INTRODUCTION TO COST ALLOCATION AND RATE DESIGN

Hydro One has prepared its cost allocation and rate design evidence in accordance with Chapter 2 of the OEB's Filing Requirements for Electricity Distribution Cost of Service Rate Applications issued on December 16, 2025, and has followed the cost allocation policies outlined in the OEB's reports and letters, including: (i) OEB Report - Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219), issued on March 31, 2011; (ii) OEB Report - Review of the Board's Cost Allocation Policy for Unmetered Loads (EB-2012-0383), issued on December 19, 2013; and (iii) OEB Letter - New Cost Allocation Policy for Street Lighting Rate Class (EB-2012-0383), issued on June 12, 2015.

In accordance with the OEB's policy - A New Distribution Rate Design for Residential Electricity Customers (EB-2012-0410), the transition to all-fixed distribution rates has been completed for all of Hydro One's residential rate classes, including the acquired residential rate classes and the residential rate classes of former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) customers, other than the Low-Density (R2) rate class. As a result of the ongoing bill impact mitigation for former seasonal customers in the R2 rate class, the R2 rate class will complete the transition to all-fixed distribution rates in 2032.[1]

Hydro One proposes a number of changes to the rate classifications of former OPDC and PDI customers (together, "Acquired Utilities") in this Application, as further described in Exhibit L-01-02. The changes include moving former OPDC and PDI's residential and general service customers to Hydro One's existing Acquired Urban residential and general service rate classes when the rates for these customers are harmonized in 2031. Acquired customers in the former PDI and OPDC's Street Lighting, Sentinel Lighting, Unmetered Scattered Load and Large Use rate classes will be merged into Hydro One's corresponding rate classes in 2031. Hydro One also proposes to eliminate the former OPDC's Standby Power Classification in this Application, as discussed in Exhibit L-01-02.

[1] EB-2020-0246, Decision and Order, November 10, 2021, p.6

In Exhibit L-01-03, Hydro One describes its proposed cost allocation approach to appropriately reflect the costs of serving the Acquired Utilities' customers. In Exhibit L-02-01, Hydro One discusses its proposed approach for setting the rates for these acquired customers under Hydro One's existing rate structure. Exhibit L-03-01 discusses the benefits of Hydro One's harmonization proposal for these acquired customers.

Hydro One has prepared two cost allocation models, for the 2028 and 2031 test years, as described in Exhibit L-01-03. This is because the Acquired Utilities' customers are being integrated into Hydro One's rate classes in 2031, following the expiry of the ten-year deferred rebasing periods approved by the OEB in EB-2018-0270 and EB-2018-0242. The 2028 cost allocation model applies to all existing Hydro One customers, excluding those of the Acquired Utilities. The 2031 cost allocation model is used to allocate costs to all Hydro One customers, including the Acquired Utilities' customers integrated in that year. During the remaining years of this Application (i.e. 2029, 2030 and 2032), the total revenue requirement to be collected will be determined using the Custom IR approach described in Exhibit A-04-03 and the revenue requirement by rate class will be determined using the methodology described in Exhibit L-02-01.

As described in Exhibit L-02-01, Hydro One proposes to make necessary revenue-to-cost (R/C) adjustments in 2028 and 2031 to maintain R/C ratios for all rate classes within the OEB-prescribed range as specified in the OEB's Filing Requirements for Electricity Distribution Cost of Service Rate Applications issued on December 16, 2025. For the 2031 rate design, Hydro One proposes to bring the R/C ratio of the Acquired Urban Residential (AUR) class to the OEB-prescribed range over two years (2031 and 2032), to limit former PDI residential customer bill impacts to 10%.

Rate riders for regulatory asset disposition are discussed in Exhibit L-05-01.

Bill impacts and mitigation plans, if required, are discussed in Exhibit L-06-01.

DISTRIBUTION CUSTOMER CLASSIFICATION

1.0 EXISTING HYDRO ONE RATE CLASSES

Hydro One's current rate structure includes five Residential, eight General Service, one Distributed Generator, one Sub-Transmission, and three Unmetered rate classes. The current rate structure reflects the Acquired rate classes established in 2023 for customers of the former Norfolk Power Distribution Inc (NPDI), Haldimand County Hydro Inc (HCHI) and Woodstock Hydro Services Inc (WHSI).

Residential Rate Classes:

Hydro One's legacy residential customers are grouped into one of its three density-based rate classes as follows:

- Urban (or High) Density (UR): Customers in areas with >= 3,000 customers and >= 60 cust/cct-km
- Medium Density (R1): Customers in areas with >= 100 customers and >= 15 cust/cct-km
- Low Density (R2): Customers in areas that are not Medium or High Density

Pursuant to the OEB's Decisions in Hydro One's 2015 rate application (EB-2013-0416) and EB-2020-0246, as of January 1, 2023, the above rate classes also include the customers formerly classified as Seasonal.

Hydro One also has an Acquired Urban Density Residential (AUR) rate class and an Acquired Mixed Density Residential (AR) rate class, which include the former customers of WHSI, NPDI and HCHI, which were integrated into Hydro One's rate structure in 2023. Hydro One proposes to move former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) residential customers into the AUR rate class as detailed in Section 3.1.

General Service Rate Classes:

- UGe: General service energy billed customers in urban density areas (as defined for residential rate classes above) with an average monthly demand of less than 50 kW
- GSe: General service energy billed customers outside of urban density areas with an average monthly demand of less than 50 kW
- UGd: General service demand billed customers in urban density areas with an average monthly demand equal to or greater than 50 kW
- GSd: General service demand billed customers outside of urban density areas with an average monthly demand equal to or greater than 50 kW

Hydro One also has four acquired general service rate classes, into which former general service customers of WHSI, NPDI, and HCHI Hydro were moved in 2023. These acquired general service classes are as follows:

- Acquired Urban Density General Service Energy (AUGe)
- Acquired Urban Density General Service Demand (AUGd)
- Acquired Mixed Density General Service Energy (AGSe)
- Acquired Mixed Density General Service Demand (AGSd)

Effective January 31, 2031, Hydro One proposes to move former OPDC and PDI general service customers into the AUGe and AUGd rate classes as detailed in Section 3.1.

Distributed Generators (DGen):

Includes all customers with generation capacity above 10kW.

Sub-Transmission (ST):

The ST rate class includes all three-phase customers with demands above 500 kW that are connected at distribution voltages of 13.8 kV or above, as well as all embedded distributor supply points regardless of the voltage at which they are connected. Effective January 1, 2031, eligible general service customers of former OPDC and PDI will also be placed in this rate class.

As approved in EB-2021-0110 and effective January 1, 2023, ST customers are offered the option of either owning their local transformation or connecting to a Hydro One-owned local transformer. ST customers who own their own local transformer are required to purchase, install and maintain their local transformers. ST customers who choose to use Hydro One-owned transformers will be subject to a fixed monthly local transformation charge.

Hydro One is host to 42 embedded distributors that are all billed under the ST rate class. Embedded distributors that are connected below 13.8 kV are subject to an HVDS-low or an LVDS-low charge for a portion of the supplying distribution station costs to transform power from above (or at) 13.8 kV to under 13.8 kV.

Details of the monthly local transformation charge, the one-time transformer charge, and the HVDS-low and LVDS-low charges are discussed in Exhibit L-02-01.

Unmetered Rate Classes:

- Street Lights
- Sentinel Lights
- Unmetered Scattered Load (USL): Includes loads such as cable TV amplifiers, bus shelters, telephone booths, railway crossings and other small, fixed loads.

Effective January 1, 2031, unmetered customers of former OPDC and PDI will also be placed in Hydro One's corresponding Unmetered rate classes.

OPDC's Standby Power Classification:

Hydro One proposes to eliminate former OPDC's Standby Power classification, effective January 1, 2031, as Hydro One does not have a standby rate. Currently, there are three customers in the former OPDC General Service 50-4,999 kW rate class that are subject to the Standby Power rate. Two of these customers are expected to move to Hydro One's ST rate class when the rates of former OPDC customers are harmonized into Hydro One's rate structure in 2031, and as such, their volumetric distribution charge (i.e. Common ST

Line) will be subject to gross load billing as per Hydro One's OEB-approved Tariff of Rates and Charges. The remaining customer will be moved to the AUGd rate class and will not be subject to gross load billing for their distribution volumetric charges.

2.0 REVIEWING DENSITY-BASED RATE CLASSES

In accordance with the OEB Decision in Hydro One's rate application (EB-2013-0416), Hydro One has performed a province-wide review of its density boundaries to ensure that all customers are classified in accordance with Hydro One's approved density-based rate classes. This review applied the OEB-approved density zone methodology first filed in EB-2013-0416 and subsequently used in EB-2017-0049 and EB-2021-0110. Under this methodology, Hydro One uses its Geographic Information System (GIS) to identify clusters of customers and the circuit-kilometers of distribution line required to serve those customers and applies the density criteria described in Section 1.0 to define the density zones and classify customers accordingly.

As shown in Table 1, the most recent rate class review identified approximately 1.0% of Hydro One customers for reclassification to a higher density rate class. The customer reclassifications identified by the rate class review are forecast to be implemented as of January 1, 2028, and have been incorporated into the customer load forecast included with this Application for the 2028-2032 period.

Table 1 - Summary of Rate Class Review Results

Reclassification	Number of Customers
R2 to UR	231
R1 to UR	13,802
GSe to UGe	1,167
GSd to UGd	76

Hydro One proposes to update the rate class review on a province-wide basis every five years to coincide with the resetting of rates as part of a rates application.

In addition to this province-wide review, Hydro One will continue, on an annual basis, to create or modify the density boundaries for known areas of customer growth and ensure that affected customers are reclassified accordingly. Outside of the annual review, there is also an opportunity to update the density boundaries in response to customer inquiries to Hydro One's contact centre regarding the appropriateness of their classification. With these processes in place, all Hydro One customers are maintained in the correct rate classification in accordance with Hydro One's approved density-based rate classes.

3.0 HARMONIZATION PLAN FOR FORMER OPDC AND PDI CUSTOMERS

3.1 RESIDENTIAL AND GENERAL SERVICE CUSTOMERS

In its Decisions on Hydro One's MAADs applications for the acquisitions of the former OPDC and PDI (EB-2018-0270 and EB-2018-0242, respectively), the OEB required that future rates for acquired customers be reflective of a cost structure that is no worse than what would have occurred if no transaction had taken place.

In the MAADs applications to acquire OPDC and PDI, Hydro One proposed establishing separate rate classes for the acquired customers. In its Decisions, the OEB found that Hydro One's cost allocation proposal for using separate acquired rate classes was reasonable and, in particular, approved the direct allocation of costs associated with local fixed assets.[1] Since these MAADs Decisions, Hydro One has established two sets of rate classes for acquired residential and general service customers in EB-2021-0110: one for acquired customers in an urban area and another for acquired customers in a mixed-density area. As described in Section 1.0, the Acquired Urban rate classes include customers of former WHSI while the Acquired Mixed Density rate classes include customers of former NPDI and HCHI.

In this Application, Hydro One proposes to place residential and general service customers of former OPDC and PDI into Hydro One's existing Acquired Urban rate classes effective January 1, 2031. Hydro One will use the OEB's cost allocation and rate

[1] EB-2018-0270, Decision and Order, April 30, 2020, page 36, and EB-2018-0242, Decision and Order, April 30, 2020, page 36

design principles to set rates for these rate classes that are reflective of the combined cost to serve the existing former Woodstock Hydro customers and the former OPDC and PDI customers.

Similar to the customers in the former WHSI service area, a majority of the former OPDC and PDI customers are located in urban areas. Based on the most recent available information, the average customer densities for former OPDC and PDI customers are 73 and 76 customers/cct-km, respectively, which is in line with the customer density for the existing Acquired Urban rate classes (former WHSI) of 74 customers/cct-km. While costs for former WHSI, OPDC and PDI customers are not perfectly aligned, Hydro One notes that some level of cross-subsidization within a rate class is a natural outcome of grouping customers into rate classes and using an allocation methodology to assign costs to those rate classes. Hydro One's proposed approach keeps the number of customer rate classes manageable but at the same time allows differentiation of the costs to serve acquired customers at "urban" and "mixed" density levels.

The Acquired Urban rate classes, including the customers of former OPDC and PDI, have been incorporated into the 2031 Cost Allocation Model (CAM), which has been populated with all required inputs specific to the updated composition of these rate classes. The CAM inputs and results for the acquired rate classes are discussed in Exhibit L-01-03. The updated Total Loss Factors (TLF) for the acquired rate classes are discussed in Exhibit L-06-02.

3.2 UNMETERED AND LARGE USE CUSTOMERS

Hydro One proposes that the small number of former OPDC and PDI customers currently in the USL, Street Lights and Sentinel Lights rate classes be merged into the corresponding Hydro One rate classes starting in 2031. In addition, eligible customers in former OPDC's and PDI's General Service 50-4,999 kW rate classes will be moved to Hydro One's ST rate class. The number of acquired customers in these classes represents only a small portion of the existing Hydro One customers in these classes, as shown in Table 2 below.

Table 2 - Harmonization Plan for Unmetered and Large Use Customers of former OPDC and PDI

Rate Class	Number of Customers in 2031		
	OPDC+PDI	Hydro One Existing	TOTAL
USL	34	6,077	6,111
Street Lights	28	6,764	6,792
Sentinel Lights*	99	17,101	17,200
Large Users to ST	30	1,232	1,262

**There are no Sentinel Lights customers in the former OPDC service area.*

The current OEB-approved volumetric charges for Hydro One Street Lights and Sentinel Lights customers are based on kWh consumption. For former OPDC and PDI, the current OEB-approved volumetric charges for Street Lights and Sentinel Lights are based on kW. Given the small number of acquired customers to be merged with legacy Hydro One customers in these existing rate classes, Hydro One proposes to adopt the kWh consumption for these acquired Street Lights and Sentinel Lights customers as the billing quantities once they are merged into the corresponding Hydro One rate classes. Hydro One also expects this migration to have an immaterial impact on the TLFs and other weighting factors of these rate classes. The CAM inputs for these existing classes have been adjusted to include the data from the acquired customers being merged into these existing classes.

The integration of former OPDC and PDI customers into Hydro One's rate classes in 2031 is summarized in Table 3.

Table 3 - Hydro One Rate Classes 2028 to 2032

Rate Class	2028-2030	2031-2032
UR	Hydro One Urban Residential (including former Seasonal)	
R1	Hydro One Medium Density Residential (including former Seasonal)	
R2	Hydro One Low Density Residential (including former Seasonal)	
GSe	Hydro One non-urban General Service <50kW	
GSd	Hydro One non-urban General Service >=50kW	
UGe	Hydro One Urban General Service <50kW	
UGd	Hydro One Urban General Service >=50kW	
ST	Hydro One ST+NPDI+HCHI+WHSI Large users*	Hydro One ST+NPDI+HCHI+WHSI+OPDC+PDI Large users*
Street Lights	Hydro One+NPDI+HCHI+WHSI Street Lights	Hydro One+NPDI+HCHI+WHSI+OPDC+PDI Street Lights
Sentinel Lights	Hydro One+NPDI+HCHI Sentinel Lights	Hydro One+NPDI+HCHI+PDI Sentinel Lights
USL	Hydro One+NPDI+HCHI+WHSI USL	Hydro One+NPDI+HCHI+WHSI+OPDC+PDI USL
DGen	Hydro One Distributed Generators	
AR	NPDI+HCHI Residential	
AGSe	NPDI+HCHI General Service <50kW	
AGSd	NPDI+HCHI General Service 50-4,999kW	
AUR	WHSI Residential	WHSI+OPDC+PDI Residential
AUGe	WHSI General Service <50kW	WHSI+OPDC+PDI General Service <50kW
AUGd	WHSI General Service 50-4,999kW	WHSI+OPDC+PDI General Service 50-4,999kW
MicroFIT	Hydro One+NPDI+HCHI+WHSI MicroFIT	Hydro One+NPDI+HCHI+WHSI+OPDC+PDI MicroFIT

**Large users = Acquired demand-billed customers that meet Hydro One ST class eligibility requirements*

DISTRIBUTION COST ALLOCATION

1.0 INTRODUCTION

Hydro One's total annual distribution revenue requirement for the period 2028 to 2032 is described in Exhibit D-01-01. Hydro One has populated two cost allocation models for the 2028 and 2031 test years, in accordance with the cost allocation policies outlined in the OEB's reports and letters, including: (i) OEB Report - Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219), issued on March 31, 2011; (ii) OEB Report - Review of the Board's Cost Allocation Policy for Unmetered Loads (EB-2012-0383), issued on December 19, 2013; and (iii) OEB Letter - New Cost Allocation Policy for Street Lighting Rate Class (EB-2012-0383), issued on June 12, 2015. The cost allocation models used are consistent with the OEB's 2027 Cost Allocation Model (CAM) and include modifications that are consistent with those approved in EB-2021-0110 in order to accommodate Hydro One's specific circumstances, including the breakout of bulk system assets and incorporation of density-based rate classes.

The 2028 distribution revenue requirement has been allocated to all legacy Hydro One customers and customers of the three previously acquired utilities, namely Norfolk Power Distribution Inc. (NPDI), Haldimand County Hydro Inc. (HCHI) and Woodstock Hydro Services Inc. (WHSI), using the 2028 CAM. The 2028 CAM uses the same cost allocation principles embedded within the model to allocate the revenue requirement across both legacy classes and the acquired classes approved in EB-2021-0110. Attachment 3 to this Exhibit provides the input and output sheets from the 2028 CAM, as specified in the OEB's filing requirements. The full Excel model for the 2028 CAM has been filed electronically as Attachment 1.

The 2031 distribution revenue requirement has been allocated to all of Hydro One's legacy and acquired rate classes using the 2031 CAM, which includes all existing customers as well as the customers of former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI). Attachment 4 to this Exhibit provides the input and

output sheets from the 2031 CAM, as specified in the OEB's filing requirements. The full Excel model for the 2031 CAM has been filed electronically as Attachment 2.

Consistent with the approach approved by the OEB, including in Hydro One's most recent rebasing application (EB-2021-0110), the CAM is not rerun for rate years 2029, 2030, and 2032. A description of how the revenue requirement by rate class is determined in these years is provided in Exhibit L-02-01.

2.0 COST ALLOCATION MODEL

2.1 INTRODUCTION

The OEB's CAM is designed based on the principle that costs should be allocated to those customer classes causing them. Cost allocation is generally performed in three steps: functionalization, categorization and allocation.

In the functionalization step, costs are aggregated into homogenous groups as defined by functions within the utility. Functionalization is achieved by allocating utility costs to the various USofA accounts, with further refinement in some categories for bulk and primary-related costs and station costs.

In the categorization step, each of the USofA accounts determined in the functionalization step above is categorized as demand-related (related to the peak demands on the system), customer-related (related to the number of customers or connections of the utility), or jointly demand-related and customer-related (related to both demand on the system and number of customers). Where costs are categorized as jointly demand-related and customer-related, the proportions of each are determined using a minimum system approach. This approach determines the customer-related proportion by estimating the minimum system that would be needed to serve the minimum load requirements of all distribution customers. The remainder of the cost is considered to be demand-related. Hydro One uses a minimum system split specific to its system as determined by the minimum system study reviewed and approved by the OEB as part of Hydro One's 2015-2017 rates application (EB-2013-0416).

The final step of the cost allocation process is the allocation of the demand-related and customer-related costs based on various allocators.

2.2 2028 AND 2031 COST ALLOCATION MODELS

The 2028 and 2031 CAMs used in this Application are based on the OEB-approved 2023 CAM used in Hydro One's 2023-2027 rate application (EB-2021-0110). All inputs to the 2028 and 2031 CAMs have been reviewed and updated to reflect Hydro One's proposed revenue requirement, charge determinants and updated load profiles for those years, which are based on the latest hourly metered data from existing Hydro One customers and former OPDC and PDI customers. The load profiles by rate class which are used to derive the demand allocators in Tab 8 of the 2028 and 2031 CAMs are provided as Attachment 7 to this Exhibit. Hydro One has also reviewed all allocators and weighting factors and has determined that it is appropriate to continue using the same values from the 2023 CAM in the 2028 and 2031 CAMs, with the exceptions described below.

2.2.1 WEIGHTING FACTORS (CAM TAB I5.2)

Hydro One has updated the Billing & Collecting weighting factors. Tables 1 and 2 provide the derivation of these updated weighting factors for the 2028 and 2031 CAMs, respectively. This approach allocates the forecast 2028 and 2031 billing-related costs (those in USofA 5305 and 5315) among the rate classes using the forecast 2028 and 2031 number of bills. Forecast collection-related costs (those in USofA 5320) are allocated to rate classes using the % share of bad debt. The costs in USofA 5340 (Miscellaneous Customer Account Expenses) are allocated using the % share of billing & collecting costs (i.e. the subtotal for USofA 5305, 5315 and 5320). This approach was previously reviewed and approved by the OEB, including Hydro One's most recent rate application (EB-2021-0110). Table 3 summarizes the Billing and Collecting weighting factors used in 2028 and 2031 CAMs.

1 **Table 1 - Derivation of Billing & Collecting Weighting Factors for 2028**

		Residential (UR/R1/R2/AUR/AR)	GS<=50kW (GSe/UGe/AUGe/AGSe)	GS>50kW (GSd/UGd/AUGd/AGSd)	St Lgt	Sen Lgt	USL	DGen	ST
Total Billing & Collecting Related Costs	$66,615,090	$58,439,716	$6,132,177	$879,802	$265,512	$412,753	$234,935	$63,612	$186,584
Number of Bills	16,733,012	14,940,694	1,410,753	89,903	79,371	108,325	71,314	18,247	14,404
Cost/Bill		$3.91	$4.35	$9.79	$3.35	$3.81	$3.29	$3.49	$12.95
Weighting Factors		1.00	1.11	2.50	0.86	0.97	0.84	0.89	3.31

Table 2 - Derivation of Billing & Collecting Weighting Factors for 2031

		Residential (UR/R1/R2/AUR/AR)	GS<=50kW (GSe/UGe/AUGe/AGSe)	GS>50kW (GSd/UGd/AUGd/AGSd)	St Lgt	Sen Lgt	USL	DGen	ST
Total Billing & Collecting Related Costs	$71,009,397	$62,438,340	$6,491,324	$902,120	$275,444	$398,889	$244,103	$72,437	$186,740
Number of Bills	17,803,335	15,926,065	1,485,175	98,147	81,506	103,201	73,328	20,768	15,146
Cost/Bill		$3.92	$4.37	$9.19	$3.38	$3.87	$3.33	$3.49	$12.33
Weighting Factors		1.00	1.11	2.34	0.86	0.99	0.85	0.89	3.14

Table 3 - Billing & Collecting Weighting Factors by Rate Class

Year	UR	R1	R2	GSe	GSd	UGe	UGd	St Lgt	Sen Lgt	USL	DGen	ST	AUR	AUGe	AUGd	AR	AGSe	AGSd
2028	1.00	1.00	1.00	1.11	2.50	1.11	2.50	0.86	0.97	0.84	0.89	3.31	1.00	1.11	2.50	1.00	1.11	2.50
2031	1.00	1.00	1.00	1.11	2.34	1.11	2.34	0.86	0.99	0.85	0.89	3.14	1.00	1.11	2.34	1.00	1.11	2.34

2.2.2 METER READING COSTS (CAM TAB I7.2)

Table 4 provides the forecast number of manual meter reads by rate class for 2028 and 2031. The meter reading weighting factors, also shown in Table 4, as approved in Hydro One's most recent rate application (EB-2021-0110), are considered to be appropriate as there have been no material changes to the meter reading process.

Table 4 - Number of Manual Meter Reads and Meter Reading Weighting Factors by Rate Class in 2028 and 2031 CAM

Year		UR	R1	R2	GSe	GSd	UGe	UGd	St Lgt	Sen Lgt	USL	DGen	ST	AUR	AUGe	AUGd	AR	AGSe	AGSd
2028	Number of Manual Meter Reads	1,658	11,558	74,003	18,719	77	2,100	24	N/A	N/A	N/A	N/A	N/A	146	174	3	345	92	0
	Meter Reading Weighting Factor	1.00	1.25	2.00	1.60	1.60	1.00	1.00	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00	1.25	1.25	1.25
2031	Number of Manual Meter Reads	1,729	12,053	77,174	19,521	80	2,190	25	N/A	N/A	N/A	N/A	N/A	336	326	20	300	149	0
	Meter Reading Weighting Factor	1.00	1.25	2.00	1.60	1.60	1.00	1.00	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00	1.25	1.25	1.25

2.2.2.1 SEASONAL BILLING AND METER READING

As directed by the OEB in 2015,[1] Hydro One examined billing frequency and, by implication, meter reading frequency for consideration as part of the proceeding to eliminate the Seasonal class (EB-2020-0246). In its report, Hydro One had recommended the third of three options, an option based on seasonal customer usage level and patterns, but had also indicated that it was a complex option with significant implementation and ongoing administration costs.[2] The OEB determined it was premature to implement that option. In the OEB's Decision and Order Implementing the Elimination of the Seasonal Rate Class (the Seasonal Elimination Decision), the OEB directed Hydro One "to maintain existing billing and meter reading frequencies for seasonal customers until such time that alternative options can be more thoroughly examined with meaningful customer input, including cost and implementation issues of each alternative."[3]

In response to the OEB's direction in the Seasonal Elimination Decision, Hydro One planned to consult customers on billing and meter reading frequency. However, upon examining the options that Hydro One could include in a customer consultation, Hydro One determined that the options were limited and in many cases, costly. As a result, Hydro One has maintained existing billing and meter reading frequencies for seasonal customers and these frequencies are captured in the determination of billing and meter reading factors used in the cost allocation models for this proceeding.

