



## Hydro One Networks Distribution Rate Change

The Ontario Energy Board (OEB) has approved a 2011 delivery rate increase for Hydro One customers. The new delivery rates apply to consumption starting January 1, 2011. To view a copy of the 2010/2011 Distribution Rate Application, go to <http://www.hydroone.com/RegulatoryAffairs/Pages/DxRates.aspx>.

Our first priority is to deliver electricity to our customers safely, reliably and efficiently. This increase is needed to:

- Replace and maintain equipment nearing its end-of-life or damaged by storms.
- Build or upgrade our facilities to keep up with customer growth and ensure reliability of the distribution system.
- Connect renewable generation projects to our distribution facilities as part of the government's Green Energy Act.
- Pay for capital costs for physical infrastructure and systems, and compensation.

### Delivery Rates Table (effective Jan 1, 2011)

Component	Charge Determinant per Billing Month	Old Rate	New Rate	Rider #4 Foregone May 2008 to January 2009 Revenue	Revised Rider #8 Green Energy Rider	Net Rate (Rate plus Foregone Revenue Riders)
Service Charge	\$/Delivery Point	\$274.12	\$292.56	(\$65.78)	\$5.19	\$231.97
Meter Charge	\$/Meter	\$440.17	\$466.14	(\$192.48)	\$8.26	\$281.92
Common ST Lines Charge	\$/KW	\$0.630	\$0.668	(\$0.195)	\$0.012	\$0.485
Specific Primary Lines Charge	\$/KM	\$463.45	\$490.79	(\$188.93)	\$8.70	\$310.56
LVDS Low	\$/KW	\$1.836	\$1.944	(\$0.430)	\$0.034	\$1.548
Specific ST Lines Charge	\$/KM	\$598.00	\$633.28	(\$243.77)	11.23	\$400.74
HVDS Low	\$/KW	\$3.344	\$3.541	(\$0.930)	\$0.063	\$2.674
HVDS High	\$/KW	\$1.508	\$1.597	(\$0.500)	\$0.028	\$1.125
<b>Other Charges</b>						
Rider #3A (General)	\$/KW	(\$0.010)	(\$0.010)			
Rider #3B (Wholesale Market Service Rate)	\$/KW	(\$0.510)	(\$0.510)			
Rider #6A (General)	\$/KW	\$0.005	\$0.005			
Rider #6B (Wholesale Market Service Rate)	\$/KW	(\$0.296)	(\$0.296)			
RTSR - Network	\$/KW	\$2.65	\$2.65			
RTSR - Line Connection	\$/KW	\$0.64	\$0.64			
RTSR - Transformation Connection	\$/KW	\$1.50	\$1.50			

Note:

- Riders #3B and #6B applicable only to customers who were charged Wholesale Market Service Charges.
- Rider #8 has changed.

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### Regulatory Asset Recovery (Riders)

- Rider 3A – Relates to variance accounts for Retail Transmission service charges, Smart meter, tax rate change, OEB costs, and Low Voltage Wheeling and is in effect from **February 1, 2009 to April 30, 2011**.
- Rider 3B - is only for non market participants and relates to the variance accounts for Wholesale Market Service charge and Global Adjustment and is in effect from **February 1, 2009 – April 30, 2011**.
- Rider 4 was approved by the OEB as a foregone revenue rate rider to account for the revenue difference between the effective approval date of May 01, 2008 and the rate implementation date of Feb 01, 2009. It is in effect for 27 months from **Feb 1, 2009 to April 30, 2011**. This rider is both a fixed and variable credit applied to each ST tariff to effectively reduce the tariff over the time period implemented as shown in the above table.
- Rider 6 is to be refunded over 20 months (May 1, 2010 – December 31, 2011).
- Rider 6A recovers Retail Cost Variance Account (RCVA) and Retail Settlement Variance Accounts (RSVA) balances audited results to December 31, 2009, Smart Meter balances audited results to December 31, 2009 and includes final clearance of Rider 1 over collection. This Rider is split into 2 volumetric charges for ST LDCs (i.e. Rider 6A (\$/kW 0.005) is a charge; 6B (\$/kW 0.296) is a credit that applies to only non Wholesale Market Participants).
- Rider 8 - Green Energy Rider was approved to be charged over 8 rates – one added to each main ST charge. This Rider is expected to remain in place for the foreseeable future, with a new amount to be in effect for the Jan. 1 to Dec. 31 period of each subsequent year.

### Contact us

If you have any questions, please call Steve Oliphant, Settlements Analyst at 416-345-5441 or email at [Steve.Oliphant@hydroone.com](mailto:Steve.Oliphant@hydroone.com). Steve has resumed the role of billing contact to support LDCs with rate and tariff information from Robert Bailey. Please feel free to contact him with any questions you may have.

Sincerely,

Stephen Coleman  
Manager, Customer Contracts & Programs  
Hydro One Networks Inc.  
416-345-5352