Rate (3) \$ / kWh 0.0051 \$ / kWh 0.0052 \$	Retail Transmission Rate - Network Service Rate (3)	\$ / kWh	0.0047
Wholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3) Standard Supply Service (Regulated Price Plan) - Administration Charge  General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (3) Roll Transmission Rate - Line and Transformation Connection Service Rate (3) Shandard Supply Service (Regulated Price Plan) - Administration Charge  Service Charge Service Charge Service Charge Service Rate (3) Shandard Supply Service (Regulated Price Plan) - Administration Charge Service Charge Service Charge Sistendard Supply Service (Regulated Price Plan) - Administration Charge Service Charge Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Sistendard Service Solve or Greater (Demand-Billed) - UGd/GSd Arnprior	Retail Transmission Rate - Line and Transformation Connection Service Rate (3)	\$ / kWh	0.0045
Standard Supply Service (Regulated Price Plan) - Administration Charge \$ 0.29  General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior  Service Charge \$ 18,74  Distribution Volumetric Rate \$ / kWh 0.0200  Regulatory Asset Recovery - Rider #2	Wholesale Market Service Rate (3)	\$ / kWh	0.0052
General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (3) Retail Transmission Rate - Line and Transformation Connection Service Rate (3) St kWh No.0033 Rural or Remote Rate Protection Rate (3) Standard Supply Service (Regulated Price Plan) - Administration Charge  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Rural or Remote Rate Protection Rate (3) Rural or Remote Rate Protection Rate (3) St kWh Rural or Remote Rate Protection Rate (3) St kWh Rural or Remote Rate Protection Rate (3)		\$ / kWh	0.0010
Service Charge	Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25
Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (3) Retail Transmission Rate - Line and Transformation Connection Service Rate (3) Nholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3) Standard Supply Service (Regulated Price Plan) - Administration Charge Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4) Nholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3) Standard Rate - Line and Transformation Connection Service Rate (4) Nholesale Market Service Rate (3) Standard Rate - Remote Rate Protection Rate (3) Standard Rate - Retail Rate Rate Rate Rate Rate Rate Rate Rate	General Service Less Than 50 kW (Energy-Billed) - UGe/GSe Arnprior	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Regulatory Asset Recovery - Rider #2	Service Charge	\$	18.74
Regulatory Asset Recovery - Rider #3  Retail Transmission Rate - Network Service Rate (3)  Retail Transmission Rate - Line and Transformation Connection Service Rate (3)  Nholesale Market Service Rate (3)  Rural or Remote Rate Protection Rate (3)  Standard Supply Service (Regulated Price Plan) - Administration Charge  Service Charge  Distribution Volumetric Rate  Regulatory Asset Recovery - Rider #2  Regulatory Asset Recovery - Rider #3  Regulatory Asset Recovery - Rider #3  Retail Transmission Rate - Network Service Rate (4)  Retail Transmission Rate - Line and Transformation Connection Service Rate (4)  Nounce Rate (3)  Nounce Rate (3)  Nounce Rate (4)  Nounce Rate (4)  Nounce Rate (5)  Nounce Rate (6)  Nounce Rate (7)  Nounce Rate (8)  Nounce Rate (9)  Nounce Rate (1)  Nounce Rate (2)  Nounce Rate (3)  Nounce Rate (4)  Nounce Rate (4)  Nounce Rate (5)  Nounce Rate (6)  Nounce Rate (7)  Nounce Rate Rate Rate Rate Rate Rate Rate Rat	· · · · · · · · · · · · · · · · · · ·	\$ / kWh	0.0200
Retail Transmission Rate - Network Service Rate (3) \$ / kWh 0.0036 Retail Transmission Rate - Line and Transformation Connection Service Rate (3) \$ / kWh 0.0033 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010 Standard Supply Service (Regulated Price Plan) - Administration Charge \$ 0.25  General Service 50 kW or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge \$ 22.95 Distribution Volumetric Rate \$ / kW 7.33 Regulatory Asset Recovery - Rider #2 \$ / kW 0.20 Regulatory Asset Recovery - Rider #3 \$ / kW (0.27 Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.41 Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kW 1.27 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0052		\$ / kWh	0.0006
