

DECISION AND RATE ORDER

EB-2020-0251

2021 UNIFORM TRANSMISSION RATES

By Delegation, Before: Theodore Antonopoulos

December 17, 2020

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1 INTRODUCTION AND SUMMARY

The Ontario Energy Board (OEB) established this proceeding on its own motion to issue the 2021 Uniform Transmission Rates (UTRs) on a final basis effective January 1, 2021. In light of the COVID-19 emergency, in the 2020 UTR Decision and Order¹ the OEB delayed implementation of the final 2020 UTRs, maintaining the interim 2020 UTRs for 2020 and establishing or continuing deferral accounts for six rate regulated electricity transmitters to track the differences between revenues earned with maintaining the interim UTRs for 2020, and the revenues that would have been received based on OEB-approved 2020 UTRs. The 2020 UTR Decision and Order provided that forgone transmission revenue would be disposed of as part of the process for establishing the 2021 UTRs.

There are six licensed electricity transmitters in Ontario that currently recover their revenues through Ontario's UTRs: Five Nations Energy Inc. (FNEI); Canadian Niagara Power Inc. (CNPI); Hydro One Networks Sault Ste. Marie LP (Hydro One SSM); Hydro One Networks Inc. (Hydro One); B2M Limited Partnership (B2M LP) and Niagara Reinforcement Limited Partnership (NRLP). The OEB approves revenue requirements and charge determinants for the individual transmitters in separate proceedings and uses them to calculate the UTRs.

The revenue requirements of the six transmitters are allocated to three transmission rate pools – Network, Line Connection and Transformation Connection – on the same basis as is used for Hydro One.² The costs are then divided by forecast consumption (charge determinants) to establish the UTRs. The Independent Electricity System Operator (IESO) charges these rates to all wholesale market participants, including electricity distributors.

This Decision and Rate Order sets out the final transmission rates pool revenue requirement for 2021 and the disposition period for 2020 forgone revenue including interest. The disposition period for Hydro One is set as two years while for all other transmitters it is set at one year. The final 2021 transmission rates pool revenue requirement represents a 6.3% increase from the 2020 approved amount and a 0.6% increase on the total bill for a typical residential customer. The final 2021 UTRs effective January 1, 2021 are:

¹ EB-2020-0180, 2020 Uniform Transmission Rates, Decision and Order, July 31, 2020

² B2M LP and NRLP full revenue requirements are allocated to Network rate pool only

- \$4.67/kW/Month Network Service Rate (a \$0.37/kW increase)
- \$0.77/kW/Month Line Connection Service Rate (a \$0.04/kW decrease)
- \$2.53/kW/Month Transformation Connection Service Rate (a \$0.14/kW increase)

The impact on distributors will vary depending on the customer mix and load characteristics in the different service areas and the proportion of power withdrawn by individual distributors from the bulk transmission system.

Electricity distributors directly connected to the transmission system recover transmission costs from their customers through Retail Transmission Service Rates (RTSRs), which are established for each rate class annually, some on January 1 and some on May 1. The 2021 UTRs will be taken into account when new RTSRs are approved effective January 1, 2022 or later. Existing variance accounts will be used to track differences between a distributor's transmission costs and the associated revenues it receives from its customers, in order to ensure that its customers pay the true cost of transmission service over time. As a result, the impact will take time to materialize for most customers.

2 THE PROCESS

This Decision and Rate Order implements the findings in the OEB's previous decisions on the revenue requirements and charge determinants for each of the six OEB rate-regulated transmitters in Ontario and approves the 2020 forgone revenue including interest and disposition period. This Decision is issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998*.

3 FORGONE REVENUE

In its July 31, 2020 Uniform Transmission Rates (UTR) Decision and Order, the OEB found that to minimize the impact on electricity customers and provide rate stability during the COVID-19 pandemic, the 2020 UTRs would not be implemented as calculated. Instead, the 2020 UTRs put in place on an interim basis on January 1, 2020 would continue for the remainder of 2020. At the time of setting the 2021 UTRs, all transmitters would be requested to confirm the differences between revenues earned with maintaining the interim UTRs for 2020, and the revenues that would have been received based on OEB-approved 2020 UTRs. These amounts would be re-submitted for disposition as part of the process for establishing the 2021 UTRs. The collection period for this forgone revenue was not established at that time, and instead, it was determined that a future decision that will set the 2021 UTRs would also determine the period over which the forgone revenue will be collected.

