



DECISION AND RATE ORDER

EB-2021-0032

HYDRO ONE NETWORKS INC.

Application for rates and other charges to be effective January 1, 2022

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice President
Applications

[date]

1 OVERVIEW

The Ontario Energy Board is approving changes to the rates that Hydro One Networks Inc. (Hydro One) charges to distribute electricity to its customers, effective January 1, 2022.

As a result of this Decision and Rate Order, there will be a monthly total bill increase before taxes of \$3.53 for an R1 residential customer consuming 750 kWh, effective January 1, 2022. The increase does not factor in applicable taxes or the Ontario Energy Rebate but includes the impacts resulting from the Distribution Rate Protection program. Hydro One is one of eight electricity distributors in Ontario to which this tax-funded program applies. The program has been in effect since July 2017, and currently caps monthly distribution charges at \$36.86.¹

The OEB is also approving Hydro One's request to change the composition of its distribution service rates. Residential distribution service rates have historically included a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed rate structure over a four-year period beginning in 2016.²

Hydro One, however, required a transition period of greater than four years and, accordingly, its residential rates will be adjusted by more than the mechanistic adjustment alone. The variable usage charge is commensurately lower. The transition to all-fixed residential distribution rates was suspended in the 2018 rate year to mitigate the bill impacts on low volume customers. The annual transition to all-fixed residential distribution rates using the methodology in the OEB's Revenue Requirement Work Form (RRWF) resumed for the 2019 rate year. For the UR rate class, 2021 was the fifth and final year of the transition period to an all-fixed distribution rate. The transition continues in 2022 for the R1, R2 and Seasonal rate classes and will be completed in 2024. This policy change does not affect the total revenue that Hydro One collects from residential customers.

¹ Decision and Order, EB-2021-0189, June 24, 2021

² OEB Policy - "A New Distribution Rate Design for Residential Electricity Customers." EB-2012-0410, April 2, 2015

2 CONTEXT AND PROCESS

Hydro One filed its application on August 20, 2021 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act). The application was based on the Custom Incentive Rate-setting (Custom IR) mechanism, with a five-year term.

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

With respect to Hydro One's distribution rates, the OEB approved a five-year Custom IR framework (Custom IR Decision) that covers the years 2018 to 2022.³ As part of the 2018-2022 Custom IR proceeding, the OEB issued a final rate order establishing the rates for 2019. Rates for subsequent years are to be adjusted mechanistically through a custom revenue cap adjustment formula. This is referred to in Section 4 of this Decision as the Custom Revenue Cap Adjustment.

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

- A custom revenue cap approach for adjusting rates for 2020-2022 of the five-year term
- A productivity factor of 0% and a stretch factor of 0.45% to remain constant over the term of the plan
- A pre-approved capital factor for each year of the plan to recover the incremental revenue including an additional 0.15% stretch factor
- An asymmetrical earnings sharing mechanism (ESM) that will share regulated earnings on a 50:50 basis between Hydro One and its customers for all earnings in excess of 100 basis points of the OEB-approved return on equity. This account was reviewed for 2018 and 2019 earnings in the 2021 annual update application and will be reviewed again for disposition in Hydro One's next rebasing application⁴
- A Capital In-Service Additions Variance Account to track the difference between the revenue requirement associated with actual in-service capital additions and the revenue requirement associated with the OEB-approved in-service capital

³ EB-2017-0049, Decision and Order, March 7, 2019, p. 20

⁴ This application is currently before the OEB under EB-2021-0110

additions. Hydro One will seek disposition of this account at the end of the Custom IR term⁵

- No adjustments to Cost of Capital parameters for 2020 to 2022 rates inclusive
- Annual updates to Retail Transmission Service Rates (RTSRs)

The OEB follows a streamlined process for hearing Custom IR update applications. Under this type of process, the application is reviewed by OEB staff to verify whether the requested adjustments are consistent with the approved Custom IR application. This includes, but is not limited to, updates or adjustments defined in the Custom IR Decision.

