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DECISION AND INTERIM RATE ORDER AND REVENUE REQUIREMENT AND CHARGE DETERMINANT ORDER

EB-2020-0194

HYDRO ONE NETWORKS INC.

**2017- 2022 Transmission Revenue Requirement and Charge Determinants and
2018-2022 Distribution Revenue Requirement and Rates, Remittal of Future Tax
Savings Issue**

BEFORE: Lynne Anderson
Presiding Chief Commissioner

Michael Janigan
Commissioner

Robert Dodds
Commissioner

May 27, 2021



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1 OVERVIEW

This is a Decision and Interim Rate Order and Revenue Requirement and Charge Determinant Order of the Ontario Energy Board (OEB) arising from the approval of a refund from ratepayers to Hydro One Networks Inc. (Hydro One) related to taxes for the transmission and distribution businesses of Hydro One for the period 2017 to 2022.

The OEB issued a decision on this tax matter and required Hydro One to file a draft rate order, with proposed distribution rates and the transmission revenue requirement to implement the decision. The OEB has reviewed this draft rate order and is satisfied that it accurately reflects the OEB's Decision, subject to the resolution of one concern relating to accounting journal entries. This concern is discussed later in this Rate Order and does not impact the approved rates.

The OEB approves the proposed distribution tariff schedules and transmission revenue requirement. The OEB is maintaining Hydro One's distribution rates as interim until the conclusion of a separate proceeding related to Hydro One's seasonal rate class. The OEB finds there is no need for the OEB to approve the calculations of the Uniform Transmission Rates in this proceeding.

The OEB agrees with the revised names for the sub-accounts to manage the recovery of the tax amounts. However, the OEB is deferring its approval of the accounting orders until after Hydro One reports back on whether there is a consensus with OEB staff on the proposed journal entries.

The OEB accepts Hydro One's presentation of bill impacts. As a result of the distribution portion of this Rate Order, it is estimated that the total monthly bill for a typical residential medium density R1 customer with an average monthly consumption of 750 kWh will increase \$1.43 or 0.97%. For customers receiving Distribution Rate Protection, this increase will be zero.

As a result of the transmission portion of this Rate Order, it is estimated that a typical medium density R1 customer using 750 kWh of electricity per month would experience an additional bill increase of 0.5% or \$0.67 per month. A typical general service energy less than 50 kW (GSe<50 kW) customer consuming 2,000 kWh monthly would see a total bill increase of 0.4%, or \$1.43 per month.

2 THE PROCESS

On October 2, 2020, the OEB issued Notice and Procedural Order No. 1 (PO#1) in the current proceeding to implement the clear direction of the Court that all the Future Tax Savings should be allocated to Hydro One's shareholders.

The OEB deemed the parties granted intervenor status in the Hydro One transmission and distribution proceedings EB-2016-0160, EB-2017-0049 and EB-2019-0082 as intervenors in this proceeding. The OEB stated that intervenors are eligible for cost awards with respect to the implementation of the Court's decision if they were eligible for cost awards for these prior proceedings.

Intervenors active in this proceeding included Association of Major Power Consumers in Ontario (AMPCO), Canadian Manufacturers & Exporters (CME), Consumers Council of Canada (CCC), Energy Probe Research Foundation (Energy Probe), London Property Management Association (LPMA), Power Workers' Union (PWU), School Energy Coalition (SEC), Society of United Professionals (the Society), and Vulnerable Energy Consumers Coalition (VECC).

In PO#1, the OEB determined that as a first step it would require Hydro One to file evidence on matters related to implementing the Court's decision. The OEB also made provision for interrogatories on Hydro One's evidence and implementation proposals from OEB staff and intervenors, and for submissions from OEB staff and intervenors and reply submissions from Hydro One.

On April 8, 2021, the OEB issued its Decision and Order for this proceeding and established a process for the draft rate order (DRO). On April 22, 2021, Hydro One filed its DRO with the OEB. On April 30, 2021, OEB staff and SEC filed comments on the DRO. On May 10, 2021, Hydro One filed its reply to these comments.

