Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND RATE ORDER

EB-2025-0232

2026 UNIFORM TRANSMISSION RATES

BY DELEGATION, BEFORE: **Theodore Antonopoulos**
Vice-President
Major Applications

January 15, 2026

Ontario Energy Board | Commission de l'énergie de l'Ontario

TABLE OF CONTENTS

1 OVERVIEW

This Decision and Rate Order sets out the 2026 transmission revenue requirements by rate pool, and the Uniform Transmission Rates (UTRs) and revenue allocators, effective January 1, 2026.

The 2026 UTRs effective January 1, 2026, as shown in Schedule A, and the changes from the previously approved UTRs[1], are as follows:

Network Service Rate	Line Connection Service Rate	Transformation Connection Service Rate
$6.39/kW/Month (a $0.02/kW increase)	$1.03/kW/Month (a $0.03/kW increase)	$3.47/kW/Month (a $0.08/kW increase)

The changes above result in an estimated 0.11% increase on the total bill for the average distribution-connected customer.

The impact 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vary depending on the customer mix and load characteristics in the different service areas and the proportion of power withdrawn by individual distributors from the bulk transmission system.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 recover transmission costs from their customers through Retail Transmission Service Rates (RTSRs), which are established for each rate class annually, some for rates effective January 1 and some for rates effective May 1. For distributors that have yet to have their 2026 RTSRs approved, the final 2026 UTRs set out in this Decision and Order will be taken into account in setting those rates. For most distributors whose RTSRs for 2026 have already been approved, the OEB's preliminary UTRs issued on October 9, 2025[2] were used in setting 2026 rates. In both cases, existing variance accounts will be used to track differences between the 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.

[1] EB-2024-0244, 2025 Uniform Transmission Rates Update, Decision and Rate Order, January 21, 2025.
[2] EB-2025-0232, 2026 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, October 9, 2025.

2 CONTEXT AND PROCESS

The Ontario Energy Board (OEB) convened this proceeding on its own motion to establish the 2026 UTRs effective January 1, 2026.

The OEB approves revenue requirements and charge determinants for the individual transmitters in separate proceedings and uses them to calculate the UTRs. There are nine licensed, rate-regulated electricity transmitters in Ontario that currently recover their revenues through Ontario's UTRs:

Licensed and Rate-Regulated Electricity Transmitters
Hydro One Networks Inc. (Hydro One)
Hydro One Networks Sault Ste. Marie LP (HOSSM)
Five Nations Energy Inc. (FNEI)
Canadian Niagara Power Inc. (CNPI)
Wataynikaneyap Power LP (WPLP)
Upper Canada Transmission 2, Inc (UCT 2)
B2M Limited Partnership (B2MLP)
Niagara Reinforcement Limited Partnership (NRLP)
Chatham x Lakeshore Limited Partnership (CLLP)

The revenue requirements of the licensed and rate-regulated electricity transmitters are allocated to one or more of three transmission rate pools – Network, Line Connection and Transformation Connection. The revenue requirements for the three transmission rate pools are then divided by forecast demand (charge determinants) to establish the UTRs. The Independent Electricity System Operator (IESO) charges these rates to all transmission-connected customers, including electricity distributors.

This Decision and Rate Order implements the findings in the OEB's previous decisions on the revenue requirements and charge determinants for each of the nine OEB-licensed, rate-regulated transmitters in Ontario, effective January 1, 2026.

On November 27, 2025, a new paragraph (N) was added to the Terms and Conditions in the 2025 UTR Schedules. That paragraph provides for a gross load billing exemption in cases where a customer's capacity needs exceed the available capacity on the transmission system. This exemption will ensure that gross load billing applies only to the maximum available capacity. It will be conditional on a technical assessment by the Transmitter and the IESO, where applicable, confirming the presence of system constraints.[3] The provision went into effect on that date, and now forms part of the UTR Schedule Terms and Conditions.

