

DECISION AND RATE ORDER

EB-2022-0084

2022 UNIFORM TRANSMISSION RATES UPDATE

BY DELEGATION, BEFORE: Theodore Antonopoulos

Vice-President Applications

[Date of Issuance]



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1 OVERVIEW

Each year, the OEB establishes transmission rates on a uniform basis for all electricity transmitters. Uniform transmission rates (UTRs) are set based on transmitters' annual revenue requirements and forecast consumption. The OEB's 2022 UTR Decision and Order issued in December 2021 established the 2022 UTRs, effective January 1, 2022. In the current Decision and Order, the OEB is updating the 2022 UTRs by incorporating the OEB-approved revenue requirements of two additional rate regulated transmitters into the UTR calculation, as established by earlier decisions of the OEB. The two additional rate regulated transmitters are Upper Canada Transmission, Inc., operating as NextBridge Infrastructure LP (NextBridge) and Wataynikaneyap Power LP (WPLP).

The updated 2022 transmission rate pool revenue requirement represents a 4.1% increase from the January 1, 2022 UTR Decision and Order and a 0.3% increase on the total bill for a typical distribution-connected customer.

The updated 2022 UTRs effective April 1, 2022, as shown in Schedule A, are:

- \$5.46/kW/Month Network Service Rate (a \$0.33/kW increase)
- \$0.88/kW/Month Line Connection Service Rate (no change)
- \$2.81/kW/Month Transformation Connection Service Rate (no change)

The impacts on distributors will vary depending on the customer mix and load characteristics in the different service areas and the proportion of power withdrawn by individual distributors from the bulk transmission system.

Electricity distributors directly connected to the transmission system recover transmission costs from their customers through Retail Transmission Service Rates (RTSRs), which are established for each rate class annually; some on January 1 and some on May 1. The updated 2022 UTRs will be taken into account when new RTSRs are approved in the individual rate proceedings for distributors effective January 1, 2023 or later. Existing variance accounts will be used to track differences between a distributor's transmission costs and the associated revenues it receives from its customers, in order to ensure that its customers pay the true cost of transmission service over time. As a result, the impact will take time to materialize for most customers.

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¹ EB-2021-0276, 2022 Uniform Transmission Rates, Decision and Order, December 16, 2021

2 THE PROCESS

This Decision and Rate Order implements the findings in the OEB's NextBridge and WPLP decisions and incorporates those findings into the calculation of the updated UTRs, effective April 1, 2022, and maintains the revenue requirements and charge determinants for each of the other OEB rate-regulated transmitters in Ontario as set out in previous OEB decisions and included in the January 1, 2022 UTR Decision and Order. As such, this Decision and Rate Order is issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act*, 1998.



3 UNIFORM TRANSMISSION RATES

There are six licensed electricity transmitters in Ontario that currently recover their revenues through the 2022 UTR Decision and Order²: Canadian Niagara Power Inc. (CNPI); Five Nations Energy Inc. (FNEI); Hydro One Networks Inc. (Hydro One); Hydro One Networks Sault Ste. Marie LP (Hydro One SSM); B2M Limited Partnership (B2M LP), and Niagara Reinforcement Limited Partnership (NRLP). The OEB approves revenue requirements and charge determinants for the individual electricity transmitters in separate proceedings and uses them to calculate the UTRs.

The revenue requirements of the licensed electricity transmitters are allocated to three transmission rate pools - Network, Line Connection and Transformation Connection - on the same basis as is used for Hydro One.³ The revenue requirements for the three transmission rate pools are then divided by forecast consumption (charge determinants) to establish the UTRs. The Independent Electricity System Operator (IESO) charges these rates to all wholesale market participants, including electricity distributors. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using revenue allocation factors.

The 2022 UTR Decision and Order established the 2022 UTRs effective January 1, 2022. The revenue requirement and charge determinants for each transmitter used to set the UTRs effective January 1, 2022 are set out in Table 1 below.