3 DISTRIBUTION RATES AND ELECTRICITY TRANSMISSION REVENUE REQUIREMENTS

3.1 Distribution Tariff Schedules

Hydro One filed a draft Tariff of Rates and Charges for its distribution customers. No parties raised issues with the calculation of the rates.

Findings

The OEB concludes that the draft rate order filed by Hydro One (as amended in its reply submission) is consistent with the OEB's Decision. The total amount of the misallocated Future Tax Savings is \$270.1 million of which \$95.9 million is for distribution. This total includes \$12.7 million in carrying charges.

The OEB accepts Hydro One's proposed allocation of the distribution balances to customer classes, the split between fixed and variable charges, the charge determinants and the calculation of the rate riders. The tariff schedules filed by Hydro One with its reply submission are approved.

3.2 Transmission Revenue Requirement

With the draft rate order Hydro One filed its proposed transmission revenue requirement and charge determinants. No parties raised issues with Hydro One's calculation.

Findings

For transmission, the misallocated Future Tax Savings is \$174.2 inclusive of \$9.1 million in carrying charges. The OEB approves the amount to be recovered in 2021 of \$43.5 million, which is 25% of the total. The amount to be included in the Uniform Transmission Rates (UTRs) will be annualized to achieve this recovery. The OEB still expects to implement new UTRs on July 1, 2021; however, if for some reason there is a delay, the annualized amount would be amended.

The OEB agrees with the billing determinants proposed for 2021 and Hydro One's methodology for splitting the revenue requirement between the three rate pools. This approach was approved by the OEB in previous proceedings.

3.3 Accounting Treatment

3.3.1 Sub-Account Naming

OEB staff noted that Hydro One had provided three draft accounting orders for the approved establishment of a Disposition and Recovery of Future Tax Savings Account for Distribution (Exhibit 1.1 of DRO), and the Carrying Cost Differential Account for both Distribution (Exhibit 1.2 of DRO) and Transmission (Exhibit 1.3 of DRO).

OEB staff further noted that Hydro One had proposed revised names for the three sub-accounts. OEB staff expressed the view that there should be consistency between the sub-account names ultimately used and the title of each of the accounting orders to provide greater clarity of the sub-account being established. In addition, any references made to these sub-accounts within the description of the accounting orders should also use the revised sub-account names for consistency and clarity.

Furthermore, OEB staff proposed revised sub-account names for the approved Disposition and Recovery of Future Tax Savings Account for Distribution sub-account to be *Account 1595 – Disposition and Recovery/Refund of Regulatory Balances, Sub-account Principal Balances of Misallocated Future Tax Savings* and the approved Carrying Cost Differential Account for Transmission to be *Account 1508 – Other Regulatory Assets, Sub-account Misallocated Future Tax Savings Carrying Charges*.

In its reply submission, Hydro One accepted OEB staff's recommendations to rename the titles of each of the accounting orders, as well as renaming the accounts, to provide greater clarity to the sub-accounts being established. Hydro One also proposed to rename the Carrying Cost Differential Account for Distribution to be *Account 1595 - Disposition and Recovery/Refund of Regulatory Balances, Sub-account Misallocated Future Tax Savings Carrying Charges*. Hydro One provided revised draft accounting orders.

Findings

The OEB agrees with the revised names proposed by OEB staff and Hydro One for the three accounts that were established to manage the recovery of the Future Tax Savings. The changes to the names were proposed so they are more descriptive of the nature of the accounts. Hydro One agreed with the name changes proposed by OEB staff and amended its draft accounting orders accordingly.

3.3.2 Journal Entries

OEB staff noted that Hydro One had proposed a journal entry to record monthly misallocated Future Tax Savings billed to ratepayers in the distribution draft accounting

order for the now renamed *Account 1595 - Disposition and Recovery/Refund of Regulatory Balances, Sub-Account Principal Balances of Future Tax Savings*.

OEB staff expressed concerns with Hydro One's proposal and invited Hydro One to comment on the appropriateness of its proposed journal entries and revise the draft accounting orders, as necessary. Hydro One's response recommended some changes to the journal entries suggested by OEB staff.

Findings

The OEB is deferring its approval of the accounting orders until after Hydro One meets with OEB staff to discuss its proposal with respect to journal entries. The OEB concludes that this will not delay implementation of rates for July 1, 2021 because the tariff schedules are approved.

