

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

## **LOW USE SECONDARY CUSTOMER RATE**

This exhibit describes the approved process to eventually eliminate the Low Use Secondary customer rates.

### **1.0 LOW USE SECONDARY SERVICE**

Hydro One Distribution received Board approval in EB-2007-0681 to eventually eliminate its Low Use Secondary Service rates. This rate design was introduced in 1996 as a mitigation measure when Ontario Hydro changed the rate structure used to bill end-use customers from a declining block rate structure to a fixed monthly charge and a volumetric charge. For customers with very low consumption, the introduction of a fixed charge would have resulted in substantial bill impacts. In February 2009, when Hydro One Distribution implemented the Board decision on EB-2007-0681, Hydro One introduced a fixed monthly charge for this rate design and will eventually bill the low use secondary service customer consumption at the General Service energy billed customer classification consumption using the corresponding applicable fixed and volumetric distribution rates. To mitigate large rate impacts the fixed charge is being phased-in over 5 years, (completed in 2012). The target fixed charge is the General Service energy billed service charge. In 2010, the third step of the five year plan to charge the fixed General Service energy rate to the Low Use type of service will be implemented.