Ontario Energy Board | Commission de l'énergie de l'Ontario

Ontario

DECISION AND RATE ORDER

EB-2024-0183

2024 UNIFORM TRANSMISSION RATES UPDATE

BY DELEGATION, BEFORE: Theodore Antonopoulos
Vice-President, Major Applications

June 27, 2024

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1 OVERVIEW

Each year, the OEB establishes transmission rates on a uniform basis for all electricity transmitters. Uniform transmission rates (UTRs) are set based on transmitters' annual revenue requirements and forecast consumption. The OEB's 2024 UTR Decision and Rate Order issued in January 2024 established the 2024 UTRs, effective January 1, 2024.[1]

The combined revenue requirement on which the January 2024 UTR Decision and Rate Order was based included an interim revenue requirement for Upper Canada Transmission 2, Inc. (UCT)[2]. In the current Decision and Rate Order, the OEB is updating the 2024 UTRs by replacing the OEB-approved interim 2024 revenue requirement of UCT with the OEB-approved final 2024 revenue requirement for UCT (2024 UCT Decision and Rate Order) effective January 1, 2024, to be implemented July 1, 2024.[3]

This Decision and Rate Order sets out the updated 2024 transmission revenue requirements by rate pool, and the UTRs and revenue allocators, effective July 1, 2024.

The updated 2024 transmission rate pool revenue requirement represents a 3.73% increase from the January 1, 2024 UTR Decision and Order and a 0.35% increase on the total bill for the average distribution-connected customer.

The updated 2024 UTRs (as shown in Schedule A), and the changes from the previously approved UTRs[4], are as follows:

- $6.12/kW/Month Network Service Rate (a $0.34/kW increase)
- $0.95/kW/Month Line Connection Service Rate (no change)
- $3.21/kW/Month Transformation Connection Service Rate (no change)

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vary depending on the customer mix and load characteristics in the different service areas and the proportion of power withdrawn by individual distributors from the bulk transmission system.

[1] EB-2023-0222, 2024 Uniform Transmission Rates, Decision and Order, January 18, 2024.
[2] EB-2023-0298, Upper Canada Transmission 2, Inc. (operating as East-West Tie Limited Partnership), application for approval of electricity transmission revenue requirements, Decision and Order on Interim Revenue Requirement, December 12, 2023.
[3] EB-2023-0298, Decision and Order, June 13, 2024.
[4] EB-2023-0222, 2024 Uniform Transmission Rates, Decision and Rate Order, January 18, 2024.

Electricity distributors recover transmission costs from their customers through Retail Transmission Service Rates (RTSRs), which are established for each rate class annually, effective (typically) January 1st or May 1st, depending on when the distributor's rate year begins. The updated 2024 UTRs will be taken into account when new RTSRs are approved in the individual rate proceedings for distributors effective January 1, 2025 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.

2 CONTEXT AND PROCESS

The OEB convened this proceeding on its own motion to update the 2024 UTRs effective July 1, 2024. This Decision and Rate Order implements the findings in the OEB's 2024 UCT Decision and Rate Order[5]; incorporates those findings into the calculation of the updated UTRs, effective July 1, 2024; and maintains the revenue requirements and charge determinants for each of the other OEB rate-regulated transmitters in Ontario as set out in previous OEB decisions and included in the 2024 UTR Decision and Rate Order.

The OEB approves revenue requirements and charge determinants for the individual transmitters in separate proceedings and uses them to calculate the UTRs. There are eight licensed, rate-regulated electricity transmitters in Ontario that currently recover their revenues through Ontario's UTRs:

Hydro One Networks Inc. (Hydro One)

Hydro One Networks Sault Ste. Marie LP (HOSSM)

Five Nations Energy Inc. (FNEI)

Canadian Niagara Power Inc. (CNPI)

Wataynikaneyap Power LP (WPLP)

Upper Canada Transmission 2, Inc. (UCT)[6]

B2M Limited Partnership (B2MLP)

Niagara Reinforcement Limited Partnership (NRLP)

The revenue requirements of the licensed and rate-regulated electricity transmitters are allocated to one or more of three transmission rate pools – Network, Line Connection and Transformation Connection. The revenue requirements for the three transmission rate pools are then divided by forecast demand (charge determinants) to establish the UTRs. The Independent Electricity System Operator (IESO) charges these rates to all transmission-connected customers, including electricity distributors.

