

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
for the Service Area Formerly Served by
Village of Arkona Public Utilities Commission
Effective Date: January 1, 2010

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).

IMPLEMENTATION DATES

DISTRIBUTION RATES - January 1, 2010 for all consumption or deemed consumption services used on or after that date.

MISCELLANEOUS CHARGES - January 1, 2010 for all charges billed to customers on or after that date

RETAIL TRANSMISSION RATES - January 1, 2010 for all consumption or deemed consumption services used on or after that date.

LOSS FACTOR ADJUSTMENT – for all consumption or deemed consumption services billed following January 1, 2010 or later

SERVICE CLASSIFICATIONS

Residential

This classification 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 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.

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).

Filed: July 13, 2009
EB-2009-0096
Exhibit G2
Tab 6
Schedule 1
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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

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MONTHLY RATES AND CHARGES

Residential - R1 Arkona

| | | |
|---|---------|-----------|
| Service Charge (includes Smart Meter Funding Adder) | \$ | 16.92 |
| Regulatory Asset Recovery - Rider #4 Service Charge (Forgone Dist'n Revenue 2008) | \$ | 0.78 |
| Distribution Volumetric Rate | \$/ kWh | 0.0320 |
| Regulatory Asset Recovery - Rider #3 | \$/ kWh | (0.0012) |
| Regulatory Asset Recovery - Rider #4 Volumetric (Forgone Distribution Revenue 2008) | \$/ kWh | 0.0011 |
| Regulatory Asset Recovery - Rider #6 | \$/ kWh | (0.00080) |
| Retail Transmission Rate - Network Service Rate (1) | \$/ kWh | 0.0052 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate (1) | \$/ kWh | 0.0043 |
| Wholesale Market Service Rate (1) | \$/ kWh | 0.0052 |
| Rural or Remote Rate Protection Rate (1) | \$/ kWh | 0.0013 |
| Standard Supply Service - Administration Charge (if applicable) | \$ | 0.25 |
| Micro Generator Service Charge | \$ | 6.15 |

General Service Less Than 50 kW (Energy-Billed) - GSe Arkona

| | | |
|---|---------|-----------|
| Service Charge (includes Smart Meter Funding Adder) | \$ | 26.73 |
| Regulatory Asset Recovery - Rider #4 Service Charge (Forgone Dist'n Revenue 2008) | \$ | 0.38 |
| Distribution Volumetric Rate | \$/ kWh | 0.0381 |
| Regulatory Asset Recovery - Rider #3 | \$/ kWh | (0.0013) |
| Regulatory Asset Recovery - Rider #4 Volumetric (Forgone Distribution Revenue 2008) | \$/ kWh | 0.0004 |
| Regulatory Asset Recovery - Rider #6 | \$/ kWh | (0.00060) |
| Retail Transmission Rate - Network Service Rate (1) | \$/ kWh | 0.0039 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate (1) | \$/ kWh | 0.0031 |
| Wholesale Market Service Rate (1) | \$/ kWh | 0.0052 |
| Rural or Remote Rate Protection Rate (1) | \$/ kWh | 0.0013 |
| Standard Supply Service - Administration Charge (if applicable) | \$ | 0.25 |
| Micro Generator Service Charge | \$ | 6.15 |

General Service 50 kW or Greater (Demand-Billed) - GSd Arkona

| | | |
|---|---------|---------|
| Service Charge (includes Smart Meter Funding Adder) | \$ | 36.91 |
| Regulatory Asset Recovery - Rider #4 Service Charge (Forgone Dist'n Revenue 2008) | \$ | 0.42 |
| Distribution Volumetric Rate | \$/ kW | 10.07 |
| Regulatory Asset Recovery - Rider #3 | \$/ kW | (0.410) |
| Regulatory Asset Recovery - Rider #4 Volumetric (Forgone Distribution Revenue 2008) | \$/ kW | 0.080 |
| Regulatory Asset Recovery - Rider #6 | \$/ kW | (0.120) |
| Retail Transmission Rate - Network Service Rate (2) | \$/ kW | 1.25 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate (2) | \$/ kW | 0.97 |
| Wholesale Market Service Rate (1) | \$/ kWh | 0.0052 |
| Rural or Remote Rate Protection Rate (1) | \$/ kWh | 0.0013 |
| Standard Supply Service - Administration Charge (if applicable) | \$ | 0.25 |
| Micro Generator Service Charge | \$ | 6.15 |

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Unmetered, Scattered Load

| | | |
|---|---------|-----------|
| Service Charge (includes Smart Meter Funding Adder) | \$ | 19.64 |
| Regulatory Asset Recovery - Rider #4 Service Charge (Forgone Dist'n Revenue 2008) | \$ | 0.38 |
| Distribution Volumetric Rate | \$/ kWh | 0.0370 |
| Regulatory Asset Recovery - Rider #3 | \$/ kWh | (0.0013) |
| Regulatory Asset Recovery - Rider #4 Volumetric (Forgone Distribution Revenue 2008) | \$/ kWh | 0.0004 |
| Regulatory Asset Recovery - Rider #6 | \$/ kWh | (0.00060) |
| Retail Transmission Rate - Network Service Rate (1) | \$/ kWh | 0.0039 |
| Retail Transmission Rate - Line and Transformation Connection Service Rate (1) | \$/ kWh | 0.0031 |
| Wholesale Market Service Rate (1) | \$/ kWh | 0.0052 |
| Rural or Remote Rate Protection Rate (1) | \$/ kWh | 0.0013 |
| Standard Supply Service - Administration Charge (if applicable) | \$ | 0.25 |

- (1) 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.
- (2) 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.

Customer-Supplied Transformation Allowance

Applicable to customers providing their own transformers

| | | |
|---------------|---------|--------|
| Demand-billed | \$/ kW | 0.60 |
| Energy-billed | \$/ kWh | 0.0014 |

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Loss Factors

| | |
|--|-------|
| Residential | 1.085 |
| General Service Less Than 50 kW (Energy-Billed) | 1.092 |
| General Service 50 kW or Greater (Demand-Billed) | 1.061 |
| Unmetered Scattered Load | 1.092 |

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 | | | |
| 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 | Service Layout Fee – Basic | | \$562 | | |
| 16 | Service Layout Fee – Complex | | \$750 | | |
| 17 | Crossing Application – Pipeline | | \$2,600 | | |
| 18 | Crossing Application – Water | | \$2,960 | | |
| 19 | Crossing Application – Railroad | | \$3,100 | | |
| 20 | Line Staking – per meter | | \$3.75 | | |
| 21 | Central Metering – New service < 45 kW | | \$115 | | |
| 22 | Conversion to Central Metering < 45 kW | | \$935 | | |
| 23 | Conversion to Central Metering > 45 kW | | \$815 | | |
| 24 | Tingle Voltage Test – In Excess of 4 Hours (per hour – average 2 additional hours) | | \$125 | | |
| 25 | Standby Administration Charge per month | | \$480 | | |
| 26a | Connection Impact Assessment (CIA) Charges – Small & Medium | | \$10,335 | | |
| 26b | Connection Impact Assessment (CIA) Charges – Large | | \$10,405 | | |
| 27 | Sentinel Lights Rental Rate per month | | | \$7.10 | |
| 28 | Sentinel Pole Rental Rate per month | | | \$4.15 | |
| 29 | Joint Use for Cable and Telecom companies per pole | | | \$22.35 | |
| 30 | Joint Use for LDCs per pole | | | \$28.61 | |