Where former seasonal customers have expressed a preference for more frequent billing, Hydro One has addressed this need either through its Budget Billing program, which allows customers to receive balanced monthly billing while maintaining the approved meter reading frequency, or by changing the customer to standard monthly billing if they do not wish to participate in Budget Billing, provided the account is located in an area where Hydro One has robust remote meter reading capabilities. For customers in areas without remote meter reading capability, this option is not available due to the significant

[1] EB-2013-0416 Decision and Order dated March 12, 2015.
[2] EB-2016-0315 Hydro One Report on Elimination of the Seasonal Class dated October 15, 2020.
[3] EB-2020-0246 Decision and Order dated November 10, 2021 page 18.

operational and logistical challenges associated with obtaining monthly meter reads. This approach has enabled Hydro One to respond to individual customer preferences while continuing to maintain the OEB-approved meter reading and billing framework for former seasonal customers.

2.2.3 DENSITY FACTORS (CAM TAB E2)

In its Decision on the elimination of the Seasonal rate class (EB-2020-0246), the OEB indicated that there was potential for a material change in the density factors as a result of the elimination of the Seasonal rate class. The density factors are used by Hydro One to allocate costs to its density-based rate classes as part of its CAM. As a result, the OEB directed Hydro One to conduct a review of the density factors and, if necessary, propose updated density factors as part of its next rebasing application.

Hydro One completed a review of how the density factors were established in the density study submitted as part of Hydro One's application for 2013 rates (the Density Study),[4] as discussed in detail below, and confirms that the elimination of the Seasonal class does not impact the density factors used in the CAM for any of the existing density-based rate classes.

Hydro One's legacy residential and general service customers are grouped into density-based rate classes as described in Exhibit L-01-02. Hydro One's CAM uses the density factors to allocate the relevant OM&A costs and fixed asset-related costs to its density-based rate classes in order to appropriately reflect the varying cost to serve its customers across its diverse service area.

The density factors used by Hydro One in its CAM, were established in the Density Study. The Density Study which was ultimately approved by the OEB, concluded that there is a statistically significant relationship between customer density and distribution service costs, and that costs decrease as customer density increases.

[4] EB-2012-0136, Exhibit D-01-01.

The methodology used in the Density Study to establish the relationship between customer density and distribution service costs consisted of identifying 62 sample areas across Hydro One's distribution service territory, which were selected to represent three levels of density: high, medium and low. As indicated in the Density Study, the sample areas were selected to be of roughly the same size but with varying numbers of customers, and the selection of "the sample areas did not consider the existing rate classes or density definitions". The objective of the Density Study was to investigate the variability in the cost to serve customers over a broad range of densities, independent of the type of customers being served.

The Density Study allocated distribution service costs to the 62 sample areas based on the total number of customers in each sample area relative to Hydro One's total number of customers, independent of the rate class of those customers. This means that the Density Study included all customer classes and treated all of them equally when assigning costs. As such, eliminating the Seasonal classification of some customers, as directed in EB-2020-0246, had no impact on the calculation of the density factors in the Density Study.

The Density Study determined the relative cost of serving the high, medium and low density sample areas. The relative costs of serving these sample areas were then applied directly to establish the density factors for Hydro One's high density (UR), medium density (R1) and low density (R2) residential rate classes.

Given the Density Study methodology described above, Hydro One confirms that the elimination of the Seasonal class, as directed in EB-2020-0246, has no impact on the density factors currently used in Hydro One's CAM, as former Seasonal customers were already considered in establishing the high (UR), medium (R1) and low (R2) density sample areas used in the Density Study, and have since been placed in those same density-based rate classes. Table 5 provides the density factors used in the 2028 and 2031 CAMs.

Table 5 - Density Factors in 2028 and 2031 CAM (CAM Sheet E2)

UR	R1	R2	GSe	UGe	GSd	UGd	DGen	ST	St Lgt	Sen Lgt	USL	AUR	AUGe	AUGd	AR	AGSe	AGSd
1.0	1.9	4.8	2.4	1.0	2.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

2.2.4 PEAK LOAD CARRYING CAPABILITY (CAM TAB E3)

Hydro One has updated the Peak Load Carrying Capability (PLCC) values for conductors and transformers to reflect the most recent available data on the number of feeders and transformers, as well as the forecast number of customers. Tables 6 and 7 show the derivation of the conductor and transformer PLCC values input in the CAM (sheet E3 PLCC).

Table 6 - Conductor PLCC

	2028	2031
Rating for each distribution feeder circuit, Amps	184	184
Line-to-Neutral Voltage, kV	4.16	4.16
Circuit capacity per distribution feeder, kVA	765	765
Assumed power factor	80%	80%
Circuit capacity per distribution feeder, kW	612	612
Number of distribution feeders	2,553	2,619
Distribution system Conductors PLCC, kW	1,563,335	1,603,750
Number of customers	1,490,079	1,577,885
PLCC- Conductors (Watts Per Customer)	**1,049**	**1,016**

Table 7 - Transformer PLCC

	2028	2031
Number of existing transformers	547,517	553,046
Capacity (kVA) of Minimum Component	10	10
Assumed power factor	80%	80%
Distribution system Transformers PLCC, kW	4,380,136	4,424,368
Number of customers	1,490,079	1,577,885
PLCC- Transformers (Watts Per Customer)	**2,940**	**2,804**

2.2.5 DIRECT ALLOCATION

2.2.5.1 DIRECT ALLOCATION IN (CAM TAB I9)

The following USofA accounts were directly allocated in each of 2028 and 2031, as summarized in Table 8.

Table 8 - Direct Allocation in 2028 and 2031

USofA	2028	2031
5065 (Meter Expense)	$2,226,879	$2,555,054
5315 (Customer Billing)	$917,855	$1,010,043
5610 (Management Salaries and Expenses)	$426,932	$484,862
5615 (General Administrative Salaries and Expenses)	$7,558,367	$8,417,364
5665 (Miscellaneous General Expenses)	$388,556	$389,874

These expenses relate to staff dealing with distributed generators, large customers and interval meter costs. This direct allocation methodology has been used by Hydro One and approved by the OEB, including in Hydro One's most recent rate application (EB-2021-0110).

2.2.5.2 DIRECT ALLOCATION OF ASSET-RELATED COSTS FOR ACQUIRED RATE CLASSES IN 2028 AND 2031

The revenue requirement and fixed assets associated with serving the customers of the acquired utilities[5] in 2028 and 2031 have been included as part of the inputs to the CAMs for those years. All inputs to the 2028 and 2031 CAMs have been reviewed to ensure that the models are appropriately assigning costs to Hydro One's legacy and acquired rate classes.

Allocation of Costs Based on Actual Fixed Asset Cost

The allocation of fixed assets within the CAM is the key factor driving the allocation of the majority of a utility's revenue requirement, including a large portion of OM&A, depreciation, net income and interest costs. Given this critical role of fixed assets in the allocation of

[5] Acquired utilities in 2028 include NPDI, HCHI, and WHSI. In 2031, it includes NPDI, HCHI, WHSI, OPDC, and PDI.

costs, Hydro One uses an approach that directly allocates the fixed asset costs to the acquired rate classes in the CAM. This approach was reviewed and approved by the OEB in Hydro One's most recent rebasing application (EB-2021-0110) and is the best means of ensuring the CAM appropriately allocates all of the costs required to serve the acquired rate classes on the same basis as all other rate classes.

Hydro One proposes that the direct allocation adjustment factors developed to allocate fixed assets to the acquired rate classes in 2031 be maintained at those calculated values in future rebasing applications until such time as a change is necessary due to the harmonization of any future utility acquisition into Hydro One's existing acquired rate classes. Direct allocation of fixed assets is appropriate at the time acquired customers are harmonized into Hydro One's rate classes, when the assets serving the acquired customers are distinct and readily identifiable, and it ensures that the initial harmonized rates for those customers reflect their cost to serve. Since their acquisition, the acquired service areas have been planned, invested in and maintained in the same manner as the rest of Hydro One's distribution system, so the factors established at rate harmonization remain a reasonable representation of the assets serving the acquired rate classes. Re-deriving the factors at each rebasing would require ongoing separate tracking of in-service additions for the acquired service areas without much improvement in cost allocation accuracy.

Adjustment to Directly Allocate Gross Fixed Assets (GFA)

A direct allocation adjustment factor has been applied to the amount of gross fixed assets (GFA) for locally used assets in USofA 1815 to 1860 to align the costs allocated by the CAM to these USofA accounts with the amount of GFA specifically required to serve the acquired rate classes. The amount of GFA that should appropriately be allocated to the acquired rate classes is calculated from the GFA in these USofA accounts for the acquired utilities prior to acquisition plus the in-service additions to these accounts up to 2028 and 2031, respectively.[6] The total GFA that should appropriately be assigned to the acquired

[6] For 2028, Acquired Utilities include NPDI, HCHI and WHSI. For 2031 Acquired Utilities include NPDI, HCHI, WHSI, OPDC, and PDI.

rate classes also takes into consideration that a portion of Hydro One's bulk distribution assets associated with serving customers in each of the acquired rate classes should also be allocated to these classes based on the share of the acquired utilities' load that is supplied through Hydro One's upstream bulk distribution facilities. In 2028, the share of former NPDI and HCHI load that is supplied through Hydro One's upstream bulk distribution facilities is based on total annual billing demand information from these acquired utilities' 2021 IRM Rate Generator model.[7] In 2031, this share remains unchanged for former NPDI and HCHI, while the share of former OPDC and PDI load that is supplied through Hydro One's upstream bulk distribution facilities is based on total annual billing demand information from these acquired utilities' 2026 IRM Rate Generator model.[8] This share is then used to allocate a portion of bulk asset-related costs to the acquired rate classes.[9]

Assets in all other USofA fixed asset accounts (e.g. land, buildings, general plant) are considered to be commonly shared among all rate classes served by Hydro One. The amount of these common assets is allocated to all rate classes, including the acquired classes, using the normal cost allocation principles underlying the CAM and is not adjusted.

The GFA direct allocation factors are shown in Table 9. These direct allocation factors are applied to the GFA in USofA accounts 1815 to 1860 as shown in rows 437-507 of the "E2 Allocators" tab in the 2028 and 2031 CAMs.

Table 9 - GFA Direct Allocation Factors for 2028 and 2031 CAMs

	AUR	AUGe	AUGd	AR	AGSe	AGSd
2028	36.5%	42.1%	19.8%	49.4%	48.8%	32.4%
2031	30.7%	33.0%	26.2%	51.8%	53.4%	37.1%

[7] Tab 12 (RTSR – Historical Wholesale), Rate Generator Model for former NPDI and HCHI, as approved by the OEB on December 17, 2020, in EB-2020-0031.
[8] Tab 12 (RTSR – Historical Wholesale), Rate Generator model for former OPDC and PDI, as approved by the OEB on December 23, 2025, in EB-2025-0030.
[9] Former Woodstock Hydro Services Inc. is a transmission-connected distribution company, and hence, the three urban acquired rate classes (i.e. AUR, AUGe and AUGd) are not allocated any costs related to bulk assets.

The amount of GFA not assigned to the acquired rate classes as a result of applying the direct allocation factors shown above is subsequently redistributed to all other rate classes in proportion to the amounts already assigned to those classes.

Net Fixed Assets (NFA) Direct Allocation

The net fixed assets (NFA) and NFA Excluding Credit for Capital Contribution (NFA ECC) allocators in the CAM's "E2 Allocators" tab are also adjusted to reflect the GFA direct allocation for USofA accounts 1815-1860 as described above. GFA values assigned to the acquired rate classes are translated to NFA values based on the relationship between total GFA and NFA determined from rows 112 to 116 of the "O6 Source Data for E2" tab in the 2028 and 2031 CAMs. The NFA adjustment factors that have been applied are shown in Table 10 below.

Table 10 - NFA and NFA ECC Direct Allocation Factors for 2028 and 2031 CAMs

	AUR	AUGe	AUGd	AR	AGSe	AGSd
2028	37.7%	43.2%	22.2%	50.4%	49.9%	34.1%
2031	32.0%	34.2%	28.3%	52.7%	54.3%	38.7%

The amount of NFA and NFA ECC not assigned to the acquired rate classes as a result of applying the direct allocation factors shown above is subsequently redistributed to all other rate classes in proportion to the amounts already assigned to those classes.

Depreciation Direct Allocation

An adjustment is applied to the depreciation assigned by the CAM to USofA accounts 1815 to 1860 for the acquired rate classes to reflect the direct allocation of GFA as discussed above. The depreciation amounts assigned to the acquired rate classes, as shown in the "O7 Amortization" tab of the CAM, are reduced by the same GFA direct allocation factors shown in Table 9, consistent with the reduction in the GFA for those USofA accounts.

The depreciation amount not assigned to the acquired rate classes as a result of applying the direct allocation factors shown above is subsequently redistributed to all other rate classes in proportion to the amounts already assigned to those classes. Table 11 shows the unadjusted depreciation amounts, before the direct allocation of GFA, compared to the adjusted amounts, after the direct allocation of GFA, for each rate class, as shown in row 216 of the “O4 Summary by Class & Accounts” tab in the 2028 and 2031 CAMs.

Table 11 - Adjusted Depreciation Amounts for Acquired Rate Classes in 2028 and 2031 CAMs ($M)

	Depreciation USofA 5705	UR	R1	R2	GSe	GSd	UGe	UGd	St Lgt	Sen Lgt	USL	DGen	ST	AUR	AUGe	AUGd	AR	AGSe	AGSd
2028	**Unadjusted**	$46.6	$136.7	$247.8	$69.2	$46.8	$12.4	$11.0	$2.6	$1.5	$0.8	$2.8	$29.1	$4.7	$1.3	$1.7	$12.5	$3.1	$3.0
	Adjusted	$47.6	$139.5	$252.8	$70.6	$47.7	$12.7	$11.2	$2.6	$1.5	$0.8	$2.9	$29.6	$2.2	$0.7	$0.6	$7.3	$1.8	$1.3
2031	**Unadjusted**	$59.6	$174.5	$312.3	$84.8	$56.4	$15.1	$13.2	$3.4	$1.6	$1.0	$3.9	$38.1	$24.4	$7.2	$7.4	$15.4	$3.6	$3.4
	Adjusted	$62.0	$181.6	$324.9	$88.2	$58.7	$15.7	$13.8	$3.5	$1.7	$1.0	$4.0	$39.7	$10.7	$3.3	$3.1	$9.4	$2.3	$1.7

**The derivation of the direct allocation factors discussed above are detailed in Attachments 5 and 6 to this Exhibit*

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2028 COST ALLOCATION MODEL

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2031 COST ALLOCATION MODEL

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2028 COST ALLOCATION MODEL INPUTS AND OUTPUTS

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2031 COST ALLOCATION MODEL INPUTS AND OUTPUTS

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2028 DIRECT ALLOCATION FACTORS FOR ACQUIRED RATE CLASSES

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2031 DIRECT ALLOCATION FACTORS FOR ACQUIRED RATE CLASSES

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2028 AND 2031 LOAD PROFILES BY RATE CLASS

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DISTRIBUTION RATE DESIGN

1.0 INTRODUCTION

This Exhibit describes the proposed rate design methodology for collecting the distribution revenue requirement and setting distribution rates for the 2028 to 2032 period. As discussed in Exhibit L-01-03, Hydro One has populated two Cost Allocation Models (CAMs) for the 2028 and 2031 test years. The 2028 CAM includes Hydro One's existing distribution customers,[1] while the 2031 CAM also reflects the integration of the customers of former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) into Hydro One's rate structure. The revenue requirement allocated to each rate class in 2028 and 2031 is established by the CAMs for those years. For rate years 2029, 2030 and 2032, the revenue requirement allocated to each rate class is based on the overall Hydro One year-over-year change in revenue requirement and load forecast in a given rate year, as detailed later in this Exhibit.

The proposed rates over the term of this Application are calculated based on the rate class revenue requirement after adjustments to the revenue-to-cost (R/C) ratios, if necessary, as described in Section 2.0. Calculation details are provided in Attachment 1 to this Exhibit for all rate classes except the ST rate class, for which calculation details are provided in Attachment 3.

The proposed distribution rates over the term of this Application are summarized in Table 1 for existing Hydro One customers and in Tables 2 and 3 for customers of former OPDC and PDI. The rates for 2029 through 2032 are shown for illustrative purposes only and are calculated in a manner consistent with the assumptions outlined in this Exhibit. Final rates for those years will be approved by the OEB in subsequent annual update applications and are dependent on changes to items such as the OEB's inflation factor, which will be updated annually. For 2031, the annual update will apply the cost allocation and rate design methodology approved in this Application, including the direct allocation

[1] This includes Hydro One legacy customers as well as customers of historically acquired utilities (Woodstock, Norfolk, and Haldimand) previously integrated into Hydro One's rate structure.

adjustment factors and the R/C ratio adjustments, to the 2031 revenue requirement determined under the Custom IR framework, the 2031 load forecast approved in this Application, and the Uniform Transmission Rates in effect at that time.

Table 1 - Current and Proposed Distribution Rates for Hydro One Customers

Rate Class[1]	Charge Determinant	Current Rates (2026)		Estimated Rates (2027)[2]		Proposed Rates (2028)		Proposed Rates (2029)		Proposed Rates (2030)		Proposed Rates (2031)		Proposed Rates (2032)	
		Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]	Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)[3]
UR	Energy (kWh)	$43.70	$0.0000	$45.32	$0.0000	$56.36	$0.0000	$62.24	$0.0000	$66.86	$0.0000	$69.03	$0.0000	$71.30	$0.0000
R1	Energy (kWh)	$74.62	$0.0000	$77.39	$0.0000	$96.24	$0.0000	$106.29	$0.0000	$114.18	$0.0000	$117.89	$0.0000	$121.77	$0.0000
R2	Energy (kWh)	$151.14	$0.0117	$156.78	$0.0106	$198.10	$0.0118	$219.18	$0.0110	$235.76	$0.0088	$243.64	$0.0049	$251.79	$0.0000
Seas-R2	Energy (kWh)	$92.43	$0.0117	$103.15	$0.0106	$122.14	$0.0118	$146.40	$0.0110	$176.19	$0.0088	$209.91	$0.0049		
GSe	Energy (kWh)	$32.78	$0.0816	$32.78	$0.0853	$40.77	$0.1061	$44.31	$0.1175	$44.31	$0.1277	$45.75	$0.1312	$47.24	$0.1349
UGe	Energy (kWh)	$25.51	$0.0394	$25.51	$0.0413	$31.72	$0.0514	$35.34	$0.0567	$38.26	$0.0608	$39.50	$0.0628	$40.78	$0.0648
GSd	Demand (kW)	$105.55	$22.4074	$105.55	$23.2760	$108.69	$29.1717	$108.69	$32.3289	$108.69	$34.8069	$111.57	$35.4378	$114.69	$36.1483
UGd	Demand (kW)	$96.47	$12.9746	$96.47	$13.4896	$102.95	$16.9232	$102.95	$18.7825	$102.95	$20.2421	$106.29	$20.8993	$109.74	$21.5867
St Lgt	Energy (kWh)	$3.42	$0.1297	$3.51	$0.1346	$3.75	$0.1680	$4.17	$0.1855	$4.50	$0.1992	$4.65	$0.2070	$4.80	$0.2138
Sen Lgt	Energy (kWh)	$3.51	$0.2002	$3.63	$0.2078	$4.20	$0.2657	$4.68	$0.2924	$5.08	$0.3130	$5.24	$0.3131	$5.41	$0.3234
USL	Energy (kWh)	$38.29	$0.0395	$38.29	$0.0440	$43.36	$0.0483	$48.16	$0.0528	$50.22	$0.0598	$50.22	$0.0549	$51.78	$0.0559
DGen	Demand (kW)	$199.26	$15.2417	$199.26	$16.5089	$247.80	$20.5308	$273.07	$22.7143	$292.75	$24.4398	$301.67	$25.2732	$311.03	$26.1420
AUR	Energy (kWh)	$36.09	$0.0000	$37.43	$0.0000	$46.55	$0.0000	$51.41	$0.0000	$55.23	$0.0000	$37.73	$0.0000	$45.19	$0.0000
AUGe	Energy (kWh)	$26.36	$0.0190	$26.36	$0.0201	$32.78	$0.0288	$34.19	$0.0326	$34.19	$0.0360	$35.30	$0.0253	$36.45	$0.0261
AUGd	Demand (kW)	$146.47	$3.0649	$146.47	$3.2190	$146.47	$4.2747	$146.47	$4.8362	$146.47	$5.2762	$146.47	$6.1404	$146.47	$6.3796
AR	Energy (kWh)	$43.81	$0.0000	$45.43	$0.0000	$56.50	$0.0000	$62.40	$0.0000	$67.03	$0.0000	$69.21	$0.0000	$71.48	$0.0000
AGSe	Energy (kWh)	$39.96	$0.0236	$39.96	$0.0251	$39.96	$0.0354	$39.96	$0.0409	$39.96	$0.0452	$39.96	$0.0472	$39.96	$0.0493
AGSd	Demand (kW)	$170.26	$5.1770	$170.26	$5.4071	$170.26	$8.0292	$170.26	$9.0078	$170.26	$9.7767	$170.26	$10.5897	$170.26	$10.9828

[1] See Table 8 for ST rates.
[2] Rates shown are as proposed in Hydro One's Annual Update Application for 2027 rates (EB-2026-0049).
[3] Volumetric charges shown for the demand-billed rate classes exclude CSTA rate adder provided in Table 7 (it also excludes the Hopper Foundry Rate Adder in 2026 and 2027).

Table 2 - Current and Proposed Distribution Rates for Customers Formerly Served by OPDC

Orillia	Charge Determinant	Current Rates (2026)		Estimated Rates (2027)		Estimated Rates (2028)		Estimated Rates (2029)		Estimated Rates (2030)		Proposed Rates (2031)		Proposed Rates (2032)	
		Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)
Residential	Energy (kWh)	$28.88	$0.0000	$29.66	$0.0000	$30.26	$0.0000	$30.76	$0.0000	$31.27	$0.0000	$37.73	$0.0000	$45.19	$0.0000
General Service (<50 kW)	Energy (kWh)	$38.69	$0.0171	$39.73	$0.0176	$40.53	$0.0180	$41.20	$0.0183	$41.88	$0.0186	$35.30	$0.0253	$36.45	$0.0261
General Service (50 kW to 4,999 kW)	Demand (kW)	$352.18	$3.7043	$361.69	$3.8043	$369.00	$3.8811	$375.13	$3.9455	$381.36	$4.0110	$146.47	$6.1404	$146.47	$6.3796
Unmetered Scattered Load	Energy (kWh)	$10.95	$0.0098	$11.25	$0.0101	$11.48	$0.0103	$11.67	$0.0105	$11.86	$0.0107	$50.22	$0.0549	$51.78	$0.0559
Sentinel Lighting	Demand (kW)	$4.01	$10.4927	$4.12	$10.7760	$4.20	$10.9937	$4.27	$11.1762	$4.34	$11.3617	$5.24	$0.3131	$5.41	$0.3234
Street Lighting	Demand (kW)	$4.72	$15.6812	$4.85	$16.1046	$4.95	$16.4299	$5.03	$16.7026	$5.11	$16.9799	$4.65	$0.2070	$4.80	$0.2138

Table 3 - Current and Proposed Distribution Rates for Customers Formerly Served by PDI

Peterborough	Charge Determinant	Current Rates (2026)		Estimated Rates (2027)		Estimated Rates (2028)		Estimated Rates (2029)		Estimated Rates (2030)		Proposed Rates (2031)		Proposed Rates (2032)	
		Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)	Fixed Service Charge ($/month)	Volumetric Rate ($/kWh or $/kW)
Residential	Energy (kWh)	$23.36	$0.0000	$23.96	$0.0000	$24.41	$0.0000	$24.78	$0.0000	$25.15	$0.0000	$37.73	$0.0000	$45.19	$0.0000
General Service (<50 kW)	Energy (kWh)	$32.38	$0.0092	$33.21	$0.0094	$33.83	$0.0096	$34.34	$0.0097	$34.86	$0.0098	$35.30	$0.0253	$36.45	$0.0261
General Service (50 kW to 4,999 kW)	Demand (kW)	$165.52	$2.8211	$169.74	$2.8930	$172.91	$2.9471	$175.52	$2.9916	$178.17	$3.0368	$146.47	$6.1404	$146.47	$6.3796
Unmetered Scattered Load	Energy (kWh)	$2.20	$0.0290	$2.26	$0.0297	$2.30	$0.0303	$2.33	$0.0308	$2.37	$0.0313	$50.22	$0.0549	$51.78	$0.0559
Sentinel Lighting	Demand (kW)	$12.21	$4.8690	$12.52	$4.9932	$12.75	$5.0866	$12.94	$5.1634	$13.14	$5.2414	$5.24	$0.3131	$5.41	$0.3234
Street Lighting	Demand (kW)	$3.32	$13.8953	$3.40	$14.2496	$3.46	$14.5161	$3.51	$14.7353	$3.56	$14.9578	$4.65	$0.2070	$4.80	$0.2138

The proposed 2028 rate schedules, reflecting the proposed 2028 rates for Hydro One Distribution shown in Table 1, are provided in Exhibit L-07-02-01. The currently approved rate schedules for Hydro One Distribution, and the former OPDC and PDI, are provided in Exhibit L-07-01. The rate schedules for 2029 to 2032 will be determined as part of the annual process for setting rates, taking into account any changes as a result of the annual adjustments discussed in Section 2.0 and Exhibit A-04-03.

2.0 RATE DESIGN PROCESS

Hydro One's development of distribution rates for this Application follows generally accepted ratemaking principles. Those principles are best summarized by James Bonbright's *Principles of Public Utility Rates*. OEB Staff's March 31, 2008 discussion paper, *Rate Design for Recovery of Electricity Distribution Costs* (EB-2007-0031), cited these principles and summarized them as:

1. Full Cost Recovery – the level and design of rates should be sufficient to provide a distributor with a reasonable opportunity to recover its revenue requirement, and for rates to be effective they should be practical, clear and uncontroversial;
2. Fairness – customers should, in general, pay rates for distribution service that reflect the costs they "cause" as determined by an OEB-approved cost allocation study;[2] and
3. Efficiency – rates should encourage customers to maximize use of existing distribution assets and encourage existing and new customers to use the system in ways that lead to rational growth.

