

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
for the Service Area Formerly Served by
Hydro-System of the Village of Ailsa Craig
Effective Date: May 1, 2007

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

APPLICATION

The application of these rates and charges shall be in accordance with The Licence of The Distributor and any Codes, Guidelines 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 required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2007 for all consumption or deemed consumption services used on or after that date.

MISCELLANEOUS CHARGES - May 1, 2007 for all charges billed to customers on or after that date.

RETAIL TRANSMISSION RATES - May 1, 2007 for all consumption or deemed consumption services used on or after that date.

LOSS FACTOR ADJUSTMENT – May 1, 2007

SERVICE CLASSIFICATIONS

Residential

This classification (note 1) refers to all service supplied to single-family dwelling units for domestic or household purpose. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk metered) will normally be classified as General Service, but, at Hydro One's discretion, up to four residential units may be classified as residential. Where electricity service is provided to combined residential and business (including agricultural usage) and the wiring does not provide for separate metering, the classification shall be at the discretion of Hydro One based on such considerations as the estimated predominant consumption. Further servicing details are available in the utility's Conditions of Service.

General Service

This classification (note 1) refers to all service supplied to premises other than those classified as Residential or Lighting. Some General Service accounts are energy(kWh)-billed, and some are demand(kW)-billed. Further servicing details are available in the utility's Conditions of Service. Also, see note 2.

Unmetered Scattered Load

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).

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Street Lighting

This classification refers to accounts for the distribution and supply of electrical energy for street lighting. Street lights are devices owned by or operated for the road authority and/or the municipal corporation. These street lights in fact belong to the Street Lighting class of the Hydro One core Retail rates. For their rates, see the Hydro One core Retail rates. Further servicing details are available in the utility's Conditions of Service.

Sentinel Lighting

This classification refers to accounts for a separate service to a sentinel light. These sentinel lights in fact belong to the Sentinel Lighting class of the Hydro One core Retail rates. For their rates, see the Hydro One core Retail rates. Further servicing details are available in the utility's Conditions of Service.

Interim Demand-Side Management Time-of-Use

This is potentially applicable to Demand-billed General Service accounts. See Note 2 below.

Note (1): Classification descriptions are paraphrases from the document "Hydro One Networks Inc. - Distribution Customers Conditions of Service - August 2004"

Note (2):

Interim Demand-Side Management Time-of-Use Rates: demand charges will be based on demand during the on-peak periods.

Criteria: Customers' electricity consumption (kW) in the off-peak period is at least twice the electricity consumption (kW) during the on-peak period.

Definition of Time Periods: The on-peak hours will be between 0700 hours to 1900 hours Eastern Standard Time during the winter (standard time) on IESO business days and 0600 hours to 1800 hours Eastern Standard Time during the summer (daylight savings time) on IESO business days. The off-peak period constitutes all of the remaining hours.

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MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	10.51
Distribution Volumetric Rate	\$ / kWh	0.0082
Regulatory Asset Recovery - Rider #1	\$ / kWh	0.0035
Regulatory Asset Recovery - Rider #2	\$ / kWh	0.0011
Retail Transmission Rate - Network Service Rate (3)	\$ / kWh	0.0055
Retail Transmission Rate - Line and Transformation Connection Service Rate (3)	\$ / kWh	0.0047
Wholesale Market Service Rate (3)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (3)	\$ / kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

General Service - Energy Billed (less than 50 kW)

Service Charge	\$	17.31
Distribution Volumetric Rate	\$ / kWh	0.0132
Regulatory Asset Recovery - Rider #1	\$ / kWh	0.0017
Regulatory Asset Recovery - Rider #2	\$ / kWh	0.0009
Retail Transmission Rate - Network Service Rate (3)	\$ / kWh	0.0050
Retail Transmission Rate - Line and Transformation Connection Service Rate (3)	\$ / kWh	0.0043
Wholesale Market Service Rate (3)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (3)	\$ / kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

General Service - Demand Billed (50 kW or greater)

Service Charge	\$	17.31
Distribution Volumetric Rate	\$ / kW	4.19
Regulatory Asset Recovery - Rider #1	\$ / kW	0.52
Regulatory Asset Recovery - Rider #2	\$ / kW	0.27
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.94
Retail Transmission Rate - Line and Transformation Connection Service Rate (4)	\$ / kW	1.61
Wholesale Market Service Rate (3)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (3)	\$ / kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

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Unmetered, Scattered Load

Service Charge	\$	8.20
Distribution Volumetric Rate	\$ / kWh	0.0132
Regulatory Asset Recovery - Rider #1	\$ / kWh	0.0017
Regulatory Asset Recovery - Rider #2	\$ / kWh	0.0009
Retail Transmission Rate - Network Service Rate (3)	\$ / kWh	0.0050
Retail Transmission Rate - Line and Transformation Connection Service Rate (3)	\$ / kWh	0.0043
Wholesale Market Service Rate (3)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (3)	\$ / kWh	0.0010
Standard Supply Service (Regulated Price Plan) - Administration Charge	\$	0.25

- (3) For energy-only metered customers, the billing determinant is the customer's metered energy consumption adjusted by the total loss factor as approved by the Board for Acquired LDC customers.
- (4) For demand billed customers, appropriate loss factors must be applied to the applicable tariffs. Also the billing determinant for the Line and Transformation Connection Services rate is the customer's peak demand in the billing period. The billing determinant for the Network Services rate is: for non-interval-metered customers, the peak demand in the billing period, and for interval-metered customers, the peak demand between 7 AM and 7 PM local time on IESO business days

Interim Demand-Side Management Time-of-Use

See the "Service Classifications" section of this schedule.

Customer-Supplied Transformation Allowance

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

Single Phase	\$ / kW	0.20
Three Phase	\$ / kW	0.60

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Loss Factors

Supply Facilities Loss Factor	1.0045
Distribution Loss Factors	
Customer less than 5,000 kW	1.0500
Customer greater than or equal to 5,000 kW	1.0100
Total Loss Factors	
Customer less than 5,000 kW	1.0545
Customer greater than or equal to 5,000 kW	1.0145

Transformer Loss Allowance

Applicable to 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.

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

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MISCELLANEOUS CHARGES

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	\$15 + bank charges			
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	Billing Suspension and Terminations in Trailer Parks		\$130		
16	Service Layout Fee – Basic		\$405		
17	Service Layout Fee – Complex		\$580		

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18	Crossing Application – Pipeline		\$2,065		
19	Crossing Application – Water		\$2,525		
20	Crossing Application – Railroad		\$2,565		
21	Line Staking – per meter		\$3.10		
22	Central Metering – New service < 45 kW		\$115		
23	Conversion to Central Metering < 45 kW		\$795		
24	Conversion to Central Metering > 45 kW		\$680		
25	Tingle Voltage Test – In Excess of 4 Hours (per hour – average 2 additional hours)		\$105		
26	Standby Administration Charge per month (interim)		\$375		
27	Sentinel Lights Rental Rate per month – Mercury Vapor			\$7.00	
28	Guaranteed Units from Jan 01/91 to Aug 01/91			\$26.50 / month	
29	Guaranteed Units from Jan 01/87 to Dec 31/90			\$23.50 / month	
30	Joint Use for Cable and Telecom companies per pole			\$22.35	
31	Joint Use for LDCs per pole			\$28.61	