On November 9, 2020, the OEB issued a letter requesting that all transmitters submit their 2020 forgone revenue calculations and accrued interest calculations with both one-year and two-year disposition scenarios as part of the process for establishing 2021 UTRs. The OEB also requested that transmitters indicate their preferred disposition period with supporting rationale.

All transmitters submitted by November 20, 2020 their 2020 forgone revenue calculations and accrued interest calculations with both one-year and two-year disposition scenarios and their preferred disposition period with supporting rationale.

Hydro One requested a two-year disposition period for its 2020 forgone revenue requirement of \$54,675,317 in order to mitigate the impact on customers by spreading the recovery over two years in light of the COVID-19 pandemic.³

All other transmitters requested a one-year disposition period. FNEI⁴ and CNPI's⁵ preference is for a one-year (12-month) disposition period, in consideration of cash-flow, administrative effort, and the relative materiality of its forgone revenue compared to the total 2021 transmission revenue requirement for Ontario. Hydro One SSM⁶ requested a one-year disposition period for its 2020 forgone revenue as there is minimal impact to ratepayers regardless of whether the Hydro One SSM forgone revenue is collected over

³ Hydro One Forgone Revenue Letter, November 20, 2020

⁴ FNEI Forgone Revenue Letter, November 20, 2020

⁵ CNPI Forgone Revenue Letter, November 20, 2020

⁶ Hydro One SSM Forgone Revenue Letter, November 20, 2020

a one-year period or a two-year period. B2M⁷ and NRLP⁸ also requested a one-year disposition period as the difference between the approved amounts and the interim amounts that were collected in 2020 has caused cash shortfalls for the companies and impacted dividends to their partners, including Indigenous parties.

In the 2020 UTR Decision and Order⁹ the OEB acknowledged that CNPI's approved 2017 forgone revenue had not yet been recovered and anticipated that CNPI's request could be determined when the 2021 UTRs are established. Accordingly, CNPI also submitted its 2017 forgone revenue calculations and accrued interest calculations.

The total forgone revenue requested by all transmitters other than Hydro One is \$8,472,652, which represents a 0.5% increase from the 2020 Interim UTR revenue requirement of \$1,685,245,424.

The forgone revenue for all transmitters is \$63,147,969, including Hydro One's forgone revenue of \$54,675,317, which represents a 3.7% increase from the 2020 Interim UTR revenue requirement of \$1,685,245,424 if a one-year disposition period was selected. Based on a two-year disposition period, as requested by Hydro One, the forgone revenue to be collected in 2021 for all transmitters is \$35,810,311, which represents a 2.1% increase from the 2020 Interim UTR revenue requirement.

CNPI and FNEI's interest schedules for forgone revenue calculate interest based on the monthly opening principal balances for forgone revenue, and the OEB's most recently posted prescribed interest rate of 0.57% until full disposition is achieved in December 2021. Hydro One SSM, Hydro One, B2M and NRLP calculate interest in the same manner for the purposes of setting 2021 UTRs, but submitted that any difference between the most recently posted OEB prescribed quarterly interest rate and the quarterly interest rate in future periods in 2021 or 2022 (if disposition is over two years) should be tracked in a forgone revenue variance account for disposition in a subsequent proceeding.

Findings

The OEB accepts Hydro One's two-year disposition period for its 2020 forgone revenue. The OEB approves a one-year disposition period for all other transmitters.

The OEB will not approve the Hydro One SSM, B2M and NRLP request to track any difference between the most recently posted OEB prescribed quarterly interest rate and

⁷ B2M Forgone Revenue Letter, November 20, 2020

⁸ NRLP Forgone Revenue Letter, November 20, 2020

⁹ EB-2020-0180, 2020 Uniform Transmission Rates, Decision and Order, July 31, 2020

the actual quarterly interest rate in 2021. For electricity distributors, the most recently posted interest is used for any future periods¹⁰ to calculate the carrying charges for each regulatory deferral and variance account. The OEB finds it appropriate for the same requirement that applies to electricity distributors to apply to transmitters. As well, the OEB finds that it is unlikely that differences between the current and future period interest rates will meet the materiality thresholds for Hydro One SSM, B2M and NRLP. The OEB has approved the continuation of a forgone revenue deferral account for Hydro One given the two-year recovery period for forgone revenue. Carrying charges may continue to be tracked in this account. Hydro One will provide an updated foregone revenue calculation for the remaining revenue to be recovered as part of 2022 UTRs at the time of the 2022 UTR setting which will include the use of updated carrying charge rates for the 2022 forgone revenue portion.