2.1 REVENUE REQUIREMENT BY RATE CLASS

As discussed in Exhibit L-01-03, Hydro One has populated two CAMs for the 2028 and 2031 rate years, which are used to determine the revenue requirement by rate class for those years. For rate years 2029, 2030 and 2032, the Custom Revenue Cap Index approach is used to determine the total revenue requirement that is allocated to individual rate classes, as described below.

[2] A further consideration is that the revenues collected through rates fall within the OEB's approved revenue-to-cost ratio ranges as specified in EB-2010-0219 and updated in EB-2012-0383.

Allocating Revenue Requirement to Individual Rate Classes for Rate Years 2029, 2030 and 2032

The 2029 revenue requirement by rate class, as shown in Table 4, was derived as follows:

1. The total prior year's (2028) revenue requirement is used as the starting point;
2. As detailed in Exhibit A-04-03, the total revenue requirement for 2029 is determined by applying the Custom Revenue Cap Index[3] to the 2028 revenue requirement (i.e. $2,695M x 1.1124 = $2,998M);
3. The revenue that needs to be collected from distribution rates (the rates revenue requirement) is then derived by subtracting total external revenues for 2029[4] from the total revenue requirement (i.e. $2,998M - $55M = $2,943M);
4. Using a similar approach as in the CAM, the next step is to determine the revenue deficiency by applying 2028 rates to 2029 charge determinants (resulting in total revenue in 2029 at current (2028) rates of $2,665M, Column 1);
5. The multiplier required to collect the 2029 rates revenue requirement calculated in step 3 above is established (i.e. $2,943M / $2,665M = 1.1044) and applied uniformly to Column 1 to determine the 2029 rates revenue requirement by rate class as shown in Column 2;
6. External revenue by rate class for 2029 (Column 4) is derived by applying the percentage increase in total external revenues from 2028 to 2029 (i.e. $54,976,487 / $54,087,290 = 1.0164) to the external revenue by rate class as calculated by the 2028 CAM (Column 3); and
7. The revenue requirement by rate class for 2029, as shown in Column 5, is derived by adding the 2029 rates revenue requirement in Column 2 and the 2029 external revenues in Column 4.

[3] Exhibit A-04-03, Table 2.
[4] Exhibit D-02-02 Table 1. Any differences are due to rounding.

Table 4 - Revenue Requirement by Rate Class in 2029

Rate Class	Col 1	Col 2=Col 1*1.1044	Col 3	Col 4=Col 3*1.0164	Col 5 = Col 2+Col 4
	Revenue - with 2028 rates and 2029 charge determinants	2029 Rates Revenue Requirement	2028 External Revenue	2029 External Revenue	2029 Total Revenue Requirement
UR	$190,884,467	$210,810,299	$6,163,289	$6,264,614	$217,074,913
R1	$659,137,890	$727,943,230	$15,346,686	$15,598,987	$743,542,216
R2	$1,026,646,283	$1,133,814,673	$17,869,438	$18,163,212	$1,151,977,885
GSe	$308,852,931	$341,093,121	$4,645,278	$4,721,646	$345,814,767
GSd	$195,409,974	$215,808,209	$2,254,326	$2,291,387	$218,099,596
UGe	$48,101,927	$53,123,136	$906,622	$921,527	$54,044,663
UGd	$45,295,295	$50,023,529	$546,052	$555,029	$50,578,559
St Lgt	$14,055,236	$15,522,418	$335,868	$341,389	$15,863,808
Sen Lgt	$3,332,744	$3,680,639	$2,246,182	$2,283,110	$5,963,749
USL	$4,818,988	$5,322,027	$159,805	$162,432	$5,484,458
DGen	$10,530,112	$11,629,318	$80,920	$82,251	$11,711,568
ST	$107,463,194	$118,680,940	$1,877,640	$1,908,508	$120,589,448
AUR	$9,000,002	$9,939,485	$350,582	$356,346	$10,295,830
AUGe	$1,890,248	$2,087,565	$49,124	$49,932	$2,137,497
AUGd	$1,480,295	$1,634,818	$66,452	$67,544	$1,702,362
AR	$28,588,552	$31,572,821	$956,745	$972,473	$32,545,295
AGSe	$6,152,886	$6,795,167	$137,634	$139,897	$6,935,063
AGSd	$3,404,015	$3,759,350	$94,647	$96,203	$3,855,553
TOTAL	**$2,665,045,040**	**$2,943,240,744**	**$54,087,290**	**$54,976,487**	**$2,998,217,231**
% Change from 2028		**10.44%**		**1.64%**	

The same approach described for 2029 is used to determine the 2030 and 2032 revenue requirement by rate class, as shown in Attachment 1 to this Exhibit.

2.2 REVENUE-TO-COST RATIO

Hydro One proposes to adjust the rate class revenues as determined by the 2028 and 2031 CAMs as necessary to move the R/C ratios for all rate classes within the OEB-approved ranges, as specified in the OEB Report - Review of Electricity Distribution Cost Allocation Policy (EB-2010-0219), issued on March 31, 2011 and the OEB Letter - New

Cost Allocation Policy for Street Lighting Rate Class (EB-2012-0383), issued on June 12, 2015. Table 5 shows the proposed R/C ratios for 2028 to 2032.

Table 5 - Proposed Revenue-to-Cost Ratios for 2028-2032

Rate Class	2026	2027 (Current)	2028		2029	2030	2031		2032		OEB Range
	Before/After Rate Design	Before/After Rate Design	Before Rate Design	After Rate Design	Before/After Rate Design	Before/After Rate Design	Before Rate Design	After Rate Design	Before Rate Design	After Rate Design	
UR	1.08	1.08	0.97	0.97	0.97	0.97	0.98	0.98	0.99	No Change	85 - 115
R1	1.16	1.17	1.11	1.11	1.11	1.11	1.11	1.11	1.11	No Change	85 - 115
R2	0.96	0.96	0.93	0.93	0.92	0.92	0.92	0.92	0.92	No Change	85 - 115
GSe	0.97	0.96	1.09	1.09	1.10	1.10	1.12	1.12	1.12	No Change	80 - 120
UGe	0.94	0.94	1.05	1.05	1.05	1.06	1.09	1.09	1.10	No Change	80 - 120
GSd	0.89	0.89	1.07	1.07	1.09	1.10	1.13	1.12	1.13	No Change	80 - 120
UGd	0.94	0.93	1.06	1.06	1.06	1.07	1.10	1.10	1.10	No Change	80 - 120
St Lgt	0.94	0.93	1.00	1.00	1.00	1.00	1.04	1.04	1.05	No Change	80 - 120
Sen Lgt	0.99	0.96	0.87	0.87	0.83	0.80	0.86	0.86	0.84	No Change	80 - 120
USL	1.15	1.16	1.24	1.12	1.12	1.13	1.17	1.12	1.12	No Change	80 - 120
DGen	0.95	0.99	0.98	0.98	1.01	1.05	1.07	1.07	1.10	No Change	80 - 120
ST	0.86	0.86	0.86	0.86	0.87	0.87	0.82	0.82	0.82	No Change	80 - 120
AUR	0.96	0.96	0.97	0.97	0.96	0.96	0.69	0.74	0.74	0.85	85 - 115
AUGe	0.81	0.82	0.73	0.80	0.81	0.82	0.67	0.80	0.80	No Change	80 - 120
AUGd	0.79	0.79	0.87	0.87	0.87	0.87	0.63	0.80	0.80	No Change	80 - 120
AR	0.87	0.87	0.92	0.92	0.91	0.91	0.93	0.93	0.93	No Change	85 - 115
AGSe	0.91	0.90	0.95	0.95	0.94	0.94	0.93	0.93	0.93	No Change	80 - 120
AGSd	0.78	0.77	0.72	0.80	0.79	0.79	0.77	0.80	0.80	No Change	80 - 120

As shown in Table 5, the R/C ratios calculated by the 2028 and 2031 CAMs for most legacy and acquired rate classes are already within the OEB-prescribed ranges and therefore do not require adjustments as part of the rate design process. The exceptions are described below.

In 2028, the R/C ratios for the AUGe and AGSd rate classes are outside the OEB-prescribed range. Hydro One proposes to increase the revenue collected from these two rate classes to bring the R/C ratio for each class to 0.80, which is within the OEB-prescribed range. The increase in revenue collected from these classes is offset by a corresponding decrease in the revenue collected from the USL rate class, which is also outside the OEB-prescribed range and has the highest R/C ratio of 1.24. This adjustment brings the R/C ratio for the USL rate class to 1.12, which is in the OEB-prescribed range.

Hydro One does not propose any R/C ratio adjustments for the rate years 2029 and 2030. This approach is consistent with the Settlement Proposal approved by the OEB in EB-2021-0110.[5]

In 2031, the estimated R/C ratios for the AUR, AUGe, AUGd and AGSd rate classes are outside the OEB-prescribed ranges. Hydro One proposes to increase the R/C ratios for the AUGe, AUGd and AGSd rate classes to 0.80, and to phase in the adjustment for the AUR rate class as described below. The resulting increase in the revenue is offset by a corresponding decrease in the revenue collected from the USL, GSe[6] and GSd rate classes, which have the highest R/C ratios.

Moving the R/C ratio for the AUR rate class to within the OEB-prescribed range (i.e. 0.85) in 2031 would result in a total bill impact of more than 10% for the residential customers in the former PDI service area. As shown in Table 5, Hydro One proposes to phase in the

[5] EB-2021-0110, Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, November 29, 2022, Schedule A, pp. 98-99 of 117.
[6] The 2031 GSe R/C ratio is 1.124 before and 1.119 after rate design, both values round to 1.12 in Table 5.

increase over two years (2031 and 2032), such that the total bill impact in 2031 for these customers is limited to no more than 10%.

2.3 FIXED VERSUS VOLUMETRIC CHARGES

2.3.1 MOVE TO ALL-FIXED RATES FOR RESIDENTIAL CLASSES

In the OEB Policy - A New Distribution Rate Design for Residential Electricity Customers (EB-2012-0410) issued on April 2, 2015, the OEB confirmed that rates for residential customers will migrate to a fixed monthly distribution ("all-fixed") charge over a transition period commencing in 2016.

The transition to all-fixed distribution rates for Hydro One's UR rate class was completed in 2021 and for the R1 rate class in 2024. The R2 rate class also moved to an all-fixed rate structure in 2024; however, as approved by the OEB in EB-2020-0246[7] and further confirmed in EB-2021-0110,[8] the R2 rate class will continue to have a small volumetric charge until 2032, consistent with the bill impact mitigation established for former Seasonal customers in the R2 rate class. Customers in Hydro One's acquired residential rate classes (AUR and AR), as well as residential customers of former OPDC and PDI, have previously completed the transition to all-fixed distribution rates.[9]

2.3.2 FIXED-TO-VARIABLE SPLIT FOR NON-RESIDENTIAL CLASSES

Hydro One proposes establishing its 2028 to 2032 fixed charges for non-residential rate classes in accordance with the following principles:[10]

- If the previous year's fixed charge is above the Customer Unit Cost per Month - Minimum System with Peak Load Carrying Capability (PLCC) Adjustment in the 2028 or 2031 CAM, Hydro One will maintain the fixed charge at the previous year's level;

[7] EB-2020-0246, Implementing the Elimination of the Seasonal Rate Class, November 10, 2021, pp. 6-8.
[8] EB-2021-0110, Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, November 29, 2022, Schedule A, p. 102 of 117.
[9] The transition to all-fixed distribution rates was completed in 2019 for NPDI, OPDC, and PDI, and in 2020 for HCHI and WHSI.
[10] In 2031, this approach would result in a fixed charge that is lower than the previous year's fixed charge for the USL rate class. Hydro One therefore proposes to maintain the USL fixed charge at the 2030 level in 2031.

- If the previous year's fixed charge is below or equal to the Customer Unit Cost per Month - Minimum System with PLCC Adjustment in the 2028 or 2031 CAM, Hydro One will set the fixed charge at the lowest of:
    - The Customer Unit Cost per Month - Minimum System with PLCC Adjustment;
    - The fixed charge calculated based on the previous year's fixed/variable split; and
    - The fixed charge calculated by applying the percentage increase in revenue requirement to the previous year's fixed charge.

This approach is consistent with the approach agreed upon in the Settlement Proposal, which was approved by the OEB in EB-2021-0110,[11] with one exception. Under the Settlement Proposal in EB-2021-0110, if the previous year's fixed charge was below or equal to the Customer Unit Cost per Month - Minimum System with PLCC Adjustment, Hydro One maintained the fixed/variable split from previous year. Applying that approach over the 2028 to 2032 period would result in high bill impacts for certain rate classes. Hydro One's proposal, as described above, mitigates these bill impacts by capping the fixed charges at the lowest of the three values. Table 6 below summarizes the current and proposed fixed and volumetric revenue split.

[11] EB-2021-0110, Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, November 29, 2022, Schedule A, pp. 96-97 of 117.

Table 6 - Current and Proposed Fixed and Volumetric Revenue Split 2026 to 2032

Rate Class	2026		2027 (Current)		2028 Proposed		2029 Proposed		2030 Proposed		2031 Proposed		2032 Proposed	
	Fixed	Volumetric	Fixed	Volumetric	Fixed	Volumetric	Fixed	Volumetric	Fixed	Volumetric	Fixed	Volumetric	Fixed	Volumetric
UR	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
R1	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
R2	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
GSe	18%	82%	18%	82%	15%	85%	14%	86%	13%	87%	13%	87%	13%	87%
UGe	21%	79%	21%	79%	16%	84%	16%	84%	16%	84%	16%	84%	16%	84%
GSd	4%	96%	4%	96%	4%	96%	3%	97%	3%	97%	3%	97%	3%	97%
UGd	7%	93%	6%	94%	5%	95%	5%	95%	4%	96%	4%	96%	4%	96%
St Lgt	2%	98%	2%	98%	2%	98%	2%	98%	2%	98%	2%	98%	2%	98%
Sen Lgt	27%	73%	27%	73%	27%	73%	27%	73%	27%	73%	27%	73%	27%	73%
USL	68%	32%	65%	35%	65%	35%	65%	35%	63%	37%	63%	37%	63%	37%
DGen	55%	45%	53%	47%	45%	55%	45%	55%	45%	55%	45%	55%	45%	55%
ST	17%	83%	16%	84%	15%	85%	14%	86%	13%	87%	13%	87%	12%	88%
AUR	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
AUGe	36%	64%	34%	66%	30%	70%	28%	72%	26%	74%	34%	66%	34%	66%
AUGd	26%	74%	25%	75%	21%	79%	19%	81%	17%	83%	16%	84%	15%	85%
AR	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
AGSe	43%	57%	41%	59%	33%	67%	30%	70%	27%	73%	27%	73%	26%	74%
AGSd	16%	84%	16%	84%	14%	86%	13%	87%	12%	88%	11%	89%	11%	89%

3.0 TRANSFORMER OWNERSHIP ALLOWANCE

There are circumstances under which Hydro One does not supply customers with transformation equipment, but rather the customer provides its own equipment. This usually occurs when the customer has unique consumption characteristics that require the use of special equipment not normally provided by Hydro One. Since the rates developed for most rate classes assume that Hydro One provides transformation to the customer, customers that provide their own transformation are entitled to receive a credit equivalent to the costs of transformation included in their rates.

The transformation allowance has been set on a generic basis for electricity distributors throughout the province. Hydro One proposes to maintain the currently approved Transformer Ownership Allowance at the established rate of $0.60/kW. This is the same rate that currently applies to demand-billed customers of former OPDC and PDI that own their own transformation, and therefore no change is required in 2031 as a result of integrating former OPDC and PDI customers into Hydro One's rate structure. Some customers that provide their own transformation are energy-billed; in order to be able to provide these customers with a Transformer Ownership Allowance, an equivalent $0.0014/kWh rate previously approved by the OEB will be maintained.

The projected cost of the Customer Supplied Transformer Allowance (CSTA) credit results in the rate adders shown in Table 7, which are included in the volumetric rates in Exhibit L-07-02 for the GSd, UGd, AUGd, AGSd and DGen rate classes. The CSTA credit amounts for 2031 and 2032 include demand-billed customers in the former OPDC and PDI service areas.

Table 7 - CSTA Rate Adders

CSTA Rate Adder[1]			
Class	**CSTA Credit Amount to be Recovered ($)**	**Forecast Demand (kW)**	**Rate Adder for CSTA ($/kW)**
DGen	$137,423	271,009	$0.5071
GSd	$713,476	6,338,326	$0.1126
UGd	$385,558	2,519,028	$0.1531
AUGd	$70,978	272,197	$0.2608
AGSd	$52,198	362,669	$0.1439

[1]CSTA rate adder will remain unchanged for 2028-2032 except for AUGd which will have updated CSTA rate adder of $0.3106/kW for 2031 and 2032.

4.0 HOPPER FOUNDRY RATE ADJUSTMENT

In accordance with the OEB's Decision in Hydro One's cost-of-service application in EB-2007-0681, Hydro One applies the General Service Demand rates applicable to Hopper Foundry using monthly kW billing determinants determined on a time-of-use basis. In the past, this approach resulted in Hydro One collecting less revenue from Hopper Foundry in each year of the rate term, which was recovered via an OEB-approved rate adder included in the volumetric rates for the GSd rate class. Based on the most recent load information, Hopper Foundry is not expected to operate in a manner that would trigger the use of time-of-use charge determinants for the period covered in this Application.[12] As such, no lost revenue is anticipated from Hopper Foundry, and no rate adder is required at this time. If the circumstances change, Hydro One will advise the OEB and, if required, put forward a proposal to reintroduce the rate adder in a future annual update application.

5.0 CALCULATION OF SUB-TRANSMISSION (ST) RATES

5.1 INTRODUCTION

The proposed 2028 and 2031 ST charges for the use of Hydro One-owned metering facilities, Common ST Lines, High Voltage Distribution Stations (HVDS), Low Voltage Distribution Stations (LVDS) and Specific ST Lines were derived using the results of the 2028 and 2031 CAMs, respectively. The estimated ST charges for 2029, 2030 and 2032 reflect the changes in revenue requirement and load forecast in each rate year. The

[12] This has been confirmed by the customer.

methodology used in this Application for the allocation of costs to the ST rate class, as well as for the design of the ST rates, has not changed from the methodology approved by the OEB in Hydro One's most recent rate application (EB-2021-0110). Hydro One has had approved ST rates, applicable to its larger customers and to all embedded distributors, since 2008. As such, embedded distributors have had the opportunity to review the cost allocation and rate design of the rates applicable to them as part of the regulatory approval process for Hydro One's previous rate applications.

Customers supplied from multiple feeders connected to the same Transmission Station (TS) or HVDS are billed the HVDS and Common ST Line charges based on their aggregated billing demand. The use of aggregated billing demand for these charges was reviewed and approved by the OEB in Hydro One's most recent rate application (EB-2021-0110).

As previously reviewed and approved by the OEB in Hydro One's most recent rate application (EB-2021-0110), ST customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, are billed volumetric charges on a gross load basis.

In EB-2021-0110, Hydro One proposed and received OEB approval to remove the requirement for ST customers to own their local transformers. As a result, effective January 1, 2023, ST customers that choose to use Hydro One-owned transformers are subject to a fixed monthly local transformation charge of $200, which was established for the 2023 to 2027 period. In this Application, Hydro One proposes to update the approach used to calculate this charge for the 2028 to 2032 period. This updated approach does not affect the methodology used to establish the ST rates and is described in Section 5.2.7 below.

5.2 DERIVATION OF ST RATES

This Application uses the same methodology reviewed and approved by the OEB since Hydro One's 2008 distribution rate application to determine the proposed ST charges.

Table 8 shows the current 2026 and estimated 2027 ST charges, the proposed 2028 ST charges and the estimated 2029 to 2032 ST charges. Details of the derivation of the proposed ST charges are provided in Attachment 3 to this Exhibit.

Table 8 - Current and Proposed/Estimated Monthly ST Charges ($)

		Current	Estimated	Proposed/Estimated				
Charge Description	**Unit**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Service Charge	$	824.28	824.28	563.35	563.35	563.35	563.35	563.35
Meter Charge	$	417.59	417.59	607.99	607.99	607.99	607.99	607.99
Common ST Line	$/kW	1.8196	1.9072	2.4250	2.7454	2.9968	3.1106	3.2345
HVDS-high	$/kW	3.698	3.7112	3.9054	3.9054	3.9054	3.8213	3.8213
HVDS-low	$/kW	5.9167	6.0116	8.0122	8.4316	8.7604	8.8703	9.0323
LVDS-low	$/kW	2.2187	2.3004	4.1068	4.5262	4.8550	5.0490	5.2110
Specific ST Line	$/km	711.9546	742.3707	1030.6783	1149.9207	1248.0116	1306.6563	1363.8187

5.2.1 FIXED SERVICE CHARGE AND METER CHARGE

Consistent with the approach described in Section 2.3.2, the fixed-to-variable split for the ST rate class is maintained at the current level for 2028. The ST fixed revenue requirement includes costs related to metering facilities owned by Hydro One. In recognition of the customers in the ST rate class that provide their own metering facilities, the fixed service charge is set to recover the fixed revenue requirement, adjusted to exclude meter costs allocated to the ST rate class in the 2028 and 2031 CAMs. The monthly fixed service charge is applied to each ST delivery point that uses Common ST Lines or HVDS facilities. The costs for metering are then recovered through a fixed meter charge per metering facility, which is applicable to customers for whom Hydro One provides metering facilities. As shown in Attachment 1, since the current fixed-to-variable split results in a fixed charge that is higher than the Customer Unit Cost per Month - Minimum System with PLCC Adjustment, Hydro One proposes to maintain the 2028 fixed service charge and meter charge for the 2029 to 2032 period.

5.2.2 COMMON ST LINE RATE

The CAM and rate design process applied to all rate classes is used to determine the total rates revenue requirement to be collected from the ST rate class. The amount that is not recovered through the ST fixed service, meter, HVDS-high, HVDS-low, LVDS-low and Specific ST Line charges is recovered through the Common ST Line charge. The Common ST Line charge is a volumetric charge, the derivation of which for the 2028 to 2032 period is detailed in Attachment 3.

5.2.3 HVDS-HIGH RATE

Customers in the ST rate class can obtain transformation from above 50 kV to a voltage between 44 kV and 13.8 kV either through the use of a High Voltage Distribution Station, referred to as an “HVDS-high” station, or a TS owned by Hydro One Transmission. Customers that obtain supply through a TS are charged the Retail Transmission Service Rate (RTSR) - Transformation. Therefore, for consistency, the HVDS-high rate is set equivalent to the RTSR-Transformation rate adjusted for losses. HVDS-high is a volumetric charge.

The HVDS-high rate will be adjusted to reflect updates to the RTSR-Transformation rate, as part of Hydro One’s annual update applications for 2029 to 2032. The RTSR-Transformation rate is described in Section 8.4.

5.2.4 HVDS-LOW RATE

An HVDS that transforms power from above 50 kV to under 13.8 kV is referred to as an “HVDS-low” station. Consistent with the current rate structure, the HVDS-low rate is set as the sum of the HVDS-high rate and the LVDS-low rate (discussed in the next section). This ensures that the rate for transformation from above 50 kV to below 13.8 kV is equivalent for all delivery points, regardless of the type of upstream transformation facilities used. HVDS-low is a volumetric charge.

The HVDS-low rate will be adjusted to reflect changes to the HVDS-high and LVDS-low rates as part of Hydro One's annual update applications for 2029 to 2032. The HVDS-high rate is described in Section 5.2.3.

5.2.5 LVDS-LOW RATE

An LVDS, referred to as an "LVDS-low" station, transforms power from above (or at) 13.8 kV to under 13.8 kV. The rate is set to recover the LVDS-low portion of the distribution station costs allocated to the ST rate class. The ST LVDS-low portion of the distribution station costs is based on the gross book value of assets associated with providing ST service from LVDS-low stations as a share of the total LVDS station assets. LVDS-low is a volumetric charge. Consistent with the approach previously approved by the OEB, the output from the 2028 and 2031 CAMs is used to derive the 2028 and 2031 LVDS-low rates, respectively.

The annual increase in the revenue requirement for the ST rate class is applied to the LVDS-low rate of the previous year to derive the LVDS-low rate in 2029, 2030 and 2032. Details of the derivation of the LVDS-low rate are provided in Attachment 3.

5.2.6 SPECIFIC ST LINE RATE

An ST line section between 44 kV and 13.8 kV is "specific" if it supplies only one embedded distributor and is within that distributor's service territory. The Specific ST Line rate is set to the average per-kilometer cost for all ST lines on Hydro One's distribution system.

The Specific ST Line rate is applied to the length of the specific line section (km) rather than to demand (kW). Details of the derivation of the Specific ST Line rate are provided in Attachment 3.

5.2.7 ST LOCAL TRANSFORMATION CHARGE

Prior to OEB approval of the Settlement Proposal in Hydro One's most recent rate application (EB-2021-0110), ST customers were required to purchase, install and maintain their local transformation. In that application, Hydro One revised this requirement such

that ST customers could either own their local transformation directly or connect to Hydro One-owned transformation assets in exchange for payment of a monthly Local Transformation Charge. In both instances, ST customers are responsible for the cost consequences of their local transformation, either through direct payment for and ownership of transformation assets or through payment of the Local Transformation Charge to Hydro One.

The OEB-approved Settlement Proposal in EB-2021-0110 established the Local Transformation Charge at $200 per transformer per month for the 2023 to 2027 period. The Settlement Proposal also provided that Hydro One would rely on actual costs to derive the Local Transformation Charge brought forward for approval in this Application. Hydro One has reviewed its approach to calculating the appropriate Local Transformation Charge and is proposing to use a revised approach for calculating the Local Transformation Charge that is more streamlined and consistent with existing rate-making approaches for ST customers. The use of actual cost data and the revised approach described below result in a proposed ST Local Transformation Charge of $252 per transformer per month.