Hydro One filed its application on August 20, 2021 supported by written evidence and completed Excel models. During the course of the proceeding, Hydro One responded to OEB staff questions through emails and phone calls and, where required, updated and clarified the evidence. OEB staff posed written questions to Hydro One on October 6, 2021 and Hydro One filed its responses on October 25, 2021.

The OEB issued a decision and order on November 18, 2021 on the inflation factor to be used to set rates for electricity distributors for 2022.⁶ The new 2022 inflation factor to be used is 3.30%. On December 2, 2021, Hydro One filed new evidence and revised models to reflect the updated inflation factor.

⁵ For clarification, “end of the term” refers to the next cost based application following the expiry of the current Custom IR plan term or as the OEB may order otherwise following the expiry of the Custom IR term.

⁶ EB-2021-0212, Decision and Order, November 18, 2021

3 DECISION OUTLINE

Each of the following issues is addressed in this Decision, together with the OEB's findings.

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

Instructions for implementing Hydro One's new rates and charges are set out in the final section of this Decision.

4 CUSTOM REVENUE CAP ADJUSTMENT

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

RCI = I – X + C, where:

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

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

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

Table 4.1 below summarizes the approved components of the RCI in the 2018-2022 Custom IR proceeding. This value is subject to updates for 2020-2022.

Table 4.1 – RCI by Component

RCI by Component (%)	2020	2021	2022
Inflation Factor (I)	2.00	2.20	3.30
Productivity Factor (X)	-0.45	-0.45	-0.45
Capital Factor (C)	1.21	1.95	1.85
RCI Total	2.76	3.70	4.70

⁷ EB-2019-0043, 2020 Annual Update, August 30, 2019, p. 12

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

⁹ *Ibid.*, p. 29

¹⁰ *Ibid.*, p. 31-33

The productivity factor and the capital factor underlying the RCI were approved by the OEB for the duration of the Custom IR plan. Therefore, the only new adjustment to the RCI for the calculation of the 2022 revenue requirement is the 2022 inflation factor. The OEB has set the inflation factor for 2022 rates at 3.30% based on its established formula.¹¹

The OEB also approved an adjustment of \$21.0 million to the 2022 revenue requirement in order to eliminate all amounts of misallocated future tax savings to ratepayers.¹² Hydro One has applied the adjustment of \$21.0 million to its calculated 2022 revenue requirement.

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

Table 4.2 – Load Forecast

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

Also, as part of the Custom IR plan, the OEB approved an asymmetrical ESM that applies to all years of the Custom IR plan. The ESM will share regulated earnings on a 50:50 basis between Hydro One and its customers for all earnings in excess of 100 basis points above the OEB-approved return on equity. A deferral account was established for Hydro One to record any amounts to be shared during the rate period. As required in the Custom IR Decision,¹³ Hydro One brought forward the balance related to its 2018 and 2019 earnings in its 2021 Custom IR update application. Per the decision, Hydro One is required to bring forward the balance related to its earnings in the remaining years (2020-2022) as part of its 2023 rebasing application.

Findings

The final 2022 RCI for Hydro One is 4.70% (i.e. 3.30% - 0.45% + 1.85%). The OEB approves the revenue requirement for 2022 at \$1,692.1 million, which is determined as the revenue requirement in 2021 (\$1,596.2 million) inflated by the 2022 RCI and

¹¹ EB-2021-0212, Decision and Order, November 18, 2021

¹² EB-2020-0194, Decision and Order, April 8, 2021, p. 21

¹³ EB-2017-0049, Decision and Order, March 7, 2019, p. 40

adjusted by an increase of \$21.0 million to account for misallocated future tax savings. The 2022 distribution rates are derived from the calculated 2022 revenue requirement and the approved load forecast.

Hydro One's ESM variance account balances are to be reviewed as part of its 2023 rebasing application; therefore, no finding is required as part of this Custom IR application for 2022 rates.