In its initial draft accounting order, Hydro One proposed accounting journal entries that would debit distribution revenue and credit Account 1595 for the now renamed *Account 1595 – Disposition and Recovery/Refund of Regulatory Balances, Sub-account Principal Balances of Misallocated Future Tax Savings*. OEB staff raised concerns with this approach, noting that the recovery of the misallocated Future Tax Savings would increase distribution revenue and not reduce the revenues as implied by the debit entry.

In its reply submission, Hydro One provided revised journal entries that would now credit distribution revenue and debit income taxes as amounts are billed to customers. Hydro One requested this approach so that reporting of regulatory accounting under the OEB's uniform system of accounts would be aligned with reporting of financial accounting under United States Generally Accepted Accounting Principles. While it is generally preferable to align regulatory and financial accounting, it is not a requirement. The OEB's primary objective is setting just and reasonable rates. The OEB requires Hydro One to meet with OEB staff to discuss the journal entries, and to report back to the OEB on whether there is a consensus on the appropriate journal entries. The OEB will then make a final determination on the accounting orders.

3.4 Tariff Schedules

OEB staff noted that Hydro One had removed from the header "Approved on an Interim Basis" of the tariff schedule proposed for approval in the DRO.¹

¹ Exhibit 4 – Updated 2021 Distribution Tariff

OEB staff submitted that Hydro One's distribution rates should remain interim until the conclusion of the seasonal rates proceeding,² as this is one of the reasons why they are currently maintained as interim.

Findings

The OEB agrees that Hydro One's distribution rates should remain interim pending the conclusion of the proceeding on seasonal rates, as proposed by OEB staff. Hydro One agreed with this and amended its tariff schedules accordingly in its reply submission.

3.5 Uniform Transmission Rates

OEB staff noted that the total revenue requirements for each of the transmitters - Five Nations Energy Inc. (FNEI), Canadian Niagara Power Inc. (CNPI) and Hydro One Networks Sault Ste. Marie LP (H1N SSM) - are the same as those approved in the OEB's 2021 Uniform Transmission Rates Decision (UTR Decision).³

OEB staff, however, observed that there had been adjustments made to the Network, Line Connection and Transformation connection revenue requirement components for each of these transmitters from the amounts approved in the UTR Decision, but that these adjustments had not affected the totals.

OEB staff submitted that Hydro One should provide an explanation of these adjustments in its reply submission.

In its reply submission, Hydro One stated that the information it had provided with respect to resetting UTRs was intended only to assist the OEB in its future proceeding to reset the UTR effective July 1, 2021, and that the splitting of the approved revenue requirement for other transmitters between rate pools is a matter that will be determined as part of the UTR proceeding.

Findings

The OEB agrees with Hydro One that the calculation and details provided for UTRs were intended to assist the OEB in setting the UTRs in a future proceeding. There is no need for the OEB to approve these calculations in this proceeding.

² EB-2020-0246

³ EB-2020-0251, *Decision and Order*, December 17, 2020.

3.6 Presentation of Bill Impacts

SEC stated that it had reviewed the DRO and did not find any discrepancies between it and the OEB's Decision.

SEC, however, submitted that the presentation of bill impacts, while technically correct, understated the actual impacts by including only the distribution riders, while not appearing to include the increases in transmission rates, nor the change to base distribution and transmission rates coming in 2022.

SEC provided an example, stating that the bill impact tables showed that a typical GSd rate school in the Hydro One distribution area will pay an additional \$80 per month over the next two years, a total of more than \$1 million for the affected schools. SEC further stated that the actual impact, when transmission and base rate adjustments are included, is about \$125 per month.

SEC submitted that in total, schools across the province will pay about \$4.4 million for the catchup payments, and more than \$700,000 per year additional after that. SEC expressed the belief that a more comprehensive reporting of bill impacts for all classes would have been preferred.

Findings

The OEB accepts Hydro One's presentation of bill impacts. While the bill impacts were shown separately for distribution and transmission, it is possible to consider the combined impact.