5.2.7.1 DERIVATION OF MONTHLY LOCAL TRANSFORMATION CHARGE

Hydro One proposes to derive the Local Transformation Charge using the following approach:

- Determine the actual and forecast cost of Hydro One-owned transformers serving ST customers in the rebasing year (i.e. 2028);
- Break out these ST transformer costs from the total line transformer costs in USofA Account 1850 in Tab “4 BO Assets” of the 2028 CAM; and
- Run an additional version of the 2028 CAM in which these ST transformer costs are allocated only to the ST rate class, while the remaining transformer costs are allocated to all other rate classes.

Since Hydro One’s 2028 CAM, as filed in Exhibit L-01-03-01, does not allocate any transformer-related costs to the ST rate class, the difference between total costs allocated

to the ST class by Hydro One's 2028 CAM and the version of the 2028 CAM described above is equal to the incremental cost of Hydro One-owned transformers serving ST customers, as shown in Table 9.

Table 9 - Incremental Cost of Hydro One-owned ST Transformers ($)

Determination of Incremental Transformer Costs	
Total Costs Allocated to ST Class without the Line Transformer costs **[A]**	$125,026,727
Total Costs Allocated to ST Class including Line Transformer costs **[B]**	$125,373,657
Annual Transformers-related Costs [B-A]	**$346,930**

This incremental cost, divided by the forecast number of Hydro One-owned transformers serving ST customers in 2028 and divided by 12, yields a Local Transformation Charge of $252.06 per transformer per month, as shown in Table 10.

Table 10 - Calculation of 2028 Local Transformation Charge ($)

Incremental Annual Cost of ST Transformers	$346,930
Number of Hydro One-owned ST Transformers	115
Cost per Transformer per Month	**$252.06**

Hydro One proposes to adjust this monthly charge in proportion to the annual change in Hydro One's annual revenue requirement for 2029 to 2032.

5.2.7.2 REVENUE FROM THE FIXED MONTHLY LOCAL TRANSFORMATION CHARGE

The additional costs of supplying local transformation to ST customers will be fully recovered by the revenue from the Local Transformation Charge and the transformer capital contribution, if applicable. For the purposes of cost allocation, the revenue from the Local Transformation Charge is recorded in USofA Account 4220 – "Other Electric

Revenue". This revenue has been allocated to all non-ST rate classes in the 2028 and 2031 CAMs to ensure that the incremental costs of supplying local transformation to ST customers are not borne by non-ST customers.

6.0 REVENUE RECONCILIATION

A reconciliation of the revenue at proposed rates and the revenue requirement by rate class, as per Chapter 2, Section 2.8.10 of the OEB's Filing Requirements, is provided in Attachment 2.

7.0 BILLING DETERMINANTS

Hydro One does not propose any changes to the type of billing determinants currently approved for its existing and acquired rate classes for 2028 to 2030. For 2031 and 2032, Hydro One proposes a change, as described below, to the billing determinants of the Street Lighting and Sentinel Lighting customers of former OPDC and PDI.

The current OEB-approved distribution volumetric charges for customers in former OPDC and PDI Street Lighting and Sentinel Lighting rate classes are based on kW demand. As discussed in Exhibit L-01-02, Hydro One proposes to merge the customers in the former OPDC and PDI Street Lighting and Sentinel Lighting rate classes into Hydro One's corresponding rate classes in 2031. Hydro One proposes that, effective January 1, 2031, these customers adopt Hydro One's convention and be billed the volumetric charge based on kWh.

8.0 RETAIL TRANSMISSION SERVICE RATES

8.1 INTRODUCTION

The proposed RTSRs in this Application reflect the existing Uniform Transmission Rates (UTRs) effective January 1, 2026, which were approved by the OEB in EB-2025-0232. As new UTRs are approved over the term of this Application, Hydro One will update the proposed RTSRs to reflect the new UTRs as part of its annual update applications. Changes to the UTRs will also affect some ST rates, as discussed in Section 5.2.

Aggregation of customer load across multiple feeders emanating from the same transformer station for the purposes of billing RTSRs was approved by the OEB in EB-2004-0451 and subsequent distribution rate applications, including Hydro One's most recent rate application (EB-2021-0110). Hydro One proposes to continue to bill eligible customers RTSRs based on their aggregate demand from the same transformer station.

8.2 APPROVED TRANSMISSION RATES

The UTRs approved in EB-2025-0232 are effective as of January 1, 2026, and comprise the following charges:

- A Transmission Network charge of $6.39/kW to be applied to the demand at each transmission delivery point based on billed demand, which is defined as the larger of: a) 85% of the non-coincident peak from 7 a.m. to 7 p.m. on business days[13]; and b) the peak coincident with the transmission system peak.
- Line and Transformation Connection charges of $1.03/kW and $3.47/kW, respectively, which are applied to the non-coincident peak at each transmission delivery point.

These rates apply to the load at the transmission delivery point, which is defined as the high voltage side of the transmission station transformer. Since metering is typically on the low voltage side of a transmission station, appropriate loss factors have been applied to adjust the meter readings to the high voltage side of the transformer.

8.3 RTSR CALCULATION METHODOLOGY

The Independent Electricity System Operator (IESO) charges Hydro One Distribution the applicable UTRs at each of its transmission delivery points for wholesale transmission line connection, transformation connection and network charges. Hydro One applies RTSRs to its distribution rate classes to recover the IESO-levied transmission charges.

[13] As defined by the IESO.

The OEB's RTSR Guideline,[14] issued on March 31, 2025, states that "when distributors file for new rates at the time of rebasing, the OEB encourages distributors to propose updated RTSRs underpinned by updated cost causation data". Consistent with the OEB's guidelines, Hydro One proposes to update the RTSRs using the methodology previously reviewed and approved by the OEB in Hydro One's distribution rate applications since 2008, most recently in EB-2021-0110. This methodology allocates the transmission charges to each of the distribution rate classes in proportion to their coincident demand to Hydro One's network and connection peaks at the transmission delivery points. This methodology, as described further below, ensures that all rate classes pay an appropriate share of the transmission charges levied on Hydro One. Hydro One has also updated each rate class's contribution to its network and connection peaks in 2031 to reflect the inclusion of former OPDC and PDI customers into Hydro One's rate structure.

As noted in the RTSR Guideline, "distributors will need to provide their own worksheets to demonstrate cost causation and full recovery should they choose to update the underlying cost causation for their proposed RTSRs." Accordingly, detailed derivations of Hydro One's proposed 2028 and 2031 RTSRs are provided in Attachments 4 and 5, respectively, to this Exhibit. For 2029, 2030 and 2032, Hydro One will use the methodology consistent with the OEB's RTSR Workform to set the RTSRs.

Regarding the Electric Vehicle Charging (EVC) RTSRs, Hydro One proposes to derive the EVC RTSRs for 2028 and 2031 by multiplying the RTSRs of the respective demand-billed rate classes of the EVC customers by the Province-wide EVC Rate Parameter of 17% established by the OEB.[15] For 2029, 2030, and 2032, Hydro One will use the methodology consistent with the OEB's RTSR Workform, which uses the quantity of load (energy and demand) consumed by EVC facilities to derive the EVC RTSRs.

[14] Guideline on Electricity Distributor Retail Transmission Service Rates and Low Voltage Charges, issued on March 31, 2025, p. 5.
[15] Electric Vehicle Charging Rate Overview – Final Report, issued March 31, 2025.

8.3.1 2028 AND 2031 TRANSMISSION CHARGES FROM THE IESO

To estimate the transmission charges from the IESO, the currently approved UTRs provided in Section 8.2 are applied to the 2028 and 2031 forecast charge determinants at each of Hydro One Distribution's transmission delivery points. The resulting Network, Line Connection and Transformation Connection charges in 2028 and 2031 are shown as the "IESO Bill" in Tables 11 and 12.

8.3.2 ALLOCATING TRANSMISSION CHARGES TO RATE CLASSES

Hydro One allocates its transmission charges, as billed by the IESO, in proportion to the coincident demand of each rate class to the transmission charge determinants, based on the 2028 and 2031 forecast hourly rate class load shapes.

For the 2029 to 2032 rate years, the transmission charges will be adjusted to incorporate updates to the approved UTRs as part of the annual update applications. The adjusted 2029 and 2030 transmission charges will be allocated to all rate classes using the 2028 percentages. The adjusted 2032 transmission charges will be allocated to all rate classes using the 2031 percentages.

Table 11 shows the estimated 2028 IESO charges based on Hydro One's 2028 load forecast and OEB-approved UTRs effective January 1, 2026, allocated to the rate classes.

Table 11 - Forecast 2028 IESO Transmission Charges by Rate Class

	Transmission Network	Transmission Line Connection	Transmission Transformation Connection	Total IESO Bill
IESO Bill	$479,558,195	$71,929,574	$268,623,835	$820,111,603
ST	$194,036,397	$31,338,769	$105,578,184	$330,953,350

	Transmission Network	Transmission Line and Transformation Connection	Total IESO Bill
UR	$40,488,441	$28,640,242	$69,128,683
R1	$81,176,874	$57,673,404	$138,850,278
R2	$75,929,137	$54,362,060	$130,291,198
UGe	$9,112,519	$6,544,876	$15,657,395
UGd	$12,916,156	$9,159,126	$22,075,281
GSe	$27,912,871	$20,285,713	$48,198,584
GSd	$24,211,802	$17,276,870	$41,488,672
DGen	$469,042	$285,282	$754,324
USL	$329,189	$230,329	$559,517
St Lgt	$669,273	$458,810	$1,128,083
Sen Lgt	$76,800	$52,675	$129,475
AUR	$1,863,528	$1,308,401	$3,171,930
AUGe	$522,769	$369,237	$892,006
AUGd	$1,157,345	$811,703	$1,969,048
AR	$5,589,305	$3,952,915	$9,542,220
AGSe	$1,368,287	$972,340	$2,340,627
AGSd	$1,728,458	$1,252,473	$2,980,931

Table 12 shows the estimated 2031 IESO charges, based on Hydro One's 2031 load forecast and OEB-approved UTRs effective January 1, 2026, allocated to the rate classes.

Table 12 - Forecast 2031 IESO Transmission Charges by Rate Class

	Transmission Network	Transmission Line Connection	Transmission Transformation Connection	Total IESO Bill
IESO Bill	$501,707,450	$74,670,765	$278,979,114	$855,357,329
ST	$195,493,598	$30,626,091	$103,177,219	$329,296,908
	Transmission Network	Transmission Line and Transformation Connection		Total IESO Bill
UR	$42,216,905	$30,590,998		$72,807,904
R1	$83,806,465	$61,222,703		$145,029,168
R2	$77,277,087	$55,761,743		$133,038,830
UGe	$9,466,735	$6,568,624		$16,035,359
UGd	$13,447,514	$9,213,819		$22,661,334
GSe	$28,528,601	$20,671,096		$49,199,697
GSd	$25,585,076	$17,521,113		$43,106,190
DGen	$490,638	$279,275		$769,913
USL	$372,039	$253,861		$625,899
St Lgt	$718,903	$480,817		$1,199,720
Sen Lgt	$78,193	$52,323		$130,516
AUR	$8,289,324	$6,033,598		$14,322,922
AUGe	$2,561,268	$1,787,044		$4,348,312
AUGd	$4,719,040	$3,176,249		$7,895,289
AR	$5,540,859	$4,044,415		$9,585,273
AGSe	$1,373,170	$966,852		$2,340,022
AGSd	$1,742,035	$1,222,039		$2,964,075

8.4 PROPOSED RTSRS

The transmission charges allocated to each rate class shown in Tables 11 and 12 are divided by the corresponding charge determinants for 2028 and 2031 for each rate class. For the purpose of calculating RTSRs for rate classes other than ST, the Line Connection and Transformation Connection charges are combined and recovered through a single RTSR. The resulting proposed 2028 RTSRs and estimated 2031 RTSRs, as well as the currently approved 2026 RTSRs and estimated 2027 RTSRs, for Hydro One's existing rate classes are shown in Table 13. The estimated 2031 RTSRs in Table 13 reflect the integration of former OPDC and PDI customers into Hydro One's rate structure.

Witness: Uri Akselrud; Nikita Sheth

Customers in Hydro One's energy-billed rate classes are charged RTSRs on metered consumption uplifted for losses, and customers in demand-billed rate classes are charged RTSRs on metered demand uplifted for losses. For customers that installed load displacement generation after October 1998, the RTSR connection rates are applied to gross demand. Detailed derivation of the proposed 2028 and 2031 RTSRs are provided as Attachments 4 and 5, respectively, to this Exhibit.

Table 13 - Proposed 2028 and 2031 RTSRs for Hydro One Rate Classes

RATE CLASS	Approved 2026 Rates		Estimated 2027 Rates		Proposed 2028 Rates		Proposed 2031 Rates	
	Network	Connection	Network	Connection	Network	Connection	Network	Connection
Urban Residential ($/kWh) (UR)	0.0141	0.0100	0.0140	0.0100	0.0141	0.0100	0.0137	0.0100
Medium Density Residential ($/kWh) (R1)	0.0131	0.0094	0.0130	0.0094	0.0131	0.0093	0.0126	0.0092
Low Density Residential ($/kWh) (R2)	0.0121	0.0088	0.0121	0.0088	0.0121	0.0087	0.0118	0.0085
General Service energy ($/kWh) (GSe)	0.0104	0.0080	0.0104	0.0080	0.0104	0.0075	0.0102	0.0074
General Service demand ($/kW) (GSd)	3.1662	2.4073	3.1536	2.4159	3.6003	2.5691	3.5993	2.4649
General Service demand EV Charging ($/kW) (GSd-EVC)	0.5383	0.4092	0.5362	0.4107	0.6121	0.4367	0.6119	0.4190
Urban General Service energy ($/kWh) (UGe)	0.0111	0.0085	0.0111	0.0085	0.0111	0.0079	0.0110	0.0076
Urban General Service demand ($/kW) (UGd)	4.0895	3.0559	4.0733	3.0668	4.8833	3.4628	4.9458	3.3887
Urban General Service demand EV Charging ($/kW) (UGd-EVC)	0.6952	0.5195	0.6924	0.5214	0.8302	0.5887	0.8408	0.5761
Unmetered Scattered Load ($/kWh) (USL)	0.0087	0.0064	0.0087	0.0064	0.0088	0.0061	0.0087	0.0059
Distributed Generator ($/kW) (DGen)	1.7376	1.0329	1.7307	1.0366	1.6312	0.9921	1.5160	0.8629
Street Lights ($/kWh) (St Lgt)	0.0076	0.0058	0.0076	0.0058	0.0076	0.0052	0.0075	0.0050
Sentinel Lights ($/kWh) (Sen Lgt)	0.0076	0.0058	0.0076	0.0058	0.0076	0.0052	0.0076	0.0051
Sub-Transmission ($/kW) (ST)	5.4708	0.7054 Line 3.5764 Transf.	5.4491	0.7079 Line 3.5892 Transf.	5.7278	0.9482 Line 3.7770 Transf.	5.7779	0.9277 Line 3.6956 Transf.
Sub-Transmission EV Charging ($/kW) (ST-EVC)	0.9300	0.1199 Line 0.6080 Transf.	0.9263	0.1203 Line 0.6102 Transf.	0.9737	0.1612 Line 0.6421 Transf.	0.9822	0.1557 Line 0.6283 Transf.
Acquired Urban Density Residential ($/kWh) (AUR)	0.0145	0.0104	0.0144	0.0104	0.0146	0.0102	0.0137	0.0099
Acquired Urban Density General Service energy ($/kWh) (AUGe)	0.0112	0.0084	0.0112	0.0084	0.0112	0.0079	0.0110	0.0077
Acquired Urban Density General Service demand ($/kW) (AUGd)	3.7678	2.8067	3.7529	2.8167	4.1160	2.8868	4.4505	2.9955
Acquired Urban Density General Service demand EV Charging ($/kW) (AUGd-EVC)	0.6405	0.4771	0.6380	0.4788	0.6997	0.4908	0.7566	0.5092
Acquired Mixed Density Residential ($/kWh) (AR)	0.0139	0.0100	0.0138	0.0100	0.0139	0.0099	0.0137	0.0100
Acquired Mixed Density General Service energy ($/kWh) (AGSe)	0.0110	0.0083	0.0110	0.0083	0.0110	0.0078	0.0110	0.0078
Acquired Mixed Density General Service demand ($/kW) (AGSd)	3.2450	2.4779	3.2321	2.4868	4.5347	3.2859	4.5535	3.1943
Acquired Mixed Density General Service demand EV Charging($/kW) (AGSd-EVC)	0.5516	0.4212	0.5494	0.4227	0.7709	0.5586	0.7741	0.5430

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2028-2032 RATE DESIGN

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2028-2032 REVENUE RECONCILIATION

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SUB-TRANSMISSION CHARGES

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2028 RETAIL TRANSMISSION SERVICE RATES

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2031 RETAIL TRANSMISSION SERVICE RATES

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ACQUIRED UTILITIES - BENEFITS OF CONSOLIDATION

1.0 INTRODUCTION AND BACKGROUND

In Exhibit L-01-02, Hydro One describes its proposal to place the customers formerly served by Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) (together, the Acquired Utilities) into the existing Acquired Urban rate classes, effective on January 1, 2031 following the expiry of the deferred rebasing periods. Exhibit L-01-03 describes Hydro One's proposed cost allocation approach to appropriately reflect the costs of serving these acquired customers. In Exhibit L-02-01, Hydro One discusses its proposed approach for setting the rates for these acquired customers.

This Exhibit describes the benefits of Hydro One's proposal to integrate the customers of the Acquired Utilities into Hydro One's distribution rate structure (the Rate Harmonization Proposal). The benefits to both the customers of the Acquired Utilities and Hydro One's legacy customers are discussed below.

Section 7.0 of this Exhibit separately provides information on the OM&A and capital savings achieved for each of the Acquired Utilities over the 10-year deferred rebasing periods approved in the respective MAAD applications,[1] based on actual costs to 2025 and forecast costs for 2026 through 2030.

2.0 DETERMINING THE BENEFITS FOR ACQUIRED AND LEGACY CUSTOMERS

As discussed in Exhibit L-01-02, Hydro One proposes to place the residential and general service customers of the Acquired Utilities into the Acquired Urban rate classes approved in EB-2021-0110. This allows Hydro One to appropriately capture the costs specifically associated with serving the acquired customers and to set rates that reflect the cost to serve all customers in the Acquired Urban rate classes. As described in Exhibit L-01-03, Hydro One proposes to use direct allocation factors, which are based on the amount of fixed assets required to serve these acquired customers. These direct allocation factors

[1] EB-2018-0270 (OPDC) and EB-2018-0242 (PDI)

align the costs allocated by the OEB cost allocation model to the Acquired Urban rate classes with the costs required to serve the existing and acquired customers in these rate classes. The resulting rates for the Acquired Urban rate classes are discussed in Exhibit L-02-01.

To demonstrate the benefits of Hydro One's Rate Harmonization Proposal for both the customers of the Acquired Utilities and legacy customers, this Exhibit describes the extent to which the total costs to be collected from the acquired customers fall within defined "goal posts".

The OEB found the "goal post" approach to be of assistance in Hydro One's MAAD applications to purchase OPDC (EB-2018-0270) and PDI (EB-2018-0242), and in Hydro One's last rebasing application (EB-2021-0110) where this approach was used to demonstrate the benefits of integrating the previously acquired customers from Norfolk Power Distribution Inc. (NPDI), Haldimand County Hydro Inc. (HCHI) and Woodstock Hydro Services Inc. (WHSI). The same approach is used in this Application to demonstrate how the total revenue to be collected from the former OPDC and PDI customers as a result of Hydro One's Rate Harmonization Proposal compares to: (a) the total revenue that would otherwise have been collected from the acquired customers in each of the former OPDC and PDI service areas in the absence of the consolidation transactions; and (b) the incremental revenue requirement Hydro One incurs in serving each of these service areas. To perform this assessment, Hydro One calculated (a) the 2031 estimated revenue requirement to serve the acquired customers in the circumstances where the distribution systems continued to be owned by OPDC and PDI (i.e. the "upper goal post"); and (b) the incremental increase in Hydro One's revenue requirement as a result of harmonizing former OPDC and PDI customers (i.e. the "lower goal post").[2]

If the revenues to be collected from the acquired customers of each Acquired Utility fall between the goal posts, this indicates that there will be a benefit to both the acquired and

[2] LV costs will also need to be included in calculating both the lower and upper goal posts to reflect that these are costs that would have been otherwise collected from the acquired customers.

legacy customers. The extent to which revenues to be collected from the acquired customers come in below the upper goal post represents a benefit to the acquired customers because they are paying less than they would have otherwise paid had they not been acquired by Hydro One. The extent to which revenues to be collected from the acquired customers exceed the lower goal post represents a benefit to legacy customers because some of the revenue requirement that legacy customers would otherwise have to pay is now being collected from the acquired customers.

3.0 CALCULATING THE UPPER GOAL POST

In order to demonstrate the benefits of the Rate Harmonization Proposal it is necessary to estimate what the revenue requirement for each of the Acquired Utilities would have been in 2031, had they not been acquired.

Prior to being acquired by Hydro One in 2020, OPDC[3] and PDI[4] last had their rates rebased in 2010 and 2013 respectively, and each remained on the OEB's incentive rate-setting mechanism from that point until acquisition. In Hydro One's MAAD applications for the acquisitions of both OPDC and PDI, the OEB approved 10-year deferred rebasing periods. Therefore, a status quo forecast for OM&A and capital spending was provided by each of the Acquired Utilities for ten years. To calculate the upper goal post, Hydro One used the following three step approach.

- Step 1 – Identify the status quo forecasts of rate base and revenue requirement for 2030, being Year 11 as contemplated in the MAAD applications, provided by OPDC and PDI (the Vendors). These values are detailed at Table 1 of Exhibit A-04-01 of each MAAD application.
- Step 2 – Adjust the Vendor status quo forecast for each Acquired Utility to reflect certain costs that would have been incurred by the utility irrespective of ownership. Specifically, the status quo forecasts were adjusted to account for the force majeure storms in 2022 and 2025, and to reflect Renewable Generation

[3] EB-2009-0273
[4] EB-2012-0160

Connection Rate Protection.[5] See Tables 9 and 10 below for details with respect to the adjustments made to the status quo forecasts. The status quo forecast for each Acquired Utility was not adjusted to account for the persistent and materially higher inflation and cost pressures that have affected the utility sector since 2021. See SPF Section 1.8 for a description of the materially higher inflation and cost pressures.

- Step 3 – Calculate an estimated 2031 status quo revenue requirement, 2031 being the year of rate harmonization, by applying a compound annual growth rate (CAGR) to the adjusted 2030 status quo revenue requirement calculated in Step 2,[6] using the methodology described in Section 3.1 below. This serves as a proxy for what each Acquired Utility's revenue requirement would have been in the absence of the consolidation transactions, and together with the estimated LV charges described below, forms the upper goal post.

As the acquisitions of OPDC and PDI each closed in the third quarter of 2020, and the deferred rebasing periods therefore expire in the third quarter of 2030, the first rate year in which the acquired customers can be integrated is 2031. Since the Vendor status quo forecasts extend only to 2030, an estimate of the 2031 status quo revenue requirement is required, and the CAGR applied in Step 3 provides it.

3.1 CALCULATION OF CAGR

The CAGR was calculated as the average of all approved distributor revenue requirement applications reviewed by the OEB for the 2024 through 2026 rate years, being 5.14%. The rate was applied to each Acquired Utility's adjusted 2030 status quo revenue requirement from Step 2 above to determine the 2031 status quo revenue requirement.[7]

[5] Updated cost of capital parameters were also used.
[6] The CAGR approach was also used in EB-2021-0110 to extend the Status Quo forecasts for NPDI, HCHI and WHSI.
[7] Hydro One notes that estimating a utility's revenue requirement using the CAGR methodology is not a replacement for a utility's own forecast, where one is available. A utility is in the best position to determine both its short- and long-term asset needs. In this case, the forecasts provided by the Acquired Utilities in the MAAD applications extend only to 2030, and neither utility provided a forecast covering 2031. The CAGR methodology has therefore been used as a proxy for that information.

The CAGR methodology was introduced by OEB staff[8] and discussed in both the OPDC and PDI MAAD applications. This methodology was of assistance to the OEB in those proceedings in evaluating the benefits of the proposed acquisitions,[9] and was similarly accepted by the OEB in EB-2021-0110 in estimating the status quo revenue requirements of the previously acquired utilities (NPDI, HCHI and WHSI). Given that the Vendors have since been dissolved and a 2031 status quo forecast cannot be obtained, escalating the adjusted forecasts filed in each MAAD application by an industry average CAGR derived from OEB-approved applications provides a reasonable proxy for the revenue requirement each Acquired Utility would have incurred in 2031 absent the transactions.

3.2 RESULTS OF THREE-STEP APPROACH

Table 1 shows how Hydro One has determined the estimated 2031 revenue requirements for OPDC and PDI under a status quo scenario, individually and on a combined basis, using the methodology described above. LV charges are addressed in Table 2.