This Decision and Rate Order is being issued by delegated authority, without a hearing, under section 6 of the *Ontario Energy Board Act, 1998.*

[5] EB-2023-0298, Decision and Rate Order, June 13, 2024.
[6] EB-2023-0091, Decision and Order, issued March 9, 2023, transferred Upper Canada Transmission, Inc.'s (operating as NextBridge) Electricity Transmission Licence to Upper Canada Transmission 2, Inc., operating as East-West Tie Limited Partnership.

3 UNIFORM TRANSMISSION RATES

The 2024 UTR Decision and Rate Order established the 2024 UTRs effective January 1, 2024. The revenue requirements and charge determinants for Hydro One, HOSSM, FNEI, CNPI and WPLP and the revenue requirements for B2MLP and NRLP had been previously approved by the OEB on a final basis. The OEB approved UCT's revenue requirement, on an interim basis effective January 1, 2024.[7] The 2024 total transmission revenue requirement approved by the OEB was $2,213,426,797.

The revenue requirement and charge determinants for each transmitter used to set the UTRs effective January 1, 2024, are set out in Table 1 below.

Table 1: Revenue Requirement and Charge Determinants By Transmitter, for UTRs Effective January 1, 2024

Transmitter	2024 Revenue Requirement	2024 Charge Determinants (MW)		
		Network	Line Connection	Transformation Connection
Hydro One[8]	$2,024,306,762	233,393	226,543	192,711
HOSSM[9]	$43,016,456	3,498	2,735	635
FNEI[10]	$7,988,092	230	249	73
CNPI[11]	$4,647,201	523	549	549
WPLP[12]	$33,585,573	156	-	-
UCT[13]	$54,921,609	-	-	-
B2MLP[14]	$36,395,939	-	-	-
NRLP[15]	$8,565,165	-	-	-
All Transmitters	**$2,213,426,797**	**237,801**	**230,076**	**193,969**

The only change to the 2024 UTR Decision and Rate Order being made in this Decision and Rate Order is updating the interim 2024 revenue requirement for UCT[16] with the

[7] EB-2023-0298, Decision and Order on Interim Revenue Requirement, December 12, 2023
[8] EB-2023-0127, Decision and Order, September 19, 2023.
[9] EB-2023-0130, Decision and Order, October 24, 2023.
[10] EB-2016-0231, Revenue Requirement and Charge Determinant Order, January 18, 2018.
[11] EB-2015-0354, Decision and Order, January 14, 2016.
[12] EB-2023-0168, Decision and Order, November 30, 2023.
[13] EB-2023-0298, Decision and Order on Interim Revenue Requirement, December 12, 2023.
[14] EB-2023-0129, Decision and Order, September 7, 2023.
[15] EB-2023-0128, Decision and Order, September 7, 2023.
[16] EB-2023-0298, Decision and Order on Interim Revenue Requirement, December 12, 2023.

final 2024 revenue requirement for UCT (2024 UCT Decision and Rate Order),[17] approved by the OEB on June 13, 2024. The updated UCT revenue requirement is to be included in the calculation of the UTRs implemented July 1, 2024. The updated UCT revenue requirement is effective January 1, 2024.

As shown in Table 2, the OEB approved a final 2024 revenue requirement for UCT of $96,134,597. The updated total 2024 transmission rate pool revenue requirement is $2,295,852,773 with UCT's approved final 2024 revenue requirement pro-rated to $137,347,585[18] to be included in the calculation of the UTRs, effective July 1, 2024 in order to implement a January 1, 2024 effective date.

