Ontario Energy Board

Commission de l'énergie de l'Ontario

EB-2012-0136

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2013.

BEFORE: Ken Quesnelle
Presiding Member

Cynthia Chaplin
Vice Chair and Member

RATE ORDER
December 20, 2012

Hydro One Networks Inc. (Hydro One) filed an application, dated June 15, 2012, with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act,* 1998, c.15, Schedule B, and the Board's Incentive Regulation Mechanism (IRM) framework seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2013. Hydro One has also applied for an adjustment to the rates it charges to accommodate proposed spending on projects contained in an Incremental Capital Module (ICM). The Board assigned the application File Number EB-2012-0136.

The Board issued a Notice of Application and Hearing dated July 6, 2012. On August 10, 2012 the Board issued Procedural Order No.1, approving a list of intervenors and intervenor eligibility for cost awards. Procedural Order No. 1 also included a timetable for hearing events and a draft Issues List. The Board made provision for submissions on the draft Issues List by Hydro One and intervenors.

Procedural Order No. 2 was issued on September 6, 2012 approving the Issues List and setting a number of steps in the hearing process, including interrogatories on Hydro One's evidence and intervenor evidence. Procedural Order No. 3 was issued on November 6, 2012 which included a ruling on confidentiality of certain Interrogatory responses and set dates for a Technical Conference, a Settlement Conference and for an oral hearing.

The Settlement Conference was held on November 30, 2012 and December 3, 2012. Hydro One filed a proposed Settlement Agreement on December 11, 2012. The proposed Settlement Agreement also included a Draft Rate Order.

In a Decision released on December 14, 2012, the Board approved the Settlement Agreement as filed. As the Draft Rate Order was filed with the Settlement Agreement, the Board provided for a short comment period. No party commented on or objected to, the Draft Rate Order or the related exhibits.

In the Decision, the Board also indicated that it would institute a written proceeding within this application, with regard to the issue of Payments In Lieu of Taxes (PILS) Account 1562. As these PILS amounts, if any, will be captured in a variance account, the resolution of this issue will not affect the rates approved for 2013. A procedural order will be issued shortly, establishing a structure for this hearing.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this Rate Order is approved effective January 1, 2013 for electricity consumed or estimated to have been consumed on and after such date.

2. The Tariff of Rates and Charges set out in Appendix A of this Rate Order supersedes all previous Tariff of Rates and Charges approved by the Ontario Energy Board for Hydro One Networks Inc.'s Distribution service areas, and is final in all respects.

3. Hydro One Networks Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

ISSUED at Toronto, December 20, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

HYDRO ONE NETWORKS INC. DISTRIBUTION RATE ORDER TARIFF OF RATES AND CHARGES

EB-2012-0136

DECEMBER 20, 2012

HYDRO ONE NETWORKS INC.
TARIFF OF RATES AND CHARGES
FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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

1.0 APPLICABILITY

These rates are applicable to Hydro One Networks' retail customers, who are supplied through Hydro One Networks' retail distribution system, including customers previously served by acquired distribution utilities.

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, or Orders of the Board, and amendments thereto as approved by the 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

a) permitted by the Distributor's License or any Codes, or Orders of the Board, and amendments thereto as approved by the Board, or as specified herein, or

b) as identified in Hydro One Network's Distribution Customers Conditions of Service document, or
c) related to work or service of a customized nature and required for distribution assets, for example customer-requested pole relocation, repair of damages, new connections, etc.

This schedule does not contain any rates and charges relating to the electricity commodity (under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable) or any charges or assessments that are required by law to be charged by a distributor and are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment and any applicable taxes.

1.1 Implementation Dates

Distribution Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Miscellaneous Charges – January 1, 2013 for all charges billed to customers on or after that date.

Retail Transmission Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Loss Factor Adjustment – for all consumption or deemed consumption services billed following January 1, 2013 or later.

1.2 Customer Classifications

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

1. Occupant represents and warrants to Hydro One Networks Inc, that for so long as he/she have year-round residential rate status for the identified dwelling he/she will not designate another property that he/she owns as a year-round residence for purposes of Hydro One rate classification

2. Occupier must live in this residence for at least four (4) days of the week for eight (8) months of the year and the Occupier must not reside anywhere else for more than three (3) days a week during eight (8) months of the year.