[8] EB-2018-0242/0270, Exhibit K2.1
[9] EB-2018-0270, Decision and Order, page 23; EB-2018-0242, Decision and Order, page 24

Table 1 - Calculation of Estimated 2031 Revenue Requirement Excluding Low Voltage (LV) Charges ($)

	Revenue Requirement
OPDC	
Vendor Estimate of 2030 Status Quo Revenue Requirement (inclusive of storm and RGCRP adjustments)	$13,703,971
2030 to 2031 CAGR Inflator	5.14%
Estimate of 2031 Revenue Requirement	$14,408,356
PDI	
Vendor Estimate of 2030 Status Quo Revenue Requirement (inclusive of storm and RGCRP adjustments)	$26,875,379
2030 to 2031 CAGR Inflator	5.14%
Estimate of 2031 Revenue Requirement	$28,256,774
OPDC & PDI	
Combined Estimate of 2030 Status Quo Revenue Requirement	$40,579,351
Estimate of 2031 Combined Revenue Requirement	$42,665,129

3.3 ESTIMATED LV CHARGES

Prior to being acquired by Hydro One, OPDC and PDI were embedded distribution customers of Hydro One. Absent the transactions, they would have continued to pay Hydro One Sub-Transmission charges, which would then have been recovered via LV charges on their customers' monthly bills. The LV charge reflects Hydro One's upstream distribution cost to serve embedded utilities. Therefore, LV charges are not part of an embedded utility's forecast revenue requirement, as set out in Table 1 above. However, they do represent a real cost paid by their customers. The estimated 2031 LV charges for OPDC and PDI were derived by applying Hydro One's proposed 2031 Sub-Transmission charges to OPDC and PDI load in 2019.[10] This amount was then adjusted to account for the change in load between 2019 and 2031 for both former OPDC and PDI. The resulting estimated LV charges are shown in Table 2.

[10] 2019 was the last full year before OPDC and PDI were acquired by Hydro One.

Table 2 - Estimated 2031 LV Charges ($)

	2031 Estimate
OPDC	$1,955,067
PDI	$2,459,106
Total	$4,414,173

To determine the total cost to serve the former OPDC and PDI customers, had they not been acquired, the estimated 2031 revenue requirements and the LV charges must be added together.[11] Table 3 provides an estimate of the upper goal post for each Acquired Utility, which represents the maximum revenue that could be collected from their respective customers to ensure those customers are not harmed by Hydro One's Rate Harmonization Proposal. For the purposes of the goal post analysis, the estimated revenue which would have been collected from former OPDC and PDI customers is added together as it is compared to the revenue to be collected from former OPDC and PDI customers in the Acquired Urban rate classes under Hydro One's Rate Harmonization Proposal.

Table 3 - Estimate of 2031 Upper Goal Post ($)[12]

	OPDC	PDI	Total
2031 Estimated Revenue Requirement **[A]**	$14,408,356	$28,256,774	$42,665,129
2031 Estimated LV Charges **[B]**	$1,955,067	$2,459,106	$4,414,173
Upper Goal Post **[C=A+B]**	$16,363,422	$30,715,880	$47,079,302

4.0 CALCULATING THE LOWER GOAL POST

As discussed in Section 2.0 above, the lower goal post refers to the incremental increase in Hydro One's revenue requirement as a result of harmonizing the Acquired Utilities into Hydro One's rate structure. This additional revenue requirement is $8.9M for OPDC and $21.2M for PDI.

[11] This is also necessary given that the Sub-Transmission costs are implicitly included in the costs allocated to the acquired customers as part of the cost allocation process described in Exhibit L-01-03.
[12] Figures presented in the tables may not sum to the totals shown due to rounding.

Table 4 shows the estimated 2031 lower goal post for each Acquired Utility, which also includes the estimated 2031 LV charges previously shown in Table 2. This is necessary given that the LV charges represent costs that would have been paid to Hydro One by the acquired customers and therefore would not have been borne by Hydro One's legacy customers if the Acquired Utilities had not been acquired. Accordingly, the LV charges need to be included in determining the minimum amount of revenue that will need to be recovered from the acquired customers in order to ensure that Hydro One's legacy customers are not harmed by the Rate Harmonization Proposal.

Table 4 - Estimate of 2031 Lower Goal Post ($)[13]

	OPDC	PDI	Total
2031 Incremental Revenue Requirement **[A]**	$8,860,777	$21,195,434	$30,056,210
2031 Estimated LV Charges **[B]**	$1,955,067	$2,459,106	$4,414,173
Lower Goal Post **[C=A+B]**	$10,815,843	$23,654,540	$34,470,384

5.0 REVENUES TO BE COLLECTED FROM ACQUIRED UTILITY CUSTOMERS UNDER HYDRO ONE'S RATE HARMONIZATION PROPOSAL

The revenues to be collected from the former OPDC and PDI customers are an outcome of the cost allocation and rate design processes described in Exhibits L-01-03 and L-02-01, respectively.

The revenues to be collected from former OPDC and PDI customers are calculated by applying the proposed 2031 distribution rates to their forecast charge determinants. The total revenues to be collected from the acquired customers are summarized in Table 5.

[13] Figures presented in the tables may not sum to the totals shown due to rounding.

Table 5 - 2031 Revenues to be Collected from Acquired Customers following Rate Harmonization ($)[14]

	OPDC	PDI	Total
Revenues to be Collected from Customers	$11,644,913	$29,354,988	$40,999,901

6.0 CALCULATING THE BENEFITS TO ACQUIRED AND LEGACY CUSTOMERS

The benefits to Hydro One's legacy customers and to the customers of the Acquired Utilities can be demonstrated by comparing the revenues proposed to be collected from the acquired customers to both the lower goal post (i.e. the minimum costs that need to be collected from the acquired customers in order to cause no harm to Hydro One's legacy customers) and the upper goal post (i.e. the maximum costs that can be collected from the acquired customers without causing harm to the acquired customers). These comparisons are summarized in Table 6.

[14] As discussed in Exhibit L-02-01, Section 2.2, Hydro One has proposed to phase in the distribution rates for the Acquired Urban Residential rate class over a 2-year period (i.e. 2031 and 2032) to limit the bill impacts for the former PDI residential customers. However, for the purpose of the goal post analysis, Hydro One has excluded this mitigation to show the full costs to the acquired customers under the proposed harmonization plan.

Table 6 - Hydro One Legacy and Acquired Customer Benefits under 2031 Rate Harmonization Proposal ($)

	OPDC	PDI	Total
Upper Goal Post (Per Table 3) **[A]**	$16,363,422	$30,715,880	$47,079,302
Lower Goal Post (Per Table 4) **[B]**	$10,815,843	$23,654,540	$34,470,384
Proposed Revenues to be Collected from Acquired Customers (Per Table 5) **[C]**	$11,644,913	$29,354,988	$40,999,901
Total Benefits (Difference between Upper and Lower Goal Posts) **[D=A-B]**	$5,547,579	$7,061,340	$12,608,919
Benefits to Acquired Customers (Difference between Upper Goal Post and revenues to be collected) **[E=A-C]**	$4,718,509	$1,360,892	$6,079,401
Benefits to Legacy Customers (Difference between revenues to be collected and Lower Goal Post) **[F=C-B]**	$829,070	$5,700,448	$6,529,518

As described in the sections above and summarized in Table 6:

1. The total revenue to be collected from the acquired customers through proposed rates is $41.0M, with $11.6M to be collected from the former OPDC customers, and $29.4M to be collected from the former PDI customers.
2. The total incremental revenue requirement to serve the acquired customers (“lower goal post”) is $34.5M, with $10.8M associated with serving the former OPDC customers, and $23.7M for serving the former PDI customers.
3. The total revenue that would otherwise have been collected from the acquired customers, had they not been acquired by Hydro One, is $47.1M (“upper goal post”), with $16.4M to be collected from the former OPDC customers, and $30.7M to be collected from the former PDI customers.

The results noted above demonstrate that the acquisition and rate harmonization of the two Acquired Utilities have resulted in an overall reduction of $12.6M (i.e. $47.1M-$34.5M)

in the total revenue requirement that would otherwise need to be collected from distribution customers had the acquisitions not taken place.

The total revenue of $41.0M to be collected from the acquired customers demonstrates that acquired customers, as a group, benefit from the fact that they will pay $6.1M ($47.1M-$41.0M) less in revenue collected through their rates as compared to what they would otherwise have been paying had they not been acquired. This represents a reduction of 13% ($6.1M of the $47.1M upper goal post) in the average rates that acquired customers would otherwise have paid.

Hydro One's legacy customers benefit from the fact that $6.5M (i.e. $41.0M-$34.5M) in revenues that are over and above the incremental revenue requirement driven by the rate harmonization of the Acquired Utilities will now be recovered from the acquired customers instead of Hydro One's legacy customers.

In addition to the above assessment of benefits from a revenue requirement perspective, Hydro One has considered the estimated bill impacts for acquired customers with and without the acquisitions.[15] The estimated distribution rates and total bill impacts for the acquired customers assuming the acquisitions had not taken place were determined by following the steps outlined below. This is the same methodology used in EB-2021-0110.[16]

- The 2031 estimated Upper Goal Post for the Acquired Utilities, as shown in Table 3, were allocated to their Residential, GS<50kW and GS 50-4,999 kW rate classes based on the allocation proposed for the 2031 rate year;
- The total revenue for each rate class is then divided between the revenue recovered through fixed and volumetric rates using the current fixed/variable split; and

[15] Note that the bill impacts presented in Exhibit L-06-01 differ from these impacts. The bill impacts in Exhibit L-06-01 show year-over-year change in customers' monthly bills (i.e. change in bills in 2031 over 2030) and are calculated using the estimated 2030 rates for the Orillia and Peterborough rate zones under the 10-year deferred rebasing period as their "current" rates.
[16] EB-2021-0110, Exhibit L-03-01.

- The 2031 load forecast for each Acquired Utility is then used to derive the estimated 2031 distribution rates under the status quo scenario as shown in Table 7 below.

Table 7 - 2031 Distribution Charges Under Status Quo and Proposed Harmonization Plan ($)

Service Area	Rate Class	2031 Escalated Charges (Status Quo/No Acquisition)		2031 Proposed Charges[1]	
		Fixed Charge ($/month)	Volumetric Charge ($/kWh or $/kW)	Fixed Charge ($/month)	Volumetric Charge ($/kWh or $/kW)
OPDC	Residential	$61.24	$0.0000	$43.58	$0.0000
	GS<50kW	$66.45	$0.0295	$35.30	$0.0253
	GS 50-4,999kW[2]	$568.96	$5.9841	$146.47	$6.1404
PDI	Residential	$45.60	$0.0000	$43.58	$0.0000
	GS<50kW	$61.55	$0.0173	$35.30	$0.0253
	GS 50-4,999kW[2]	$304.07	$5.1827	$146.47	$6.1404

[1] 2031 proposed charges for the residential rate class exclude the impact of the mitigation measure described in Exhibit L-02-01.
[2] Volumetric rates for the demand-billed rate classes differ from those shown in Exhibit L-02-01 because the rates in this table exclude rate adders for transformer allowance.

The distribution charges and total bills for acquired customers with and without the acquisitions are summarized in Table 8.

Table 8 - Comparison of 2031 Distribution Charges and Total Bills for the Acquired Customers under Status Quo and Hydro One's Proposed Harmonization Plan

Service Area	Rate Class	Monthly Consumption (kWh/kW)	2031 Escalated Charges (Status Quo/No Acquisition)		2031 Proposed Charges (With Acquisition)		2031 Proposed Charges vs 2031 Escalated Charges	
			Dx Bill ($)	Total Bill ($)	Dx Bill ($)	Total Bill ($)	Dx Bill (%)	Total Bill (%)
OPDC	Residential	750	$61.24	$163.11	$43.58	$150.09	-28.8%	-8.0%
	GS<50kW	2,000	$125.45	$396.10	$85.90	$362.89	-31.5%	-8.4%
	GS 50-4,999kW	63,661/137	$1,388.78	$12,255.35	$987.70	$11,852.21	-28.9%	-3.3%
PDI	Residential	750	$45.60	$149.76	$43.58	$150.09	-4.4%	0.2%
	GS<50kW	2,000	$96.15	$372.36	$85.90	$362.89	-10.7%	-2.5%
	GS 50-4,999kW	50,942/121	$931.18	$9,709.30	$889.46	$9,695.95	-4.5%	-0.1%

The results in Table 8 show the following:

- Residential customers of former OPDC will see 29% lower distribution charges, and 8% lower total bills. Residential customers of former PDI will see 4% lower distribution charges, while their total bills will remain largely unchanged.
- GS<50kW customers of former OPDC will see 32% lower distribution charges, and 8% lower total bills. GS<50kW customers of former PDI will see 11% lower distribution charges, and 3% lower total bills.
- GS 50-4,999kW customers of former OPDC will see 29% lower distribution charges, and 3% lower total bills. GS 50-4,999kW customers of former PDI will see 5% lower distribution charges, while their total bills will remain largely unchanged.

7.0 ILLUSTRATION OF SAVINGS RESULTING FROM THE CONSOLIDATION

The integration of the Acquired Utilities has allowed Hydro One to realize sustainable efficiencies through reduced overhead duplication, and common back-office support services and systems. Work is undertaken by an integrated workforce to address asset, system and customer needs in a cost-efficient manner.

The tables below compare the actual and forecast OM&A and capital expenditures for each Acquired Utility with the forecasts provided in the MAAD applications and provide the resulting savings over the deferred rebasing periods. Historical fixed asset and rate base information is provided in Exhibits C-04-01, C-04-02 and C-04-03.

7.1 ORILLIA POWER DISTRIBUTION CORPORATION (OPDC)

Table 9 below illustrates the forecast and actual OM&A and capital savings associated with serving the OPDC service area over the time horizon approved in the OPDC MAAD application.

Table 9 - Orillia Service Area Savings ($/M)

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
OM&A											
Status Quo Forecast	A	5.5	5.7	5.8	5.9	6.0	6.1	6.2	6.4	6.6	6.6
Hydro One MAAD Forecast	B	4.1	2.0	2.1	1.7	1.7	1.7	1.8	1.8	1.8	1.9
Hydro One Actual/ Forecast	C	1.4	1.6	2.2	2.5	1.8	2.1	2.2	2.6	2.7	2.7
Projected Savings	D = A - B	1.4	3.7	3.7	4.2	4.3	4.4	4.4	4.6	4.7	4.7
Actual/forecast Savings	E = A - C	4.1	4.1	3.6	3.4	4.2	4.0	4.0	3.8	3.9	3.9
Capital											
Status Quo Forecast	F	3.2	4.3	1.5	1.8	2.8	2.8	2.9	3.0	11.1	3.2
Hydro One MAAD Forecast	G	3.4	2.4	2.4	2.5	2.6	2.8	2.8	2.9	2.9	3.0
Status Quo Forecast adjusted for storm and RGCRP	H	3.2	4.3	1.5	1.8	4.8	3.0	3.1	3.2	11.3	3.4
Hydro One Actual/ Forecast	I	2.2	0.7	2.2	2.0	4.3	5.1	4.2	4.6	2.6	2.5
Projected Savings	J = F - G	-0.2	1.9	-0.9	-0.7	0.2	0.0	0.1	0.1	8.2	0.2
Actual/forecast Savings	K = H - I	1.0	3.6	-0.7	-0.2	0.5	-2.1	-1.1	-1.4	8.7	0.9

7.2 PETERBOROUGH DISTRIBUTION INC. (PDI)

Table 10 below illustrates the forecast and actual OM&A and capital savings associated with serving the PDI service area over the time horizon approved in the PDI MAAD application.

Table 10 - Peterborough Service Area Savings ($/M)

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
OM&A		**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Status Quo Forecast	A	9.7	9.9	10.1	10.3	10.6	10.8	11.1	11.4	11.7	12.0
Hydro One MAAD Forecast	B	8.7	4.5	4.3	3.8	3.9	3.9	4.0	4.1	4.2	4.2
Hydro One Actual/ Forecast	C	2.5	3.6	4.7	5.0	5.4	5.8	6.0	7.2	7.3	7.5
Projected Savings	D = A - B	1.0	5.4	5.8	6.5	6.7	6.9	7.1	7.3	7.5	7.8
Actual/forecast Savings	E = A - C	7.2	6.3	5.4	5.3	5.2	5.0	5.1	4.2	4.4	4.5
Capital											
Status Quo Forecast	F	6.2	6.4	6.0	6.2	6.4	6.5	6.7	6.9	7.0	7.2
Hydro One MAAD Forecast	G	6.0	7.5	5.4	5.1	5.7	7.1	5.4	5.6	5.7	5.9
Status Quo Forecast adjusted for storms and RGCRP	H	6.2	16.4	6.0	6.2	12.4	6.7	6.9	7.1	7.2	7.4
Hydro One Actual/Forecast	I	6.4	10.6	0.8	2.2	9.3	5.4	4.5	12.9	8.5	12.4
Projected Savings	J = F – G	0.2	-1.1	0.6	1.1	0.7	-0.6	1.3	1.3	1.3	1.3
Actual/forecast Savings	K = H - I	-0.2	5.8	5.2	4.0	3.1	1.3	2.4	-5.8	-1.3	-5.0

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SPECIFIC SERVICE CHARGES

1.0 INTRODUCTION

Specific Service Charges (SSCs) are approved fixed rate charges that are levied for services that are over and above a distributor's standard level of service, which it recovers through its revenue requirement, as described in a distributor's Conditions of Service and the Distribution System Code (DSC). Specific services are charged to customers based on customer requests or as the result of customer action or inaction that imposes a cost on Hydro One for which Hydro One is not compensated through its revenue requirement.

In its Decision and Order in EB-2017-0049, the OEB eliminated a number of non-payment charges and set the late payment charge, consistent with EB-2017-0183,[1] as well as the SSC for access to power poles (telecom).[2] The OEB approved Hydro One's proposal to include the costs of selected activities in its distribution rates[3] and also set the level of reconnect charges for non-payment of account and meter disputes.[4] The OEB also approved a number of updated specific service charges, which were based on Hydro One's OEB-directed study of the underlying cost of services recovered through specific service charges (Time Study).[5] Hydro One was also directed to consult with its customers on SSCs and report back to the OEB at the time of its next rebasing application.[6] Hydro One's consultation with its customers on SSCs was filed in its application for 2023 to 2027 rates. The consultation found that customers are generally supportive of the status quo

[1] EB-2017-0183 reviewed, *inter alia,* non-payment of account charges.
[2] See EB-2020-0288, Order for Wireline Pole Attachment Charges, dated December 10, 2020
[3] Statement of Account; Duplicate Invoices for Previous Billing; Request for Other Billing Information; Income Tax letter; Account History; Credit Reference/Credit Check; Legal Letter Charge; Vacant Premise – Move in with Reconnect of Electrical Service at Meter; and Vacant Premise – Move in with Reconnect of Electrical Service at Pole.
[4] See EB-2017-0049 Decision and Order, p 148.
[5] In EB 2013-0416/EB-2014-0247 the OEB directed Hydro One to conduct "a study assessing whether its service charges reflect Hydro One's underlying costs and to propose changes accordingly." Hydro One did so and proposed to update its service charges to reflect those costs in its 2018-2022 distribution rates proceeding (EB-2017-0049).
[6] See EB-2017-0049 Decision and Order, p 150.

when it comes to SSCs. A majority of residential and small business customers supported the continuation of the approved charges and the overall approach to SSCs.[7]

In this Application, Hydro One is not requesting any new SSCs, and proposes to maintain SSCs at their current amounts with the exception of pole rental charges for generators and LDCs where Hydro One proposes to update the charges based on the 2025 OEB-approved inflationary adjustment applied to the telecom pole rental rate. Hydro One proposes to continue to apply the levels of charges set by the OEB for access to power poles (telecommunications),[8] and Non-Payment of Account Services.[9]

SSCs related to customer connections are proposed to be discontinued, and customers will be charged for variable connection costs on a time and materials basis in accordance with the DSC. These amounts will continue to be treated as capital contributions.

Descriptions of Hydro One's SSCs and a list of charges for the 2028 to 2032 period are included as Attachment 2 and Attachment 3, respectively, to this exhibit.

2.0 OTHER RATES AND CHARGES

Charges that are included in Hydro One's Conditions of Service, but do not appear on the OEB-approved tariff sheet are for customer requests to connect new load to the distribution system, and to upgrade services for existing load customers. The cost for these services are charged on a time and materials basis. An explanation for the nature of the costs and determination of the customer contributions from the requesting customer are provided in DSP Section 3.11, D-SA-02.

Hydro One's Conditions of Service also include provision for certain rarely used charges such as property entry costs for restricted meter access; low-Use Billing Suspension administration fee; additional historical data requests fee and a conditions of service copy

[7] See EB-2021-0110, Exhibit L-04-01-01.
[8] See EB-2020-0288, Order for Wireline Pole Attachment Charges, dated December 10, 2020
[9] See EB-2017-0183 Rate Order for Non-Payment of Account Service Charges, dated March 14, 2019 and EB-2017-0049 Decision and Order dated March 7, 2019 page 148.

fee. Hydro One's Conditions of Service also note certain pass-through costs such as disconnection-related third-party costs (locksmith, court, bailiff, sheriff) and damage to Hydro One facilities and equipment. The annual revenue breakdown from these charges is immaterial but the information can be provided if requested through the discovery process.

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DESCRIPTION OF SPECIFIC SERVICE CHARGES

1.0 CUSTOMER ADMINISTRATION

1.1 EASEMENT LETTERS (RATE CODES 6A AND 6B)

Prior to 1999, the Hydro-Electric Power Commission of Ontario (HEPC)/Ontario Hydro were granted rights-of-way or easements that did not need to be registered with a land registry office. These rights-of-ways or easements, which allow HEPC/Ontario Hydro and the successor, Hydro One to place electrical infrastructure on them, are still legally valid today. On the request of the owner of the land or a person intending to acquire an interest in the land, HEPC/Ontario Hydro and its successor, Hydro One is obligated to provide such record whether a piece of land has any of these pre-1999 rights-of-way on it. A search can be conducted online or by requesting online that Hydro One conduct a search on the requestor's behalf. Customers are charged based on the type of request.

1.2 RETURNED CHEQUE CHARGE (RATE CODE 11)

Hydro One charges customers a fee if insufficient funds are available in the account on which the money was drawn.

1.3 ACCOUNT SET UP CHARGE/CHANGE OF OCCUPANCY CHARGE (RATE CODE 14)

Hydro One applies this charge when a new account is set up or an account is transferred from one person to another. This charge also applies when a customer moves from one property within Hydro One's service territory to another.

1.4 SPECIAL METER READS - RETAILER REQUESTED OFF-CYCLE READ (RATE CODE 15)

A switch bill is issued to a customer when a Service Transfer Request is made. This bill is based on an actual meter read unless the Customer, Hydro One and the Retailer agree in writing to an alternative. The effective date of the service transfer shall be the next scheduled meter reading date, unless the retailer requests a special meter reading and Hydro One can accommodate the request.

1.5 METER DISPUTE CHARGE – MEASUREMENT CANADA (RATE CODE 24)

Meter dispute testing is typically the last step in a multi-stage escalation process between the customer and Hydro One. The process typically begins with a customer high bill inquiry, the object of which is to validate that the bill calculations, charges and bill determinants are accurate.

If Hydro One is satisfied with meter operation and accuracy of billing, and the customer is not satisfied, the customer will be referred to Measurement Canada. If the services of Measurement Canada are requested by the customer or retailer to resolve the issue, Hydro One may charge the customer for the costs of processing the application to Measurement Canada and removing and transporting the meter to a testing location. If the dispute is substantiated by Measurement Canada and the resolution is in the favour of the customer, Hydro One shall bear such costs.

Measurement Canada may charge an additional fee.

2.0 NON-PAYMENT OF ACCOUNT

2.1 LATE PAYMENT

Bills are due on the billing date. A late payment charge is applied, and is owed by the Customer, if payment is not received within 20 calendar days after the billing date. Customers are provided with a 17-day payment period, plus 3 days for the bill to be sent. Late payment charges are calculated from the billing date to the date the next bill is issued. Late payment charges are applied to the outstanding balance.

If the customer payment is received up to 3 days after the Due Date, they will not be charged a late payment charge. Details are provided in Hydro One's Conditions of Service, Section 2.4.6.

2.2 COLLECTION OF ACCOUNT CHARGE – RECONNECT AT METER – DURING REGULAR HOURS (RATE CODE 18)

When a customer has not paid their electricity bill for an extensive period (45 days) of time, an electricity disconnection notice is issued. If payment is still not received, a

disconnection is performed. These activities are performed in accordance with Subsection 31(1) of the *Electricity Act, 1998* which provides that:

> A distributor may shut off the distribution of electricity to a property if any amount payable by a person for the distribution or retail of electricity to the property pursuant to Section 29 is overdue. Low-income customers do not have to pay this charge.

2.3 COLLECTION OF ACCOUNT CHARGE – RECONNECT AT METER – AFTER REGULAR HOURS (RATE CODE 20)

Charges are incurred when a customer has been disconnected for non-payment, and they later make payment on their current bill and agree to pay the after hours fee to have the meter reconnected after regular hours.

2.4 COLLECTION OF ACCOUNT CHARGE – RECONNECT AT POLE – DURING REGULAR HOURS (RATE CODE 22)

When a customer has not paid their electricity bill for an extensive period (45 days) of time, an Electricity Disconnection Notice is issued. If payment is still not received a disconnection is performed. At times, a disconnection cannot be performed at the meter due to type of the meter or the meter is not accessible (e.g. located inside a locked building), therefore disconnection must be performed at the pole. These activities are performed in accordance with Subsection 31(1) of the *Electricity Act, 1998* which provides that:

> A distributor may shut off the distribution of electricity to a property if any amount payable by a person for the distribution or retail of electricity to the property pursuant to Section 29 is overdue. Low-income customers do not have to pay this charge.

2.5 COLLECTION OF ACCOUNT CHARGE – RECONNECT AT POLE – AFTER REGULAR HOURS (RATE CODE 23)

Charges are incurred when a customer has been disconnected at the pole for non-payment, and they later make payment on their current bill and agree to pay the after hours fee to have their service reconnected.

3.0 OTHER

3.1 SERVICE CALL - CUSTOMER OWNED EQUIPMENT – DURING/AFTER REGULAR HOURS (RATE CODE 25 & 26)

If Hydro One determines that the cause of a power issue is related to customer-owned equipment, Hydro One crews may perform corrective service at the customer's request. The Specific Service Charge covers only the administration and travel costs of this service. It does not cover any work associated with work on the customer-owned equipment, as it applies whether Hydro One crews work on the customer-owned equipment or not. Hydro One will charge the customer additional amounts for performing any work on their equipment.