UCT's pro-rated 2024 revenue requirement of $137,347,585 is allocated to the provincial Network rate pool only. The allocation of the revenue requirements of the other transmitters to the three transmission rate pools, the revenue requirements for those transmitters and the charge determinants remain unchanged from the 2024 UTR Decision and Rate Order.[19] The total revenue required for each pool is then divided by the forecast consumption (charge determinants) of each pool to establish the UTRs.

[17] EB-2023-0298, Decision and Order, June 13, 2024.
[18] EB-2023-0298 UCT's 2024 transmission revenue requirement of $96,134,597 effective January 1, 2024, is pro-rated to $137,347,585 (2*($96,134,597-$54,921,609) + $54,921,609)) to be implemented in the calculation of the UTRs, effective July 1, 2024.
[19] EB-2023-0222, 2024 Uniform Transmission Rates, Decision and Order, January 18, 2024.

TABLE 2 – 2024 FINAL REVENUE REQUIREMENT FOR UPPER CANADA TRANSMISSION AND UPDATED TOTAL REVENUE REQUIREMENT AND CHARGE FOR ALL TRANSMITTERS, FOR UTRs EFFECTIVE JULY 1, 2024

Transmitter	Updated 2024 Revenue Requirement	2024 Charge Determinants (MW)			OEB File Number
		Network	Line Connection	Transformation Connection	
Upper Canada Transmission (base 2024 revenue requirement)	$74,416,898	0	0	0	EB-2023-0298 Decision and Order issued June 13, 2024
Upper Canada Transmission (total 2024 revenue requirement - approved)	$96,134,597	0	0	0	EB-2023-0298 Decision and Order issued June 13, 2024
Upper Canada Transmission (pro-rated)	$137,347,585[20]	0	0	0	EB-2023-0298 Decision and Order issued June 13, 2024
All Transmitters	$2,295,852,773	237,801.119	230,076.195	193,968.592	

The updated UTRs effective July 1, 2024 are as follows:

- $6.12/kW/Month Network Service Rate
- $0.95/kW/Month Line Connection Service Rate
- $3.21/kW/Month Transformation Connection Service Rate

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

[20] EB-2023-0298 UCT's approved final 2024 transmission revenue requirement of $96,134,597 effective January 1, 2024 is pro-rated to $137,347,585 to be included in the calculation of the UTRs.

Table 3: Bill Impacts

Line	Component	2024 UTR	2024 UTR Update
1	Revenue requirement ($ millions)	2,213.4	2,295.9
2	% Increase (decrease) in revenue requirement		3.73%
3	% Impact of load forecast decrease (increase)		(0.00%)
4=2+3	Net impact on average transmission rates		3.73%
5	*Transmission rates as a % of transmission-connected customer's total bill*		11.83%[21]
6=4*5	Estimated average transmission-connected customer's bill impact		0.44%
7	*Transmission rates as a % of distribution-connected customer's total bill*		9.27%[22]
8=4*7	Estimated average distribution–connected customer's bill impact		0.35%

Findings

The UTR calculations, attached as Schedule A to this Decision and Rate Order, appropriately reflect the OEB's decisions for the Ontario transmitters on their 2024 revenue requirements, including the adjustments resulting from the OEB's 2024 UCT Decision and Rate Order: the allocation of those revenue requirements to transmission rate pools: and their charge determinants. The UTRs are approved, effective July 1, 2024.

[21] Calculated based on data from the IESO Monthly Market Report for December 2022 and the OEB's 2022 Yearbook of Electricity Distributors.
[22] *Ibid*.

4 ORDER

IT IS ORDERED THAT:

1. The revenue requirements by rate pool and the uniform electricity transmission rates and revenue allocators for rates, attached as Schedule A, are approved effective July 1, 2024.