This Decision and Rate Order does not implement other proposed amendments being considered in the generic hearing on UTRs.[4] At this time, OEB staff has proposed several amendments to the UTR Schedule relating to electricity storage. The OEB will make findings on these amendments in due course.

This Decision and Rate Order is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998.*

---

[3] Generic Hearing on Uniform Transmission Rates – Phase 2, EB-2022-0325, Decision and Rate Order dated November 27, 2025
[4] OEB staff letter to the OEB regarding the implementation of Issue 5, EB-2022-0325, December 10, 2025

3 UNIFORM TRANSMISSION RATES

This Decision and Rate Order incorporates the most recent OEB-approved revenue requirements and charge determinants for each of the rate-regulated transmitters, as set out in Table 1 below.

Table 1: Revenue Requirement and Charge Determinants By Transmitter, Effective January 1, 2026

Transmitter	2026 Revenue Requirement	2026 Charge Determinants (MW)		
		Network	Line Connection	Transformation Connection
Hydro One[5]	$2,160,987,179	229,485	222,779	189,509
HOSSM[6]	$44,410,118	3,498	2,735	635
FNEI[7]	$10,211,021	71	83	83
CNPI[8]	$4,647,201	523	549	549
WPLP[9]	$28,930,547	210	-	-
UCT 2[10]	$76,968,578	-	-	-
B2MLP[11]	$37,853,870	-	-	-
NRLP[12]	$8,792,932	-	-	-
CLLP[13]	$16,804,298	-	-	-
All Transmitters	**$2,389,605,744**	**233,787**	**226,146**	**190,776**

<u>Revenue Requirement Allocations</u>

The 2026 UTR revenue requirements allocated to each rate pool for HOSSM, FNEI, and CNPI are determined based on Hydro One's 2026 UTR revenue requirement allocation percentages by rate pool. The respective revenue requirements of WPLP, UCT 2, B2MLP, NRLP, and CLLP are allocated entirely to the Network rate pool, as all

[5] EB-2025-0159, Decision and Order, October 7, 2025.
[6] EB-2025-0158, Decision and Order, September 18, 2025.
[7] EB-2025-0129, Decision and Order, December 16, 2025.
[8] EB-2015-0354, Decision and Order, January 14, 2016. CNPI confirmed that it would not be seeking to adjust its annual revenue requirement of $4,647,201 for 2026.
[9] EB-2025-0192, Decision and Order, December 16, 2025.
[10] EB-2025-0243, Decision and Order, September 23, 2025.
[11] EB-2025-0147, Decision and Order, October 2, 2025.
[12] EB-2025-0148, Decision and Order, October 2, 2025
[13] EB-2025-0157, Decision and Order, December 16, 2025.

the assets owned by these transmitters serve the transmission network with no transformation or individual customer services.

The total 2026 transmission rate pool revenue requirement is $2,389,605,744. For the 2026 UTRs, the charge determinants are 233,787 MW for the Network pool, 226,146 MW for the Line Connection pool, and 190,776 MW for the Transformation Connection pool.

To determine the impact of changes to UTRs on a typical customer's bill, an approach of using the estimated transmission cost as a percentage of the total bill for the average transmission and distribution-connected customer, respectively, has been adopted as set out in Table 2 below.

Table 2: Bill Impacts

Line	Component	2025 UTR	2026 UTR
1	Revenue requirement ($ millions)	2,375.2	2,389.6
2	% Increase in revenue requirement		0.61%
3	% Impact of load forecast decrease		0.41%
4=2+3	Net impact on average transmission rates		1.02%
5	*Transmission rates as a % of transmission-connected customer's total bill*		13.34%[14]
6=4*5	Estimated average transmission-connected customer's bill impact		0.14%
7	*Transmission rates as a % of distribution-connected customer's total bill*		10.49%[15]
8=4*7	Estimated average distribution–connected customer's bill impact		0.11%

Findings

The UTR calculations, attached as Schedule A to this Decision and Rate Order, appropriately reflect the OEB's decisions for the Ontario transmitters on their 2026 revenue requirements, the allocation of those revenue requirements to transmission rate pools, and their charge determinants. The UTRs are approved, effective January 1, 2026.