¹⁰ Chapter 2, Cost of Service Filing Requirements for Electricity Distribution Rate Applications, p.63
Interest rates applied to calculate the carrying charges for each regulatory deferral and variance account. The applicant must confirm that it has used the rates established by the OEB by month or by quarter for each year. The rates that should be used are provided on the OEB's website. The most recently posted interest rate is used for any future periods.

4 UNIFORM TRANSMISSION RATES

This Decision and Rate Order incorporates the OEB's findings in the most recent OEB approved revenue requirements and load forecasts (charge determinants) for each of the rate regulated transmitters as set out in Table 1 below.

**TABLE 1 – 2021 REVENUE REQUIREMENT EXCLUDING FORGONE INTEREST
AND CHARGE DETERMINANTS**

Transmitters	2021 Revenue Requirement	2021 Charge Determinants	OEB File Number
FNEI	\$7,988,092	552 MW	EB-2016-0231 Decision issued January 18, 2018
CNPI	\$4,647,201	1,621 MW	EB-2015-0354 Decision issued January 14, 2016
Hydro One SSM	\$41,512,836	6,868 MW	EB-2020-0227 Decision issued December 17, 2020
Hydro One	\$1,659,884,856	658,109 MW	EB-2020-0202 Decision and Order issued December 17, 2020
B2MLP	\$33,024,615	0 MW	EB-2020-0226 Decision and Order issued November 26, 2020
NRLP	\$8,227,858	0 MW	EB-2020-0225 Decision and Order issued December 17, 2020

Based on the findings in Section 3, incorporating forgone revenue, disposition period and interest rates, the final 2021 transmission rate pool revenue requirement is \$1,791,500,656 for the 2021 UTRs as set out in Table 2 below.

TABLE 2 – 2021 FINAL REVENUE REQUIREMENTS AND CHARGE DETERMINANTS

Transmitter	2021 Revenue Requirement ¹¹	Forgone Revenue ¹²	Interest	2021 UTR Revenue Requirements	2021 Charge
FNEI	\$7,988,092	\$306,309	\$2,244	\$8,296,645	552 MW
CNPI	\$4,647,201	\$412,094	\$16,331	\$5,075,626	1,621 MW
Hydro One SSM	\$41,512,836	\$1,582,035	\$11,578	\$43,106,449	6,868 MW
Hydro One	\$1,659,884,856	\$27,337,659	\$281,006	\$1,687,503,521	658,109 MW
B2MLP	\$33,024,615	\$2,023,523	\$14,510	\$35,062,648	0 MW
NRLP	\$8,227,858	\$4,148,691	\$79,218	\$12,455,767	0 MW
TOTAL	\$1,755,285,458	\$35,810,311	\$404,887	\$1,791,500,656	667,150 MW

Hydro One's 2020 forgone revenue is included in the total Hydro One revenue requirement¹³ for purposes of determining Hydro One's 2021 UTR allocations by rate pool. The 2021 UTR revenue requirements by rate pool for FNEI, CNPI and Hydro One SSM are determined based on Hydro One's 2021 UTR revenue requirement allocation percentages by rate pool.

¹¹ EB-2020-0202, Hydro One 2021 Transmission Revenue Application, Attachment 2, Table 2, November 23, 2020

¹² CNPI includes 2020 Forgone Revenue of \$181,318 and 2017 Forgone Revenue of \$230,776. Hydro One Forgone Revenue is year one of a two-year disposition of \$54,675,317

¹³ Hydro One Forgone Revenue Letter, November 20, 2020. Calculation includes 50% of total interest

To determine the impact of changes to UTRs on a typical customer's bill, an approach of using the estimated average transmission cost as a percentage of the total bill for a transmission and distribution-connected customer has been adopted as set out in Table 3 below:

TABLE 3 – BILL IMPACTS

Line		2020 Interim UTR	2021 UTR
1	Revenue Requirement (\$ millions)	1,685.2	1,791.5
2	% Increase in Revenue Requirement over prior year		6.3%
3	% Impact of load forecast decrease/increase (+/-)		3.9%
4=2+3	Net Impact on Average Transmission Rates		10.2%
5	<i>Transmission as a % of Tx - connected customer's Total Bill</i>		7.6%
6=4*5	Estimated Average Tx - connected customer's Bill Impact		0.8%
7	<i>Transmission as a % of Dx - connected customer's Total Bill</i>		6.2%
8=4*7	Estimated Average Dx – connected customer's Bill Impact		0.6%

Findings

The UTR calculations attached as Schedule A to this Decision and Rate Order appropriately reflect the OEB's decisions for all of the Ontario transmitters in the 2021 transmission rate pool.