3. The address of this residence must appear on documents such as the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.

4. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

Seasonal Residential customer classification is defined as any residential service not meeting the Residential Year-round criteria. It includes dwellings such as cottages, chalets and camps.

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

Farm classification is applicable to properties actively engaged in agricultural production as defined by Statistics Canada. It does not include tree, sod, or pet farms. Services to year round pumping stations or other ancillary services remote from the main farm shall be classed as farm.

Sub-Transmission (ST) classification refers to:

a) 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

b) load which:
   i) is three-phase; and
   ii) is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of "directly" includes HON not owning the local transformation; and
   iii) 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).

1.3 Density Zones

Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometre.

Medium Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per kilometre.

Low Density Zone is defined as areas other than Urban or Medium Density Zone.

1.4 Rate Classes

Residential

- UR - Year-round Residence in an Urban High Density Zone
- R1 - Year-round Residence in a Medium Density Zone
- R2 - Year-round Residence in a Low Density Zone
- Seasonal - Seasonal Residential Occupancy

General Service

- UGe - General Service - Urban Density
  Applicable to Farm Three Phase customers, Farm Single Phase energy-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- UGd - General Service - Urban Density
  Applicable to Farm Three Phase customers, Farm Single Phase demand-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- GSe - General Service
  Single Phase and Three Phase Energy-billed customers not located in an Urban Density Zone
- GSd - General Service
  Single Phase and Three Phase Demand-billed customers not located in an Urban Density Zone
- DGen - Distributed Generation
  Embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation.
- MicroFIT - This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system
- Unmetered Scattered Load (GSe-Unmetered)
  This classification refers to certain instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Hydro One reserves the right to review all cases and may require that a meter be installed at its sole discretion. Services that

can be unmetered include cable TV amplifiers, telephone switching devices, phone booths, bus shelters, rail way crossing signals, traffic signals, and other small fixed loads.

Further servicing details are available in the utility's Conditions of Service (including in the "Unmetered Connections" section).

Sub Transmission

- ST - Sub Transmission
  (Refer to criteria as specified in section 1.2)

Hydro One establishes billing determinants for demand customers 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.

Lighting

- Street Lights
  This rate is applicable to all Hydro One Networks' core and acquired retail customers who have streetlights. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

  Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

  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.

- Sentinel Lights
  This rate is applicable to all Hydro One Networks' core and acquired retail customers who have separate service to a sentinel light. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

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.

Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

1.5 Rural or Remote Electricity Rate Protection

Under the *Ontario Energy Board Act, 1998* and associated regulations, every qualifying year-round residence and farm with a principal residence is eligible to receive Rural or Remote Electricity Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, which is currently $28.50 per month.

1.6 Specific Service Charges

Specific service charges details are included at the end of this schedule and are applicable to all customers.

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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

Residential – Urban [UR]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	16.50
Distribution Volumetric Rate	$ / kWh	0.02529
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00053
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00044
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00696
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00500

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Residential – Medium Density [R1]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	23.85
Distribution Volumetric Rate	$ / kWh	0.03353
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00090)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00062
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00051
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00707
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00509

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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

Residential – Low Density [R2]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge* (includes Smart Meter Funding Adder - $3.92)	$	60.90
Distribution Volumetric Rate	$ / kWh	0.03683
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00085)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00091
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00075
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00008)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00690
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00480

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

* 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 $28.50.

