



**EB-2010-0089**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an application by Hydro 2000 Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2011.

**BEFORE:** Adrian Pye

## **DECISION AND ORDER**

### **Introduction**

Hydro 2000 Inc. ("Hydro 2000"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on December 15, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hydro 2000 charges for electricity distribution, to be effective May 1, 2011.

Hydro 2000 is one of 80 electricity distributors in Ontario regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3<sup>rd</sup> Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, Hydro 2000 is one of the electricity distributors that will have its rates adjusted for 2011 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports contained the relevant guidelines for 2011 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 9, 2010 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Hydro 2000's rate application was given through newspaper publication in Hydro 2000's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment and no intervenor requests were received. Board staff participated in the proceeding. This application proceeded by way of a written hearing.

While I have considered the entire record in this proceeding, this Decision and Order makes reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Smart Meter Funding Adder;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Late Payment Penalty Litigation Costs.

### **Price Cap Index Adjustment**

Hydro 2000's rate application was filed on the basis of the Filing Requirements. In fixing new distribution rates and charges for Hydro 2000, I have applied the policies described in the Filing Requirements and the Reports.

As outlined in the Reports, distribution rates under the 3<sup>rd</sup> Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Hydro 2000's utility specific stretch factor of 0.2%. Based on the final 2010 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore 0.38%. The rate model reflects this price cap adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.

The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural Rate Protection Charge;
- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFIT Service Charge; and
- Retail Service Charges.

### **Changes in the Federal and Provincial Income Tax Rates**

In its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* dated September 17, 2008, the Board determined that a 50/50 sharing of the impact of currently known legislated changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate for the 3<sup>rd</sup> Generation IRM applications. This was based on a decision of the Board in a proceeding in relation to natural gas distributors' (EB-2007-0606/615) incentive regulation applications in which tax as a Z-factor was being considered. In this decision, the Board found that a 50/50 sharing is appropriate because it recognizes that tax changes already flow to some extent through the inflation factor, though the precise timing and quantum of the tax reduction during a current IRM period is not known.

The calculated annual tax reduction over the plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider derived using annualized consumption by customer class underlying the Board-approved base rates.

In 2011, the maximum income tax rate is 28.25%, the minimum rate for those distributors eligible for both the federal and Ontario small business deduction is 15.50%, and the blended tax rate varies for certain distributors that are only eligible for the Ontario small business deduction. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% of the total change from those taxes included in the most recent cost of service base distribution rates.

I find that a 50/50 sharing of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate. Using the Board's rate model, Hydro 2000's tax sharing amount is a refund of \$177.00. In its application, Hydro 2000 noted that this amount is not material and therefore proposed to record the tax sharing refund amount in variance account 1595 for disposition at a future date. I agree and order Hydro 2000 to record the tax sharing refund amount of \$177.00 in variance account 1595, by June 30, 2011.

### **Smart Meter Funding Adder**

On October 22, 2008 the Board issued the *Guideline for Smart Meter Funding and Cost Recovery* which sets out the Board's filing requirements in relation to the funding and recovery of costs associated with smart meter activities conducted by electricity distributors.

Hydro 2000 requested to change its smart meter funding adder ("SMFA") from \$1.00 to \$1.69 per metered customer per month.

The SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. Also, the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA is in effect. The SMFA was initially

designed to fund future investment, not fully fund prior capital investment. Such treatment increases the risk, absent a prudence review, of over recovery. Since the deployment of smart meters on a province-wide basis is now nearing completion, and for the reasons noted earlier, the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. Since the deployment of smart meters on a province-wide basis is now nearing completion, and for the reasons noted earlier, the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. For those distributors that are scheduled to file a cost-of-service application for 2012 distribution rates, the Board expects that they will apply for the disposition of smart meter costs and subsequent inclusion in rate base. For those distributors that are scheduled to remain on IRM, the Board expects these distributors to file an application with the Board seeking final approval for smart meter related costs. In the interim, I will approve a SMFA of \$1.69 per metered customer per month from May 1, 2011 to April 30, 2012. This new SMFA will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Hydro 2000's variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

I have not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Hydro 2000 applies for the recovery of these costs on a final basis, if applicable.

### **Retail Transmission Service Rates**

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e., variance accounts 1584 and 1586).