3.2 RECONNECT COMPLETED AFTER HOURS (CUSTOMER/CONTRACT DRIVEN) – AT METER OR AT POLE (RATE CODE 32 & 33)

All customers are responsible for maintaining their own equipment; therefore, Hydro One provides one yearly (calendar year January to December) Service Disconnection and Re-Connection (isolation and restoration) during regular business hours for customer maintenance purposes. The specific service charge covers when a reconnection at the meter or pole is performed after hours when the service is not ready to reconnect during regular hours due to the customer or contractor.

3.3 CONNECTION IMPACT ASSESSMENTS

The connection process of distributed energy resources (DER) involves a number of stages, including technical assessments. Hydro One assesses the technical impact of a DER to its distribution system through a Connection Impact Assessment (CIA). A CIA is a more detailed assessment of a project's impact on the distribution system. The results include a technical report outlining project feasibility, technical specifications needed for the project and the impact the project would have on the distribution grid and any of its customers, in accordance with Section 6.2.14 of the DSC.

Hydro One has updated the SSCs related to CIAs to reflect the fact that the Capacity Allocation Exempt (CAE) category no longer exists in the DSC.

3.3.1 CONNECTION IMPACT ASSESSMENTS – NET METERING (RATE CODE 45A)

A net metering generator, as defined in section 7(1) of the Net Metering Regulation (O. Reg. 541 / 05), generates electricity primarily for its own use from a renewable generation facility. Net metering involves the measurement of the quantity of electricity a generator uses against the quantity of electricity it generates resulting in a net total. This category applies to net metering projects which are:

- 30 kW < three phase DER Project ≤ 250 kW if connecting to 15 ≤ kV
- 100 kW < three phase DER Project ≤ 500 kW if connecting to ≥ 15 kV
- 12 kW < single phase DER Project ≤ 150 kW

3.3.2 CONNECTION IMPACT ASSESSMENTS – EMBEDDED LDC GENERATORS (RATE CODE 45B)

This type of CIA is completed by Hydro One at the request of a downstream (embedded) LDC for the connection of a project to a Hydro One shared feeder with the following size:

- 30 kW < three phase DER Project ≤ 250 kW if connecting to 15 ≤ kV
- 100 kW < three phase DER Project ≤ 500 kW if connecting to ≥ 15 kV
- 12 kW < single phase DER Project ≤ 150 kW

3.3.3 CONNECTION IMPACT ASSESSMENTS – SMALL PROJECTS (RATE CODE 45C)

This category covers CIA completed for DER projects proposed for connection to Hydro One distribution system with the following size:

- 30 kW < three phase DER Project ≤ 250 kW if connecting to 15 ≤ kV
- 100 kW < three phase DER Project ≤ 500 kW if connecting to ≥ 15 kV
- 12 kW < single phase DER Project ≤ 150 kW

3.3.4 CONNECTION IMPACT ASSESSMENTS – SMALL PROJECTS, SIMPLIFIED (RATE CODE 45D)

The following small-sized, three-phase projects are eligible for a simplified CIA based on size of the DER and its connecting voltage:

- 12 kW < DER project ≤ 30 kW if connecting to < 15 kV

- 12 kW < DER project ≤ 100 kW if connecting to ≥ 15 kV

The size of the three-phase project under each category is small enough that the impact on the system is not significant. Hence, the DER applicant receives a simplified CIA along with the class-C estimate. Single-phase projects are not eligible for the simplified CIA.

3.3.5 CONNECTION IMPACT ASSESSMENTS – LARGER PROJECTS (RATE CODE 45E)

The category covers the CIAs for all DER projects, including net metering, load displacement and energy storage facilities with the following size:

- > 250 kW DER Project connecting to a Hydro One supply feeder with a voltage less than 15 kV;
- > 500 kW DER Project connecting to a Hydro One supply feeder with a voltage of 15 kV or greater.

3.3.6 CONNECTION IMPACT ASSESSMENTS - LARGER PROJECTS - TS REVIEW FOR LARGER PROJECTS (RATE 45F)

The Transformer Station (TS) review CIAs are completed for all DER projects connecting to another LDC's dedicated and/or express feeders with the following size:

- > 250 kW DER Project connecting to a feeder with a voltage less than 15 kV;
- > 500 kW DER Project connecting to a feeder with a voltage of 15 kV or greater.

TS review CIAs are performed to determine if any upgrades are required at an upstream TS in order to facilitate the connection of the DER projects to the LDC distribution system.

4.0 JOINT USE

4.1 JOINT USE – TELECOMMUNICATIONS (RATE CODE 30)

Hydro One proposes to continue to apply the levels of charges set by the OEB for access to power poles for telecommunications.

4.2 JOINT USE – LOCAL DISTRIBUTION COMPANIES (LDCS) AND GENERATORS (RATE CODE 47 & 48)

This SSC is charged to local distribution companies and generators who seek to use the space on Hydro One's poles to affix their assets. As referenced in EB-2013-0416, LDCs and generators both use power space, and require the same space allocation. The pole rental charges for generators and LDCs have been updated based on the 2025 OEB-approved inflationary adjustment applied to the telecom pole rental rate. As annual inflationary adjustments for telecom wireline attachments were suspended when the rates approved in EB-2021-0110 were established, Hydro One does not propose to apply cumulative or compounded inflation for the intervening period (2023-2027).

4.3 JOINT USE – MUNICIPAL STREETLIGHTS & ATTACHMENTS (RATE CODE 49)

This SSC applies where a road authority seeks to attach municipal street lighting facilities to Hydro One poles. The method and location of attachment are subject to Hydro One's approval, and the road authority must enter into an Agreement for Licensed Occupancy of Power Utility Distribution Poles. Under the agreement, the road authority is subject to annual pole attachment charges as specified therein.

4.4 SENTINEL LIGHTS & POLES

4.4.1 SENTINEL LIGHTS (RATE CODE 50)

The sentinel light rental program is designed to provide rural customers with low-cost security lighting. The service is provided primarily to rural residential, farm, and cottage customers, for whom street lighting is not available.

4.4.2 SENTINEL LIGHT POLES (RATE CODE 51)

The sentinel light pole rental program is designed to provide rural customers with a pole to attach a light. The service is provided primarily to rural residential, farm, and cottage customers.

The sentinel light and pole rental programs are limited to existing rental program customers; new rental installations are not available.

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SPECIFIC SERVICE CHARGES

Rate Code	Rate Description		Proposed Charge
Customer Administration			
6a	Easement letter - letter request	$	92.51
6b	Easement letter - web request	$	25.00
11	Returned cheque charge	$	7.00
14	Account set up charge/change of occupancy charge (plus credit agency costs, if applicable)	$	38.00
15	Special meter reads (retailer requested off-cycle read)	$	90.00
24	Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account			
52	Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.5
18 & 19	Collection - reconnect at meter - during regular hours	$	65.00
20 & 21	Collection - reconnect at meter - after regular hours	$	185.00
22	Collection - reconnect at pole - during regular hours	$	185.00
23	Collection - reconnect at pole - after regular hours	$	415.00
Other			
25	Service call - customer owned equipment - during regular hours	$	210.00*
26	Service call - customer owned equipment - after regular hours	$	775.00*
32	Reconnect completed after regular hours (customer/contract driven) - at meter	$	245.00
33	Reconnect completed after regular hours (customer/contract) driven) - at pole	$	475.00
45a	Connection impact assessments - net metering	$	3,329.86
45b	Connection impact assessments - embedded LDC generators	$	2,996.97
45c	Connection impact assessments - small projects	$	3,405.38
45d	Connection impact assessments - small projects , simplified	$	2,054.41
45e	Connection impact assessments – larger projects	$	9,011.83
45f	Connection impact assessments - larger projects - TS review for larger projects	$	5,969.89
50	Sentinel light rental charge	$	10.00
51	Sentinel light pole rental charge	$	7.00
30	Specific charge for access to power poles - telecom	$	OEB-approved rate

47	Specific charge for access to power poles - LDC	$	See below
48	Specific charge for access to power poles - generators	$	See below
49	Specific charge for access to power poles - municipal streetlights	$	2.04
*Base Charge only. Additional work on equipment will be based on actual costs.			
Specific Charge for LDCs Access to the Power Poles ($/pole/year)			
47	LDC rate for 10’ of power space	$	93.96
47	LDC rate for 15’ of power space	$	112.75
47	LDC rate for 20’ of power space	$	125.28
47	LDC rate for 25’ of power space	$	134.23
47	LDC rate for 30’ of power space	$	140.94
47	LDC rate for 35’ of power space	$	146.16
47	LDC rate for 40’ of power space	$	150.34
47	LDC rate for 45’ of power space	$	153.75
47	LDC rate for 50’ of power space	$	156.60
47	LDC rate for 55’ of power space	$	159.01
47	LDC rate for 60’ of power space	$	161.07
Specific Charge for Generator Access to the Power Poles ($/pole/year)			
48	Generator rate for 10’ of power space	$	93.96
48	Generator rate for 15’ of power space	$	112.75
48	Generator rate for 20’ of power space	$	125.28
48	Generator rate for 25’ of power space	$	134.23
48	Generator rate for 30’ of power space	$	140.94
48	Generator rate for 35’ of power space	$	146.16
48	Generator rate for 40’ of power space	$	150.34
48	Generator rate for 45’ of power space	$	153.75
48	Generator rate for 50’ of power space	$	156.60
48	Generator rate for 55’ of power space	$	159.01
48	Generator rate for 60’ of power space	$	161.07

RATE RIDERS

1.0 REGULATORY ASSET RATE RIDERS

This Exhibit describes the methodology used to allocate the distribution regulatory account balances shown in Exhibit G-01-01 among rate classes and the methodology used to calculate the associated rate riders.

Hydro One Distribution's Group 1 and Group 2 accounts are identified and described in Exhibit G-01-01. As noted in Exhibit G-01-06, Hydro One proposes to dispose of the balances in Group 1 accounts over a one-year period, effective January 1, 2028, and the balances in Group 2 accounts over the five-year term of this Application starting January 1, 2028.

1.1 DISPOSITION OF GROUP 1 REGULATORY ACCOUNTS

As described in Exhibits G-01-01 and G-01-05, Hydro One has allocated the consolidated Group 1 account balances among Hydro One Distribution, the Orillia Power Distribution Corporation (OPDC) rate zone and the Peterborough Distribution Inc. (PDI) rate zone using the methodology approved by the OEB since 2019. The Group 1 account balances allocated to the OPDC and PDI rate zones will be brought forward for disposition in their 2028 annual rate application such that the 2025 Group 1 balances are disposed of in the same year for all of Hydro One's distribution customers.

Accordingly, in this Application, Hydro One proposes to dispose of the Group 1 account balances for Hydro One Distribution, which total a credit of $209.8M.[1] Hydro One has completed the OEB's Deferral and Variance Account (DVA) Workform to derive the rate riders required to dispose of the balances in Group 1 accounts. The completed DVA Workform is provided as Attachment 1 to this Exhibit. Table 1 provides a summary of the proposed Group 1 rate riders, by rate class, for Hydro One Distribution customers.

[1] Exhibit G-01-05.

1.1.1 SUB-ACCOUNT FOR GLOBAL ADJUSTMENT (1589)

As per the OEB's methodology,[2] a portion of the Global Adjustment (GA) balance has been allocated to customers who transitioned between Class A and Class B during the balance accumulation period (i.e. 2025) based on customer-specific consumption levels. Transition customers are only responsible for the customer-specific amount allocated to them and will not be charged or refunded the general GA rate rider. Hydro One identified 60 such GA transition customers. Based on the kWh consumption of these customers during the balance accumulation period, Hydro One determined that $0.9M of the total GA variance account balance of $44.7M should be refunded to these transition customers, which will be settled with each customer individually.[3] The remaining GA variance account balance of $43.8M will be refunded through class-specific GA rate riders to all Class B, non-regulated price plan (Non-RPP), non-wholesale market participant (Non-WMP), non-local distribution company (Non-LDC) customers, as shown in Table 1.

1.1.2 SUB-ACCOUNT FOR CAPACITY BASED RECOVERY (CBR) - CLASS B (1580)

As per the OEB's methodology,[4] a portion of the Capacity Based Recovery - Class B (CBR-B) balance has been allocated to customers who transitioned between Class A and Class B during the balance accumulation period (i.e. 2025) based on customer-specific consumption levels. Transition customers are only responsible for the customer-specific amount allocated to them and will not be charged or refunded the general CBR-B rate rider. Hydro One identified 39 such CBR-B transition customers. Based on the kWh consumption of these customers during the balance accumulation period, Hydro One determined that $0.1M of the total CBR-B variance account balance of $31.3M should be refunded to these transition customers, which will be settled with each customer individually.[5] The remaining CBR-B variance account balance of $31.2M will be refunded

[2] Filing Requirements for Electricity Distribution Cost of Service Rate Applications - 2026 Edition for 2027 Rate Applications - Chapter 2, Cost of Service, December 16, 2025, Section 2.9.1.1.
[3] Refer to Tab 6.1a of the Group 1 DVA Workform in Attachment 1 to this Exhibit for the GA refund amounts for each transition customer.
[4] Filing Requirements for Electricity Distribution Cost of Service Rate Applications - 2026 Edition for 2027 Rate Applications - Chapter 2, Cost of Service, December 16, 2025, Section 2.9.1.2.
[5] Refer to Tab 6.2a of the Group 1 DVA Workform in Attachment 1 to this Exhibit for the CBR-B refund amounts for each transition customer.

through class-specific CBR-B rate riders to all Class B, Non-WMP, Non-LDC customers, as shown in Table 1.

Table 1 - 2028 Rate Riders for the Disposition of Group 1 Regulatory Account Balances by Rate Class

Rate Class	Unit	Group 1 Volumetric Rate Rider ($/kWh or $/kW)	Group 1 Volumetric Rate Rider - Applicable to Non-WMP Customers Only ($/kWh or $/kW)	Account 1580, sub-account CBR Class B ($/kWh or $/kW)	Volumetric Rate Rider for Global Adjustment Sub-Account - Applicable to Non-RPP, Non-LDC, Non-WMP, Class B Customers ($/kWh)
UR	kWh	-0.0061		0.0013	-0.0073
R1	kWh	-0.0061		0.0013	-0.0073
R2	kWh	-0.0061		0.0013	-0.0073
GSe	kWh	-0.0061		0.0013	-0.0073
UGe	kWh	-0.0061		0.0013	-0.0073
GSd	kW	-0.6495	-1.5176	0.4715	-0.0073
UGd	kW	-0.8285	-1.9586	0.6119	-0.0073
St Lgt	kWh	-0.0061		0.0013	-0.0073
Sen Lgt	kWh	-0.0061		0.0013	-0.0073
USL	kWh	-0.0061		0.0013	-0.0073
DGen	kW	-0.2487	-0.5876	0.1830	-0.0073
ST	kW	-0.8652	-1.7692	0.3682	-0.0073
AUR	kWh	-0.0062		0.0013	-0.0073
AUGe	kWh	-0.0061		0.0013	-0.0073
AUGd	kW	-0.7521	-1.6403	0.4997	-0.0073
AR	kWh	-0.0061		0.0013	-0.0073
AGSe	kWh	-0.0061		0.0013	-0.0073
AGSd	kW	-0.9276	-2.1211	0.6587	-0.0073

1.2 DISPOSITION OF GROUP 2 REGULATORY ACCOUNTS

As discussed in Exhibit G-01-05, in this Application, Hydro One proposes to dispose of the Group 2 regulatory account balances relating to Hydro One Distribution, which total a

credit of $14.2M.[6] As discussed in Section 1.0, Hydro One proposes to dispose of these Group 2 account balances over a five-year period, starting January 1, 2028, using the average forecast number of customers, annual energy and peak demand by rate class over the 2028 to 2032 period as charge determinants to derive the Group 2 rate riders. The DVA Workform for the disposition of the balances in Hydro One Distribution's Group 2 accounts is provided as Attachment 2 to this Exhibit. Table 2 below provides a summary of the proposed Group 2 rate riders, by rate class, for Hydro One Distribution customers.

[6] Exhibit G-01-05.

Table 2 - 2028 to 2032 Rate Riders for the Disposition of Group 2 Regulatory Account Balances by Rate Class[7, 8]

Rate Class	Unit	Group 2 Fixed Rate Rider ($/month)	Group 2 Volumetric Rate Rider Applicable to Non-WMP Only ($/kWh or $/kW)
UR	kWh	-0.06	
R1	kWh	-0.10	
R2	kWh	-0.21	
GSe	kWh		-0.0001
UGe	kWh		-0.0001
GSd	kW		-0.0313
UGd	kW		-0.0188
St Lgt	kWh		-0.0002
Sen Lgt	kWh		-0.0004
USL	kWh		-0.0001
DGen	kW		-0.0369
ST	kW		-0.0032
AUR	kWh	-0.05	
AUGe*	kWh		-0.00004
AUGd	kW		-0.0057
AR	kWh	-0.06	
AGSe	kWh		-0.0001
AGSd	kW		-0.0100

**The rate rider for the AUGe class would be $0.0000 if rounded to four decimal places as per the OEB guidelines. Since this rate rider is a credit to the customers, Hydro One proposes to round the rate rider for this class to five decimal places.*

[7] As per the OEB's letter issued July 16, 2015, and as noted in the DVA Workform, residential rate riders for Group 2 accounts are on a per-customer basis.
[8] These rate riders will not apply to the former OPDC and PDI customers after their harmonization into Hydro One's rate structure in 2031. As discussed in Exhibit G-01-01, the Group 2 account balances for OPDC and PDI rate zones will be brought forward for disposition in their annual application for 2030 rates.

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DVA WORKFORM GROUP 1

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DVA WORKFORM GROUP 2

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DISTRIBUTION BILL IMPACTS AND MITIGATION

1.0 DISTRIBUTION BILL IMPACTS AND TOTAL BILL IMPACTS

This Exhibit shows the impact that Hydro One's proposed distribution revenue requirement in this Application will have on a customer's bill. Tables 1 to 5 provide a summary of the impacts on distribution charges and total bill by rate class at typical or average consumption levels.

Detailed calculations of the impacts by bill component for each rate class, for a range of consumption levels,[1] as per the OEB's Filing Requirements for Electricity Distribution Cost of Service Rate Applications, Chapter 2, Section 2.8.11, are provided in Attachments 1 to 5 to this Exhibit. As per the OEB's Filing Requirements, the bill impacts include the impact of all changes to delivery-related items (i.e. base fixed and volumetric distribution rates, rate riders, Retail Transmission Service Rates (RTSRs), losses) while holding constant the commodity, regulatory charges (i.e. standard supply service charge, wholesale market service charge and rural rate protection charge) and other government-specified items on the bill (i.e. the Ontario Electricity Rebate (OER) program's provincial rebate, currently set at 23.5%, the Rural or Remote Rate Protection (RRRP) and the Distribution Rate Protection (DRP), as described below).

On June 15, 2017, the Ontario Government amended O. Reg. 442/01 to set the RRRP amount for eligible rural customers to $60.50 per customer per month starting July 1, 2017.[2] As such, for the bill impact calculations, Hydro One has reduced the fixed monthly charge for its year-round R2 customers by this amount for the 2028 to 2032 period.

Under the DRP program per O. Reg. 198/17, the OEB sets a maximum monthly base distribution charge for eligible residential customers of seven electricity distributors in

[1] Bill impacts are provided at the average consumption level only for the Street Lights, Sentinel Lights and USL rate classes of the acquired utilities. This is because the small number of customers in these rate classes does not allow for statistically significant determination of the 10th and 90th percentiles.
[2] O. Reg. 442/01, Section 6 (2).

Ontario, including Hydro One's R1 and R2 customers.[3] The current DRP cap is $44.47.[4] The DRP cap is updated annually by the OEB with a July 1st effective date. Hydro One has estimated the DRP cap effective July 1, 2027, by applying the OEB-approved 2027 inflation factor of 3.0% to the current DRP cap. The year-round R1 and R2 customer bill impacts have been calculated assuming this estimated 2027 DRP cap ($45.80) will remain in place over the 2028 to 2032 period. For illustrative purposes, the bill impacts for year-round R1 and R2 customers have also been calculated assuming no DRP.[5]

Tables 1 to 3 provide a summary of distribution and total bill impacts for Hydro One Distribution's existing customers for the 2028 to 2030 period. In addition to Hydro One Distribution's existing customers, Tables 4 and 5 also include the bill impacts for the customers of the former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) for the 2031 to 2032 period.

[3] In addition to Hydro One, the DRP applies to customers of six other electricity distributors: Algoma Power Inc., Atikokan Hydro Inc., InnPower Corporation, Lakeland Power Distribution Ltd. (former Parry Sound Service Area), Northern Ontario Wires Inc. and Sioux Lookout Hydro Inc., for a total of seven electricity distributors.
[4] EB-2026-0146, Decision and Order, June 18, 2026.
[5] Illustrative bill impacts for R2 customers without DRP are provided in Attachments 1 to 5 to this Exhibit.

Table 1 - 2028 Distribution and Total Bill Impacts for Hydro One Customers

Rate Class	Consumption Level	Monthly Consumption (kWh)	Monthly Peak (kW)	Change in DX Bill (Sub-Total A) ($)	Change in DX Bill (Sub-Total A) (%)	Change in Total Bill ($)	Change in Total Bill (%)
UR	**Typical**	750		$10.98	24.2%	$6.68	4.4%
R1 (with DRP)	**Typical**	750		($0.10)	-0.2%	($3.31)	-2.1%
R1 (without DRP)	**Typical**	750		$18.75	24.2%	$13.56	7.4%
R2 (with DRP)	**Typical**	750		($0.21)	-0.5%	($3.48)	-2.2%
Seasonal-R2	**Average**	391		$19.25	17.9%	$15.51	9.9%
GSe	**Typical**	2,000		$49.39	24.3%	$34.63	7.2%
UGe	**Typical**	2,000		$26.21	24.2%	$13.72	3.5%
GSd	**Average**	35,604	100	$589.52	24.1%	$252.77	2.8%
UGd	**Average**	52,935	116	$405.13	24.2%	($98.01)	-0.9%
St Lgt	**Average**	1,018		$34.04	24.2%	$25.49	9.4%
Sen Lgt	**Average**	43		$3.04	24.2%	$2.51	14.5%
USL	**Average**	483		$7.10	11.9%	$4.18	3.5%
DGen	**Average**	2,007	15	$108.58	23.9%	$73.24	10.6%
ST	**Average**	1,190,296	2,423	$1,176.35	20.1%	($12,693.39)	-6.0%
AUR	**Typical**	750		$9.07	24.2%	$4.83	3.3%
AUGe	**Typical**	2,000		$23.74	35.7%	$11.72	3.4%
AUGd	**Average**	50,747	131	$130.36	21.4%	($485.24)	-5.2%
AR	**Typical**	750		$11.01	24.2%	$6.63	4.3%
AGSe	**Typical**	2,000		$20.40	22.6%	$8.72	2.3%
AGSd	**Average**	63,418	127	$317.75	35.7%	($190.05)	-1.7%

Table 2 - 2029 Distribution and Total Bill Impacts for Hydro One Customers

Rate Class	Consumption Level	Monthly Consumption (kWh)	Monthly Peak (kW)	Change in DX Bill (Sub-Total A) ($)	Change in DX Bill (Sub-Total A) (%)	Change in Total Bill ($)	Change in Total Bill (%)
UR	**Typical**	750		$5.88	10.4%	$8.48	5.3%
R1 (with DRP)	**Typical**	750		$0.00	0.0%	$3.22	2.1%
R1 (without DRP)	**Typical**	750		$10.05	10.5%	$12.22	6.2%
R2 (with DRP)	**Typical**	750		$0.00	0.0%	$3.22	2.1%
Seasonal-R2	**Average**	391		$23.95	18.9%	$23.11	13.4%
GSe	**Typical**	2,000		$26.34	10.4%	$32.17	6.2%
UGe	**Typical**	2,000		$14.22	10.6%	$21.32	5.3%
GSd	**Average**	35,604	100	$315.72	10.4%	$842.06	9.2%
UGd	**Average**	52,935	116	$215.68	10.4%	$965.50	8.9%
St Lgt	**Average**	1,018		$18.24	10.4%	$20.69	7.0%
Sen Lgt	**Average**	43		$1.63	10.4%	$1.64	8.3%
USL	**Average**	483		$6.97	10.5%	$8.32	6.7%
DGen	**Average**	2,007	15	$58.02	10.3%	$73.81	9.7%
ST	**Average**	1,190,296	2,423	$776.33	11.0%	$16,900.84	8.5%
AUR	**Typical**	750		$4.86	10.5%	$7.64	5.1%
AUGe	**Typical**	2,000		$9.01	10.0%	$16.66	4.7%
AUGd	**Average**	50,747	131	$73.56	9.9%	$781.91	8.9%
AR	**Typical**	750		$5.90	10.5%	$8.50	5.3%
AGSe	**Typical**	2,000		$11.00	9.9%	$18.44	4.8%
AGSd	**Average**	63,418	127	$124.28	10.3%	$1,006.56	8.9%