[14] Calculated based on data from the IESO Monthly Market Report for September 2025 and the OEB's 2024 Reporting & Record Keeping Requirements (RRR) Data.
[15] *Ibid*.

4 ORDER

IT IS ORDERED THAT:

The revenue requirements by rate pool and the uniform electricity transmission rates and revenue allocators for rates effective January 1, 2026, attached as Schedule A, are approved.

1. The 2026 Ontario Uniform Transmission Rate Schedules effective January 1, 2026, attached as Schedule B, are approved.

DATED at Toronto January 15, 2026

ONTARIO ENERGY BOARD

Ritchie Murray

Digitally signed by Ritchie Murray
Date: 2026.01.15 15:28:17 -05'00'

Ritchie Murray
Acting Registrar

SCHEDULE A

2026 REVENUE DISBURSEMENT ALLOCATOR

DECISION AND RATE ORDER

EB-2025-0232

JANUARY 15, 2026

Uniform Transmission Rates and Revenue Disbursement Allocators

Effective January 1, 2026

Transmitter	Revenue Requirement			
	Network	Line Connection	Transformation Connection	Total
CNPI	$2,774,228	$486,004	$1,386,969	$4,647,201
FNEI	$6,095,648	$1,067,869	$3,047,505	$10,211,021
Hydro One	$1,290,039,076	$225,996,046	$644,952,057	$2,160,987,179
HOSSM	$26,511,396	$4,644,410	$13,254,311	$44,410,118
B2MLP	$37,853,870			$37,853,870
NRLP	$8,792,932			$8,792,932
UCT 2	$76,968,578			$76,968,578
WPLP	$28,930,547			$28,930,547
CLLP	$16,804,298			$16,804,298
All Transmitters	$1,494,770,573	$232,194,329	$662,640,842	$2,389,605,744

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
CNPI	522.894	549.258	549.258	
FNEI	71.000	83.000	83.000	
Hydro One	229,484.965	222,778.972	189,508.755	
HOSSM	3,498.236	2,734.624	635.252	
B2MLP	-	-	-	
NRLP	-	-	-	
UCT 2	-	-	-	
WPLP	209.974	-	-	
CLLP	-	-	-	
All Transmitters	233,787.069	226,145.854	190,776.265	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (/kW/Month)	6.39	1.03	3.47	
CNPI Allocation Factor	0.00186	0.00209	0.00209	
FNEI Allocation Factor	0.00408	0.00460	0.00460	
Hydro One Allocation Factor	0.86304	0.97331	0.97331	
HOSSM Allocation Factor	0.01774	0.02000	0.02000	
B2MLP Allocation Factor	0.02532	0.00000	0.00000	
NRLP Allocation Factor	0.00588	0.00000	0.00000	
UCT 2 Allocation Factor	0.05149	0.00000	0.00000	
WPLP Allocation Factor	0.01935	0.00000	0.00000	
CLLP Allocation Factor	0.01124	0.00000	0.00000	
Sum 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 2: FNEI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2025-0129 dated December 16, 2025.
Note 3: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and EB-2025-0159 dated October 7, 2025.
Note 4: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2025-0158 dated September 18, 2025.
Note 5: B2M LP Revenue Requirement per OEB Decision and Order EB-2025-0147 dated October 2, 2025.
Note 6: NRLP Revenue Requirement per OEB Decision and Order EB-2025-0148 dated October 2, 2025.
Note 7: UCT 2 Revenue Requirement per OEB Decision and Order EB-2025-0243 dated September 23, 2025.
Note 8: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2025-0192 dated December 16, 2025.
Note 9: CLLP Revenue Requirement per OEB Decision and Order EB-2025-0157 dated December 16, 2025.
Note 10: The revenue requirements of CNPI, FNEI, and HOSSM are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of B2MLP, NRLP, UCT 2, WPLP and CLLP are allocated entirely to the Network rate pool. 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 11: 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.

