

**APPENDIX "A" TO
HYDRO ONE NETWORKS INC.**

RATE ORDER

BOARD FILE NO. EB-2005-0020/EB-2005-0378

DATED: April 27, 2006

RATE SCHEDULE RETAIL CUSTOMERS

HYDRO ONE NETWORKS INC. RATES FOR DISTRIBUTION SERVICE

Effective Date: May 1, 2006

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.

RP-2005-0020

EB-2005-0378

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.

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.

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 13.600	\$ -	\$ -	\$ 13.600
Volumetric Charge Energy Charge [cent/kWh]	1.820	0.200	0.050	2.070

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 18.300	\$ -	\$ -	\$ 18.300
Volumetric Charge Energy Charge [cent/kWh]	2.370	0.150	0.070	2.590

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month) ²	\$ 56.800	\$ -	\$ -	\$ 56.800
Volumetric Charge Energy Charge [cent/kWh]	1.930	0.120	0.130	2.180

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

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 R2 customers would be reduced by the applicable RRRP credit.

Seasonal Residential R3 - Seasonal Occupancy in a High Density

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 18.770	\$ -	\$ -	\$ 18.770
Volumetric Charge Energy Charge [cent/kWh]	2.730	0.350	0.150	3.230

Seasonal Residential R4 - Seasonal Occupancy in a Normal Density Zone

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 35.540	\$ -	\$ -	\$ 35.540
Volumetric Charge Energy Charge [cent/kWh]	1.910	0.360	0.240	2.510

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month) ³	\$ 59.780	\$ -	\$ -	\$ 59.780
Volumetric Charge Energy Charge [cent/kWh] <i>OR</i> Demand Charge [\$/kW/month]	2.230 7.030	0.080 0.260	0.100 0.310	2.410 7.600

³ 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 F1 customers would be reduced by the applicable RRRP credit.

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month) ⁴	\$ 53.010	\$ -	\$ -	\$ 53.010
Volumetric Charge				
Energy Charge [cent/kWh]	2.880	0.030	0.040	2.950
<i>OR</i>				
Demand Charge	10.820	0.100	0.160	11.080
[\$/kW/month]				

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)				
a. Metered Customer	\$15.060	\$ -	\$ -	\$15.060
b. Unmetered Customer	\$ 0.790	\$ -	\$ -	\$ 0.790
Volumetric Charge				
Energy Charge [cent/kWh]	2.730	0.030	0.030	2.790
<i>OR</i>				
Demand Charge	8.400	0.100	0.110	8.610
[\$/kW/month]				

⁴ 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 F3 customers would be reduced by the applicable RRRP credit.

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)				
c. Metered Customer	\$36.110	\$ -	\$ -	\$36.110
d. Unmetered Customer	\$22.060	\$ -	\$ -	\$22.060
Volumetric Charge				
Energy Charge [cent/kWh]	3.110	0.090	0.090	3.290
<i>OR</i>				
Demand Charge[\$/kW/month]	9.550	0.260	0.290	10.100

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)				
e. Metered Customer	\$45.910	\$ -	\$ -	\$45.910
f. Unmetered Customer	\$ 6.260	\$ -	\$ -	\$ 6.260
Volumetric Charge				
Energy Charge [cent/kWh]	3.060	0.020	0.050	3.130
<i>OR</i>				
Demand Charge [\$/kW/month]	9.860	0.080	0.150	10.090

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 259.690	\$ -	\$ -	\$ 259.690
Volumetric Charge				
Energy Charge [cent/kWh]	2.420	0.010	0.030	2.460
<i>OR</i>				
Demand Charge [\$/kW/month]	8.120	0.040	0.090	8.250

Low Use Secondary Service - Applicable to supplementary service connected prior to January 1, 1996 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	Volumes [kWh per year]	Distribution Volumetric Energy Charges [cent per kWh]			
		Base	Rider 1	Rider 2	Final
R1	1,500	3.240	0.090	0.090	3.420
R2	1,500	3.240	0.090	0.090	3.420
R3	500	3.240	0.090	0.090	3.420
R4	500	3.240	0.090	0.090	3.420
F1	2,500	2.360	0.080	0.100	2.540
F3	2,500	3.190	0.020	0.050	3.260
G1	2,500	3.240	0.090	0.090	3.420
G3	2,500	3.190	0.020	0.050	3.260

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.

RP-2005-0020
EB-2005-0378

Customer-Supplied Transformation Allowance – Applicable to demand billed 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

**HYDRO ONE NETWORKS INC.
RATE FOR SENTINEL LIGHTING
Effective Date: May 1, 2006**

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:

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	N/A	N/A	N/A	N/A
Volumetric Charge Energy Charge [cent/kWh]	3.940	0.010	0.060	4.010

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

N/A = not applicable

**HYDRO ONE NETWORKS INC.
RATE FOR STREET LIGHTING
Effective Date: May 1, 2006**

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:

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	N/A	N/A	N/A	N/A
Volumetric Charge Energy Charge [cent/kWh]	3.940	0.010	0.060	4.010

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.

N/A = not applicable

Interim Demand-Side Management Time-of-Use Rates
Hydro One Networks Inc.
Schedule of Distribution Rates and Charges
Effective Date: May 1, 2006

The following rates shall remain in effect until superceded by further Order or Orders of the Board.

ToU Criteria for Eligibility

Customers' in the following rate classes having electricity consumption, (billing demand), in the off-peak period that is at least twice the electricity consumption during the on-peak period.

Interim Time-of-Use Rates

The on-peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during the winter (standard time) on business days and 0600 hours to 1800 hours Eastern Standard Time during the summer (daylight savings time) on business days. Off-peak period constitutes all of the remaining hours.

Farm Single Phase ToU F1 – Applicable to Single Phase Farm Customers actively engaged in agricultural production, in areas other than Urban Density Zones

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month) ¹	\$ 59.780	\$ -	\$ -	\$ 59.780
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	7.030	0.260	0.310	7.600

Farm Three Phase ToU F3 – Applicable to Three Phase Farm Customers actively engaged in agricultural production, in other areas than Urban Density zone

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month) ²	\$ 53.010	\$ -	\$ -	\$ 53.010
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	10.820	0.100	0.160	11.080

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$15.060	\$ -	\$ -	\$15.060
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	8.400	0.100	0.110	8.610

¹ 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 F1 customers would be reduced by the applicable RRRP credit.

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 F3 customers would be reduced by the applicable RRRP credit.

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$36.110	\$ -	\$ -	\$36.110
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	9.550	0.260	0.290	10.100

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$45.910	\$ -	\$ -	\$45.910
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	9.860	0.080	0.150	10.090

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

Distribution Charges	Base	Rider 1	Rider 2	Final
Service Charge (per month)	\$ 259.690	\$ -	\$ -	\$ 259.690
Volumetric Charge Demand Charge (per On-Peak kW per month) [\$/kW]	8.120	0.040	0.090	8.250