

1 **APPROVED CUSTOMER CLASSIFICATION**

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3 This exhibit presents Hydro One’s customer classifications approved by the Board in the
4 EB-2007-0681 proceeding.

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6 **1.0 APPROVED CUSTOMER CLASSES**

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8 The 12 approved customer classes are:

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- 10 1. Urban Residential (High Density)
 - 11 2. R1 Residential (Medium Density)
 - 12 3. R2 Residential (Low Density)
 - 13 4. Seasonal
 - 14 5. Urban General Service energy billed
 - 15 6. Urban General Service demand billed
 - 16 7. General Service energy billed
 - 17 8. General Service demand billed
 - 18 9. Sub-Transmission
 - 19 10. Street Light
 - 20 11. Sentinel Light
 - 21 12. Distributed Generation

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23 **1. Urban Residential (High Density)**

24 This customer class will include all existing Legacy residential, farm and Acquired LDCs
25 residential customers that meet the Urban Density Criteria. The Urban Density criteria is
26 unchanged and is defined as areas containing 3,000 or more customers with a line density
27 of at least 60 customers per kilometer.

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29 **2. R1 Residential (Medium Density)**

30 This customer class will include all R1 Legacy customers that have not been reclassified
31 to Urban class and all remaining Acquired Residential customers that have not been
32 reclassified as Urban class.

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2 **3. R2 Residential (Low Density)**

3 This customer class includes all current R2 customers that have not been reclassified to
4 Urban and all energy billed Farm customers that are currently single-phased or three-
5 phased Farms. These groups of customers receive Rural or Remote Electricity Rate
6 Protection, (“RRRP”). This group also includes one Caledon residential class.

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8 **4. Seasonal Residential**

9 This customer class will include all R3, R4 and Caledon OH-07 customers.

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11 **5. Urban General Service Energy Billed**

12 This customer class will include all existing Legacy General Service, Farms and
13 Acquired General Service customers that meet the Urban Density Criteria and are energy
14 billed. The Urban Density criteria is unchanged and is defined as areas containing 3,000
15 or more customers with a line density of at least 60 customers per kilometer.

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17 **6. Urban General Service Demand Billed**

18 This customer class will include all existing Legacy General Service and Acquired
19 General Service customers that meet the Urban Density Criteria, are demand billed, and
20 are supplied at voltages below 13.8 kV. The Urban Density criteria is unchanged and is
21 defined as areas containing 3,000 or more customers with a line density of at least 60
22 customers per kilometer.

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24 **7. General Service Energy Billed**

25 This customer class will include: all energy billed customers that are currently single-
26 phase General Service customers, three-phase General Service customers, Acquired
27 General Service customers, all energy billed Farm customers that are currently single-
28 phased or three-phased Farms that do not receive RRRP, and energy billed T-class
29 customers. All these customers are customers with average demands below 50 kW and

1 do not meet the Urban Density criteria. This class will also include all unmetered
2 scattered load connections.

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4 **8. General Service Demand Billed**

5 This customer class will include: all demand billed single-phase General Service
6 customers, three-phase General Service customers, Acquired General Service customers,
7 all demand billed Farm customers that are currently single-phased or three-phased Farms,
8 and T-Class customers below 500 kW of demand. All these are customers with average
9 demands above 50 kW, supplied at voltages below 13.8 kV, and do not meet the Urban
10 Density criteria.

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12 **9. Distributed Generator**

13 As per the Board's direction in the EB-2005-0528 proceeding, Hydro One has created a
14 customer class consisting of all active Distributed Generators located within its territory.
15 The previous customer classification for these customers was T-class Customers,
16 Acquired General Service customer, and General Service three-phase customers.

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18 **10. Street Lighting**

19 Classification for street lighting service only

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21 **11. Sentinel Lighting**

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23 Per the requirements of Regulation 116/02 made under the *Electricity Act, 1998* Hydro
24 One Networks includes the provision of sentinel lighting service as part of its regulated
25 business. This rate classification is applicable for sentinel lighting service only, and
26 includes the cost of providing distribution service to the sentinel lights. The cost for
27 providing this service is determined using the cost allocation methodology recommended

1 by the Board as part of proceeding EB-2005-0317, and is net of the miscellaneous
2 revenues associated with charges for providing the sentinel lights themselves.

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4 **12. Sub-Transmission (ST) Customer Class**

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6 This customer class includes all three-phase customers with demands above 500 kW that
7 provide their own transformation facilities and are connected at voltages of 13.8 kV or
8 above. The class also includes all Embedded LDC supply points, some of which are
9 connected at voltages below 13.8 kV.

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11 The 12 customer classes have been used in Hydro One Distribution's Cost Allocation
12 Study to allocate the 2010 proposed Revenue Requirement amongst the customer classes.