



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

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# **INTERIM RATE ORDER**

**EB-2017-0049**

## **HYDRO ONE NETWORKS INC.**

**Application for electricity distribution rates beginning January 1,  
2018 until December 31, 2022**

**BEFORE: Ken Quesnelle**  
Presiding Member

**Emad Elsayed**  
Member

**Lynne Anderson**  
Member

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**Revised: June 11, 2019**

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## 1 INTRODUCTION AND SUMMARY

This is an Interim Rate Order of the Ontario Energy Board (OEB) on an application filed by Hydro One Networks Inc. (Hydro One) to change its electricity distribution rates beginning January 1, 2018 until December 31, 2022.

The OEB has reviewed Hydro One's draft rate order (DRO) and proposed Tariff of Rates and Charges, and is satisfied that they accurately reflect the OEB's Decision and Order (Decision).

The OEB is maintaining Hydro One's rates as interim until the conclusion of the ongoing EB-2016-0315 proceeding concerning the implementation of the OEB decision to eliminate the Hydro One Distribution Seasonal Rate Class.

As a result 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 by 2.09% or \$2.55.

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## 2 THE PROCESS

On March 7, 2019, the OEB issued its Decision outlining its findings that Hydro One was to use to calculate its rates to be effective May 1, 2018 and implemented on July 1, 2019.

On April 5, 2019, Hydro One filed a DRO implementing the OEB's Decision. The DRO included detailed supporting information showing the calculation of the proposed rates. OEB staff and intervenors were given an opportunity to make comments on the DRO.

On April 25, 2019, OEB staff and a number of intervenors filed submissions providing comments on the DRO.

On May 9, 2019, Hydro One filed a reply submission responding to these comments. The OEB accepts Hydro One's explanations for the matters raised in the submissions by OEB staff and the intervenors subject to the qualifications in the following section.

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### 3 RATE ORDER

The OEB has reviewed the information provided in support of Hydro One's revised DRO and proposed Tariff of Rates and Charges. The OEB finds that the Tariff of Rates and Charges in Schedule A accurately reflects the Decision and is consistent with the OEB's format.

The OEB makes the following comments and findings on issues raised in the submissions from parties to provide context for this overall conclusion.

#### *Capital Work Program*

The OEB's Decision included a \$300 million reduction in the capital work program budget and requested a preliminary annual distribution of this amount over the 5-year period as part of the DRO. This information was required for the purpose of supporting the calculation of in-service additions and the corresponding impact on the revenue requirement.

Hydro One did not provide this information initially in the DRO (for the \$300 million separately) but later provided it in its DRO reply submission. However, Hydro One also provided a breakdown of the reduced capital budget at the work program level (e.g. System Renewal, System Service, etc.) which the OEB did not specifically request.

The issue with the breakdown provided by Hydro One is that the changes proposed for some work programs, compared to what was in Hydro One's application, are significant and represent new evidence that has not been tested in this proceeding. For example, the System Service category is proposed to increase by 43% and the System Renewal budget to decrease by 33% compared to what was filed in the application.

#### **Findings**

The OEB will not address this level of detail at this time. As directed in the Decision, Hydro One is to provide details of the revised capital work program as part of its first annual update rate application and to provide a detailed status report to be examined as part of its next rebasing rate application.

The OEB finds that the approach used by Hydro One to estimate the changes in in-service additions corresponding to the capital reductions, as described in Hydro One's DRO reply submission, is acceptable as it produces a reasonable input for the purpose of the DRO that is reflective of the OEB's Decision.

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### *Acquired Utilities*

The School Energy Coalition (SEC), supported by the Consumers Council of Canada (CCC) expressed concerns that the DRO lacked material information and documentation related to the Acquired Utilities.

### **Findings**

As noted in the OEB's letter,<sup>1</sup> the Acquired Utilities are small in comparison to the rest of Hydro One, and Hydro One's proposed integration of the Acquired Utilities was only for the last two years of the term (2021, 2022). Hydro One is allowed to apply for a price cap incentive rate adjustment for the Acquired Utilities for this two-year period without rerunning the cost allocation model. The Decision did not include an explicit requirement to identify and remove shared common costs to serve the Acquired Utilities. At the time of the next rebasing, the OEB expects that any rate proposals will ensure that Hydro One's legacy customers do not bear any costs, including shared common costs, for the Acquired Utilities.