Retail Transmission Rate - Line and Transformation Connection Service Rate (3) \$ / kWh 0.0033		\$/kWh	(0.0006
Wholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3) Standard Supply Service (Regulated Price Plan) - Administration Charge  Service So kW or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4)  Wholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3)  S / kWh 0.0052 Rural or Remote Rate Protection Rate (3)	Retail Transmission Rate - Network Service Rate (3)	\$ / kWh	0.0036
Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010 Standard Supply Service (Regulated Price Plan) - Administration Charge \$ 0.25  General Service 50 kW or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge \$ 22.95 Distribution Volumetric Rate \$ / kW 7.33 Regulatory Asset Recovery - Rider #2 \$ / kW 0.20 Regulatory Asset Recovery - Rider #3 \$ / kW (0.27 Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.41 Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010	Retail Transmission Rate - Line and Transformation Connection Service Rate (3)	\$ / kWh	0.0033
General Service 50 kW or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge Distribution Volumetric Rate Regulatory Asset Recovery - Rider #2 Regulatory Asset Recovery - Rider #3 Regulatory Asset Recovery - Rider #3 Retail Transmission Rate - Network Service Rate (4) Retail Transmission Rate - Line and Transformation Connection Service Rate (4)  Vholesale Market Service Rate (3) Rural or Remote Rate Protection Rate (3)  O.25  0.26  22.95  22.95  24.97  25.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97  26.97		\$ / kWh	0.0052
General Service 50 kW or Greater (Demand-Billed) - UGd/GSd Arnprior  Service Charge  Distribution Volumetric Rate  Regulatory Asset Recovery - Rider #2  Regulatory Asset Recovery - Rider #3  Regulatory Asset Recovery - Rider #3  Retail Transmission Rate - Network Service Rate (4)  Retail Transmission Rate - Line and Transformation Connection Service Rate (4)  Vholesale Market Service Rate (3)  Rural or Remote Rate Protection Rate (3)  S / kWh 0.0010		\$ / kWh	0.0010
Service Charge	Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25
22.30	General Service 50 kW or Greater (Demand-Billed) - UGd/GSd Arnprior		***************************************
Regulatory Asset Recovery - Rider #2 \$ / kW 0.20 Regulatory Asset Recovery - Rider #3 \$ / kW (0.27 Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.41 Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kW 1.27 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010	Service Charge	\$	22.95
Regulatory Asset Recovery - Rider #3 \$ / kW (0.27) Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.41 Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kW 1.27 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010		\$ / kW	7.33
Retail Transmission Rate - Network Service Rate (4) \$ / kW 1.41 Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kW 1.27 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010		\$ / kW	0.20
Retail Transmission Rate - Line and Transformation Connection Service Rate (4) \$ / kW 1.27 Wholesale Market Service Rate (3) \$ / kWh 0.0052 Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010		\$ / kW	(0.27)
Vholesale Market Service Rate (3)\$ / kWh0.0052Rural or Remote Rate Protection Rate (3)\$ / kWh0.0010	Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.41
Rural or Remote Rate Protection Rate (3) \$ / kWh 0.0010	Retail Transmission Rate - Line and Transformation Connection Service Rate (4)	\$ / kW	1.27
		\$ / kWh	0.0052
Standard Supply Service (Regulated Price Plan) - Administration Charge \$ 0.25		\$ / kWh	0.0010
	Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