On July 8, 2010 the Board issued revision 2.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2011. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributor’s specific RTSRs, Board staff provided a filing module. On January 18, 2011, the Board issued its Rate Order for Hydro One Transmission (EB-2010-0002) which adjusted the UTRs effective January 1, 2011. The new UTRs are shown in the following table:

| Uniform Transmission Rates             | kW Monthly Rates |             | Change |
|--|------------------|-------------|--------|
|  | Jan 1, 2010      | Jan 1, 2011 |        |
| Network Service Rate                   | \$2.97           | \$3.22      | +8.4%  |
| <u>Connection Service Rates</u>        |                  |             |        |
| Line Connection Service Rate           | \$0.73           | \$0.79      |        |
| Transformation Connection Service Rate | \$1.71           | \$1.77      |        |
|  |                  |             | +4.9%  |

Each distributor’s rate application model has been adjusted to incorporate these changes.

Based on the filing module provided by Board staff and the new UTRs effective January 1, 2011, noted in the table above, I approve the changes to the RTSRs calculated in the filing module.

### **Review and Disposition of Group 1 Deferral and Variance Accounts**

The *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Report* (the “EDDVAR Report”) provides that, during the IRM plan term, the distributor’s Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

**(i) Balances**

Hydro 2000 requested that the Board review and approve the disposition of the December 31, 2009 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of \$0.001 per kWh was exceeded. The combined total of Group 1 account balances is a credit of \$41,205 (credit balances are amounts payable to customers and debit balances are amounts recoverable from customers). Hydro 2000 included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. Hydro 2000's account balances as at December 31, 2009, plus projected carrying charges to April 30, 2011, are shown below (\$).

| Account Description                          | Account Number | Principal Amounts | Interest Amounts | Total Claim     |
|--|----------------|-------------------|------------------|-----------------|
|  |                | A                 | B                | C=A+B           |
| LV Variance Account                          | 1550           | (7,619)           | (173)            | (7,792)         |
| RSVA - Wholesale Market Service Charge       | 1580           | (15,761)          | (299)            | (16,060)        |
| RSVA - Retail Transmission Network Charge    | 1584           | (14,769)          | (226)            | (14,995)        |
| RSVA - Retail Transmission Connection Charge | 1586           | (14,074)          | (193)            | (14,267)        |
| RSVA - Power (Excluding Global Adjustment)   | 1588           | 10,556            | (829)            | 9,727           |
| RSVA - Power (Global Adjustment Sub-account) | 1588           | 2,159             | 23               | 2,182           |
| Recovery of Regulatory Asset Balances        | 1590           | 0                 | 0                | 0               |
|  |                | <u>(39,508)</u>   | <u>(1,697)</u>   | <u>(41,205)</u> |

In its submission, Board staff noted that the proposed balances for disposition do not reconcile with Hydro 2000's Reporting and Record-keeping Requirements ("RRR") due to Hydro 2000 not recording the disposition of the December 2008 balances until May 2010. Staff has confirmed that the amounts requested for disposition do not include the amounts already disposed in EB-2009-0229.

I approve the proposed balances for Group 1 accounts as presented by Hydro 2000. The December 31, 2009 balances and projected interest up to April 30, 2011 are considered final. For accounting purposes, the respective balance in each of the Group 1 accounts shall be transferred to the applicable sub-accounts in account 1595 established by the Board pursuant to the December 23, 2010 Frequently Asked Questions document accompanying the Accounting Procedures Handbook for disposition of balances in 2010, as soon as possible but no later than June 30, 2011 so that the RRR data reported in the second quarter of 2011 reflect these adjustments.

**(ii) Disposition**

The EDDVAR Report includes guidelines on the cost allocation methodology and the rate rider derivation for the disposition of deferral and variance account balances. I note that Hydro 2000 followed the guidelines outlined in the EDDVAR Report.

Hydro 2000 requested the disposition of its Group 1 account balance over a one year period. Board staff agreed with Hydro 2000's proposal on the basis that this would be in accordance with the EDDVAR Report. I accept the disposition period of one year proposed by Hydro 2000. Hydro 2000 is directed to dispose of the Global Adjustment Sub Account 1588 by means of a rate rider included in the delivery component of the bill that will apply prospectively to non-RPP customers.

**Late Payment Penalty Litigation Costs**

In this application, Hydro 2000 requested the recovery of a one time expense of \$3858.70 related to the late payment penalty ("LPP") costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario. Hydro 2000 also requested recovery of the cost of publishing the Board's Notice EB-2010-0295 which amounted to \$800.00, for a total recovery of \$4,658.70. Hydro 2000 requested this cost be included in the LPP rate rider or in a deferral account.