### *Bill C-97*

On May 15, 2019, subsequent to the DRO filings mandated by the OEB, SEC sent correspondence to the OEB noting that it had come to SEC's attention that Bill C-97, the federal government's budget bill has now been "substantially enacted," as determined by the accounting bodies, and stating that it would appear to SEC that one of the impacts of the substantial enactment of Bill C-97 will be to reduce Hydro One's income taxes in 2019 by a material amount. This is because the Capital Cost Allowance (CCA) for many assets will increase, thus increasing timing differences and reducing current year tax (the CCA change). SEC further stated that this impact will continue annually during the IRM period.

SEC submitted that the revenue requirement should be adjusted to account for this, since if this was not done, the going in rates would not be just and reasonable. SEC argued that the OEB would otherwise be approving rates that over-recover actual costs of Hydro One.

SEC further submitted that while it was aware that tax changes such as the CCA change during an IRM period are split 50/50 between shareholders and customers through a variance account, in this case this should not be applicable, and 100% of the

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<sup>1</sup> April 23, 2019.

reduction in Hydro One's costs should be reflected in rates. SEC's position was supported by two other intervenors, CCC and Cable Cable.

Hydro One opposed the position of the intervenors<sup>2</sup> for the following three reasons:

- (1) Bill C-97 has not been enacted and therefore does not have any impact on Hydro One's revenues and when enacted its impacts would be recorded in the Tax Rate Changes variance account. As such, the allocation of any such variances can be addressed when the account is disposed of,
- (2) the Decision approved a five year custom IR application with 2018 rates for the period May 1, 2018 to December 31, 2018 and further provided that revenue requirements for 2019 and beyond are to be adjusted in accordance with annual update applications, and
- (3) the purpose of the final rate order process is to implement the Decision and not a forum to seek to change the Decision by raising new issues regarding possible future circumstances.

The Accounting Procedures Handbook (APH) states that any differences that result from a legislative or regulatory change to the tax rates or rules assumed in the OEB Tax Model are to be recorded in Account 1592, PILs and Tax Variances. In the Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors (3<sup>rd</sup> Generation Report)<sup>3</sup>, the OEB determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the OEB-approved base rates for a distributor, was appropriate.

Hydro One has a Tax Rate Changes variance account (referred to as Account 1592) to capture:

- Those differences that result from a legislative or regulatory change to the tax rates or rules; and
- Those differences that result from a change in, or disclosure of, a new assessing or administrative policy that is published in the public tax administration or interpretation bulletins by relevant federal or provincial tax authorities.<sup>4</sup>

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<sup>2</sup> Letter of May 17, 2019.

<sup>3</sup> EB-2007-0673, September 17, 2008, p. 35

<sup>4</sup> Exhibit F1-1-1, page 10, s. 2.1.4

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## Findings

Hydro One has argued that if Bill C-97 is enacted, “any variances will be recorded in that account. How that variance is allocated can be addressed when that account is disposed of”.<sup>5</sup> The OEB finds that this is an appropriate approach. While the name of Hydro One’s account differs from that in the APH, the account number and purpose of the account is the same, and includes changes to both tax rates and rules.

A question of the applicability of the 50/50 sharing policy referenced above has been raised. For the purpose of distinguishing variances resulting from the proposed Bill C-97 changes from other potential legislative or regulatory changes to the tax rates or rules, the OEB directs Hydro One to establish a new sub-account within Account 1592 specifically for the purposes of recording the impact of changes in CCA rules. This account will be effective November 21, 2018 (the proposals in Bill C-97 allow for accelerated first year tax depreciation on eligible capital expenditures made after November 20, 2018). The OEB directs Hydro One to record the full revenue requirement impact of any differences between the CCA rules and assumptions used in setting base rates in a given year, and the rules in effect for that year. The determination of the disposition methodology and allocation of any accumulated balances in this new 1592 sub-account will be made by the OEB when these balances are brought forth for disposition at a future date. The OEB’s future determinations regarding the disposition of this new sub-account will not be bound by the 50/50 sharing criterion identified in the 3rd Generation Report.