² EB-2021-0276, 2022 Uniform Transmission Rates, Decision and Order, December 16, 2021

³ B2M LP and NRLP full revenue requirements are allocated to Network rate pool only

TABLE 1 – 2022 REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY TRANSMITTER, EFFECTIVE JANUARY 1, 2022

		2022 Charge Determinants (MW)			
Transmitters	2022 Revenue Requirement	Network	Line Connection	Transformation Connection	OEB File Number
CNPI⁴	\$4,647,201	523	549	549	EB-2015-0354 Decision and Order issued January 14, 2016
FNEI ⁵	\$7,988,092	230	249	73	EB-2016-0231 Order issued January 18, 2018
Hydro One	\$1,883,469,327 ⁶	234,736	228,350	194,599	EB-2021-0185 Decision and Order issued December 16, 2021
HOSSM	\$42,426,118	3,498	2,735	635	EB-2021-0186 Decision and Order issued December 16, 2021
B2MLP	\$33,652,083	0	0	0	EB-2021-0187 Decision and Order issued December 16, 2021
NRLP	\$8,281,339	0	0	0	EB-2021-0188 Decision and Order issued December 16, 2021
TOTAL	\$1,980,464,160	238,988	231,883	195,857	

⁴ CNPI confirmed that it would not be seeking to adjust its annual revenue requirement of \$4,647,201 for 2022.

⁵ FNEI confirmed that it would not be seeking to adjust its annual revenue requirement of \$7,988,092 for

⁶ Hydro One's 2022 revenue requirement includes foregone revenue of \$27,337,659 and interest of \$281,006 from 2020. The OEB approved a two-year disposition period in EB-2020-0251, 2021 Uniform Transmission Rates, Decision and Order, December 17, 2020.

The only changes to the January 1, 2022 UTR Decision and Order being made in this Decision and Rate Order are the inclusion of the revenue requirement for NextBridge and the revenue requirement and charge determinant for WPLP in the 2022 UTRs.

On June 17, 2021, the OEB issued a decision approving NextBridge to begin recovery of its revenue through the UTR Network pool one day after the East-West Tie line is inservice. On August 19, 2021, the OEB issued a revenue requirement order accepting and approving NextBridge's 2022 transmission revenue requirement to be included in the calculation of the UTRs. NextBridge filed documentation required by the OEB's decision to demonstrate that the asset is ready for service.

On December 2, 2021, the OEB issued a decision and order¹⁰ accepting and approving WPLP's 2022 transmission revenue requirement and charge determinant to be included in the calculation of the UTRs, effective April 1, 2022.

As shown in Table 2, the updated 2022 transmission rate pool revenue requirement is \$2,060,868,811 with NextBridge's approved 2022 transmission revenue requirement annualized to \$53,100,835¹¹ and WPLP's approved 2022 transmission revenue requirement annualized to \$27,303,816¹² to be included in the calculation of the UTRs, effective April 1, 2022. The total NextBridge and WPLP revenue requirement of \$80,404,651 is allocated to the provincial Network rate pool only. The allocation of the revenue requirements of the other transmitters to the three transmission rate pools and the revenue requirement for these transmitters remains unchanged from the January 2022 UTR Decision and Order.¹³

The total revenue required for each pool is then divided by the forecast consumption (charge determinants) of each pool to establish the UTRs. The updated 2022 charge determinant for the Network pool is 239,002.379 MW with WPLP's approved 2022

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⁷ EB-2020-0150, NextBridge LP, Decision and Order, June 17, 2021

⁸ EB-2020-0150, NextBridge LP, Revenue Requirement Order, August 19, 2021

⁹ EB-2020-0150, NextBridge LP, Compliance with Minimum Technical Requirements and Commissioning Letter, March 15, 2022

¹⁰ EB-2021-0134, Wataynikaneyap LP, Revenue Requirement and Charge Determinant Order, December 2, 2021

¹¹ EB-2020-0150 NextBridge's approved 2022 transmission revenue requirement of \$39,825,626 effective April 1, 2022 is annualized to \$53,100,835 (\$39,825,626/ (9 months/12 months)) to be included in the calculation of the UTRs.

¹² EB-2021-0134 WPLP's approved 2022 transmission revenue requirement of \$20,477,862, effective April 1, 2022 is annualized to \$27,303,816 (\$20,477,862/ (9 months/12 months)) to be included in the calculation of the UTRs.

¹³ EB-2021-0276, 2022 Uniform Transmission Rates, Decision and Order, December 16, 2021

charge determinant annualized to 14.468 MW¹⁴ to be included in the calculation of the UTRs, effective April 1, 2022. NextBridge has no charge determinants since all their assets serve the transmission network with no transformation or individual customer services.¹⁵ The charge determinants remain unchanged from the January 2022 UTR Decision and Order for all other transmitters as shown in Schedule A.