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## MITIGATION OF BILL IMPACTS ACQUIRED LDC CUSTOMERS

2

- 3 This exhibit presents the proposed impact mitigation plan for Acquired LDC customers.
- 4 As per the guidelines in the 2006 Electricity Distribution Rate Handbook, LDCs have to
- 5 present a mitigation plan if as a result of the proposed rate increase customer classes, or
- 6 group of customers, have impacts higher than 10 percent on total bill.

7

#### 1.0 INTRODUCTION

9

As was shown in Exhibit G1, Tab 7, Schedule 2, customer classes of Acquired LDCs prior to mitigation would see impacts higher than 10 percent on total bill resulting from the proposed increase in 2008 Revenue Rates, harmonization of distribution rates, Regulatory Asset Rate Rider # 3, and RTSR changes.

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Hydro One Distribution proposes the following mitigation initiatives to address the impacts on the Acquired LDC customer classes that could see impacts, on average, of over 10 percent on total bill.

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1. The target distribution rates are being phased-in over a period of four years. Average total bill impacts have been limited to a maximum of 10% in 2008, 8% in 2009, and 7% in 2010. These maximums leave some room to accommodate third generation Incentive Rate Mechanism increases. Increases in 2011 reflect the remaining increases resulting from the multi-year proposed harmonization process and result in average total bill impacts below 10%. The volumetric charges were adjusted as necessary each year to limit total bill impacts in 2008, 2009 and 2010. Any shortfall in revenues resulting from this mitigation measure is being absorbed first by the Acquired LDC in subsequent years, and if this is not possible, then by the Legacy

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- customer classes in the same group as the Acquired customer classes requiring mitigation.
- Regulatory Rate Rider # 3 is being refunded over 4 years consistent with Hydro One
   approved past practices with respect to Regulatory Rate Riders and to provide for a
   smoother bill impacts over the 4 year period.
- 6 3. The target revenue to cost ratio range proposed is between 0.7 and 1.2 instead of proposing revenue to cost ratio of 1. This is consistent with the Board's Report issued November 28, 2007.
- 9 4. Proposed rates in 2010 and 2011 were adjusted to provide for a smoother set of impacts in those years.
- 5. A deferral account is being set up to recover the shortfall in 2008 proposed Revenue Requirement that results from Hydro One's proposed Revenue to Cost Ratios by customer class. The Revenue to Cost ratios are consistent with the Board's recommended Revenue to Cost ratios.

Table 1, below shows the initial 2008 Distribution rates derived in Exhibits G1, Tab 4,
Schedule 3, and the adjusted 2008 Distribution rates after taking into account the rate
mitigation initiative above for the customer classes.

The complete 2008 Rate Schedules are provided in Exhibit G2, Tabs 6 to Tab 93.

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Table 1 2008 Distribution Rates

	Residential	ntial			24/30	TIM OF THE	A MANAGEMENT AND TABLES		ć			
Acquired LDC	2008 Initial	itial	2008 Mitigated	tinated	2008 Initial	fial	POOR Mitimater	instant	0000 Laitio	45.01	2000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	SrChg	¢/kWh	SrChg	¢/kwh	SrCha*	¢/kwh	Srcha*	gated ¢/kWh	SrCha	isal \$/kw/	SrCha	ZUUB IMILIGATED
ماندیل دعاله	7 7 7	7	0.7	1.5			8				20	2
Alisa Claig	12.13	7.7.7	12.13	, (8)	20.41	3.21	20.41	2.34	24.36	9.22	24.36	9.00
Arkona	8.30	2.71	8.30	1.50	9.94	3.21	9.94	1.98	13.89	9.22	13.89	9.22
Arnprior	12.88	2.71	11.70	2.40	23.40	3.21	18.74	2.00	27.34	9.22	22.95	7.33
Arran-Elderslie	11.51	2.71	11.51	1.90	13.53	3.21	13.53	1,90	17.48	9.22	17.48	8.00
Artemesia	13.58	2.71	13.58	2.35	21.84	3.21	21.84	3.21	25.78	9.22	25.78	9.22
Bancroft	14.39	2.71	14.39	2.10	25.64	3.21	25.64	2.30	29.59	9.22	29.59	8.50
Bath Blandford-	14.42	2.71	14.42	2.35	15.08	3.21	15.08	2.55	19.03	9.22	19.03	9.00
Blenheim	12.85	2.71	12.85	2.30	24.78	3.21	24.78	2.40	28.73	9.22	28.73	8.90
Blyth	96.6	2.71	9.96	2.00	23.33	3.21	23.33	2.20	27.28	9.22	27.28	8.50
Bobcaygeon	15.14	2.71	15,14	2.05	24.94	3.21	24.94	2.50	28.89	9.22	28.89	9.22
Brighton	12.86	2.71	12.86	2.20	24.02	3.21	24.02	2.50	27.96	9.22	27.96	9.22
Brockville	13.68	2.71	12.50	2.40	23.33	3.21	18.67	2.00	27.28	9.22	22.89	6.70
Caledon OH 01	E	2.71	16.95	2.15	ı	3.21	1	F	i	9.22	i	1