SCHEDULE B

2026 UNIFORM TRANSMISSION RATE SCHEDULES

DECISION AND RATE ORDER

EB-2025-0232

JANUARY 15, 2026

2026 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES

EB-2025-0232

The rates contained herein shall be implemented effective January 1, 2026.

Issued: January 15, 2026

Ontario Energy Board

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 licensed 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 licensed 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 that utilize lines owned by a licensed 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 licensed 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 hourlybasis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

(F) METERING REQUIREMENTS In accordance with Market Rules and the Transmission System Code, the transmission service 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 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 licensed Transmission Company that connects the customer to the IESO-Controlled Grid.

(G) EMBEDDED GENERATION The 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 generation are 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 non-renewable 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, biogas, 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 IESO-administered 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 distribution feeder to the

Transmission Delivery Point. In the 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.

(I) COME INTO SERVICE has the meaning given to that term in the Code.

(J) CUSTOMER FACILITIES A Transmission Customer's equipment, elements, and facilities of any kind whatsoever that are relevant to a direct connection to the transmission system at a Transmission Delivery Point where the Transmission Customer uses transformation connection assets owned by a licensed transmission company and/or line connection assets owned by a licensed transmission company.

(K) CHANGE IN OWNERSHIP When an existing Transmission Customer (the transferor) transfers the title of a load facility to a new customer (transferee), as provided in written notice to the applicable transmitter and the IESO, by the transferee.

(L) NEW CONNECTION Where new Customer Facilities will be directly connected to the transmission system at a Transmission Delivery Point and energized following commissioning.

(M) PERMANENT DISCONNECTION Where Customer Facilities are permanently disconnected from the transmission system in accordance with Section 20.1 or 20.3.1 and subject to Section 20.5 of the form of Connection Agreement applicable to the Transmission Customer in Appendix 1 to the Code.

(N) EXEMPTION Based on an assessment by the licensed transmission company (and the IESO, where applicable), where the Transmission Customer's forecast capacity needs (associated with a new or modified load facility) exceeds the maximum capacity that can be supplied by the transmission system and the licensed transmission company cannot expand the transmission system to meet the Transmission Customer's forecast capacity needs at the time the Transmission Customer's load facility goes into service (and the Transmission Customer agrees to limit its demand to the maximum capacity allocated), the Transmission Customer shall be subject to gross load billing for Line Connection service charges and Transformation Connection service charges, as appropriate, on only the maximum capacity that can be supplied by the transmission system. The application of gross load billing shall be adjusted by the licensed transmission company to the extent additional capacity can be allocated to meet the capacity needs associated with the Transmission Customer's new or modified load facility.

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):	**6.39**
$ Per kW of Network Billing Demand [1,2]	
Line Connection Service Rate (PTS-L):	**1.03**
$ Per kW of Line Connection Billing Demand [1,3,4]	
Transformation Connection Service Rate (PTS-T):	**3.47**
$ Per kW of Transformation Connection Billing Demand [1,3,4,5]	

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 IESO 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 2 MW 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, bio-oil, biogas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

4. Upon a New Connection, Permanent Disconnection, or Change in Ownership, the total monthly charge for each of the Line Connection Service and the Transformation Connection Service will be prorated. The proration shall be based on the total monthly charge for each service and the applicable number of days of the month using the come into service date for a New Connection, the date of the Permanent Disconnection, or the date of the Change in Ownership of Customer Facilities as identified in an agreement where the transmitter consents to the assignment of the Transmission Connection Agreement by the transferor to the transferee, whichever is applicable.

5. 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.

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):	$1.95 / 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.