As a result of the distribution portion of this Rate Order, it is estimated that the total monthly bill for a typical residential medium density R1 customer with an average monthly consumption of 750 kWh will increase \$1.43 or 0.97%. For customers receiving Distribution Rate Protection, this increase will be zero.

As a result of the transmission portion of this Rate Order, it is estimated that a typical medium density R1 customer using 750 kWh of electricity per month would experience an additional bill increase of 0.5% or \$0.67 per month. A typical general service energy less than 50 kW (GSe<50 kW) customer consuming 2,000 kWh monthly would see a total bill increase of 0.4%, or \$1.43 per month.

The OEB finds the bill impacts reasonable.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

Distribution

1. The Tariff of Rates and Charges set out in Schedule A of this Rate Order is approved on an interim basis effective July 1, 2021 and is to be implemented effective July 1, 2021. The Tariff of Rates and Charges will apply to electricity consumed or estimated to have been consumed on or after July 1, 2021. Hydro One shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. Hydro One is directed to meet with OEB staff and report back to the OEB on whether or not there is agreement on the appropriate journal entries for the accounting orders by **June 10, 2021**.

Transmission

3. The 2021 revenue requirement for Hydro One to be included in the calculation of Uniform Transmission Rates effective July 1, 2021 is approved at \$1,775,551,158.
4. The allocation of the approved revenue requirement to the electricity transmission rate pools as shown in Schedule B is approved.

Cost Claims

5. Intervenors shall submit their cost claims no later than **June 10, 2021**.
6. Hydro One shall file with the OEB and forward to intervenors any objections to the claimed costs no later than **June 21, 2021**.
7. Intervenors shall file with the OEB and forward to Hydro One any reply to any objections to the cost claims no later than **June 28, 2021**.
8. Hydro One shall pay the OEB's cost incidental to this proceeding upon receipt of the OEB's invoice.

Please quote file number, **EB-2020-0194** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet set up an account, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.

All communications should be directed to the attention of the Registrar and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Martin Davies, at Martin.Davies@oeb.ca and OEB Counsel, Michael Millar, at Michael.Millar@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-888-632-2727 (Toll free)

DATED at Toronto May 27, 2021

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

SCHEDULE A
DECISION AND ORDER
HYDRO ONE NETWORKS INC.
EB-2020-0194
MAY 27, 2021

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date July 1, 2021
Approved on an Interim Basis
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0194

RESIDENTIAL SERVICE CLASSIFICATIONS

A year-round residential customer classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. All of the following criteria must be met:

1. Occupant represents and warrants to Hydro One Networks Inc. that for so long as he/she has year-round residential rate status for the identified dwelling, he/she will not designate another property that he/she owns as a year-round residence for purposes of Hydro One rate classification.
2. Occupier must live in this residence for at least four (4) days of the week for eight (8) months of the year and the Occupier must not reside anywhere else for more than three (3) days a week during eight (8) months of the year.
3. The address of this residence must appear on documents such as the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.
4. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

Seasonal Residential customer classification is defined as any residential service that does not meet residential year-round criteria. It includes dwellings such as cottages, chalets and camps.

Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's conditions of Service.

APPLICATION

Hydro One Networks' residential service area is sub-divided into three density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per circuit kilometer.
- Medium Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per circuit kilometer.
- Low Density Zone is defined as areas other than Urban or Medium Density Zone.

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Hydro One Networks Inc.
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EB-2020-0194

YEAR-ROUND URBAN DENSITY - UR**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	35.92
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.83
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.50)
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0007)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0089
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0077

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

YEAR-ROUND MEDIUM DENSITY - R1****MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	49.04
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.56
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.85)
Distribution Volumetric Rate	\$/kWh	0.0141
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0082
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0073

**The rates set out above do not reflect the impact of the Distribution Rate Protection program on R1 customers (per EB-2018-0192, Decision and Order, June 21, 2018)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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YEAR-ROUND LOW DENSITY - R2****MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge*	\$	113.64
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	4.42
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(1.92)
Distribution Volumetric Rate	\$/kWh	0.0227
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0011)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0068

*Under the Ontario Energy Board Act, 1998 and associated Regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural or Remote Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, currently at \$60.50.