### *Interim Rates*

OEB staff submitted that as the seasonal rates matter was not considered in the current proceeding, because of the separate process previously established,<sup>6</sup> it would be appropriate for Hydro One’s rates to remain as interim until the seasonal rates proceeding has concluded. Hydro One did not respond to this submission in its DRO Reply Submission.

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<sup>5</sup> Hydro One Letter, May 17, 2019 responding to e-mails by SEC, CCC and Cable Cable.

<sup>6</sup> EB-2016-0315.

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## Findings

The OEB has previously in this proceeding declared Hydro One's rates as interim effective January 1, 2018.<sup>7</sup> The OEB will maintain Hydro One's rates as interim for the sole purpose of establishing an effective date for the elimination of seasonal rates in the separate process noted above.

This Rate Order establishes Hydro One's distribution rates effective May 1, 2018, to be implemented on July 1, 2019.

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<sup>7</sup> Decision on Issues List, Interim Rates and Procedural Order No. 2, December 1, 2017.

## **4 IMPLEMENTATION**

Pursuant to the approval by the OEB of the terms and cost consequences of the OEB Decision, the new rates are effective May 1, 2018 and to be implemented on July 1, 2019.

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## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Rate Order is approved on an interim basis effective May 1, 2018 and is to be implemented effective July 1, 2019. The Tariff of Rates and Charges will apply to electricity consumed or estimated to have been consumed on or after July 1, 2019. Hydro One shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. The Distribution Accounting Order included as Schedule B of this Rate Order is approved.
3. Intervenors shall submit their cost claims no later than June 13, 2019.
4. Hydro One shall file with the OEB and forward to intervenors any objections to the claimed costs no later than June 20, 2019.
5. Intervenors shall file with the OEB and forward to Hydro One any reply to any objections to the cost claims no later than June 27, 2019.
6. Hydro One shall pay the OEB's cost incidental to this proceeding upon receipt of the OEB's invoice.

**DATED** at Toronto June 6, 2019 (Revised: June 11, 2019)

### ONTARIO ENERGY BOARD

*Original Signed By*

Kirsten Walli  
Board Secretary

**SCHEDULE A**  
**INTERIM RATE ORDER**  
**HYDRO ONE NETWORKS INC.**  
**EB-2017-0049**  
**JUNE 6, 2019 (REVISED JUNE 11, 2019)**

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2018

Implementation Date July 1, 2019

Approved on an Interim Basis

This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors

EB-2017-0049

### 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.

The base distribution rates include the recovery of forgone revenue from May 1, 2018 to June 30, 2019.

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2018

Implementation Date July 1, 2019

Approved on an Interim Basis

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EB-2017-0049

### YEAR-ROUND URBAN DENSITY - UR

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	30.09
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.05
Distribution Volumetric Rate	\$/kWh	0.0075
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0084
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0074

#### 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	\$	40.45
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.04
Distribution Volumetric Rate	\$/kWh	0.0231
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0078
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0070

\*\*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

Issued - June 6, 2019

Revised - June 11, 2019

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2018

Implementation Date July 1, 2019

Approved on an Interim Basis

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EB-2017-0049

### YEAR-ROUND LOW DENSITY - R2\*\*

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge*	\$	96.22
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	(0.03)
Distribution Volumetric Rate	\$/kWh	0.0367
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0066

\*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 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

### SEASONAL

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	40.17
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.03
Distribution Volumetric Rate	\$/kWh	0.0740
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0009)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0059

#### 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

Issued - June 6, 2019

Revised - June 11, 2019

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2018

Implementation Date July 1, 2019

Approved on an Interim Basis

This schedule supersedes and replaces all previously  
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EB-2017-0049

### 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.

The base distribution rates include the recovery of forgone revenue from May 1, 2018 to June 30, 2019.