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5 COST ALLOCATION

Hydro One stated that it is not updating the 2018 cost allocation model over the term of its Custom IR plan as per the OEB's Custom IR Decision.¹⁴ Hydro One further noted that the determination of costs and revenue requirement by rate class for 2022 is per the methodology approved for 2019-2022 in the Custom IR Decision and that the derivation of the 2022 revenue requirement by rate class is provided in its application.¹⁵

Table 5.1 below outlines the revenue-to-cost ratios for which the applicant seeks approval for the 2022 rate year:

Table 5.1 – Revenue-to-Cost Ratios

Rate Classification	2021 Ratio	Proposed 2022 Ratio
URBAN DENSITY - UR	1.11	1.12
MEDIUM DENSITY – R1	1.11	1.12
LOW DENSITY – R2	0.97	0.97
SEASONAL	1.08	1.07
GENERAL SERVICE ENERGY - GSe	0.95	0.94
GENERAL SERVICE DEMAND - GSd	0.88	0.88
URBAN GENERAL SERVICE ENERGY - UGe	0.99	0.99
URBAN GENERAL SERVICE DEMAND - UGd	0.88	0.87
STREET LIGHTING – St Lgt	0.93	0.93
SENTINEL LIGHTING – Sen Lgt	0.94	0.94
UNMETERED SCATTERED LOAD - USL	1.11	1.11
DISTRIBUTED GENERATION - DGen	0.82	0.86
SUB TRANSMISSION - ST	1.00	0.99

¹⁴ EB-2017-0049

¹⁵ Exhibit 2

Findings

The OEB finds that the proposed adjustments for the 2022 rate year are consistent with the OEB's findings in the Custom IR Decision. Hydro One's revenue-to-cost ratios are approved, as set out in Table 5.1 above.

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6 RETAIL TRANSMISSION SERVICE RATES

Hydro One is billed by the Independent Electricity System Operator (IESO) at each of its transmission delivery points for the transmission of power. The IESO charges the uniform transmission rates (UTRs) approved by the OEB.

To recover its transmission costs, Hydro One requests approval to adjust the retail transmission service rates (RTSRs) that it charges its customers in accordance with the UTRs currently in effect.

Hydro One noted that, as a result of its proposed update of RTSRs for 2022, the proposed 2022 HVDS-High charge, HVDS-low charge, and the Common ST line charge are adjusted to reflect the proposed 2022 ST RTSR for Transformation Connection.

Findings

Hydro One's proposed adjustments to its RTSRs are approved. The RTSRs were adjusted based on the current UTRs.¹⁶ The proposed HVDS-high charge, HVDS-low charge and the common ST line charge are approved.

UTRs are typically approved annually by the OEB. In the event that new UTRs take effect during Hydro One's 2022 rate year, any resulting differences (from the prior-approved UTRs) are to be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

¹⁶ EB-2021-0176, Decision and Order, June 24, 2021

7 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of a Custom IR term, the OEB will review a distributor's Group 1 deferral and variance accounts (DVAs) in order to determine whether their balances should be disposed. OEB policy requires that Group 1 account balances be disposed of if they exceed (as a debit or credit) a pre-set disposition threshold of \$0.001 per kWh, unless a distributor can justify why balances should not be disposed.¹⁷ If the balance does not exceed the threshold, a distributor may elect to request disposition.

Hydro One was most recently approved disposition of its 2015-2019 Group 1 balances in its 2021 Custom IR update rate proceeding. The balances approved for disposition were calculated using an allocation methodology to apportion the balances between Hydro One Distribution and each of its Acquired Utilities.¹⁸

In this application, Hydro One presented its 2020 Group 1 credit balance of \$69,159,920 on a consolidated basis, inclusive of the Acquired Utilities. Although the consolidated Group 1 balance exceeds the disposition threshold, Hydro One proposes to not dispose of the 2020 Group 1 balance in this proceeding, and to defer disposition to its 2023 rebasing rate application that is also currently before the OEB.¹⁹ Hydro One submitted that this approach would have the following benefits:

- The 2023 rebasing application includes both Hydro One Distribution and the Acquired Utilities, which provides an opportunity to dispose of the Group 1 balance on a consolidated basis without the need to allocate the balance between Hydro One Distribution and the Acquired Utilities. The 2023 rebasing application also includes Hydro One's transmission business, and Hydro One believes it is also more efficient to review the Group 1 disposition together with deferral and variance account dispositions for Hydro One Transmission. Hydro One also indicated that the allocation methodology results in the same rate riders whether the balances are allocated to all Hydro One Distribution and each Acquired Utility separately or as one single entity.²⁰
- Hydro One initially intended to update the 2023 rebasing application for audited 2021 balances during the course of that proceeding. In the event that the 2021 Group 1 balance changes to a debit balance or a smaller credit balance, the combined disposition based on 2020 and 2021 balances would result in less volatility to ratepayers. However, Hydro One also explained that as 2021 audited Group 1 balances are not available yet, it could not confirm that net 2021

¹⁷ Report of the OEB - "Electricity Distributors' Deferral and variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

¹⁸ Norfolk Power Distribution Inc., Haldimand County Hydro Inc., Woodstock Hydro Services Inc.

¹⁹ EB-2021-0110

²⁰ Response to OEB staff #6

transactions will offset 2020 transactions and result in a lower overall balance.²¹ In the 2023 rebasing application, Hydro One updated its position to indicate that it does not currently anticipate having an opportunity to seek disposition of audited 2021 DVA balances in that proceeding.²²

- By 2023, the Acquired Utilities will be fully integrated with Hydro One Distribution and Hydro One would receive one consolidated invoice for settlement of commodity, bulk transmission and wholesale settlement costs, which would eliminate the need to undertake an allocation of Group 1 balances for the Acquired Utilities. Hydro One further clarified that it had been receiving one consolidated settlement invoice since 2015/2016.²³

Findings

Considering the current circumstances specific to Hydro One, the OEB accepts Hydro One's proposal to defer the disposition of the 2020 Group 1 balance to the 2023 rebasing application.

In addition, the OEB notes that Hydro One did not provide the allocated balances for each of the legacy service areas. This means that any disposition of the balances in this proceeding would require an additional round of evidence and possibly discovery. The OEB will not require further steps in this proceeding but requires Hydro One to file the complete information in future applications so that the OEB may be in a position to dispose of the balances if it prefers to do so. Custom IR Annual update applications are largely mechanistic, with limited discovery and are processed over a short time period. It is therefore important for applicants to provide the required information when filing their initial applications.

The update to the 2023 rebasing application for audited 2021 balances is within the purview of the hearing panel for the 2023 rebasing application. The OEB makes no determination here as to the need or requirement for an update or whether there will be an opportunity to seek disposition of audited 2021 DVA balances in the 2023 rebasing proceeding.

²¹ *Ibid.*

²² EB-2021-0110 Exhibit I, Tab 1, Schedule G-Staff-309

²³ *Ibid.*

8 RATE DESIGN

Transition to Fully Fixed Rates

In the Custom IR Decision, the OEB directed Hydro One to implement the transition to fully fixed rates for the residential rate classes using the methodology in the OEB's RRWF.²⁴ In the Draft Rate Order process of the Custom IR proceeding, the transition to all-fixed residential distribution rates was suspended in the 2018 rate year to mitigate the bill impacts on low volume customers. Hydro One stated that the transition to all-fixed residential distribution rates resumed for the 2019 rate year. The transition was completed for the Urban Density – UR rate class in 2021, and will be completed in 2024 for the R1, R2 and Seasonal rate classes.

For the 2022 rate year, Hydro One proposed to continue the transition to fully fixed rates based on the approved mitigation plan. Hydro One's evidence indicates that no rate class will experience total bill impacts of 10% or greater, except for low volume seasonal customers. In response to OEB staff questions, Hydro One indicated that the bill impact to low volume seasonal customers is predominantly driven by the transition to fully fixed rates.²⁵ Hydro One stated that it is not proposing a mitigation plan for low volume seasonal customers as extending the transition period any longer than the current period of eight years would further exacerbate the bill impact to low volume seasonal customers moving to the R2 rate class when the seasonal class is eliminated.²⁶

Hopper Foundry and Transformer Cost Allowance Rate Adders

Hydro One stated that the proposed 2022 Hopper Foundry rate adder reflects the proposed 2022 General Service Demand rates and that the forecast lost revenue related to Hopper Foundry is \$71,741 and results in a rate adder of \$0.0093 per kW. Hydro One further stated that this adder is included in the volumetric rate shown on the 2022 tariff schedule for the General Service demand class.