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Total Bill Impacts of Proposed Distribution Rates [new RTSR+TLF]: Threshold of 750 kWhs

New Rate Class: GSe - Metered

2	oral Bill Illipacts of Proposed Distribution Rates [new RTSR+TLF]: Threshold of 750	S OI Pro	nosed	ISTLID	utior	l Kate	se [ne	W RIS	R+TL	ř	resh	old of	f 750 kWhs	hs					750.0							
Classes		Scenario	Ma)	May 2007 Inc! Rate Riders	nel Rate	Riders				May 20	108 Inct	May 2008 Inc! Rate Riders	ars	No	Mon-Dy Composit	nnoent		Othor Day	2,000			- 1		Ī		
			Existing Dx Rates	k Rates			ũ	Existing Dx N	New Dx Ra	ites			New Dx	RTSR ne	RTSR new WMSC	C DRC	TLF new	New New	Sand 1 Rand 2		Nam	Tratal Rill	ı	- 1	% Incr	
New Class	s Old Class	kWh		base Rid	Rider1 Rí	Rider2 VarChg		(\$/month)	SrChg	base	Rider2 Ric	der3 VarCho	Cho (\$/month!		c/kt/k/k	4/4/4/5			D	ග					lotal SIII	
GSe	Ailsa Craio	1.000	[Steinst] [c	[c/kwh] [c/k/	Janama Jan	[c/k/Wh] [c/k/	(c/kWh)	,	[S/cust]	(c/ld/Nh)								•	NVVIIS	KVVDS		S/month)	[\$/month] [\$/month]	5/month] %	. 0	
	n	2,000		132	0.17		5.5	33.1	20.76	2.34	60.0	(0.06) 2.37	37. 44.5	0.67				21.1	759	250	57.7	111.9	123.3	5	10.1%	
		5,000		1.32	0.17		1.58	96,3	20.76	2.34					0.62			42.2	750	1,250	122.1	213.3	232.5	19.2	80.6	
		10,000		1.32	0.17		1.58	175.3	20.76	2.34								105.4	750	4,250	315.4	517.4	560,3	42.9	8.3%	
		15,000		1.32	0.17		1.58	254.3	20,76	2.34						0.70	1.09	316.3	750	9,250 14,250	959.7	1,531,0	1,106,5	82,3 121.8	% D. %	
GSe	Arkona	1,000	3,20				1:73	20.5	10,29	_	0.36 10						9		F	;						
		2,000		0.86			1.73	37.8	10.29								1.092	21.1	750	250	57.7	99,3	111.9	12.6	12.7%	
		5,000			0.51	0.36	1,73	2,68	10,29	1,98	0.36 (0	(0.06) 2.28	28 124,5				ED:1	7.24	067	052,1	122.1	202.2	220.2	18,1	8.9%	
		10,000		0.86			1.73	176.2	10.29			.,					1.09	210.0	750	משני פ	4,010	510.8	545.3	34.5	6.8%	
		onn'e					1,73	262.7	10.29					0.67	0.62	0.70	1.09	316,3	750	14.250	027.0	1 530.1	1,087.U	62.0	6.0% 8.9%	
UGe	Arnprior	1,000					92	0															0.000	* 0	8000	
		2,000					3.30	5.55	10.74								1.092	21.3	750	250	57.7	114,1	117.8	5.7	3.2%	
		5,000	21.38	1,17	0.16	0.06	200	7 00	48.74	2 00 0	0 9070	(0.06) 2.03	58.8	0.69	0,62	0.70	1.09	42.6	750	1,250	122.1	213.6	223.6	10.0	4 7%	
		10,000					1.39	160.4	18 74								1.09	106.5	750	4,250	315,4	511.9	540.9	29.0	5.7%	
		15,000					139	729.0	18.74		_				-		1.09	213.1	750	9,250	637.5	1,009.2	1,069.9	60,6	6.0%	
								2	1						_		1.09	319.6	750	14,250	959.7	1,506.5	1,598.8	92.3	€.1%	
989	Arran-Eldersli	1,000	8,83	1.03 C	0,17 0	0.09	1,29	21,7	13.88					0.67		7	1 002	Č	ţ	i						
		2,000					1.29	34,6	13.88					c		0.70	1.092	4.5.	7.50	720	57.7	100.5	112,0	11.4	11.4%	
		000'6					1,29	73.3	13.88						0.62	2,0	00 -	7.24	750	1,230	122.1	199.0	216.8	17.8	9.0%	
		10,000					1.29	137.8	13.88	1.90 0	0.09 (0,	(0.06) 1.93	.,	0.67	0.62	0.70	20.5	210.0	750	4,250	315.4	494.4	531.4	37.0	7.5%	
		Ono'cı					1.29	202.3	13.88				303.9	_	0,62	0,70	1,09	316.3	750	14 250	0.750 7.059	470.0	1,055.6	88.9	7.0%	
GSe	Artemesia	1,000	19.62	1,74.	0.49 0	0.34 2	2.57	45,3	22.19		- 1	- :				6	2003					1	0	9.00	8,00	
		2,000					2.57	71.0	22, 19					•			700	21.1	06/	250	57.7	124.1	135.9	89.	9.5%	
		5,000					2.57	148,1	22.19							0.70	EO	44.2	750	1,250	122.1	235,4	256.3	21.0	%6.8	
		10,000					2.57	276.6	22.19	321	2	00.00	150.9	0.07	7.07	D. 1	97.	105.4	750	4,250	315.4	569.2	617.7	48.5	8.5%	
		15,000					2.57	405 1	22.10							0.76	1.09	210.9	750	9,250	637.5	1,125.5	1,220.0	94.5	8.4%	
								-							_	0.70	1.09	316.3	750	14,250	959.7	1,681.8	1,822.2	140.4	8,4%	