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Seasonal Residential – Seasonal

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	23.42
Distribution Volumetric Rate	$ / kWh	0.08117
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00065)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00149
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00123
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00013)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00652
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00470

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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General Service Energy Billed (less than to 50 kW) [GSe - metered]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	39.79
Distribution Volumetric Rate	$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00358

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Urban General Service Energy Billed (less than 50 kW) [UGe]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	14.01
Distribution Volumetric Rate	$ / kWh	0.01666
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00106)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00031
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00026
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00003)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00535
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00366

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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General Service Energy Billed (less than 50 kW) [GSe - Unmetered]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge	$	29.37
Distribution Volumetric Rate	$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00358

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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General Service Demand Billed (50 kW and above) [GSd]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	55.62
Distribution Volumetric Rate	$ / kW	11.370
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kW	(0.307)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kW	0.121
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kW	0.100
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kW	(0.010)
Retail Transmission Rate - Network Service Rate (4)	$ / kW	1.68
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kW	1.14

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Urban General Service Demand Billed (50 kW and above) [UGd]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	32.32
Distribution Volumetric Rate	$ / kW	6.914
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kW	(0.356)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kW	0.093
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kW	0.077
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kW	(0.008)
Retail Transmission Rate - Network Service Rate (4)	$ / kW	1.75
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kW	1.19

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Distributed Generation [DGen]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	41.64
Distribution Volumetric Rate	$ / kW	5.939
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kW	(0.048)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kW	0.071
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kW	0.059
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kW	(0.006)
Retail Transmission Rate - Network Service Rate (4)	$ / kW	0.35
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kW	0.23

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Street Lights

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge	$	1.45
Distribution Volumetric Rate	$ / kWh	0.07209
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00102)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00059
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00049
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00303

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

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Sentinel Lights

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge	$	1.48
Distribution Volumetric Rate	$ / kWh	0.09877
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	$ / kWh	(0.00100)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$ / kWh	0.00103
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$ / kWh	0.00085
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$ / kWh	(0.00009)
Retail Transmission Rate - Network Service Rate (4)	$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	$ / kWh	0.00303

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

MicroFIT Generator

Service Charge	$	5.40

HYDRO ONE NETWORKS INC.

RATES FOR RETAIL DISTRIBUTION SERVICE

Effective Date: January 1, 2013

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Sub Transmission [ST]

Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014) (14)	$ / kWh	(0.00050)

Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - $3.92)	$	295.68
Meter Charge (for Hydro One ownership) (12)	$	471.17
Facility charge for connection to Common ST Lines (44 kV to 13.8 kV) (9)	$/kW (1) (15)	0.675
Facility charge for connection to Specific ST Lines (44 kV to 13.8 kV)	$/km (2)	640.12
Facility charge for connection to Specific Primary Lines (12.5 kV to 4.16 kV)	$/km (2)	496.09
Facility charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Dist'n Station	$/kW (1) (15)	1.614
Facility charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Dist'n Station	$/kW (1) (15)	3.579
Facility charge for connection to low voltage (< 13.8 kV secondary) Low Voltage Dist'n Station	$/kW (3) (15)	1.965
Volumetric Rate Rider #9A (General) - Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (10)	$/kW (1) (15)	0.275
Volumetric Rate Rider #9B (Wholesale Market Service Rate) Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (11)	$/kW (1) (15)	(0.627)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	$/kW (1) (15)	0.010
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	$/kW (1) (15)	0.008
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	$/kW (1) (15)	(0.001)
Retail Transmission Service Rates (6)(7)(8):		
Retail Transmission Rate - Network Service Rate (4)	$/kW	3.18
Retail Transmission Rate - Line Connection Service Rate (5)	$/kW	0.70
Retail Transmission Rate - Transformation Connection Service Rate (5)	$/kW	1.63

Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	$/kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	$/kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	$	0.25

Notes:

Note (1): The basis of the charge is the customer's monthly maximum demand. For a 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.

Note (2): The basis of the charge is kilometers of line, within the supplied LDC's service area, supplying solely that LDC.

Note (3): These rates are based on 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.

Note (4): The monthly billing determinant for the RTSR Network Service rate is:

- for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
- 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 Board.
- 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 Board.

Note (5):

(a) The monthly billing determinant for the RTSR Line and Transformation Connection Service rates is

- for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
- 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 Board.

(b) 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.

Note (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 a customer's 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.

Note (7): These rates pertain to the IESO's defined point of sale; consequently, appropriate loss factors as approved by the Board and set out in Hydro One Distribution's loss factors must be applied to the metered load of energy-metered customers. Similarly, appropriate loss factors as approved by the Board and set out as Hydro One Distribution's loss factors must be applied to the applicable tariffs of demand-billed customers.