Hydro One stated that the Customer Supplied Transformer Allowance (CSTA) rate adder for 2022 reflects the forecast CSTA credit for \$687,211 and results in a rate adder of \$0.0655 per kW. Hydro One noted that this adder is included in the volumetric rates shown on the 2022 tariff schedules for the UGd, GDs and DGen rate classes.

²⁴ EB-2017-0049, Decision and Order, March 7, 2019, p. 141

²⁵ Response to OEB Staff #2

²⁶ *Ibid.*

Findings

The OEB approves the 2022 fixed and volumetric rates and the Hopper Foundry and CSTA rate adders as proposed by Hydro One.

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9 RETAIL SERVICE CHARGES

The OEB issued a report on energy retail service charges (RSCs) on November 29, 2018.²⁷ This report amended the RSCs effective May 1, 2019. RSCs will also be increased by the OEB's inflation factor on January 1 of each year starting on January 1, 2020. Hydro One has updated its RSCs by the 2022 inflation rate of 3.30%.²⁸

Findings

The OEB approves Hydro One's RSCs. Hydro One shall implement any changes required by subsequent OEB generic decisions related to RSCs.

²⁷ Report of the Ontario Energy Board Energy Retailer Services Charges, November 29, 2018, EB-2015-0304

²⁸ EB-2021-0212, Decision and Order, November 18, 2021

10 SPECIFIC SERVICE CHARGES

Specific service charges (SSCs)²⁹ are charges for certain extra miscellaneous services such as special meter reads, late payment interest, and reconnections. Hydro One has updated SSCs for 2022 pursuant to the Custom IR Decision.³⁰

On December 10, 2020, the OEB suspended inflationary increases for the provincial wireline pole attachment charge and kept the charge at \$44.50 per attacher, per year, per pole on an interim basis until further notice.³¹ Hydro One stated that its specific charge for access to power poles - telecom remains unchanged from the current provincial wireline pole attachment charge of \$44.50.

Findings

The OEB approves Hydro One's SSCs. Hydro One shall implement any changes required by subsequent OEB generic decisions related to the provincial wireline pole attachment charge.

²⁹ Specific service charges have most recently been amended by the OEB through: the Report of the OEB – “Wireline Pole Attachment Charges”, EB-2015-0304, Issued March 22, 2018; and, the Decision and Order on Energy Retail Service Charges EB-2015-0304, Issued on February 14, 2019. Certain Service Charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order.

³⁰ EB-2017-0049 Decision and Order, March 7, 2019, p. 147-150

³¹ EB-2020-0288, Order, December 10, 2020

11 IMPLEMENTATION AND ORDER

Pursuant to the approval by the OEB of this Decision and Rate Order, the new rates are effective January 1, 2022 and to be implemented on January 1, 2022.

As the implementation of the OEB's prior decision to eliminate Hydro One's seasonal rate class was being addressed in a separate proceeding,³² the OEB found it appropriate for the 2019 rate year for Hydro One's distribution rates to remain as interim for the purpose of establishing an effective date for the elimination of seasonal rates.³³ The OEB maintained Hydro One's rates as interim for Hydro One's 2020 and 2021 rate applications as the seasonal rates proceeding had not yet concluded.

The OEB issued its Decision and Order on implementing the elimination of the seasonal rates class on November 10, 2021.³⁴ In light of the OEB's decision on the seasonal rates matter, Hydro One requested that the wording "Approved on an Interim Basis" be removed from its tariff for new 2022 rates.

In its Decision and Order on implementing the elimination of the seasonal rates class decision, the OEB approved "the later of January 1, 2023 and the effective and implementation date(s) of the JRAP rate order for 2023 rates as the effective and implementation date(s) for this Decision." The OEB also found that all adjustments to be made as a result of the decision shall be made on a prospective basis only, with no retroactive adjustments. In light of the OEB's decision on the seasonal rates matter, the OEB approves Hydro One's request to remove the "Approved on an Interim Basis" wording, effective January 1, 2022.