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Table B4: Program Expected to be in 2008 (Best Available Information Only)

Program			2008 F	orecast	
		Budget	kW Savings	kWh Savings	Target Units
	Λ	IARR Funde	ed Programs		
Distribution Loss Reduction	\$	800,000			
Time of Use Pilot	\$	130,000			
C/I, Mush Conservation	\$	90,000			
C/I and Load Control	\$	50,000			
Program Management and Research	\$	80,000			
Low Income	\$	50,000			
Residential Load Control	\$	130,000			
Miscellaneous	\$	25,000			
			tration of CDM wo	ork	
Maintenance of MARR Funded	\$	1,000,000			
Programs and Minimum Capability	ļ				
	<u></u>	OPA Core i	Programs	L	***************************************
Great Refrigerator Roundup	\$	650,000	Tograms		20,300
Electricity Retrofit Incentive Program	\$	2,200,000			145
Peaksaver	\$	8.500.000			14.900
Summer Sweepstakes	Prog	gram details	not yet available.		
Small Commercial Direct Install			not yet available.		
			ram Applications		
Double Return		er developme			
Arena Retrofit	*****	er developmi			
Compressed Air		er developme			
In Home Display		er developme			
First Nations Retrofit	_	<u>er developme</u>			
Low Income Retrofit	Und	er developme	ent		
Powerhouse	S S		rgy Funding		**
Owerhouse	Ф	500,000			<del></del>

Source: Hydro One Distribution and OPA

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## Consumers Council of Canada (CCC) INTERROGATORY #20 List 1

23 Inter

## **Interrogatory**

Cost of Service

#### **CDM**

/T13/S1/p. 8

Please confirm that beyond April 30, 2008, HON will only be undertaking CDM programs through the OPA funded framework. Are there any costs included in the 2008 revenue requirement related to CDM? If so, please identify where those costs are accounted for.

#### <u>Response</u>

It is HONI's intent to seek funding for CDM funding primarily via the OPA funded framework. HONI has included \$1M in the 2008 revenue requirement within the Other Shared Services — Other category to sustain existing CDM programs and maintain a minimum capability. HONI also requires an additional \$800,000 to close off the programs initiated under MARR funding.