**The rates set out above do not reflect the impact of the Distribution Rate Protection program on R2 customers (per EB-2018-0192, Decision and Order, June 21, 2018)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

SEASONAL**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	50.72
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.79
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.90)
Distribution Volumetric Rate	\$/kWh	0.0441
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0023)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0061

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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GENERAL SERVICE CLASSIFICATIONS

General Service classification applies to any service that does not fit the description of residential classes. It includes combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

Hydro One Networks' General Service area is sub-divided into two density zones according to the following:

- Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per circuit kilometer.
- Non-Urban Density Zone is defined as areas other than Urban Density Zone.

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

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URBAN GENERAL SERVICE ENERGY BILLED - UGe

This classification applies to a non-residential account located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	25.59
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.81
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.36)
Distribution Volumetric Rate	\$/kWh	0.0306
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0010
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0003)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0057

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE ENERGY BILLED - GSe

This classification applies to a non-residential account not located in an Urban Density Zone whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	32.48
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.11
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$	(0.14)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.45)
Distribution Volumetric Rate	\$/kWh	0.0642
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0022
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0007)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kWh	(0.0009)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0065
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0056

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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URBAN GENERAL SERVICE DEMAND BILLED - UGd

This classification applies to a non-residential account located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter of equivalent electronic meter shall be used for measuring and billing.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	100.19
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	3.92
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(1.40)
Distribution Volumetric Rate	\$/kW	10.5601
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.4134
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kW	0.1062
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kW	(0.0004)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	2.4926
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	2.0579

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE DEMAND BILLED - GSd

This classification applies to a non-residential account not located in an Urban Density Zone whose average monthly maximum demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	108.28
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	4.34
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(1.52)
Distribution Volumetric Rate	\$/kW	18.3296
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.7338
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kW	0.0117
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kW	(0.2555)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	1.9247
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.6028

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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DISTRIBUTED GENERATION - DGen

This classification applies to an embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation. Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing. Class A and Class B consumers are defined in accordance with O. Reg. 429/04.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	195.54
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	1.74
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(2.74)
Distribution Volumetric Rate	\$/kW	9.8163
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.0883
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kW	(0.1359)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kW	(0.1365)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	0.9356
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	0.7808

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SUB TRANSMISSION - ST

This classification applies to either:

- Embedded supply to Local Distribution Companies (LDCs). "Embedded" meaning receiving supply via Hydro One Distribution assets, and where Hydro One is the host distributor to the embedded LDC. Situations where the LDC is supplied via Specific Facilities are included. OR
- Load which:
 - is three-phase; and
 - is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of "directly includes Hydro One not owning the local transformation; and
 - is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year or whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW).

Hydro One establishes billing determinants for demand customers' Distribution charges at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	582.74
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	36.18
Meter Charge (for Hydro One ownership) (see Note 11)	\$	729.56
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(15.70)
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 14)	\$/kW	1.5335
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kW	0.0540
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	\$/km	626.0882
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	\$/kW	2.1154
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	\$/kW	3.7825
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 14)	\$/kW	1.6671
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kW	0.9444
Rate Rider for Disposition of Deferral/Variance Accounts (Non WMP) (2021) – effective until December 31, 2021	\$/kW	(1.1389)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kW	(0.0219)
Retail Transmission Service Rates (see Notes 6 and 7)		
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	3.4778
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	\$/kW	0.8128
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	\$/kW	2.0458

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. The amount of electricity consumed by unmetered connections will be based on detailed information/documentation provided by the device's manufacturer and will be agreed to by Hydro One and the customer and may be subject to periodic monitoring of actual consumption. Eligible unmetered loads include cable TV amplifiers, bus shelters, telephone booths, traffic signals, railway crossings and other small fixed loads. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	37.58
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.89
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.53)
Distribution Volumetric Rate	\$/kWh	0.0251
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	0.0001
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0054
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0046

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have separate service to a sentinel light. The energy consumption for sentinel lights is estimated based on Networks' profile for sentinel lighting load, which provides the amount of time each month that the sentinel lights are operating. Class B consumers are defined in accordance to O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2.86
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.14
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.04)
Distribution Volumetric Rate	\$/kWh	0.1556
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0078
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0021)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kWh	(0.0022)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0054
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0037