Note (8): 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.

Note (9): The Common ST Lines rate also applies to the supply to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.

Note (10): "Rider 9A (General)" is charged based on appropriate billing kW.

Note (11): "Rider 9B (Wholesale Market Service Charge)" applies to those customers who were charged Wholesale Market Service Charges by Hydro One Distribution.

Note (12): The Meter charge is applied to delivery points for which Hydro One owns the metering.

Note (13): The Wholesale Market Service Rate and the Rural or Remote Rate Protection Rate are charged solely to non-Wholesale-Market-Participants.

Note (14): The Global Adjustment rider applies to the non-LDC and non-RPP ST customers that were charged Wholesale Market Service Charges by Hydro One Distribution.

Note (15): For customers with load displacement generation above 1MW, or 2 MW for renewable generation, installed after October1998, the ST volumetric charges are billed at the gross demand level.

Customer-Supplied Transformation Allowance

Applicable to customers providing their own transformers:
Primary Voltage under 50 kV (per kW)

Demand Billed	$ / kW	0.60
Energy Billed	cents / kWh	0.14

Transformer Loss Allowance

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

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

- 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 following uniform value shall be added to 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.

- 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

Rate Class	Factor
Residential	
UR	1.078
R1	1.085
R2	1.092
Seasonal	1.092
General Service	
GSe	1.092
GSd	1.061
UGe	1.092
UGd	1.061
DGen	1.061
Lights	
Street	1.092
Sentinel	1.092
Sub Transmission	
Distribution Loss Factors	
Embedded Delivery Points (metering at station)	1.000
Embedded Delivery Points (metering away from station)	1.028
Total Loss Factors	
Embedded Delivery Points (metering at station)	1.006
Embedded Delivery Points (metering away from station)	1.034

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SPECIFIC SERVICE CHARGES

Standard Amounts

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
1	Temporary Service	$500			
2	Dispute Meter Test	$30 plus Measurement Canada fees			
3	Collection of account – no disconnection/load limiter	$30			
4	Collection/Disconnect/load limiter/reconnect (at meter) trip – regular hours	$65			
5	Collection/Disconnect/load limiter/reconnect (at meter) trip – after regular hours	$185			
6	Collection/Disconnect/load limiter/reconnect (at pole) trip – regular hours	$185			
7	Collection/Disconnect/load limiter/reconnect (at pole) trip – after regular hours	$415			
8	Account Set-up Charge	$30			
9	Arrears Certificate	$15			
10	NSF Cheque Charge (Plus bank charges)	$15			
11	Easement Charge for Unregistered Rights	$15			
12	Late Payment Charge	1.5%/month			
13a	Retailer Services – Establishing Service Agreements (refer to Handbook for all charges)	$100/agreement/Retailer +$20/month/Retailer +$0.50/month/customer + other			
13b	Retailer Services – Other (includes Bill Ready for Retailers and Service Transactions Requests) as per the Handbook, Chapter 12	$0.30/month/customer + $0.25/request for request fee + $0.50/request for process fee			
14	Special Meter Reads	$30			
15	Service Layout Fee – Basic		$562		
16	Service Layout Fee – Complex		$750		
17	Crossing Application – Pipeline		$2,600		
18	Crossing Application – Water		$2,960		
19	Crossing Application – Railroad		$3,100		
20	Line Staking – per meter		$3.75		
21	Central Metering – New service < 45 kW		$115		
22	Conversion to Central Metering < 45 kW		$935		
23	Conversion to Central Metering > 45 kW		$815		
24	Tingle Voltage Test – In Excess of 4 Hours (per hour – average 2 additional hours)		$125		
25	Standby Administration Charge per month		$480		

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
26a	Connection Impact Assessment (CIA) Charges – Small & Medium		$10,335		
26b	Connection Impact Assessment (CIA) Charges – Large		$10,405		
27	Sentinel Lights Rental Rate per month			$7.10	
28	Sentinel Lights Pole Rental Rate per month			$4.15	
29	Joint Use for Cable and Telecom companies per pole			$22.35	
30	Joint Use for LDCs per pole			$28.61	