

Hydro One Networks Inc.
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

1.0 APPLICABILITY

These rates are applicable to Hydro One Networks' core retail customers, who are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

1.1 Customer Classifications

Residential - Year-round 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. Occupants must state that this is their principal residence for purposes of the Income Tax Act.
2. The occupant must live in this residence for at least 8 months of the calendar 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 not meeting the Residential Year-Round criteria. It includes dwellings such as cottages, chalets and camps.

Farm classification is applicable to properties actively engaged in agricultural production as defined by Statistics Canada. It does not include tree, sod, or pet farms. Services to year-round pumping stations or other ancillary services remote from the main farm shall be classed as farm.

Industrial Commercial classification applies to any service that does not fit the description of Residential or Farm 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.

Industrial Commercial General Service customer classification is applicable for Industrial Commercial customers not directly supplied by the sub-transmission system.

Industrial Commercial Sub-Transmission customer classification is applicable for Industrial Commercial customers supplied directly by the sub-transmission system.

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1.2 Density Zones

Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometre.

High Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per kilometre.

Normal Density Zone is defined as areas other than Urban or High Density Zone.

2.0 RATES FOR DISTRIBUTION SERVICE¹

Networks' distribution service rates are as follows:

Residential UR2 - Year-round residence in an Urban Density Zone, and Farm Single Phase customers which are energy-billed in an Urban Density Zone

| | |
|----------------------------|------------|
| Service Charge (per month) | \$ 11.82 |
| Volumetric Charge | |
| Energy Charge (per kWh) | 1.61 cents |
| Rate Rider (per kWh) | 0.20 cents |

Residential R1 - Year-round Residence in a High Density Zone

| | |
|----------------------------|------------|
| Service Charge (per month) | \$ 15.99 |
| Volumetric Charge | |
| Energy Charge (per kWh) | 2.10 cents |
| Rate Rider (per kWh) | 0.15 cents |

¹ With respect to the volumetric charge, two charge determinants are shown. A customer who is energy-metered will pay the energy rate, whereas a customer who is demand- or interval-metered, will pay the demand rate. The demand related volumetric charges for the residential customer classifications have been eliminated with this rate schedule.

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Residential R2 - Year-round Residence in a Normal Density Zone

| | |
|----------------------------|-----------------------|
| Service Charge (per month) | \$ 50.12 ² |
| Volumetric Charge | |
| Energy Charge (per kWh) | 1.71 cents |
| Rate Rider (per kWh) | 0.12 cents |

Seasonal Residential R3 - Seasonal Occupancy in a High Density Zone

| | |
|----------------------------|------------|
| Service Charge (per month) | \$ 16.40 |
| Volumetric Charge | |
| Energy Charge (per kWh) | 2.42 cents |
| Rate Rider (per kWh) | 0.35 cents |

Seasonal Residential R4 - Seasonal Occupancy in a Normal Density Zone

| | |
|----------------------------|------------|
| Service Charge (per month) | \$ 31.27 |
| Volumetric Charge | |
| Energy Charge (per kWh) | 1.69 cents |
| Rate Rider (per kWh) | 0.36 cents |

Farm Single Phase F1 - Single Phase Farm Customers actively engaged in agricultural production, in areas other than Urban Density Zones

| | |
|----------------------------------|--------------------|
| Service Charge (per month) | 52.77 ² |
| Volumetric Charge | |
| Energy Charge (per kWh) | 1.98 cents |
| Rate Rider (per kWh) | 0.08 cents |
| <i>Or</i> | |
| Demand Charge (per kW per month) | \$ 6.23 |
| Rate Rider (per kW per month) | \$ 0.26 |

² Under the *Ontario Energy Board Act, 1998* and associated regulations, every qualifying year-round residence and farm with a principal residence is eligible to receive Rural or Remote Rate Protection (RRRP). The service charge shown for eligible customers would be reduced by the applicable RRRP credit.

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Farm Three Phase F3 – Three Phase Farm Customers actively engaged in agricultural production, in areas other than an Urban Density Zone

| | |
|----------------------------------|-----------------------|
| Service Charge (per month) | \$ 46.76 ² |
| Volumetric Charge | |
| Energy Charge (per kWh) | 2.55 cents |
| Rate Rider (per kWh) | 0.03 cents |
| <i>Or</i> | |
| Demand Charge (per kW per month) | \$ 9.59 |
| Rate Rider (per kW per month) | \$ 0.10 |

Industrial Commercial General Service, Urban Density UG2 – Applicable to Farm Three Phase customers, Farm Single Phase demand-billed customers, and Industrial Commercial customers located in an Urban Density Zone

| | |
|----------------------------------------------------|------------|
| Service Charge (per month) | |
| Metered Customer | \$ 13.11 |
| Or | |
| Unmetered Customer | \$ 0.70 |
| Volumetric Charge (on metered or estimated volume) | |
| Energy Charge (per kWh) | 2.42 cents |
| Rate Rider (per kWh) | 0.03 cents |
| <i>Or</i> | |
| Demand Charge (per kW per month) | \$ 7.45 |
| Rate Rider (per kW per month) | \$ 0.10 |