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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STREET LIGHTING SERVICE CLASSIFICATION

This classification is applicable to all Hydro One Networks' customers who have streetlights, which are devices owned by or operated for a road authority and/or municipal corporation. The energy consumption for street lights is estimated based on Networks' profile for street lighting load, which provides the amount of time each month that the street lights are operating. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, it should be noted that the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	3.50
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$	0.11
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$	(0.05)
Distribution Volumetric Rate	\$/kWh	0.1071
Base Rate Adjustment to Recover Past Tax Amounts - effective until June 30, 2023	\$/kWh	0.0034
Rate Rider for Disposition of Deferral/Variance Accounts (2021) – effective until December 31, 2021	\$/kWh	(0.0009)
Rate Rider for Disposition of Global Adjustment Account (2021) – effective until December 31, 2021 (see Note 13)	\$/kWh	(0.0039)
Rate Rider for Disposition of 2019 Earnings Sharing - effective until December 31, 2021	\$/kWh	(0.0015)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0054
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0036

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR (see Note 12)	\$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers (see Note 12)	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP) (see Note 12)	\$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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ALLOWANCES**CUSTOMER-SUPPLIED TRANSFORMATION ALLOWANCE**

Applicable to customers providing their own transformers and the primary voltage is under 50 kV

Demand Billed - per kW of billing demand/month	\$/kW	(0.60)
Energy Billed - per kWh of billing energy/month	\$/kWh	(0.0014)

TRANSFORMER LOSS ALLOWANCE

Applicable to non-ST 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).

For installations up to and including bank capacity of 400 kVA	%	(1.50)
For bank capacities over 400 kVA	%	(1.00)

Applicable to ST customers requiring a billing adjustment for transformer losses as the result of being metered on the secondary side of a transformer. The uniform value of 1% shall be added to measured demand and energy (as measured on the secondary side) to adjust for transformer losses.

Alternately, 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.

LOSS FACTORS

Residential - UR	1.057
Residential - R1	1.076
Residential - R2	1.105
Residential - Seasonal	1.104
General Service - UGe	1.067
General Service - GSe	1.096
General Service - UGd	1.050
General Service - GSd	1.061
Distributed Generation - Dgen	1.061
Unmetered Scattered Load	1.092
Sentinel Lights	1.092
Street Lights	1.092
Sub Transmission - ST	
Distribution Loss Factors	
Embedded Delivery Points (metering at station)	1.000
Embedded Delivery Points (metering away from station)	1.028
Total Loss Factors	
Embedded Delivery Points (metering at station)	1.006
Embedded Delivery Points (metering away from station)	1.034

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SPECIFIC SERVICE CHARGES**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Easement letter - letter request	\$	91.12
Easement letter - web request	\$	25.00
Returned cheque charge	\$	7.00
Account set up charge/change of occupancy charge (plus credit agency costs, if applicable)	\$	38.00
Special meter reads (retailer requested off-cycle read)	\$	90.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account (see Note 15)

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Collection - reconnect at meter - during regular hours	\$	65.00
Collection - reconnect at meter - after regular hours	\$	185.00
Collection - reconnect at pole - during regular hours	\$	185.00
Collection - reconnect at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment - during regular hours	\$	210.00*
Service call - customer owned equipment - after regular hours	\$	775.00*
Temporary service install & remove - overhead - no transformer	\$	Actual Costs
Temporary service install & remove - underground - no transformer	\$	Actual Costs
Temporary service install & remove - overhead - with transformer	\$	Actual Costs
Specific charge for access to power poles - telecom	\$	44.50
Reconnect completed after regular hours (customer/contract driven) - at meter	\$	245.00
Reconnect completed after regular hours (customer/contract driven) - at pole	\$	475.00
Additional service layout fee - basic/complex (more than one hour)	\$	586.72
Pipeline crossings	\$	2,465.43
Water crossings	\$	3,668.82
		\$4,899.24 plus
Railway crossings	\$	Railway Feedthrough Costs
Overhead line staking per meter	\$	4.36
Underground line staking per meter	\$	3.14
Subcable line staking per meter	\$	2.74
Central metering - new service <45 kw	\$	100.00
Conversion to central metering <45 kw	\$	1,593.19
Conversion to central metering >=45 kw	\$	1,493.19
Connection impact assessments - net metering	\$	3,285.66
Connection impact assessments - embedded LDC generators	\$	2,960.07
Connection impact assessments - small projects <= 500 kw	\$	3,361.46
Connection impact assessments - small projects <= 500 kw, simplified	\$	2,028.44
Connection impact assessments - greater than capacity allocation exempt projects - capacity allocation required projects	\$	8,890.57