On October 29, 2010 the Board commenced a generic proceeding on its own motion to determine whether Affected Electricity Distributors<sup>1</sup>, including Hydro 2000, should be allowed to recover from their ratepayers the costs and damages incurred as a result of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-r0878) and as amended by addenda dated July 7, 2010 and July 8, 2010 (the "Minutes of Settlement") in the late payment penalty class action and if so, the form and timing of such recovery. This proceeding was assigned file No. EB-2010-0295.

On February 22, 2011, the Board issued its Decision and Order and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The decision set out a listing of each Affected Electricity Distributor and their share of the class action costs that is

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<sup>1</sup> As defined in the Board's Decision and Order EB-2010-0295



approved for recovery. The Board also directed Affected Electricity Distributors such as Hydro 2000 to file with the Board detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the EB-2010-0295 Decision and Order. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or cost of service application, as applicable. Hydro 2000 elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

I have reviewed Hydro 2000's proposed rate riders and approve them as filed excluding the \$800 cost of publishing the Board's Notice EB-2010-0295. In the Board's Rate Order in proceeding EB-2010-0295, the Board denied the recovery of the cost of the publication of the Notice on the grounds that such costs should be managed within each distributor's regulatory budget. I agree that this same approach should be adopted for Hydro 2000 and therefore recovery of the \$800 is denied.

### **Rate Model**

With this Decision Hydro 2000 is being provided with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2010 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

### **THE BOARD ORDERS THAT:**

1. Hydro 2000's new distribution rates shall be effective May 1, 2011.
2. Hydro 2000 shall review the draft Tariff of Rates and Charges set out in Appendix A. Hydro 2000 shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.
3. If the Board receives a submission from Hydro 2000 confirming the completeness and accuracy pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final, effective May 1,

2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Hydro 2000 shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

4. If the Board receives a submission from Hydro 2000 to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Hydro 2000 and may issue a revised final Tariff of Rates and Charges.
5. Hydro 2000 shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0089**, be made through the Board's web portal at, [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

**DATED** at Toronto, April 21, 2011

**ONTARIO ENERGY BOARD**

*Original signed by*

Adrian Pye  
Licencing Manager

**Appendix A**

**To Decision and Order**

**Draft Tariff of Rates and Charges**

**Board File No: EB-2010-0089**

**DATED: April 21, 2011**

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0089

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively by residential customers residing in detached, semi-detached or townhouse dwelling units. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 8.53     |
| Smart Meter Funding Adder – effective until April 30, 2012  | \$     | 1.69     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$     | 0.20     |
| Distribution Volumetric Rate  | \$/kWh | 0.0060   |
| Low Voltage Service Rate  | \$/kWh | 0.0055   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012              |        |          |
| Applicable only for Non-RPP Customers   | \$/kWh | 0.0008   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate   | \$/kWh | 0.0057   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kWh | 0.0045   |

### MONTHLY RATES AND CHARGES – Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0052 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0013 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0089

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly average peak demand is less than, or is forecast to be less than, 50 kW. This section shall include small apartment buildings, stacked townhouses, and smaller commercial, industrial and institutional developments. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge  | \$     | 24.61    |
| Smart Meter Funding Adder – effective until April 30, 2012  | \$     | 1.69     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$     | 0.57     |
| Distribution Volumetric Rate  | \$/kWh | 0.0081   |
| Low Voltage Service Rate  | \$/kWh | 0.0051   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012              |        |          |
| Applicable only for Non-RPP Customers   | \$/kWh | 0.0008   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate   | \$/kWh | 0.0052   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kWh | 0.0045   |

### MONTHLY RATES AND CHARGES – Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0052 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0013 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0089

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

|   |       |          |
|---|-------|----------|
| Service Charge  | \$    | 120.73   |
| Smart Meter Funding Adder – effective until April 30, 2012  | \$    | 1.69     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$    | 2.54     |
| Distribution Volumetric Rate  | \$/kW | 0.9881   |
| Low Voltage Service Rate  | \$/kW | 1.9755   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012              |       |          |
| Applicable only for Non-RPP Customers   | \$/kW | 0.3390   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kW | (0.7285) |
| Retail Transmission Rate – Network Service Rate   | \$/kW | 2.1334   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kW | 1.7937   |

### MONTHLY RATES AND CHARGES – Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0052 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0013 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0089

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the 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 Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

|   |        |          |
|---|--------|----------|
| Service Charge (per connection)   | \$     | 12.31    |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$     | 0.17     |
| Distribution Volumetric Rate  | \$/kWh | 0.0081   |
| Low Voltage Service Rate  | \$/kWh | 0.0050   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate   | \$/kWh | 0.0052   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kWh | 0.0045   |

### MONTHLY RATES AND CHARGES – Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0052 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0013 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0089

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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 Board, and amendments thereto as approved by the 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 Board, and amendments thereto as approved by the Board, or as specified herein.