Table 3 - 2030 Distribution and Total Bill Impacts for Hydro One Customers

Rate Class	Consumption Level	Monthly Consumption (kWh)	Monthly Peak (kW)	Change in DX Bill (Sub-Total A) ($)	Change in DX Bill (Sub-Total A) (%)	Change in Total Bill ($)	Change in Total Bill (%)
UR	**Typical**	750		$4.62	7.4%	$4.13	2.5%
R1 (with DRP)	**Typical**	750		$0.00*	0.0%*	$0.00*	0.0%*
R1 (without DRP)	**Typical**	750		$7.89	7.4%	$7.06	3.4%
R2 (with DRP)	**Typical**	750		$0.00*	0.0%*	$0.00*	0.0%*
Seasonal-R2	**Average**	391		$28.93	19.2%	$25.89	13.3%
GSe	**Typical**	2,000		$20.40	7.3%	$18.26	3.3%
UGe	**Typical**	2,000		$11.12	7.5%	$9.95	2.3%
GSd	**Average**	35,604	100	$247.80	7.4%	$280.01	2.8%
UGd	**Average**	52,935	116	$169.31	7.4%	$191.32	1.6%
St Lgt	**Average**	1,018		$14.28	7.4%	$12.78	4.0%
Sen Lgt	**Average**	43		$1.29	7.5%	$1.15	5.4%
USL	**Average**	483		$5.44	7.4%	$4.87	3.7%
DGen	**Average**	2,007	15	$45.56	7.3%	$40.78	4.9%
ST	**Average**	1,190,296	2,423	$7,261.25	624.0%	$8,205.21	3.9%
AUR	**Typical**	750		$3.82	7.4%	$3.42	2.2%
AUGe	**Typical**	2,000		$6.80	6.8%	$6.09	1.6%
AUGd	**Average**	50,747	131	$57.64	7.1%	$65.13	0.7%
AR	**Typical**	750		$4.63	7.4%	$4.14	2.5%
AGSe	**Typical**	2,000		$8.60	7.1%	$7.70	1.9%
AGSd	**Average**	63,418	127	$97.65	7.3%	$110.34	0.9%

** In 2030, with the DRP cap fixed at its estimated 2027 level, R1 and R2 customers' monthly distribution charges are fully capped and do not change, regardless of the change in distribution rates.*

Table 4 - 2031 Distribution and Total Bill Impacts for Hydro One Legacy and Acquired Customers

Rate Class	Consumption Level	Monthly Consumption (kWh)	Monthly Peak (kW)	Change in DX Bill (Sub-Total A) ($)	Change in DX Bill (Sub-Total A) (%)	Change in Total Bill ($)	Change in Total Bill (%)
UR	**Typical**	750		$2.17	3.2%	$1.66	1.0%
R1 (with DRP)	**Typical**	750		$0.00	0.0%	($0.43)	-0.3%
R1 (without DRP)	**Typical**	750		$3.71	3.3%	$2.89	1.3%
R2 (with DRP)	**Typical**	750		$0.00	0.0%	($0.37)	-0.2%
Seasonal-R2	**Average**	391		$32.20	17.9%	$28.62	13.0%
GSe	**Typical**	2,000		$8.44	2.8%	$6.97	1.2%
UGe	**Typical**	2,000		$5.24	3.3%	$3.93	0.9%
GSd	**Average**	35,604	100	$65.97	1.8%	$61.95	0.6%
UGd	**Average**	52,935	116	$79.58	3.2%	$88.32	0.7%
St Lgt	**Average**	1,018		$8.09	3.9%	$6.94	2.1%
Sen Lgt	**Average**	43		$0.16	0.9%	$0.14	0.6%
USL	**Average**	483		($2.37)	-3.0%	($2.26)	-1.6%
DGen	**Average**	2,007	15	$21.42	3.2%	$15.69	1.8%
ST	**Average**	1,190,296	2,423	$275.74	3.3%	$164.83	0.1%
AUR	**Typical**	750		($17.50)	-31.7%	($16.51)	-10.2%
AUGe	**Typical**	2,000		($20.29)	-19.1%	($18.91)	-4.9%
AUGd	**Average**	50,747	131	$119.73	13.7%	$203.66	2.1%
AR	**Typical**	750		$2.18	3.3%	$1.88	1.1%
AGSe	**Typical**	2,000		$4.00	3.1%	$3.58	0.9%
AGSd	**Average**	63,418	127	$103.25	7.2%	$105.68	0.8%
Former OPDC Customers to Hydro One Rate Classes							
AUR-OPDC	**Typical**	750		$6.46	20.7%	$8.17	6.0%
AUGe-OPDC	**Typical**	2,000		$6.82	8.6%	$7.21	2.0%
AUGd-OPDC	**Average**	63,661	137	$99.39	10.7%	($32.72)	-0.3%
St Lgt-OPDC	**Average**	22,981	262	($18,890.40)	-79.9%	($22,487.78)	-69.4%
USL-OPDC	**Average**	440		$57.81	348.9%	$52.45	70.1%
Former PDI Customers to Hydro One Rate Classes							
AUR-PDI	**Typical**	750		$12.58	50.0%	$12.73	9.6%
AUGe-PDI	**Typical**	2,000		$31.44	57.7%	$26.23	7.8%
AUGd-PDI	**Average**	50,942	121	$78.89	9.3%	($54.70)	-0.6%
St Lgt-PDI	**Average**	213,662	676	$3,793.57	9.4%	$4,411.76	5.0%
Sen Lgt-PDI	**Average**	161		$39.57	246.2%	$35.10	95.5%
USL-PDI	**Average**	563		$61.14	305.8%	$54.77	57.4%

Table 5 - 2032 Distribution and Total Bill Impacts for Hydro One Legacy and Acquired Customers

Rate Class	Consumption Level	Monthly Consumption (kWh)	Monthly Peak (kW)	Change in DX Bill (Sub-Total A) ($)	Change in DX Bill (Sub-Total A) (%)	Change in Total Bill ($)	Change in Total Bill (%)
UR	**Typical**	750		$2.27	3.3%	$2.03	1.2%
R1 (with DRP)	**Typical**	750		$0.00*	0.0%*	$0.00*	0.0%*
R1 (without DRP)	**Typical**	750		$3.88	3.3%	$3.47	1.6%
R2 (with DRP)	**Typical**	750		$0.00*	0.0%*	$0.00*	0.0%*
Seasonal-R2	**Average**	391		$39.96	18.9%	$35.77	14.3%
GSe	**Typical**	2,000		$8.89	2.9%	$7.96	1.4%
UGe	**Typical**	2,000		$5.28	3.2%	$4.73	1.1%
GSd	**Average**	35,604	100	$74.17	2.0%	$83.81	0.8%
UGd	**Average**	52,935	116	$83.19	3.3%	$94.00	0.8%
St Lgt	**Average**	1,018		$7.07	3.3%	$6.33	1.9%
Sen Lgt	**Average**	43		$0.61	3.3%	$0.55	2.4%
USL	**Average**	483		$2.04	2.7%	$1.83	1.4%
DGen	**Average**	2,007	15	$22.39	3.3%	$20.04	2.2%
ST	**Average**	1,190,296	2,423	$300.21	3.5%	$339.24	0.2%
AUR	**Typical**	750		$7.46	19.8%	$6.68	4.6%
AUGe	**Typical**	2,000		$2.75	3.2%	$2.46	0.7%
AUGd	**Average**	50,747	131	$31.34	3.2%	$35.41	0.4%
AR	**Typical**	750		$2.27	3.3%	$2.03	1.2%
AGSe	**Typical**	2,000		$4.20	3.1%	$3.76	0.9%
AGSd	**Average**	63,418	127	$49.92	3.3%	$56.41	0.4%
Former OPDC Customers to Hydro One Rate Classes							
AUR-OPDC	**Typical**	750		$7.46	19.8%	$6.68	4.6%
AUGe-OPDC	**Typical**	2,000		$2.75	3.2%	$2.46	0.7%
AUGd-OPDC	**Average**	63,661	137	$32.77	3.2%	$37.03	0.3%
St Lgt-OPDC	**Average**	22,981	262	$156.42	3.3%	$176.76	1.8%
USL-OPDC	**Average**	440		$2.00	2.7%	$1.79	1.4%
Former PDI Customers to Hydro One Rate Classes							
AUR-PDI	**Typical**	750		$7.46	19.8%	$6.68	4.6%
AUGe-PDI	**Typical**	2,000		$2.75	3.2%	$2.46	0.7%
AUGd-PDI	**Average**	50,942	121	$28.94	3.1%	$32.71	0.3%
St Lgt-PDI	**Average**	213,662	676	$1,453.05	3.3%	$1,641.95	1.8%
Sen Lgt-PDI	**Average**	161		$1.83	3.3%	$1.64	2.3%
USL-PDI	**Average**	563		$2.12	2.6%	$1.90	1.3%

** In 2032, with the DRP cap fixed at its estimated 2027 level, R1 and R2 customers' monthly distribution charges are fully capped and do not change, regardless of the change in distribution rates.*

2.0 RATE IMPACT MITIGATION

The total bill impacts across most rate classes resulting from the distribution revenue requirement, regulatory account disposition and rate harmonization proposed in this Application are below the 10% value established by the OEB in Chapter 2, Section 2.8.12 of the Filing Requirements for customers at typical or average consumption levels, except for the following instances:

1) Sentinel Lights rate class (2028)
2) Distributed Generation (DGen) rate class (2028)
3) Former Seasonal customers in R2 rate class (2029 to 2032)
4) Sentinel Lights customers of former PDI (2031)
5) USL customers of former OPDC and PDI (2031)

2.1 SENTINEL LIGHTS RATE CLASS

As shown in Table 1, the total bill impact for an average customer in Hydro One's Sentinel Lights rate class is higher than 10% in 2028 (14.5%). However, Hydro One does not propose a mitigation plan for this rate class for the following reasons:

- The total bill impact in 2028 is fairly small ($2.51 per month).
- The average total bill impact for this rate class over the 2028 to 2032 period is well below 10%.
- The average Sentinel Lights customer has very low consumption, so the monthly distribution bill is small and even a small dollar change results in a high percentage impact.

2.2 DGEN RATE CLASS

As shown in Table 1, the total bill impact for an average customer in Hydro One's DGen rate class is slightly higher than 10% in 2028 (10.6%). This impact already reflects the mitigation built in through the setting of the monthly fixed and variable distribution charges for this rate class as discussed in Exhibit L-02-01, Section 2.3.2 (Fixed-to-Variable Split for Non-Residential Classes). Given that the impact is only marginally above 10% after this mitigation, Hydro One does not propose further mitigation.

2.3 FORMER SEASONAL CUSTOMERS IN R2 RATE CLASS

As shown in Tables 2 to 5, former Seasonal customers in the R2 rate class are expected to experience total bill impacts of more than 10% in each of the 2029 to 2032 rate years. Hydro One notes that, as discussed in Exhibit L-02-01, Section 2.3.1, these customers already receive bill impact mitigation through the phasing in of their monthly fixed charge over the ten-year period from 2023 to 2032, as approved by the OEB in EB-2020-0246. In addition, the bill impacts presented in this Exhibit for the 2029 to 2032 rate years are illustrative in nature. The actual bill impacts in these years will vary based on the final revenue requirement and any disposition of deferral and variance accounts. Therefore, Hydro One proposes to review the final bill impacts and bring forward a mitigation plan, if appropriate, in the respective annual update applications for the 2029 to 2032 rate years.

2.4 SENTINEL LIGHTS AND USL CUSTOMERS OF FORMER OPDC AND PDI

As discussed in Exhibit L-01-02, Street Lights, Sentinel Lights and USL customers of former OPDC and PDI will be integrated into the corresponding existing Hydro One rate classes in 2031. As shown in Table 4, the harmonization of the Sentinel Lights customers of the former PDI, and the USL customers of the former OPDC and PDI, to Hydro One's existing rates results in 2031 total bill impacts above 10% at average consumption levels. However, as discussed in Section 2.3 above, the 2031 bill impacts are illustrative in nature, and therefore, Hydro One proposes to bring forward a mitigation plan for these customers, such as a multi-year phase-in of the harmonized rates or bill credits, in the annual update applications for 2031 and 2032 rates.

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2028 BILL IMPACTS

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2029 BILL IMPACTS

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2030 BILL IMPACTS

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2031 BILL IMPACTS

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2032 BILL IMPACTS

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LOSS FACTORS

1.0 INTRODUCTION

The Total Loss Factors (TLF) are used to account for line losses, so that the Commodity, Retail Transmission Service Rate (RTSR), Wholesale Market Service-related charges, and Rural or Remote Electricity Rate Protection charges are recovered on the same basis on which Hydro One settles with the IESO. Distribution charges are not subject to loss adjustments.

For energy-billed customers, OEB guidelines dictate that loss adjustments be applied to metered or estimated energy billing quantities. For demand-billed customers, loss adjustments are applied to the corresponding demand-billed rates, and the billed quantities are the metered quantities.

For the 2028 to 2032 period, Hydro One proposes to continue to use the TLFs approved by the OEB most recently in EB-2021-0110 for all legacy Hydro One rate classes. The TLFs for the Mixed Density Acquired Rate Classes (AR, AGSe and AGSd) and the Urban Acquired Rate Classes (AUR, AUGe and AUGd) are calculated as discussed in Section 2.0 below. The current and proposed TLFs for all rate classes are listed in Tables 1 through 3 below.

Hydro One is a partially embedded distributor. Hydro One is also a host distributor to multiple Ontario electricity distributors.

A description of how Hydro One addresses distribution system losses is provided in Exhibit B-03-01 (DSP), Section 3.6.7.

2.0 TOTAL LOSS FACTORS FOR MIXED DENSITY ACQUIRED RATE CLASSES (AR, AGSe, AGSd) AND URBAN ACQUIRED RATE CLASSES (AUR, AUGe, AUGd)

Hydro One proposes to determine the loss factors for the six acquired rate classes using the TLFs that were previously approved by the OEB for the acquired utilities prior to their

integration with Hydro One. The TLFs for the Mixed Density Acquired Rate Classes are calculated using the previously approved TLFs for the former Norfolk Power and Haldimand County Hydro. The TLFs for the Urban Acquired Rate Classes are calculated using the previously approved TLFs for Woodstock Hydro for the period 2028 to 2030, and also include the previously approved TLFs for Orillia Power Distribution and Peterborough Distribution for the 2031 to 2032 period.

Hydro One believes this approach is appropriate given that the previously approved TLFs for the acquired utilities include the losses specifically associated with the local distribution assets used to deliver electricity to their customers, as well as all upstream losses associated with supplying electricity to those utilities from either the transmission system directly or through Hydro One's distribution system.

Hydro One further believes that using the previously approved TLFs for the acquired utilities as the starting point for determining the loss factors for the Mixed Density and Urban Acquired rate classes is appropriate given that: (i) integration of the acquired utilities did not require material changes to their upstream supply facilities; (ii) the local distribution assets of each acquired utility will continue to deliver electricity solely to their customers; and (iii) there has not been any significant change in the type of local assets of each acquired utility.

The Mixed Density and Urban Acquired Rate Classes consist of customers from different acquired utilities, each of which had different previously OEB-approved TLFs. As such, Hydro One proposes to use a "kWh weighted average" approach to estimate an average TLF for the acquired classes at the time when those customers are first placed into Hydro One's acquired rate classes. This approach is appropriate since the total kWh of electricity delivered to customers is a key factor in determining losses.

The resulting loss factors proposed for the Mixed Density and Urban Acquired Rate Classes are shown in Tables 1 and 2. Hydro One proposes to maintain these loss factors until any new acquired utilities are integrated into the acquired rate classes.

3.0 TOTAL LOSS FACTORS FOR LEGACY HYDRO ONE RATE CLASSES

Hydro One proposes to continue to use the TLFs most recently approved by the OEB in EB-2021-0110 for all legacy Hydro One rate classes for the 2028 to 2032 period. These TLFs are based on the line loss study submitted in EB-2013-0416.

As part of the EB-2021-0110 Settlement Commitments (Appendix A, Section D), Hydro One committed to conduct an analysis of its overall distribution losses, similar to what it filed in EB-2017-0049, and, should a material change in overall losses be observed, to conduct a detailed distribution line loss study. Hydro One has completed this analysis, and the results are provided in Attachment 1 to this Exhibit. Attachment 1 shows that the 5-year average (2021 to 2025) historical total loss factor of 8.3% is consistent with the weighted average of the approved loss factors across all Hydro One rate classes, indicating no material change in overall losses. As such, a detailed distribution line loss study is not required.

As discussed in Exhibit L-01-02, Hydro One proposes that customers of Orillia Power Distribution and Peterborough Distribution in the Unmetered Scattered Load Service Class, Street Lighting Service Class, Sentinel Lighting Service Class and General Service Class (those that meet the Hydro One Sub-Transmission Class requirements) be merged into the corresponding legacy Hydro One rate classes in 2031. This is consistent with the treatment approved in EB-2021-0110 for the customers of Norfolk Power, Haldimand County Hydro and Woodstock Hydro in these rate classes, which were merged into the corresponding Hydro One legacy rate classes in 2023. The numbers of customers and loads of these additions are small compared to those of the existing Hydro One customers in those legacy rate classes. As such, the addition of these acquired customers is not expected to materially impact the legacy TLFs and no changes are proposed.

The proposed and currently approved loss factors are provided in Table 1 for the legacy Hydro One and Mixed Density Acquired rate classes and in Table 2 for the Urban Acquired rate classes. The currently approved loss factors for Orillia Power and Peterborough Distribution are provided in Table 3.

Table 1 - Loss Factors for Legacy Hydro One and Mixed Density Acquired Rate Classes

Customer Class	DLF %	TLF%	DLF %	TLF%
	Proposed (2028-2032)		Current OEB Approved	
R1	5.1	5.7	5.1	5.7
R2	7.0	7.6	7.0	7.6
UR	9.9	10.5	9.9	10.5
GSe	9.0	9.6	9.0	9.6
GSd	5.5	6.1	5.5	6.1
UGe	6.1	6.7	6.1	6.7
UGd	4.4	5.0	4.4	5.0
ST	0* or 2.8	0* or 3.4	0* or 2.8	0* or 3.4
Street Lights	8.6	9.2	8.6	9.2
Sentinel Lights	8.6	9.2	8.6	9.2
USL	8.6	9.2	8.6	9.2
DGen	5.5	6.1	5.5	6.1
AR	5.5	6.1	5.8	6.4
AGSe	5.5	6.1	5.8	6.4
AGSd	4.5	5.1	4.7	5.3

**Express feeder*
Supply Facility Loss Factor (SFLF) = 0.6%
Distribution Loss Factor (DLF) x SFLF = Total Loss Factor (TLF)

Table 2 - Loss Factors for Urban Acquired Rate Classes

Customer Class	DLF %	TLF%	DLF %	TLF%
	Proposed 2028 to 2030 (same as Current OEB Approved)		Proposed 2031 to 2032	
AUR	3.7	4.3	4.7	5.3
AUGe	3.7	4.3	4.7	5.3
AUGd	2.7	3.3	3.6	4.2

Supply Facility Loss Factor (SFLF) = 0.6%
Distribution Loss Factor (DLF) x SFLF = Total Loss Factor (TLF)
NOTE: Starting 2031, the proposed treatment for the different loss factors listed for primary metered and secondary metered customers in OPDC and PDI's currently approved tariff schedules is reflected in the application of transformer loss allowance, which is discussed in Section 5.

Table 3 - OPDC and PDI Current OEB-Approved Loss Factors

Orillia Power Distribution (OPDC)	DLF%	TLF%
Res	3.4%	5.6%
GS<50kW	3.4%	5.6%
GS>50kW	3.4%	5.6%
Street Lights	3.4%	5.6%
Sentinel Lights	3.4%	5.6%
USL	3.4%	5.6%
Peterborough Distribution (PDI)	**DLF%**	**TLF%**
Res	4.7%	5.5%
GS<50kW	4.7%	5.5%
GS>50kW	4.7%	5.5%
Large User	4.7%	5.5%
Street Lights	4.7%	5.5%
Sentinel Lights	4.7%	5.5%
USL	4.7%	5.5%

Supply Facility Loss Factor ("SFLF") was 2.18% for OPDC and 0.7% for PDI as approved by OEB in their last rebasing applications.
Distribution Loss Factor ("DLF") x SFLF = Total Loss Factor ("TLF")
NOTE: TLFs are shown for Secondary Metered Customers < 5,000 kW. For details regarding applicable losses for Primary Metered Customers and Secondary Metered Customers > 5,000 kWh, please see the current tariff schedules approved by the OEB in EB-2025-0030.

4.0 SUPPLY FACILITY LOSS FACTOR

Consistent with what the OEB approved in Hydro One's previous rate application (EB-2021-0110), Hydro One proposes that where a customer's metering is at the supplying Transmission Station (TS) or High-Voltage Distribution Station (HVDS), either inside the fence or immediately outside the fence, only the losses associated with the transformation at the station be applied (i.e. the approved Supply Facility Loss Factor (SFLF) of 0.6%, which Hydro One proposes to continue to use for the 2028 to 2032 period). Where a feeder delivers to solely one supply point (i.e. an express feeder),[1] and the metering is located away from the supplying station, applicable losses are calculated based on engineering studies provided by the customer. Hydro One adds non-technical losses to the calculated

[1] Feeder used by only one customer

technical losses, consistent with the non-technical losses inherent in the existing Distribution Loss Factors.

There are situations in which meters are not installed at the customer supply point, and quantities are calculated by taking the difference between other metering points (for example, the feeder total minus the only other customer on the feeder). In such situations, as previously approved in EB-2021-0110, losses are applied to the metered quantities separately, prior to calculating the difference, in order to avoid the potential double-counting of feeder losses that could occur if the Distribution Loss Factors were applied to the difference in metering quantities.

5.0 TRANSFORMER LOSS ALLOWANCE

A transformer loss allowance is applicable to non-ST customers that are metered on the primary side of a transformer. The following uniform values are applied to reduce measured demand and energy to adjust for transformer losses for voltages up to and including 50 kV (as metered on the primary side):

a) 1.5% for transformer installations up to an individual bank capacity of 400 kVA; and
b) 1.0% for bank capacities over 400 kVA.

A transformer loss allowance is applicable to ST customers that are metered on the secondary side of a transformer. The following uniform value is applied to increase measured demand and energy (as metered on the secondary side) to adjust for transformer losses:

a) 1.0%

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

6.0 HISTORICAL LOSS FACTORS

As required by Appendix 2-R of the Filing Requirements, Attachment 1 to this Exhibit provides Hydro One's overall historical loss data for 2021 to 2025. As discussed in Section 3.0 above, the 5-year average historical total loss factor of 8.3% is consistent with the weighted average of Hydro One's approved loss factors across all rate classes.

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CHAPTER 2 APPENDIX 2-R: LOSS FACTORS

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CURRENT RATE SCHEDULES

The OEB-approved 2026 Tariff of Rates and Charges for Hydro One Distribution and the former Orillia Power Distribution Corporation (OPDC) and Peterborough Distribution Inc. (PDI) rate zones are included as Attachment 1 to this Exhibit. The 2026 Tariff of Rates and Charges are also included in Excel format as follows:

- Attachment 2: 2026 Tariff of Rates and Charges - Hydro One Distribution
- Attachment 3: 2026 Tariff of Rates and Charges - OPDC Rate Zone
- Attachment 4: 2026 Tariff of Rates and Charges - PDI Rate Zone

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SCHEDULE A

TARIFF OF RATES AND CHARGES

RATE ORDER

HYDRO ONE NETWORKS INC.

EB-2025-0030

DECEMBER 23, 2025

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

RESIDENTIAL SERVICE CLASSIFICATIONS - HYDRO ONE NETWORKS INC. SERVICE AREA

These classifications apply to year-round and seasonal residential properties. A year-round residential property, located in Hydro One Networks Inc.'s service area excluding former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas., is considered to be 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 of Federal elections must be enumerated for this purpose at the address of this residence.

A seasonal property 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, 2026

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

EB-2025-0030

URBAN DENSITY - UR

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	43.70
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(1.50)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0141
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0100

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

MEDIUM DENSITY - R1**

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	74.62
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(2.56)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kWh	0.0012
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0010)
Rate Rider for Disposition of Global Adjustment Account (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0112
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0131
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0094

**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 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

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LOW DENSITY - R2**

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge* - applicable to year-round low-density customers	$	151.14
Service Charge - applicable to Seasonal customers	$	92.43
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(5.18)
Distribution Volumetric Rate	$/kWh	0.0117
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0121
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0088

*Under the Ontario Energy Board Act, 1998 and associated Regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural of 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 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

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GENERAL SERVICE CLASSIFICATIONS - HYDRO ONE NETWORKS INC. SERVICE AREA

These classifications apply to properties located in Hydro One Networks Inc.'s service area, which excludes former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas with one exception - Sub-Transmission (ST). The ST rate class applies to properties located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Service Inc.'s service areas. 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.

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

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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	$	25.51
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(0.87)
Distribution Volumetric Rate	$/kWh	0.0394
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0016)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kWh	(0.0014)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0111
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0085

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

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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	$	32.78
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(1.12)
Distribution Volumetric Rate	$/kWh	0.0816
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0028)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kWh	0.0015
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0010)
Rate Rider for Disposition of Global Adjustment Account (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0112
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0104
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0080

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
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	$	96.47
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(3.31)
Distribution Volumetric Rate	$/kW	13.1059
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.5696)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(1.2268)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0907)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.2353)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kW	(0.4449)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	4.0895
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.6952
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	3.0559
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.5195

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

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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	$	105.55
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(3.62)
Distribution Volumetric Rate	$/kW	22.5201
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kW	(0.4747)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(0.9912)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0733)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.1893)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kW	(0.7683)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kW	0.8534
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(0.3115)
Rate Rider for Disposition of Global Adjustment Account (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0112
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	3.1662
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.5383
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	2.4073
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.4092

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
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	$	199.26
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(6.83)
Distribution Volumetric Rate	$/kW	15.7314
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.2301)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(0.4674)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0346)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.0896)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kW	(0.5226)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	1.7376
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	1.0329

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

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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 connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive, where 44 kV and 13.8 kV are the voltage of the primary side of the local transformer; local transformer can be Hydro One-owned or customer-owned; 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	$	824.28
Meter Charge (for Hydro One ownership) (see Note 11)	$	417.59
Local Transformation Charge (per transformer) (see Note 15)	$	200.00
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(37.83)
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 14)	$/kW	1.8196
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	$/km	711.9546
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	$/kW	3.6980
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	$/kW	5.9167
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 14)	$/kW	2.2187
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.5838)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(1.3452)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0995)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.2148)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kW	(0.0686)
Retail Transmission Service Rates (see Notes 6 and 7)		
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	5.4708
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.9300
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	$/kW	0.7054
Retail Transmission Rate - Line Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.1199
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	$/kW	3.5764
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.6080

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to properties located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas. Unmetered Scattered Load 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	$	38.29
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(1.31)
Distribution Volumetric Rate	$/kWh	0.0395
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0015)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0014)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kWh	0.0014
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/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	0.0064

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers, including customers in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc. service areas 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, in 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	$	3.51
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(0.12)
Distribution Volumetric Rate	$/kWh	0.2002
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0018)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0069)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kWh	0.0014
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0010)
Rate Rider for Disposition of Global Adjustment Account (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0112
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0076
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0058

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

STREET LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers, including customers in former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas, 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	$	3.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$	(0.12)
Distribution Volumetric Rate	$/kWh	0.1297
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0018)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) (Not applicable to former Chapleau PUC customers) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) (Not applicable to former Chapleau PUC customers) - effective until December 31, 2026	$/kWh	(0.0044)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) (Applicable to former Chapleau PUC customers only) - effective until December 31, 2026	$/kWh	0.0018
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) (Applicable to former Chapleau PUC customers only) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0010)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0076
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0058

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

ACQUIRED RESIDENTIAL SERVICE CLASSIFICATIONS

These classifications apply to Residential and Seasonal properties in the service areas of former Norfolk Power, Haldimand county Hydro, and Woodstock Hydro, which are utilities acquired by Hydro One Networks after 2013. It may include additional buildings served through the same meter, provided they are not rental income units. 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.