TABLE 2 – 2022 REVENUE REQUIREMENT FOR NEXTBRIDGE AND 2022 REVENUE REQUIREMENT AND CHARGE DETERMINANT FOR WPLP, AND UPDATED TOTAL REVENUE REQUIREMENT AND CHARGE DETERMINANTS FOR ALL TRANSMITTERS, EFFECTIVE APRIL 1, 2022

Transmitter	Updated 2022 Revenue Requirement	2022 Charge Determinants (MW)			OEB File Number
	Requirement	Network	Line Connection	Transformation Connection	
NextBridge	\$53,100,835 ¹⁶	0	0	0	EB-2020-0150 Decision and Order issued August 19, 2021
WPLP	\$27,303,816 ¹⁷	14.468 ¹⁸	0	0	EB-2021-0134 Decision and Order issued December 2, 2021
All Transmitters	\$2,060,868,811	239,002.379	231,883.148	195,856.785	

The updated UTRs effective April 1, 2022 are as follows:

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¹⁴ EB-2021-0134 WPLP's approved 2022 charge determinant of 10.851 MW, effective April 1, 2022 is annualized to 14.468 MW (10.851 MW/ (9 months/12 months)) to be included in the calculation of the UTRs.

¹⁵ EB-2020-0150 Exhibit A / Tab 3 / Schedule 1 / p. 8

¹⁶ EB-2020-0150 NextBridge's approved 2022 transmission revenue requirement of \$39,825,626 effective April 1, 2022 is annualized to \$53,100,835 to be included in the calculation of the UTRs.

¹⁷ EB-2021-0134 WPLP's approved 2022 transmission revenue requirement of \$20,477,862, effective April 1, 2022 is annualized to \$27,303,816 to be included in the calculation of the UTRs.

¹⁸ EB-2021-0134 WPLP's approved 2022 charge determinant of 10.851 MW, effective April 1, 2022 is annualized to 14.468 MW to be included in the calculation of the UTRs.

- \$5.46/kW/Month Network Service Rate
- \$0.88/kW/Month Line Connection Service Rate
- \$2.81/kW/Month Transformation Connection Service Rate

To determine the impact of changes to UTRs on a typical customer's bill, an approach of using the estimated average transmission cost as a percentage of the total bill for a transmission and distribution-connected customer has been adopted as set out in Table 3 below:

TABLE 3 - BILL IMPACTS

Line	2022 UTR - January 1, 2022	2022 UTR - April 1, 2022 Update
1	Revenue Requirement (\$ millions) 1,980.5	2,060.9
2	% Increase in Revenue Requirement over prior year	4.1%
3	% Impact of load forecast decrease/increase (+/-)	0.0%
4=2+3	Net Impact on Average Transmission Rates	4.1%
5	Transmission as a % of Tx - connected customer's Total Bill	7.6%
6=4*5	Estimated Average Tx - connected customer's Bill Impact	0.3%
7	Transmission as a % of Dx - connected customer's Total Bill	6.2%
8=4*7	Estimated Average Dx – connected customer's Bill Impact	0.3%

Findings

In order to implement the NextBridge and WPLP decisions, the OEB established this current proceeding on its own motion to update the 2022 UTRs, effective April 1, 2022.

The UTR calculations attached as Schedule A to this Decision and Rate Order appropriately reflect the necessary adjustments to the 2022 UTRs arising from the OEB's NextBridge and WPLP decisions.

4 ORDER

IT IS ORDERED THAT:

- 1. The revenue requirements by rate pool and the uniform electricity transmission rates and the revenue allocators for rates effective April 1, 2022, attached as Schedule A, are approved.
- 2. The 2022 Ontario Uniform Transmission Rate Schedules effective April 1, 2022, attached as Schedule B, are approved.

DATED at Toronto [Date of issuance]

ONTARIO ENERGY BOARD

Nancy Marconi Registrar



SCHEDULE A 2022 REVENUE DISBURSEMENT ALLOCATORS DECISION AND RATE ORDER EB-2022-0084 [DATE OF ISSUANCE]

Uniform Transmission Rates and Revenue Disbursement Allocators

Effective April 1, 2022

Transmitter		Revenue Requir		
1 ransmitter	Network	Line Connection	Transformation Connection	Total
CNPI	\$2,837,776	\$489,867	\$1,319,558	\$4,647,201
FNEI	\$4,877,864	\$842,035	\$2,268,193	\$7,988,092
Hydro One	\$1,150,125,339	\$198,538,821	\$534,805,167	\$1,883,469,32
HOSSM	\$25,907,166	\$4,472,189	\$12,046,762	\$42,426,118
B2MLP	\$33,652,083	\$0	\$0	\$33,652,083
NRLP	\$8,281,339	\$0	\$0	\$8,281,339
NextBridge	\$53,100,835	\$0	\$0	\$53,100,835
WPLP	\$27,303,816	\$0	\$0	\$27,303,816
All Transmitters	\$1,306,086,218	\$204,342,912	\$550,439,680	\$2,060,868,81

