

1 **1.2 Approved Transmission Rates**

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3 The Ontario Uniform Transmission Rates which result from the proceeding
4 EB-2008-0272, effective July 1, 2009 comprise the following charges:

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6 • A Transmission Network charge of \$2.66/kW, to be applied to the demand at each
7 transmission delivery point based on billed demand which is defined to be the larger
8 of: a) 85% of non-coincident peak from 7 a.m. to 7 p.m. IESO business days or b) the
9 peak coincident with the transmission system peak.
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11 • Line and transformation connection charges of \$0.70/kW and \$1.57/kW, respectively,
12 which are applied to the non-coincident peak at each transmission delivery point.

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14 These rates apply to the load at the deemed transmission delivery point which is set to be
15 on the high side of the transformation station. Metering is typically on the low voltage
16 side at the station, so appropriate loss factors have been applied to adjust the meter
17 readings to the high side of the transformation station.

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19 **2.0 ESTIMATING RETAIL TRANSMISSION SERVICE CHARGES FROM**
20 **IESO**

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22 **2.1 Method**

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24 To estimate the charges from the IESO for Transmission, Hydro One Networks estimated
25 the 2010 load at each of its transmission connections and applied the currently approved
26 Transmission rates as of July 2009. This resulted in a total estimated charge of \$177.0
27 million for Network services, \$100.8 million for Transformation charges and \$38.8
28 million for Line Connection Charges for a total of \$316.7 million, as shown on Table 1.

1 The estimated 2010 charges from the IESO need to be recovered from all Hydro One
 2 Networks customers. For the Sub-Transmission (“ST”) customer group, sufficient
 3 connectivity data exists to allow Hydro One Networks to allocate the appropriate cost
 4 based on each customer’s coincident peak with the IESO billing time per month per their
 5 transmission delivery point. This results in 46% of the \$316.7 million being allocated to
 6 the ST customer class with the residual 54% being recovered from the other Retail
 7 (Legacy and Acquired) customers. Within the Retail customer classes, Hourly Load
 8 Shape data was used to allocate the costs to each individual customer class consistent
 9 with the methodology of Chapter 11 of the 2000 Electricity Distribution Rate Handbook.

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11 Table 1 also shows the estimated 2010 IESO charges allocated to the proposed customer
 12 classes.

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Table 1
2010 IESO charges

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	Tx Network	Tx Line	Tx Transformation	Total IESO Bill	Share
IESO Bill	\$ 177,046,405	\$ 38,826,606	\$ 100,780,093	\$ 316,653,105	
ST	\$ 82,786,597	\$ 16,872,625	\$ 47,105,757	\$ 146,764,979	46%
Retail	\$ 94,259,808	\$ 21,953,981	\$ 53,674,336	\$ 169,888,126	54%
UR	\$ 7,327,078	\$ 1,749,539	\$ 4,277,372	\$ 13,353,989	
R1	\$ 25,139,654	\$ 6,017,782	\$ 14,712,614	\$ 45,870,051	
R2	\$ 30,188,591	\$ 6,972,800	\$ 17,047,496	\$ 54,208,886	
Seasonal	\$ 3,811,366	\$ 912,808	\$ 2,231,686	\$ 6,955,860	
Uge	\$ 1,583,483	\$ 359,346	\$ 878,549	\$ 2,821,379	
Ugd	\$ 2,620,266	\$ 593,749	\$ 1,451,630	\$ 4,665,645	
GSe	\$ 9,260,892	\$ 2,125,769	\$ 5,197,201	\$ 16,583,863	
GSd	\$ 13,802,786	\$ 3,100,620	\$ 7,580,572	\$ 24,483,978	
Lighting	\$ 507,184	\$ 117,483	\$ 287,229	\$ 911,896	
Dgen	\$ 18,507	\$ 4,085	\$ 9,986	\$ 32,578	

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3.0 PROPOSED 2010/2011 RTSR RATES

Using the available Load Research data, the amounts allocated to each customer class divided by the corresponding billing parameters resulted in the proposed 2010 RTSR Rates by customer class shown in Table 2 below. The proposed RTSR for 2010 will be updated once the 2010 UTR have been approved using the same methodology. Proposed 2011 RTSR will be developed using the same methodology once the 2011 UTR have been approved. Table 2 also shows the approved RTSR in Proceeding EB-2008-0187. Customers billed based on energy will be charged these RTSR applied to meter quantities uplifted for losses. Customers billed on demand will be charged the rates below uplifted for losses. For customers that installed load displacement generation after October 1998, RTSR connection is billed at the gross demand level consistent with the guidelines in the Distribution Rate Handbook, section 11.3.2.5. The proposed RTSR are included in the rate Schedules for Legacy, Acquired, and ST customer classes.

**Table 2
 Proposed 2010 RTSR**

RATE CLASS	Current rates		Proposed Rates	
	Network	Line Connection*	Network	Line Connection*
Urban (¢/kWh)	0.52	0.47	0.51	0.42
R1 (¢/kWh)	0.53	0.48	0.52	0.43
R2 (¢/kWh)	0.52	0.45	0.51	0.41
Seasonal (¢/kWh)	0.49	0.45	0.49	0.40
Urban General Service energy (¢/kWh)	0.40	0.34	0.40	0.31
Urban General Service demand (\$/kW)	1.57	1.34	1.30	1.02
General Service energy (¢/kWh)	0.39	0.34	0.39	0.31
General Service demand (\$/kW)	1.23	1.05	1.25	0.97
Distributed Generator (\$/kW)	0.29	0.24	0.26	0.20
Street and Sentinel Lights (¢/kWh)	0.32	0.27	0.32	0.26
ST (\$/kW)	2.24	0.60 Line 1.39 Transformation	2.37	0.61 Line 1.37 Transformation

* For customer classes that do not have separate proposed Line and Transformation charges, the Line Connection charges shown include Transformation charges