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Connection impact assessments - greater than capacity allocation exempt projects - TS review for LDC capacity allocation required projects	\$	5,895.15
Specific charge for access to power poles - LDC	\$	see below
Specific charge for access to power poles - generators	\$	see below
Specific charge for access to power poles - municipal streetlights	\$	2.04
Sentinel light rental charge	\$	10.00
Sentinel light pole rental charge	\$	7.00

*Base Charge only. Additional work on equipment will be based on actual costs.

Specific Charge for LDCs Access to the Power Poles (\$/pole/year)

LDC rate for 10' of power space	\$	89.24
LDC rate for 15' of power space	\$	107.09
LDC rate for 20' of power space	\$	118.99
LDC rate for 25' of power space	\$	127.49
LDC rate for 30' of power space	\$	133.86
LDC rate for 35' of power space	\$	138.82
LDC rate for 40' of power space	\$	142.79
LDC rate for 45' of power space	\$	146.03
LDC rate for 50' of power space	\$	148.74
LDC rate for 55' of power space	\$	151.03
LDC rate for 60' of power space	\$	152.99

Specific Charge for Generator Access to the Power Poles (\$/pole/year)

Generator rate for 10' of power space	\$	89.24
Generator rate for 15' of power space	\$	107.09
Generator rate for 20' of power space	\$	118.99
Generator rate for 25' of power space	\$	127.49
Generator rate for 30' of power space	\$	133.86
Generator rate for 35' of power space	\$	138.82
Generator rate for 40' of power space	\$	142.79
Generator rate for 45' of power space	\$	146.03
Generator rate for 50' of power space	\$	148.74
Generator rate for 55' of power space	\$	151.03
Generator rate for 60' of power space	\$	152.99

Hydro One Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date July 1, 2021
Approved on an Interim Basis
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2020-0194

RETAIL SERVICE CHARGES (if applicable)**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	104.24
Monthly fixed charge, per retailer	\$	41.70
Monthly variable charge, per customer, per retailer	\$	1.04
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.62
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(0.62)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.52
Processing fee, per request, applied to the requesting party	\$	1.04
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.17
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.08

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NOTES

1. The basis of the charge is the customer's monthly maximum demand. For an ST customer with multiple delivery points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand will be the applicable billing determinant. Demand is not aggregated between stations.
2. The basis of the charge is the customer's monthly maximum demand. For an ST customer with multiple delivery points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand will be the applicable billing determinant. Demand is not aggregated between stations.
3. The basis of the charge is the "non-coincident demand" at each delivery point of the customer supplied by the station. This is measured as the kW demand at the delivery point at the time in the month of maximum load on the delivery point. For a customer connected through two or more distribution stations, the total charge for the connection to the shared distribution stations is the sum of the relevant charges for each of the distribution stations.
4. The monthly billing determinant for the RTSR Network Service rate is:
 - a. For energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Ontario Energy Board.
 - b. For interval-metered customers: the peak demand from 7 AM to 7 PM (local time) on IESO business days in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
 - c. For non-interval-metered demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
5. The monthly billing determinant for the RTSR Line and Transformation Connection Service rates:
 - a. For energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Ontario Energy Board.
 - b. For all demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Ontario Energy Board.
 - c. For customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, RTSR connection is billed at the gross demand level.
6. Delivery point with respect to RTSR is defined as the low side of the Transformer Station that steps down voltage from above 50 kV to below 50 kV. For customer with multiple interval-metered delivery points served from the same Transformer Station, the aggregated demand at the said delivery points on the low side of the Transformer Station will be the applicable billing determinant.
7. The loss factors, and which connection service rates are applied, are determined based on the point at which the distribution utility or customer is metered for its connection to Hydro One Distribution's system. Hydro One Distribution's connection agreements with these distribution utilities and customers will establish the appropriate loss factors and connection rates to apply from Hydro One Distribution's tariff schedules.
8. The Common ST Lines rate also applies to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.
9. Rate Rider for Disposition of Deferral/Variance Accounts (General) is charged based on appropriate billing kW.
10. Rate Rider for Disposition of Deferral/Variance Account (non-WMP customers) applies to non-WMP Class A or Class B customers.
11. The Meter charge is applied per metering facility at delivery points for which Hydro One owns the metering.
12. The Wholesale Market Service Rate and the Rural or Remote Electricity Rate Protection Charge are applied solely to non-Wholesale Market Participants. For Class A customers, distributors shall bill the actual CBDR costs to Class A customers in proportion to their contribution to peak. These rates pertain to the IESO's defined point of sale; consequently, appropriate loss factors as approved by the Ontario Energy Board must be applied to the customers metered energy.
13. The Global Adjustment rate rider applies to metered energy consumption adjusted by the total loss factor, as approved by the Ontario Energy Board, for non-LDC, non-RPP and Class B customers that are charged Wholesale Market Service Charges by Hydro One Distribution.
14. For customers with load displacement generation at 1MW or above, or 2MW or above for renewable generation, installed after October 1998, the ST volumetric charges are billed at the gross demand level.