ACQUIRED URBAN DENSITY - AUR

This classification applies to residential accounts in acquired service areas (after 2013) with urban density and currently includes customers in the former Woodstock Hydro Services Inc.'s service area.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	36.09
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(1.24)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0018)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0145
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0104

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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ACQUIRED MIXED DENSITY - AR

This classification applies to residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers in the former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	43.81
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(1.50)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0139
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0100

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

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ACQUIRED GENERAL SERVICE CLASSIFICATIONS

Acquired General Service classification applies to any service that does not fit the description of acquired 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

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.

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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ACQUIRED URBAN DENSITY GENERAL SERVICE ENERGY BILLED - AUGE

This classification applies to non-residential accounts in acquired service areas (after 2013) with urban density and currently includes customers located in former Woodstock Hydro Services Inc's service territory, 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	$	26.36
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(0.90)
Distribution Volumetric Rate	$/kWh	0.0190
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0018)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kWh	(0.0007)
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	0.0084

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0030

ACQUIRED MIXED DENSITY GENERAL SERVICE ENERGY BILLED - AGSE

This classification applies to non-residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers located in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories, 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	$	39.96
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(1.37)
Distribution Volumetric Rate	$/kWh	0.0236
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0017)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kWh	(0.0032)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kWh	(0.0006)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kWh	(0.0008)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0110
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0083

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
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ACQUIRED URBAN DENSITY GENERAL SERVICE DEMAND BILLED - AUGD

This classification applies to non-residential accounts in acquired service areas (after 2013) with Urban density and currently includes customers located in former Woodstock Hydro Services Inc.'s service territory and 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	$	146.47
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(5.02)
Distribution Volumetric Rate	$/kW	3.3806
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.6907)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(1.1192)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0828)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.2164)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kW	(0.1051)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	3.7678
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.6405
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	2.8067
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.4771

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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ACQUIRED MIXED DENSITY GENERAL SERVICE DEMAND BILLED - AGSD

This classification applies to non-residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers located in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories and 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	$	170.26
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$	(5.84)
Distribution Volumetric Rate	$/kW	5.4310
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.5644)
Rate Rider for Disposition of Account 1588 (non-WMP) (2026) - Approved on an Interim Basis - effective until December 31, 2026	$/kW	(1.1339)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2026) - effective until December 31, 2026 (see Note 10)	$/kW	(0.0838)
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 (see Note 13)	$/kWh	0.0121
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 (Applicable only to Non-WMP Class B Customers)	$/kW	(0.2167)
Rate Rider for Disposition of Earning Sharing Mechanism Variance Account (2026) - effective until December 31, 2026	$/kW	(0.1775)
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	3.2450
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.5516
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	2.4779
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.4212

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility, located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas, 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	$	5.00

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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)

TRANFORMER 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
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
Acquired Residential - AUR	1.043
Acquired General Service - AUGe	1.043
Acquired General Service - AUGd	1.033
Acquired Residential - AR	1.064
Acquired General Service - AGSe	1.064
Acquired General Service - AGSd	1.053
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

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

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*
Specific charge for access to power poles - telecom	$	40.59
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
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.

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0030

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

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0030

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.

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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	$	125.72
Monthly fixed charge, per retailer	$	50.29
Monthly variable charge, per customer, per retailer	$	1.24
Distributor-consolidated billing monthly charge, per customer, per retailer	$	0.74
Retailer-consolidated billing monthly credit, per customer, per retailer	$	(0.74)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.63
Processing fee, per request, applied to the requesting party	$	1.24
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)	$	5.03
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)	$	2.51

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0030

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. Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (General) is charged based on appropriate billing kW.
10. Rate Rider for Disposition of Group 1 Deferral/Variance Account (non-WMP) applies to non-WMP Class A or Class B customers.
11. The Meter charge is applied per metering facility at delivery points for which Hydro One owns the metering.
12. 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.
13. The Global Adjustment rate rider applies to metered energy consumption, as approved by the Ontario Energy Board, for non-LDC, non-RPP and Class B customers that are charged Wholesale Market Service Charges by Hydro One Distribution.
14. 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.
15. Local Transformation Charge applies to customers in the ST class who make use of Hydro One owned local transformation facilities.
16. Legacy customers are Hydro One Networks Inc. customers located outside the service areas of former Norfolk Power Distribution Inc., Haldimand County Hydro Inc., Woodstock Hydro Services Inc., Orillia Power Distribution Corporation, Peterborough Distribution Inc. and Chapleau Public Utilities Corporation.

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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EB-2025-0030

RESIDENTIAL SERVICE CLASSIFICATION

Residential class customers are defined as single-family dwelling units for domestic or household purposes. Semi-detached and row town-housing will be considered residential class if each individual unit is located on its own registered freehold lot fronting on the public road allowance. Each unit must have its own individual service connection from the road allowance and each main service disconnect is assessable from the unit which it supplies. All other developments are considered to be in the General Service class. 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	$	23.36
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Low Voltage Service Rate	$/kWh	0.0010
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0015)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0005)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0115
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0087

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential 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. General Service class customers are defined as all buildings not classified as residential. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	32.38
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Distribution Volumetric Rate	$/kWh	0.0092
Low Voltage Service Rate	$/kWh	0.0009
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0014)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0005)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Rate Rider for Disposition of LRAM-Eligible Amount (2026) - effective until December 31, 2026	$/kWh	0.0001
Retail Transmission Rate - Network Service Rate	$/kWh	0.0106
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0079

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to all buildings not classified as residential and having a service connection capable of load delivery equal to or above 50 kW or having an average monthly peak demand equal to or greater than 50 kW over a twelve month period, but less than 5,000 kW. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. Customers who require service connections above 1,000 kVA must supply and own the primary conductors, switchgear and their own transformation above the maximum supplied by 1937680 Ontario Inc. (see Section 3.3 of Conditions of Service). The maximum allowable service connection on the 27.6 kV system is 5,000 kVA. Customers have the option of ownership of transformation at all sizes and are required to own the transformation above the maximum levels supplied by 1937680 Ontario Inc. If a customer decides or is required to own their transformation, the transformer specifications and its loss evaluation require approval from 1937680 Ontario Inc. The customer is required to compensate 1937680 Ontario Inc. for transformer losses that exceed the maximum acceptable losses. The customer will receive a transformer allowance as specified in the current rate schedule for privately owned transformation.

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.

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.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	165.52
Distribution Volumetric Rate	$/kW	2.8211
Low Voltage Service Rate	$/kW	0.3277

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(0.0910)
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.5484)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kW	(0.2230)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(1.3163)
Rate Rider for Disposition of LRAM-Eligible Amount (2026) - effective until December 31, 2026	$/kW	0.0231
Retail Transmission Rate - Network Service Rate	$/kW	4.2798
Retail Transmission Rate - Network Service Rate - EV CHARGING	$/kW	0.7276
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0697
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING	$/kW	0.5219

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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LARGE USE SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	6,650.30
Distribution Volumetric Rate	$/kW	0.7769
Low Voltage Service Rate	$/kW	0.4014
Retail Transmission Rate - Network Service Rate	$/kW	5.0425
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.7608

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

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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. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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.

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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 (per connection)	$	2.20
Distribution Volumetric Rate	$/kWh	0.0290
Low Voltage Service Rate	$/kWh	0.0009
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0014)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0005)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0106
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0079

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification covers sentinel lights used for security or other commercial activities. All attempts must be made to connect these loads to a metered service where possible. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. The customer owns all the equipment and facilities from the load side of the connection to the distribution system. The connection shall be made to the distribution system as approved by 1937680 Ontario Inc. has operational control of the connection to the distribution system. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. 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 (per connection)	$	12.21
Distribution Volumetric Rate	$/kW	4.8690
Low Voltage Service Rate	$/kW	0.2602
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.4948)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kW	(0.1874)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(1.0196)
Retail Transmission Rate - Network Service Rate	$/kW	3.2497
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.4378

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies only to street lighting equipment owned by the City of Peterborough, other authorized municipalities or the Province of Ontario and operating within the licenced territory of 1937680 Ontario Inc. Included is decorative and seasonal lighting connected to street lighting facilities owned by the City of Peterborough, other authorized municipalities and the Province of Ontario. The customer owns all equipment and facilities from the load side of the connection to the distribution system. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. Each streetlight is to be individually controlled by a photocell. Underground connections for street lighting require a main disconnect to be installed by the Customer. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. The customer may retain operational control of any disconnects if authorized by 1937680 Ontario Inc. and operated by qualified personnel. 1937680 Ontario Inc. retains operational control of the connections to the 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. 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 (per connection)	$	3.32
Distribution Volumetric Rate	$/kW	13.8953
Low Voltage Service Rate	$/kW	0.2541
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0104
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.4748)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kW	(0.1801)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(0.9784)
Retail Transmission Rate - Network Service Rate	$/kW	3.2259
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.3807

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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 Condition 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	$	5.00

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TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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.

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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% coumpunded 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	$	40.59
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	$	2499.29
Water crossings	$	3,717.21
Railway crossings	$	4,965.66 plus Railway Feedthrough Costs

Hydro One Networks Inc.
Former Peterborough Distribution Inc. Service Area
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2026
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

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

Hydro One Networks Inc.

Former Peterborough Distribution Inc. Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

RETAIL SERVICE CHARGES (if applicable)

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	$	125.72
Monthly fixed charge, per retailer	$	50.29
Monthly variable charge, per customer, per retailer	$/cust.	1.24
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.74
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	-0.74
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.63
Processing fee, per request, applied to the requesting party	$	1.24
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)	$	5.03
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)	$	2.51

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0548
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0443
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

EB-2025-0030

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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	$	28.88
Rate Rider for Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	$	2.56
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0112
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0047)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0006)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0108
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0081

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential 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. 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	$	38.69
Rate Rider for Smart Meter Incremental Revenue Requirement - in effect until the effective date of the next cost of service-based rate order	$	7.48
Smart Metering Entity Charge - effective until December 31, 2027	$	0.42
Distribution Volumetric Rate	$/kWh	0.0171
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0112
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0046)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0006)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Rate Rider for Disposition of LRAM-Eligible Amount (2026) - effective until December 31, 2026	$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	$/kWh	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0078

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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

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.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	352.18
Distribution Volumetric Rate	$/kW	3.7043
Low Voltage Service Rate	$/kW	0.2230
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0112
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(0.4104)
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(1.6671)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kW	(0.2784)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(1.3207)
Rate Rider for Disposition of LRAM-Eligible Amount (2026) - effective until December 31, 2026	$/kW	0.0608

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

Retail Transmission Rate - Network Service Rate	$/kW	4.0378
Retail Transmission Rate - Network Service Rate - EV CHARGING	$/kW	0.6864
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0768
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING	$/kW	0.5231

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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 (per connection)	$	10.95
Distribution Volumetric Rate	$/kWh	0.0098
Low Voltage Service Rate	$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0111
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kWh	(0.0045)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kWh	(0.0006)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kWh	(0.0029)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0090
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0078

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are unmetered lighting load supplied to a sentinel light. 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 (per connection)	$	4.01
Distribution Volumetric Rate	$/kW	10.4927
Low Voltage Service Rate	$/kW	0.1698

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. 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 (per connection)	$	4.72
Distribution Volumetric Rate	$/kW	15.6812
Low Voltage Service Rate	$/kW	0.1663
Rate Rider for Disposition of Global Adjustment Account (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-RPP Customers	$/kWh	0.0112
Rate Rider for Disposition of Deferral/Variance Accounts (2026) - effective until December 31, 2026	$/kW	(0.5636)
Rate Rider for Disposition of Capacity Based Recovery Account (2026) - effective until December 31, 2026 Applicable only for Class B Customers	$/kW	(0.0772)
Rate Rider for Disposition of Account 1588 (2026) - Approved on an Interim Basis - effective until December 31, 2026 Applicable only for Non-Wholesale Market Participants	$/kW	(0.3638)
Retail Transmission Rate - Network Service Rate	$/kW	2.9742
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.2943

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

STANDBY POWER SERVICE CLASSIFICATION

This classification applies to an account with load displacement facilities that contracts with the distributor to provide emergency standby power when its load displacement facilities are not in operation. The level of billing demand will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation such as nameplate rating of the load displacement facility. 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 - APPROVED ON AN INTERIM BASIS

Distribution Volumetric Rate - $/kW of contracted amount	$/kW	1.1077

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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	$	5.00

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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.

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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% coumpunded 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	$	40.59
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

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

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

Hydro One Networks Inc.

Former Orillia Power Distribution Corporation Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

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

RETAIL SERVICE CHARGES (if applicable)

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	$	125.72
Monthly fixed charge, per retailer	$	50.29
Monthly variable charge, per customer, per retailer	$/cust.	1.24
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.74
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	-0.74
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.63
Processing fee, per request, applied to the requesting party	$	1.24
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)	$	5.03
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)	$	2.51

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0561
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0455

CURRENT (2026) TARIFF SCHEDULES HYDRO ONE DISTRIBUTION

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CURRENT (2026) TARIFF SCHEDULES ORILLIA RZ

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CURRENT (2026) TARIFF SCHEDULES PETERBOROUGH RZ

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PROPOSED RATE SCHEDULES

The proposed 2028 Tariff of Rates and Charges for Hydro One Distribution is included as Attachment 1 to this Exhibit and in Excel format as Attachment 2 to this Exhibit.

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Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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

EB-2026-0164

RESIDENTIAL SERVICE CLASSIFICATIONS - HYDRO ONE NETWORKS INC. SERVICE AREA

These classifications apply to year-round and seasonal residential properties. A year-round residential property, located in Hydro One Networks Inc.'s service area excluding former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas., is considered to be 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 of Federal elections must be enumerated for this purpose at the address of this residence.

A seasonal property 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, 2028

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

EB-2026-0164

URBAN DENSITY - UR

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	56.36
Smart Metering Entity Charge - effective until December 31, 2027***	$	0.42
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$	(0.06)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0141
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0100

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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EB-2026-0164

MEDIUM DENSITY - R1**

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	96.24
Smart Metering Entity Charge - effective until December 31, 2027***	$	0.42
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$	(0.10)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0131
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0093

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

***Smart Metering Entity charge is subject to change effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2028
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EB-2026-0164

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

Service Charge* - applicable to year-round low-density customers	$	198.10
Service Charge - applicable to Seasonal customers	$	122.14
Smart Metering Entity Charge - effective until December 31, 2027***	$	0.42
Distribution Volumetric Rate	$/kWh	0.0118
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$	(0.21)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0121
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0087

*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.

***Smart Metering Entity charge is subject to change effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

GENERAL SERVICE CLASSIFICATIONS - HYDRO ONE NETWORKS INC. SERVICE AREA

These classifications apply to properties located in Hydro One Networks Inc.'s service area, which excludes former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas with one exception - Sub-Transmission (ST). The ST rate class applies to properties located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Service Inc.'s service areas. 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.

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2028
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2026-0164

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	$	31.72
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Distribution Volumetric Rate	$/kWh	0.0514
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0001)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0111
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0079

*Smart Metering Entity charge is subject to change effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2028
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EB-2026-0164

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	$	40.77
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Distribution Volumetric Rate	$/kWh	0.1061
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0001)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0104
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0075

*Smart Metering Entity charge is subject to change effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

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	$	102.95
Distribution Volumetric Rate	$/kW	17.0763
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0188)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.8285)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(1.9586)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.6119
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	4.8833
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.8302
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	3.4628
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.5887

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
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EB-2026-0164

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	$	108.69
Distribution Volumetric Rate	$/kW	29.2843
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0313)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.6495)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(1.5176)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.4715
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	3.6003
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.6121
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	2.5691
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.4367

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

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	$	247.80
Distribution Volumetric Rate	$/kW	21.0379
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0369)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.2487)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(0.5876)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.1830
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	1.6312
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	0.9921

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

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 connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive, where 44 kV and 13.8 kV are the voltage of the primary side of the local transformer; local transformer can be Hydro One-owned or customer-owned; 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	$	563.35
Meter Charge (for Hydro One ownership) (see Note 11)	$	607.99
Local Transformation Charge (per transformer) (see Note 15)	$	252.06
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 14)	$/kW	2.4250
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	$/km	1,030.6783
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	$/kW	3.9054
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	$/kW	8.0122
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 14)	$/kW	4.1068
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0032)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.8652)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(1.7692)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.3682
Retail Transmission Service Rates (see Notes 6 and 7)		
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	5.7278
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.9737
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	$/kW	0.9482
Retail Transmission Rate - Line Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.1612
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	$/kW	3.7770
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.6421

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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

EB-2026-0164

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to properties located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas. Unmetered Scattered Load 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	$	43.36
Distribution Volumetric Rate	$/kWh	0.0483
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0001)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0088
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0061

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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EB-2026-0164

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers, including customers in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc. service areas 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, in 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	$	4.20
Distribution Volumetric Rate	$/kWh	0.2657
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0004)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0076
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

STREET LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers, including customers in former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas, 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	$	3.75
Distribution Volumetric Rate	$/kWh	0.1680
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0002)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0076
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0052

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

ACQUIRED RESIDENTIAL SERVICE CLASSIFICATIONS

These classifications apply to Residential and Seasonal properties in the service areas of former Norfolk Power, Haldimand county Hydro, and Woodstock Hydro, which are utilities acquired by Hydro One Networks after 2013. It may include additional buildings served through the same meter, provided they are not rental income units. 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.

ACQUIRED URBAN DENSITY - AUR

This classification applies to residential accounts in acquired service areas (after 2013) with urban density and currently includes customers in the former Woodstock Hydro Services Inc.'s service area.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	46.55
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$	(0.05)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0062)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0146
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0102

*Smart Metering Entity Charge is subject to charge effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

ACQUIRED MIXED DENSITY - AR

This classification applies to residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers in the former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	56.50
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$	(0.06)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0139
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0099

*Smart Metering Entity Charge is subject to charge effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

ACQUIRED GENERAL SERVICE CLASSIFICATIONS

Acquired General Service classification applies to any service that does not fit the description of acquired 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

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.

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2028
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2026-0164

ACQUIRED URBAN DENSITY GENERAL SERVICE ENERGY BILLED - AUGE

This classification applies to non-residential accounts in acquired service areas (after 2013) with urban density and currently includes customers located in former Woodstock Hydro Services Inc's service territory, 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	$	32.78
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Distribution Volumetric Rate	$/kWh	0.0288
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.00004)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
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	0.0079

*Smart Metering Entity Charge is subject to charge effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
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EB-2026-0164

ACQUIRED MIXED DENSITY GENERAL SERVICE ENERGY BILLED - AGSE

This classification applies to non-residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers located in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories, 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	$	39.96
Smart Metering Entity Charge - effective until December 31, 2027*	$	0.42
Distribution Volumetric Rate	$/kWh	0.0354
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kWh	(0.0001)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kWh	(0.0061)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kWh	0.0013
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kWh	0.0110
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kWh	0.0078

*Smart Metering Entity Charge is subject to charge effective 2028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.
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EB-2026-0164

ACQUIRED URBAN DENSITY GENERAL SERVICE DEMAND BILLED - AUGD

This classification applies to non-residential accounts in acquired service areas (after 2013) with Urban density and currently includes customers located in former Woodstock Hydro Services Inc.'s service territory and 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	$	146.47
Distribution Volumetric Rate	$/kW	4.5355
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0057)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.7521)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(1.6403)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.4997
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	4.1160
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.6997
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	2.8868
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.4908

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro One Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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EB-2026-0164

ACQUIRED MIXED DENSITY GENERAL SERVICE DEMAND BILLED - AGSD

This classification applies to non-residential accounts in acquired service areas (after 2013) with mixed-density (that is, combination of Urban, Medium and Low density areas) and currently includes customers located in former Norfolk Power Distribution Inc. and Haldimand County Hydro Inc.'s service territories and 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	$	170.26
Distribution Volumetric Rate	$/kW	8.1731
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2028) – effective until December 31, 2032	$/kW	(0.0100)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (2028) - effective until December 31, 2028	$/kW	(0.9276)
Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (Non-WMP) (2028) - effective until December 31, 2028 (see Note 10)	$/kW	(2.1211)
Rate Rider for Disposition of Global Adjustment Account (2028) - effective until December 31, 2028 (see Note 13)	$/kWh	(0.0073)
Rate Rider for Disposition of Capacity Based Recovery Account (2028) - effective until December 31, 2028 (Applicable only to Non-WMP Class B Customers)	$/kW	0.6587
Retail Transmission Rate - Network Service Rate (see Note 4)	$/kW	4.5347
Retail Transmission Rate - Network Service Rate (see Note 4) - EV CHARGING	$/kW	0.7709
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	$/kW	3.2859
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5) - EV CHARGING	$/kW	0.5586

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable to Class B Customers (see Note 12)	$/kWh	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility, located in Hydro One Networks Inc. service area as well as former Norfolk Power Distribution Inc., Haldimand County Hydro Inc. and Woodstock Hydro Services Inc.'s service areas, 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	$	5.00

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)

TRANFORMER 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
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
Acquired Residential - AUR	1.043
Acquired General Service - AUGe	1.043
Acquired General Service - AUGd	1.033
Acquired Residential - AR	1.061
Acquired General Service - AGSe	1.061
Acquired General Service - AGSd	1.051
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

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
Reconnect completed after regular hours (customer/contract driven) - at meter	$	245.00
Reconnect completed after regular hours (customer/contract driven) - at pole	$	475.00
Connection impact assessments - net metering	$	3,329.86
Connection impact assessments - embedded LDC generators	$	2,996.97
Connection impact assessments - small projects	$	3,405.38
Connection impact assessments - small projects, simplified	$	2,054.41
Connection impact assessments - larger projects	$	9,011.83
Connection impact assessments -larger projects - TS review for larger projects	$	5,969.89
Specific charge for access to power poles - telecom	$	41.81
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.

Hydro One Networks Inc.
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Specific Charge for LDCs Access to the Power Poles ($/pole/year)

LDC rate for 10’ of power space	$	93.96
LDC rate for 15’ of power space	$	112.75
LDC rate for 20’ of power space	$	125.28
LDC rate for 25’ of power space	$	134.23
LDC rate for 30’ of power space	$	140.94
LDC rate for 35’ of power space	$	146.16
LDC rate for 40’ of power space	$	150.34
LDC rate for 45’ of power space	$	153.75
LDC rate for 50’ of power space	$	156.60
LDC rate for 55’ of power space	$	159.01
LDC rate for 60’ of power space	$	161.07

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

Generator rate for 10’ of power space	$	93.96
Generator rate for 15’ of power space	$	112.75
Generator rate for 20’ of power space	$	125.28
Generator rate for 25’ of power space	$	134.23
Generator rate for 30’ of power space	$	140.94
Generator rate for 35’ of power space	$	146.16
Generator rate for 40’ of power space	$	150.34
Generator rate for 45’ of power space	$	153.75
Generator rate for 50’ of power space	$	156.60
Generator rate for 55’ of power space	$	159.01
Generator rate for 60’ of power space	$	161.07

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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	$	129.49
Monthly fixed charge, per retailer	$	51.80
Monthly variable charge, per customer, per retailer	$	1.28
Distributor-consolidated billing monthly charge, per customer, per retailer	$	0.76
Retailer-consolidated billing monthly credit, per customer, per retailer	$	(0.76)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.65
Processing fee, per request, applied to the requesting party	$	1.28
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)	$	5.18
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)	$	2.59

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. Rate Rider for Disposition of Group 1 Deferral/Variance Accounts (General) is charged based on appropriate billing kW.

10. Rate Rider for Disposition of Group 1 Deferral/Variance Account (non-WMP) applies to non-WMP Class A or Class B customers.

11. The Meter charge is applied per metering facility at delivery points for which Hydro One owns the metering.

12. 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.

13. The Global Adjustment rate rider applies to metered energy consumption, as approved by the Ontario Energy Board, for non-LDC, non-RPP and Class B customers that are charged Wholesale Market Service Charges by Hydro One Distribution.

14. 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.

15. Local Transformation Charge applies to customers in the ST class who make use of Hydro One owned local transformation facilities.

16. Legacy customers are Hydro One Networks Inc. customers located outside the service areas of former Norfolk Power Distribution Inc., Haldimand County Hydro Inc., Woodstock Hydro Services Inc., Orillia Power Distribution Corporation, Peterborough Distribution Inc. and Chapleau Public Utilities Corporation.

PROPOSED 2028 TARIFF SCHEDULES

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