2. The 2024 Ontario Uniform Transmission Rate Schedules, attached as Schedule B, are approved effective July 1, 2024.

DATED at Toronto June 27, 2024

ONTARIO ENERGY BOARD

Nancy Marconi

Digitally signed by Nancy Marconi
Date: 2024.06.27 16:09:52 -04'00'

Nancy Marconi
Registrar

SCHEDULE A

2024 REVENUE DISBURSEMENT ALLOCATOR

DECISION AND RATE ORDER

EB-2024-0183

JUNE 27, 2024

Uniform Transmission Rates and Revenue Disbursement Allocators

Effective July 1, 2024

Transmitter	Revenue Requirement			
	Network	Line Connection	Transformation Connection	Total
Hydro One	$1,206,861,187	$212,168,826	$605,276,749	$2,024,306,762
HOSSM	$25,645,763	$4,508,581	$12,862,112	$43,016,456
FNEI	$4,762,380	$837,237	$2,388,475	$7,988,092
CNPI	$2,770,591	$487,076	$1,389,534	$4,647,201
WPLP	$33,585,573	-	-	$33,585,573
UCT	$137,347,585	-	-	$137,347,585
B2MLP	$36,395,939	-	-	$36,395,939
NRLP	$8,565,165	-	-	$8,565,165
All Transmitters	**$1,455,934,183**	**$218,001,720**	**$621,916,870**	**$2,295,852,773**

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
Hydro One	233,393.428	226,543.453	192,711.042	
HOSSM	3,498.236	2,734.624	635.252	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
WPLP	156.151	-	-	
UCT	-	-	-	
B2MLP	-	-	-	
NRLP	-	-	-	
All Transmitters	**237,801.119**	**230,076.195**	**193,968.592**	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW/Month)	**6.12**	**0.95**	**3.21**	
Hydro One Allocation Factor	**0.82893**	**0.97325**	**0.97325**	
HOSSM Allocation Factor	**0.01761**	**0.02068**	**0.02068**	
FNEI Allocation Factor	**0.00327**	**0.00384**	**0.00384**	
CNPI Allocation Factor	**0.00190**	**0.00223**	**0.00223**	
WPLP Allocation Factor	**0.02307**	**0.00000**	**0.00000**	
UCT Allocation Factor	**0.09434**	**0.00000**	**0.00000**	
B2MLP Allocation Factor	**0.02500**	**0.00000**	**0.00000**	
NRLP Allocation Factor	**0.00588**	**0.00000**	**0.00000**	
Sum of Allocation Factors	**1.00000**	**1.00000**	**1.00000**	

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

Note 1: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0127 dated September 19, 2023.
Note 2: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0130 dated October 24, 2023.
Note 3: FNEI Revenue Requirement and Charge Determinants per OEB Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.
Note 4: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14,2016.
Note 5: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0168 dated November 30, 2023.
Note 6: UCT Revenue Requirement per OEB Decision and Order EB-2023-0298, Upper Canada Transmission 2, Inc. dated June 13, 2024.
Note 7: B2MLP Revenue Requirement per OEB Decision and Order EB-2023-0129 dated September 7, 2023.
Note 8: NRLP Revenue Requirement per OEB Decision and Order EB-2023-0128 dated September 7, 2023.
Note 9: The revenue requirements of HOSSM, FNEI, and CNPI are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of WPLP, UCT, B2MLP and NRLP are allocated entirely to the Network rate pool. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.
Note 10: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.

SCHEDULE B

2024 UNIFORM TRANSMISSION RATE SCHEDULES

DECISION AND RATE ORDER

EB-2024-0183

JUNE 27, 2024

2024 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES

EB-2024-0183

The rates contained herein shall be implemented effective July 1, 2024

Issued: June 27, 2024
Ontario Energy Board

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 that 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.

(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 generationare 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

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.

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.

	Monthly Rate ($ per kW)
Network Service Rate (PTS-N):	**6.12**
$ Per kW of Network Billing Demand [1,2]	
Line Connection Service Rate (PTS-L):	**0.95**
$ Per kW of Line Connection Billing Demand [1,3]	
Transformation Connection Service Rate (PTS-T):	**3.21**
$ 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.

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.

	Hourly Rate
Export Transmission Service Rate (ETS):	$1.78 / 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.