Industrial Commercial General Service, Single Phase G1 – Applicable to General Service Class Single Phase customers not located in an Urban Density Zone

| | |
|----------------------------------------------------|------------|
| Service Charge (per month) | |
| Metered Customer | \$ 31.78 |
| Or | |
| Unmetered Customer | \$ 19.56 |
| Volumetric Charge (on metered or estimated volume) | |
| Energy Charge (per kWh) | 2.76 cents |
| Rate Rider (per kWh) | 0.09 cents |
| <i>Or</i> | |
| Demand Charge (per kW per month) | \$ 8.47 |
| Rate Rider (per kW per month) | \$ 0.26 |

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Industrial Commercial General Service, Three Phase G3 – Applicable to General Service Class Three Phase customers not located in an Urban Density Zone

| | |
|----------------------------------------------------|------------|
| Service Charge (per month) | |
| Metered Customer | \$ 40.47 |
| Or | |
| Unmetered Customer | \$ 5.55 |
| Volumetric Charge (on metered or estimated volume) | |
| Energy Charge (per kWh) | 2.71 cents |
| Rate Rider (per kWh) | 0.02 cents |
| Or | |
| Demand Charge (per kW per month) | \$ 8.74 |
| Rate Rider (per kW per month) | \$ 0.08 |

Industrial Commercial Sub-Transmission T – Applicable to Industrial Commercial Sub-Transmission class customers not located in an Urban Density Zone

| | |
|----------------------------------|------------|
| Service Charge (per month) | \$230.02 |
| Volumetric Charge | |
| Energy Charge (per kWh) | 2.15 cents |
| Rate Rider (per kWh) | 0.01 cents |
| Or | |
| Demand Charge (per kW per month) | \$ 7.20 |
| Rate Rider (per kW per month) | \$ 0.04 |

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Low Use Secondary Service - Applicable to supplementary service located on the same property as the primary service, supplied from the same transformer, with the same owner, separately metered, and which consumes less than the indicated yearly amounts:

| Secondary Service | Monthly Volumes (kWh/year) | Distribution Volumetric Energy Charges (cents/kWh) | Rider 1 (cents/kWh) | Final (cents/kWh) |
|-------------------|----------------------------|----------------------------------------------------|---------------------|-------------------|
| R1 | 1,500 | 2.89 | 0.09 | 2.98 |
| R2 | 1,500 | 2.89 | 0.09 | 2.98 |
| R3 | 500 | 2.89 | 0.09 | 2.98 |
| R4 | 500 | 2.89 | 0.09 | 2.98 |
| F1 | 2,500 | 2.11 | 0.08 | 2.19 |
| F3 | 2,500 | 2.84 | 0.02 | 2.86 |
| G1 | 2,500 | 2.89 | 0.09 | 2.98 |
| G3 | 2,500 | 2.84 | 0.02 | 2.86 |

Transformer Loss Allowance – Applicable to customers requiring a billing adjustment for transformer losses as the result of being metered on the primary side of a transformer. The following uniform values shall be applied to measured demand and energy to calculate transformer losses for voltages up to and including 50 kV (as metered on the primary side):

- (a) 1.5% for transformer installations up to an individual bank capacity of 400 kVA,
- (b) 1.0% for bank capacities over 400 kVA.

Alternatively, transformer losses may be determined from transformer test data, and measured demand and energy adjusted accordingly.

For services which are not demand metered, an assumed demand of 50% of the transformer capacity will be used to calculate the loss allowance. Where several transformers are involved, the bank capacity is assumed to be the arithmetic sum of all transformer capacities.

Customer-Supplied Transformation Allowance – Applicable to customers providing their own transformers. They will be allowed the following monthly billing amounts:

| <u>When supplied at</u> | <u>Single Phase</u> | <u>Three Phase</u> |
|---------------------------------|---------------------|--------------------|
| (a) Utilization Voltage | NIL | NIL |
| (b) Primary Voltage under 50 kV | \$ 0.20 per kW | \$ 0.60 per kW |
| (c) Primary Voltage 50 kV | NIL | \$1.25 per kW |

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RATE FOR STREET LIGHTING

APPLICABILITY:

This rate is applicable to all Hydro One Networks' core and acquired retail customers who have streetlights. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

RATE:

| | |
|-------------------------|------------|
| Volumetric Charge | |
| Energy Charge (per kWh) | 3.49 cents |
| Rate Rider (per kWh) | 0.01 cents |

Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

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.

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RATE FOR SENTINEL LIGHTING

APPLICABILITY:

This rate is applicable to all Hydro One Networks' core and acquired retail customers who have separate service to a sentinel light. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

RATES:

| | |
|-------------------------|------------|
| Volumetric Charge | |
| Energy Charge (per kWh) | 3.49 cents |
| Rate Rider (per kWh) | 0.01 cents |

Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)