The Tariff of Rates and Charges incorporates the rates set out in the following table.

Table 11.1: Regulatory Charges

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

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

³² EB-2016-0315, EB-2020-0246

³³ EB-2017-0049, Interim Rate Order, June 11, 2019, p. 6-7

³⁴ EB-2020-0246, Decision and Order, November 10, 2021

and CBR rates were set by the OEB on December 10, 2020.³⁵

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB on March 1, 2018.³⁶

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³⁵ EB-2020-0276, Decision and Order, December 10, 2020

³⁶ EB-2017-0290, Decision and Order, March 1, 2018

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A to this Decision and Rate Order is approved effective January 1, 2022 for electricity consumed or estimated to have been consumed on and after such date. Hydro One Networks Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new final rates.

DATED at Toronto, [date]**ONTARIO ENERGY BOARD**Christine E. Long
Registrar

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2021-0032

DATED: [Date]

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2021-0032

RESIDENTIAL SERVICE CLASSIFICATIONS

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

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

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

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

APPLICATION

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

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

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2021-0032

YEAR-ROUND URBAN DENSITY - UR**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	38.03
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.83
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0112
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0081

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

YEAR-ROUND MEDIUM DENSITY - R1****MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	56.06
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.56
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0100
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0103
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0076

**The rates set out above do not reflect the impact of the Distribution Rate Protection program on R1 customers per Ontario Regulation 198/17.

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2022
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2021-0032

YEAR-ROUND LOW DENSITY - R2****MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge*	\$	128.53
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	4.42
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0160
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0096
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0072

*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, currently at \$60.50.

**The rates set out above do not reflect the impact of the Distribution Rate Protection program on R2 customers per Ontario Regulation 198/17.

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

SEASONAL**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	58.43
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.79
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0311
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0081
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0064

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE CLASSIFICATIONS

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

APPLICATION

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

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

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

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

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

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URBAN GENERAL SERVICE ENERGY BILLED - UGe

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	26.95
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.81
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0324
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0010
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0087
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0060

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE ENERGY BILLED - GSe

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	34.13
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.11
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.0680
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0022
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0081
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0059

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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URBAN GENERAL SERVICE DEMAND BILLED - UGd

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	104.78
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	3.92
Distribution Volumetric Rate	\$/kW	11.1722
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.4134
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	3.1157
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	2.1682

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE DEMAND BILLED - GSd

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	113.67
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	4.34
Distribution Volumetric Rate	\$/kW	19.3834
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.7338
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	2.4058
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.6886

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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DISTRIBUTED GENERATION - DGen

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	199.36
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.74
Distribution Volumetric Rate	\$/kW	11.0093
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.0883
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	1.1695
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	0.8226

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SUB TRANSMISSION - ST

This classification applies to either:

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	612.97
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	36.18
Meter Charge (for Hydro One ownership) (see Note 9)	\$	770.06
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 11)	\$/kW	1.6208
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.0540
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	\$/km	626.0882
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 11)	\$/kW	2.4058
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 11)	\$/kW	4.0946
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 11)	\$/kW	1.6888
Retail Transmission Service Rates (see Notes 6 and 7)		
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	4.3473
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	\$/kW	0.6788
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	\$/kW	2.3267

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	39.80
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.89
Distribution Volumetric Rate	\$/kWh	0.0265
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0006
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0049

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have separate service to a sentinel light. The energy consumption for sentinel lights is estimated based on Networks' profile for sentinel lighting load, which provides the amount of time each month that the sentinel lights are operating. Class B consumers are defined in accordance to O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3.20
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.14
Distribution Volumetric Rate	\$/kWh	0.1737
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0078
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0039

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have streetlights, which are devices owned by or operated for a road authority and/or municipal corporation. The energy consumption for street lights is estimated based on Networks' profile for street lighting load, which provides the amount of time each month that the street lights are operating. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3.71
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.11
Distribution Volumetric Rate	\$/kWh	0.1134
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0034
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0038

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 10)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 10)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 10)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES**CUSTOMER-SUPPLIED TRANSFORMATION ALLOWANCE**