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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EB-2017-0049

### 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	\$	25.05
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.05
Distribution Volumetric Rate	\$/kWh	0.0301
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0055

#### 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	\$	33.48
Smart Metering Entity Charge - effective until December 31, 2022	\$	0.57
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.03
Distribution Volumetric Rate	\$/kWh	0.0622
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0054

#### 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

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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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	\$	98.94
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.06
Distribution Volumetric Rate	\$/kW	10.3954
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kW	(0.3072)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	2.3591
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.9892

#### 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	\$	114.96
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	(0.05)
Distribution Volumetric Rate	\$/kW	17.9552
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kW	(0.2655)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	1.8216
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	1.5492

#### 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

Issued - June 6, 2019

Revised - June 11, 2019

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

Effective Date May 1, 2018

Implementation Date July 1, 2019

Approved on an Interim Basis

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EB-2017-0049

### 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	\$	179.90
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.05
Distribution Volumetric Rate	\$/kW	7.8078
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kW	(0.1097)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	0.8855
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kW	0.7547

### 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

# Hydro One Networks Inc.

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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	\$	546.47
Meter Charge (for Hydro One ownership) (see Note 11)	\$	571.12
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	13.07
Facility Charge for connection to Common ST Lines (44 kV to 13.8 kV) (see Notes 1, 8 and 14)	\$/kW	1.4434
Facility Charge for connection to Specific ST Lines (44 kV to 13.8 kV) (see Note 2)	\$/km	480.7922
Facility Charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	\$/kW	2.2269
Facility Charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Distribution Station (see Notes 1 and 14)	\$/kW	3.7675
Facility Charge for connection to low-voltage (< 13.8 kV secondary) Low Voltage Distribution Station (see Notes 3 and 14)	\$/kW	1.5386
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kW	0.8959
Rate Rider for Disposition of Deferral/Variance Account (Non WMP) (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 10)	\$/kW	(1.2501)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Service Rates (see Notes 6 and 7)		
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kW	3.2915
Retail Transmission Rate - Line Connection Service Rate (see Note 5)	\$/kW	0.7877
Retail Transmission Rate - Transformation Connection Service Rate (see Note 5)	\$/kW	1.9755

### 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

Issued - June 6, 2019

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# Hydro One Networks Inc.

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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.

The base distribution rates include the recovery of forgone revenue from May 1, 2018 to June 30, 2019.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	39.65
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.01
Distribution Volumetric Rate	\$/kWh	0.0226
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0008)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0051
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0044

### 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

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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Implementation Date July 1, 2019

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EB-2017-0049

### 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.

The base distribution rates include the recovery of forgone revenue from May 1, 2018 to June 30, 2019.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2.33
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.02
Distribution Volumetric Rate	\$/kWh	0.1489
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0013)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0051
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

# Hydro One Networks Inc.

## TARIFF OF RATES AND CHARGES

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Implementation Date July 1, 2019

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EB-2017-0049

### 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.

The base distribution rates include the recovery of forgone revenue from May 1, 2018 to June 30, 2019.

#### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2.56
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$	0.03
Distribution Volumetric Rate	\$/kWh	0.1060
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2020 - Group 1 Accounts Approved on an Interim Basis	\$/kWh	(0.0009)
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2020 - Approved on an Interim Basis (see Note 13)	\$/kWh	(0.0067)
Retail Transmission Rate - Network Service Rate (see Note 4)	\$/kWh	0.0051
Retail Transmission Rate - Line and Transformation Connection Service Rate (see Note 5)	\$/kWh	0.0035

#### 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

# Hydro One Networks Inc.

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EB-2017-0049

### 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	\$	5.40
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# Hydro One Networks Inc.

