

1 **RETAIL TRANSMISSION SERVICE RATE DETAILS**

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3 This exhibit shows the details in support of the derivation of the Retail Transmission
4 Service Rates (“RTSR”) for 2010.

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6 **1.0 INTRODUCTION**

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8 The process follows the steps as outlined in the 2000 Distribution Rates Handbook
9 Chapter 11 Section 3.2 which provides a 3-Step process:

- 10 Step 1: Estimating retail transmission service costs
11 Step 2: Cost Allocation to customer classes
12 Step 3: Calculating Retail Transmission Service Rate

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14 **2.0 ESTIMATING RETAIL TRANSMISSION SERVICE COSTS**

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16 **2.1 Transmission Delivery Point Forecasts**

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18 For each of Hydro One Networks Distribution’s 230 Transmission Delivery Points, the
19 weather normal hourly forecast was generated for 2010. At each Transmission Delivery
20 point, the Network and Connection kW’s were determined per month and totaled.

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Network kW’s (annual)	66,558,799
Line Connection kW’s (annual)	55,466,580
Transformation Connection kW’s (annual)	64,191,142

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1 **2.2 Rates Used**

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3 The July 2009 approved monthly Uniform Transmission Rates are:

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Network Rate [\$/kW]	2.66
Line Connection Rate [\$/kW]	0.70
Transformation Connection Rate [\$/kW]	1.57

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6 **2.3 Estimated Charge**

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Transmission Charge	kWs	\$/kW	\$ Charges
Network Charge	66,558,799	2.66	\$177,046,405
Line Connection Charge	55,466,580	0.70	\$ 38,826,606
Transformation Connection Charge	64,191,142	1.57	\$100,780,093
Estimated 2010 Charge			\$316,653,105

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9 **3.0 Cost Allocation To Customer Classes**

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11 **3.1 New ST Class**

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13 With the new ST Class, customer connectivity is available to connect each customer to a
14 Transmission Delivery Point. Using the time of each monthly peak per Transmission
15 Delivery Point from Step 2 of above and the hourly profiles per customer delivery point
16 the coincident peak for each ST customer delivery point is calculated.

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18 The allocation of each Transmission Delivery Points charge to the ST connected
19 customer is derived using the following formula:

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3.3 Allocation of Retail Transmission Service Charges

The following table summarizes the estimated Retail Transmission Service Costs and the allocation to customer classes consistent with the methodology laid out in Chapter 11 of the Distribution Rate Handbook.

	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	

4.0 CALCULATING RETAIL TRANSMISSION SERVICE RATE

4.1 ST Customer Class

Based on the Charge Determinants laid out in Table 11.4 of the Distribution Rate Handbook, the following Charge Determinants Table and Rates are derived for these Interval Metered customers:

Network: Peak kW demand in month from 7 AM to 7 PM weekdays

Connection: Peak kW demand in month

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	Tx Network	Tx Line	Tx Transformation
ST Allocated Cost	\$ 82,786,597	\$ 16,872,625	\$ 47,105,757
Charge Determinant [kW]	34,925,413	27,672,992	34,318,455
\$/kW	2.37	0.61	1.37

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3 **4.2 Retail Customer Class**

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5 Following Charge Determinant Table 11.4 of the Distribution Rate Handbook, the Retail
 6 customer class charge determinants and rates derived and summarized in the following
 7 table. For Retail classes, there is no distinction between the Line Connection and
 8 Transformation Connection Charges and these Cost Pools are summed together. Energy
 9 billed customers are billed based on class energy while demand billed customers are
 10 billed based on peak demand per month.

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	Allocation Cost Pools		Charge Determinants		Network	Connection	Network	Connection
	Network	Connection	kWh	kW	c/kWh	c/kWh	\$/kW	\$/kW
UR	\$ 7,327,078	\$ 6,026,912	1,422,804,702		0.51	0.42		
R1	\$25,139,654	\$20,730,397	4,801,825,485		0.52	0.43		
R2	\$30,188,591	\$24,020,295	5,869,264,777		0.51	0.41		
Seasonal	\$ 3,811,366	\$ 3,144,494	784,385,082		0.49	0.40		
Uge	\$ 1,583,483	\$ 1,237,895	396,961,391		0.40	0.31		
Ugd	\$ 2,620,266	\$ 2,045,379		2,013,961			1.30	1.02
GSe	\$ 9,260,892	\$ 7,322,971	2,397,780,649		0.39	0.31		
GSd	\$13,802,786	\$10,681,192		11,023,413			1.25	0.97
Lighting	\$ 507,184	\$ 404,712	156,597,853		0.32	0.26		
Dgen	\$ 18,507	\$ 14,071		70,375			0.26	0.20

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