5 ORDER

IT IS ORDERED THAT:

1. The final revenue requirements by rate pool and the uniform electricity transmission rates and the revenue allocators for rates effective January 1, 2021, attached as Schedule A, are approved.
2. The 2021 Ontario Uniform Transmission Rate Schedules, attached as Schedule B, are approved.

DATED at Toronto December 17, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

SCHEDULE A
DECISION AND RATE ORDER
EB-2020-0251
DECEMBER 17, 2020

Hydro One Networks Inc.

Implementation of Decision with Reasons on EB-2020-0251

2021 Uniform Transmission Rates and Revenue Disbursement Allocators Effective January 1, 2021 to December 31, 2021

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
FNEI	\$5,091,523	\$848,370	\$2,356,752	\$8,296,645
CNPI	\$3,114,833	\$519,006	\$1,441,787	\$5,075,626
H1N SSM	\$26,453,762	\$4,407,831	\$12,244,856	\$43,106,449
H1N	\$1,035,594,842	\$172,554,927	\$479,353,752	\$1,687,503,521
B2MLP	\$35,062,648	\$0	\$0	\$35,062,648
NRLP	\$12,455,767	\$0	\$0	\$12,455,767
All Transmitters	\$1,117,773,375	\$178,330,134	\$495,397,147	\$1,791,500,656

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)	4.67	0.77	2.53	
FNEI Allocation Factor	0.00456	0.00476	0.00476	
CNPI Allocation Factor	0.00279	0.00291	0.00291	
H1N SSM Allocation Factor	0.02367	0.02472	0.02472	
H1N Allocation Factor	0.92647	0.96761	0.96761	
B2MLP Allocation Factor	0.03137	0.00000	0.00000	
NRLP Allocation Factor	0.01114	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 and Charge Determinants per OEB Decision EB-2020-0202, dated December 17, 2020 and H1N Foregone Revenue Letter, dated November 20, 2020.

Note 5: B2MLP 2021 Revenue Requirement per OEB Decision and Order EB-2020-0226 dated November 26, 2020 and B2MLP 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.

SCHEDULE B
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TRANSMISSION RATE SCHEDULES

2021 ONTARIO FINAL UNIFORM TRANSMISSION RATE

SCHEDULES EB-2020-0251

The rate schedules contained herein shall be implemented as of January 1, 2021

Issued: December 17, 2020
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IMPLEMENTATION
DATE:
January 1, 2021

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TERMS AND CONDITIONS

(A) APPLICABILITY The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.

(B) TRANSMISSION SYSTEM CODE The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

(C) TRANSMISSION DELIVERY POINT The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

(D) TRANSMISSION SERVICE POOLS The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS- L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.

(E) MARKET RULES The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

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TRANSMISSION RATE SCHEDULES

(F) METERING REQUIREMENTS In accordance with Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered that energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid.

(G) EMBEDDED GENERATION The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998 and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO- administered energy markets.

(H) EMBEDDED CONNECTION POINT In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a

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distribution feeder to the Transmission Delivery Point. In above situations: •The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO- administered market. •The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

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TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (PTS)

PROVINCIAL TRANSMISSION RATES

APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

	<u>Monthly Rate (\$ per kW)</u>
Network Service Rate (PTS-N):	4.67
\$ Per kW of Network Billing Demand ^{1,2}	
Line Connection Service Rate (PTS-L):	0.77
\$ Per kW of Line Connection Billing Demand ^{1,3}	
Transformation Connection Service Rate (PTS-T):	2.53
\$ Per kW of Transformation Connection Billing Demand ^{1,3,4}	

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:

1 The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.

2. The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.

3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation, on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio- oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

4. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

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TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (ETS)

EXPORT TRANSMISSION SERVICE

APPLICABILITY:

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

Export Transmission Service Rate (ETS):

Hourly Rate
\$1.85 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.

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January 1, 2021

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