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

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

TRANSFORMER LOSS ALLOWANCE

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

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

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

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

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

LOSS FACTORS

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

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SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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

Customer Administration

Easement letter - letter request	\$	92.51
Easement letter - web request	\$	25.00
Returned cheque charge	\$	7.00
Account set up charge/change of occupancy charge (plus credit agency costs, if applicable)	\$	38.00
Special meter reads (retailer requested off-cycle read)	\$	90.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Collection - reconnect at meter - during regular hours	\$	65.00
Collection - reconnect at meter - after regular hours	\$	185.00
Collection - reconnect at pole - during regular hours	\$	185.00
Collection - reconnect at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment - during regular hours	\$	210.00*
Service call - customer owned equipment - after regular hours	\$	775.00*
Temporary service install & remove - overhead - no transformer	\$	Actual Costs
Temporary service install & remove - underground - no transformer	\$	Actual Costs
Temporary service install & remove - overhead - with transformer	\$	Actual Costs
Specific charge for access to power poles - telecom	\$	44.50
Reconnect completed after regular hours (customer/contract driven) - at meter	\$	245.00
Reconnect completed after regular hours (customer/contract driven) - at pole	\$	475.00
Additional service layout fee - basic/complex (more than one hour)	\$	595.20
Pipeline crossings	\$	2,499.29
Water crossings	\$	3,717.21
Railway crossings	\$	\$4,965.66 plus Railway Feedthrough Costs

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Overhead line staking per meter	\$	4.42
Underground line staking per meter	\$	3.18
Subcable line staking per meter	\$	2.78
Central metering - new service <45 kw	\$	100.00
Conversion to central metering <45 kw	\$	1,612.75
Conversion to central metering >=45 kw	\$	1,512.75
Connection impact assessments - net metering	\$	3,329.86
Connection impact assessments - embedded LDC generators	\$	2,996.97
Connection impact assessments - small projects <= 500 kw	\$	3,405.38
Connection impact assessments - small projects <= 500 kw, simplified	\$	2,054.41
Connection impact assessments - greater than capacity allocation exempt projects - capacity allocation required projects	\$	9,011.83
Connection impact assessments - greater than capacity allocation exempt projects - TS review for LDC capacity allocation required projects	\$	5,969.89
Specific charge for access to power poles - LDC	\$	see below
Specific charge for access to power poles - generators	\$	see below
Specific charge for access to power poles - municipal streetlights	\$	2.04
Sentinel light rental charge	\$	10.00
Sentinel light pole rental charge	\$	7.00

*Base Charge only. Additional work on equipment will be based on actual costs.

Specific Charge for LDCs Access to the Power Poles (\$/pole/year)

LDC rate for 10' of power space	\$	90.60
LDC rate for 15' of power space	\$	108.72
LDC rate for 20' of power space	\$	120.80
LDC rate for 25' of power space	\$	129.43
LDC rate for 30' of power space	\$	135.90
LDC rate for 35' of power space	\$	140.93
LDC rate for 40' of power space	\$	144.96
LDC rate for 45' of power space	\$	148.25
LDC rate for 50' of power space	\$	151.00
LDC rate for 55' of power space	\$	153.32
LDC rate for 60' of power space	\$	155.31

Specific Charge for Generator Access to the Power Poles (\$/pole/year)

Generator rate for 10' of power space	\$	90.60
Generator rate for 15' of power space	\$	108.72
Generator rate for 20' of power space	\$	120.80
Generator rate for 25' of power space	\$	129.43
Generator rate for 30' of power space	\$	135.90
Generator rate for 35' of power space	\$	140.93
Generator rate for 40' of power space	\$	144.96
Generator rate for 45' of power space	\$	148.25
Generator rate for 50' of power space	\$	151.00
Generator rate for 55' of power space	\$	153.32
Generator rate for 60' of power space	\$	155.31

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

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

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	107.68
Monthly fixed charge, per retailer	\$	43.08
Monthly variable charge, per customer, per retailer	\$/cust.	1.07
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.64
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.64)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.54
Processing fee, per request, applied to the requesting party	\$	1.07
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.31
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.15

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NOTES

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