T	Tot	Total Annual Charge Determinants (MW)*			
Transmitter	Network	Line Connection	Transformation Connection		
CNPI	522.894	549.258	549.258		
FNEI	230.410	248.860	73.040		
Hydro One	234,736.371	228,350.406	194,599.235		
HOSSM	3,498.236	2,734.624	635.252		
B2MLP	0.000	0.000	0.000		
NRLP	0.000	0.000	0.000		
NextBridge	0.000	0.000	0.000		
WPLP	14.468	0.000	0.000		
All Transmitters	239,002.379	231,883.148	195,856.785		

T	Uniform Rates and Revenue Allocators			
Transmitter	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	5.46	0.88	2.81	
CNPI Allocation Factor	0.00217	0.00240	0.00240	
FNEI Allocation Factor	0.00373	0.00412	0.00412	
Hydro One Allocation Factor	0.88058	0.97159	0.97159	
HOSSM Allocation Factor	0.01984	0.02189	0.02189	
B2MLP Allocation Factor	0.02577	0.00000	0.00000	
NRLP Allocation Factor	0.00634	0.00000	0.00000	
NextBridge Allocation Factor	0.04066	0.00000	0.00000	
WPLP Allocation Factor	0.02091	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

^{*} The sum of 12 monthly charge determinants for the year.

Note 1: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14,2016.

Note 1: CNP1 Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2013-0534 adied Janu Note 2: FNEI Revenue Requirement and Charge Determinants per OEB Order EB-2016-0231 dated January 18, 2018.

Note 3: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2021-0185, dated December 16, 2021.

Note 4: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2021-0186 dated December 16, 2021.

Note 5: B2M LP Revenue Requirement per OEB Decision and Order EB-2021-0187 dated December 16, 2021.

Note 6: NRLP Revenue Requirement per OEB Decision and Order EB-2021-0188 dated December 16, 2021.

Note 7: NextBridge Revenue Requirement per OEB Decision and Order EB-2021-0150 dated August 19, 2021.

Note 8: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2021-0134 dated December 2, 2021.

Note 9: The revenue requirements of the licensed electricity transmitters are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.

Note 10: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.

Note 11: Calculated data in shaded cells.

SCHEDULE B 2022 UNIFORM TRANSMISSION RATE SCHEDULES DECISION AND RATE ORDER EB-2022-0084 [DATE OF ISSUANCE]

	TRANSM	MISSION RATE SCHEDULES	
2022 ON	TARIO UNIFOR	M TRANSMISSION RAT	E SCHEDULES
		EB-2022-0084	
The ra	tes contained herein	shall be implemented effective	April 1, 2022
			Issued: [date of issuance]
			Ontario Energy Board
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TERMS AND CONDITIONS

- (A) APPLICABILITY The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.
- (B) TRANSMISSION SYSTEM CODE The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.
- (C) TRANSMISSION DELIVERY POINT The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

- (D) TRANSMISSION SERVICE POOLS The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS- L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.
- **(E) MARKET RULES** The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

(F) METERING REQUIREMENTS accordance with Market Rules and the Transmission System Code, the transmission charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered that energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid.

EMBEDDED GENERATION The **(G)** Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generationare obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for nonrenewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998 and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESOadministered energy markets.

(H) EMBEDDED CONNECTION POINT In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a

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distribution feeder to the Transmission Delivery Point. In above situations: •The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO- administered market. •The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

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RATE SCHEDULE: (PTS)

PROVINCIAL TRANSMISSION RATES

APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

Monthly Rate (\$ per kW)

Network Service Rate (PTS-N):

5.46

 $\$ Per kW of Network Billing Demand 1,2

Line Connection Service Rate (PTS-L):

0.88

\$ Per kW of Line Connection Billing Demand ^{1,3}

Transformation Connection Service Rate (PTS-T):

2.81

\$ Per kW of Transformation Connection Billing Demand ^{1,3,4}

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:

- 1 The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.
- 2. The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.
- 3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Biooil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.
- 4. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

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RATE SCHEDULE: (ETS) EXPORT TRANSMISSION SERVICE

APPLICABILITY:

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

Hourly Rate

Export Transmission Service Rate (ETS):

\$1.85 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.