

Hydro One Networks Transmission Rate Change

The Ontario Energy Board approved new Transmission Service Rates that came into effect January 1, 2011. The increase is attributed to the necessary investment in transmission assets required to maintain system reliability and facilitate additional load connections; an increase in the cost of capital and a decrease in forecasted load.

Hydro One recognizes that transmission system development has the potential to impact the cost of delivering electricity. We aim to make prudent investments so that we always strike the right balance between service and cost. We are working to ensure that the level of funding requested balances system requirements with a concern for customer rate increases given the current economic climate.

New Transmission Rates

Monthly Rate (\$ per kW)		
Transmission Service Rates	2010 Rates	2011 Rates
Network Service Rate	\$2.97	\$3.22
Line Connection Rate	\$0.73	\$0.79
Transformation Connection Service Rate	\$1.71	\$1.77

To view the Ontario Uniform Transmission Rate Order, OEB Revenue Requirement and Charge Determinant Order, please go to Hydro One's website at <http://www.hydroone.com/RegulatoryAffairs/Pages/TxRates.aspx>.

For questions or concerns, please contact your Account Executive.

Sincerely,

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