SCHEDULE B
DECISION AND ORDER
HYDRO ONE NETWORKS INC.
EB-2020-0194
MAY 27, 2021

Derivation of the Uniform Transmission Rates
 Implementation of Decision with Reasons in EB-2020-0194
 Effective July 1, 2021 to December 31, 2021

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
FNEI	\$5,088,754	\$852,315	\$2,355,576	\$8,296,645
CNPI	\$3,113,139	\$521,419	\$1,441,067	\$5,075,626
H1N SSM	\$26,439,376	\$4,428,329	\$12,238,745	\$43,106,449
H1N	\$1,089,035,757	\$182,402,502	\$504,112,899	\$1,775,551,158
B2MLP	\$35,062,648	\$0	\$0	\$35,062,648
NRLP	\$12,455,767	\$0	\$0	\$12,455,767
All Transmitters	\$1,171,195,441	\$188,204,565	\$520,148,287	\$1,879,548,293

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	234,886.872	228,497.312	194,724.427	
B2MLP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
All Transmitters	239,138.412	232,030.054	195,981.977	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	4.90	0.81	2.65	
FNEI Allocation Factor	0.00434	0.00453	0.00453	
CNPI Allocation Factor	0.00266	0.00277	0.00277	
H1N SSM Allocation Factor	0.02257	0.02353	0.02353	
H1N Allocation Factor	0.92985	0.96917	0.96917	
B2MLP Allocation Factor	0.02994	0.00000	0.00000	
NRLP Allocation Factor	0.01064	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

* The sum of 12 monthly charge determinants for the year.

Note 1: FNEI Rates Revenue Requirement and Charge Determinants per Board Decision and Order EB-2016-0231 dated January 18, 2018 and FNEI 2020 Foregone Revenue Letter, dated November 20, 2020

Note 2: CNPI Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2015-0354 dated January 14, 2016 and CNPI 2020 Foregone Revenue Letter, dated November 20, 2020.

Note 3: H1N SSM 2021 Rates Revenue Requirement and Charge Determinants per OEB Decision EB-2020-0227 dated December 17, 2020 and H1N SSM Foregone Revenue Letter, dated November 20, 2020.

Note 4: H1N Rates Revenue Requirement per Table 11, Section 5.2.2 and Charge Determinants as approved by the OEB in EB-2020-0202

Note 5: B2M LP 2021 Revenue Requirement per OEB Decision and Order EB-2020-0226 dated November 26, 2020 and B2M LP Foregone Revenue Letter, dated November 20, 2020.

Note 6: NRLP 2021 Revenue Requirement per OEB Decision and Order EB-2020-0225 December 17, 2020 and NRLP Foregone Revenue Letter, dated November 20, 2020.

Note 7: Calculated data in shaded cells.