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EB-2017-0049

### 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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EB-2017-0049

### 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	\$	88.29
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	\$	43.63
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)	\$	569.51
Pipeline crossings	\$	2,396.75
Water crossings	\$	3,570.65
		4760.48 plus
		Railway
Railway crossings	\$	Feedthrough
		Costs
Overhead line staking per meter	\$	4.24
Underground line staking per meter	\$	3.05
Subcable line staking per meter	\$	2.66
Central metering - new service <45 kw	\$	100.00
Conversion to central metering <45 kw	\$	1,533.47
Conversion to central metering >=45 kw	\$	1,453.47
Connection impact assessments - net metering	\$	3,192.85
Connection impact assessments - embedded LDC generators	\$	2,873.57
Connection impact assessments - small projects <= 500 kw	\$	3,266.07
Connection impact assessments - small projects <= 500 kw, simplified	\$	1,971.27

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**EB-2017-0049**

Connection impact assessments - greater than capacity allocation exempt projects - capacity allocation required projects	\$	8,641.91
Connection impact assessments - greater than capacity allocation exempt projects - TS review for LDC capacity allocation required projects	\$	5,727.89
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	\$	86.56
LDC rate for 15' of power space	\$	103.88
LDC rate for 20' of power space	\$	115.42
LDC rate for 25' of power space	\$	123.66
LDC rate for 30' of power space	\$	129.85
LDC rate for 35' of power space	\$	134.66
LDC rate for 40' of power space	\$	138.50
LDC rate for 45' of power space	\$	141.65
LDC rate for 50' of power space	\$	144.27
LDC rate for 55' of power space	\$	146.49
LDC rate for 60' of power space	\$	148.40

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

Generator rate for 10' of power space	\$	86.56
Generator rate for 15' of power space	\$	103.88
Generator rate for 20' of power space	\$	115.42
Generator rate for 25' of power space	\$	123.66
Generator rate for 30' of power space	\$	129.85
Generator rate for 35' of power space	\$	134.66
Generator rate for 40' of power space	\$	138.50
Generator rate for 45' of power space	\$	141.65
Generator rate for 50' of power space	\$	144.27
Generator rate for 55' of power space	\$	146.49
Generator rate for 60' of power space	\$	148.40

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### 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	\$	100.00
Monthly fixed charge, per retailer	\$	40.00
Monthly variable charge, per customer, per retailer	\$	1.00
Distributor-consolidated billing monthly charge, per customer, per retailer	\$	0.60
Retailer-consolidated billing monthly credit, per customer, per retailer	\$	(0.60)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.50
Processing fee, per request, applied to the requesting party	\$	1.00
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)	\$	4.00
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)	\$	2.00

# Hydro One Networks Inc.

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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.
15. Ontario Energy Board Rate Order EB-2017-0183, issued on March 14, 2019, identifies changes to the Non-Payment of Account Service Charges effective July 1, 2019.

**SCHEDULE B**  
**INTERIM RATE ORDER**  
**HYDRO ONE NETWORKS INC.**  
**EB-2017-0049**  
**JUNE 6, 2019**

## **Distribution Accounting Order – OPEB Cost Deferral Account**

The “Other Post-Employment Benefit (OPEB) Cost Deferral Account” will record all elements of the net periodic benefit cost other than the service cost that would have been classified as capital prior to the issuance of ASU 2017-07. The account will capture actual costs and will be effective until the Ontario Energy Board (OEB) has made a determination on the regulatory treatment of these costs at Hydro One’s application for 2020-2022 transmission rates in EB-2019-0082. A Decision on the disposition of the deferral account and the calculation and treatment of interest will be made as part of Hydro One’s application for 2020-2022 transmission rates in EB-2019-0082.

The account will be established as Account 1508, Other Regulatory Assets – Sub-Account “OPEB Cost Deferral Account” effective January 1, 2018. Hydro One Distribution will record interest on any balance in the sub-account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

The following outlines the accounting entries for this variance account.

	<u>USofA #</u>	<u>Account Description</u>
DR	1508	Other Regulatory Assets – Sub-Account “OPEB Cost Deferral Account”
CR	2055	Construction Work in Progress - Electric
To record the capitalized elements of the net periodic post-retirement benefit cost other than service cost.		
DR	1508	Other Regulatory Assets – Sub-Account “OPEB Cost Deferral Account”
CR	6035	Other Interest Expense
To record interest improvement on principal balance of OPEB Cost Deferral Account.		