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### MONTHLY RATES AND CHARGES – Delivery Component

|   |       |          |
|---|-------|----------|
| Service Charge (per connection)   | \$    | 0.05     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$    | 0.03     |
| Distribution Volumetric Rate  | \$/kW | 7.1591   |
| Low Voltage Service Rate  | \$/kW | 1.5279   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kW | (0.6253) |
| Retail Transmission Rate – Network Service Rate   | \$/kW | 1.6088   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kW | 1.3866   |

### MONTHLY RATES AND CHARGES – Regulatory Component

|   |        |        |
|---|--------|--------|
| Wholesale Market Service Rate                                   | \$/kWh | 0.0052 |
| Rural Rate Protection Charge                                    | \$/kWh | 0.0013 |
| Standard Supply Service – Administrative Charge (if applicable) | \$     | 0.25   |



**Hydro 2000 Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2011**

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

EB-2010-0089

## **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

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### **MONTHLY RATES AND CHARGES – Delivery Component**

|                |    |      |
|----------------|----|------|
| Service Charge | \$ | 5.25 |
|----------------|----|------|

### **ALLOWANCES**

|   |       |        |
|---|-------|--------|
| Transformer Allowance for Ownership - per kW of billing demand/month                      | \$/kW | (0.60) |
| Primary Metering Allowance for transformer losses – applied to measured demand and energy | %     | (1.00) |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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EB-2010-0089

## 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 Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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|   |    |          |
|---|----|----------|
| Customer Administration   |    |          |
| Arrears certificate   | \$ | 15.00    |
| Statement of Account  | \$ | 15.00    |
| Pulling post dated cheques  | \$ | 9.00     |
| Duplicate invoices for previous billing   | \$ | 15.00    |
| Request for other billing information   | \$ | 15.00    |
| Easement letter   | \$ | 15.00    |
| Income Tax letter   | \$ | 15.00    |
| Notification charge   | \$ | 15.00    |
| Account history   | \$ | 15.00    |
| Credit reference/credit check (plus credit agency costs)                                  | \$ | 25.00    |
| Returned cheque charge (plus bank charges)  | \$ | 15.00    |
| Charge to certify cheque  | \$ | 15.00    |
| Legal letter charge   | \$ | 15.00    |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 15.00    |
| Special meter reads   | \$ | 30.00    |
| Meter dispute charge plus Measurement Canada fees (if meter found correct)                | \$ | 30.00    |
| Non-Payment of Account  |    |          |
| Late Payment - per month  | %  | 1.50     |
| Late Payment - per annum  | %  | 19.56    |
| Collection of account charge – no disconnection   | \$ | 20.00    |
| Collection of account charge – no disconnection – after regular hours                     | \$ | 50.00    |
| Disconnect/Reconnect at meter – during regular hours                                      | \$ | 25.00    |
| Disconnect/Reconnect at meter – after regular hours                                       | \$ | 50.00    |
| Disconnect/Reconnect at pole – during regular hours                                       | \$ | 185.00   |
| Disconnect/Reconnect at pole – after regular hours  | \$ | 415.00   |
| Install/Remove load control device – during regular hours                                 | \$ | 25.00    |
| Install/Remove load control device – after regular hours                                  | \$ | 50.00    |
| Service call – customer-owned equipment   | \$ | 30.00    |
| Service call – after regular hours  | \$ | 165.00   |
| Temporary service install & remove – overhead – no transformer                            | \$ | 500.00   |
| Temporary service install & remove – underground – no transformer                         | \$ | 300.00   |
| Temporary service install & remove – overhead – with transformer                          | \$ | 1,000.00 |
| Specific Charge for Access to the Power Poles \$/pole/year                                | \$ | 22.35    |

# Hydro 2000 Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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EB-2010-0089

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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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   | \$       | 20.00     |
| Monthly Variable Charge, per customer, per retailer  | \$/cust. | 0.50      |
| Distributor-consolidated billing charge, per customer, per retailer  | \$/cust. | 0.30      |
| Retailer-consolidated billing credit, per customer, per retailer   | \$/cust. | (0.30)    |
| Service Transaction Requests (STR)   |          |           |
| Request fee, per request, applied to the requesting party  | \$       | 0.25      |
| Processing fee, per request, applied to the requesting party   | \$       | 0.50      |
| 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)  | \$       | 2.00      |

### LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

|   |        |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0660 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | N/A    |
| Total Loss Factor – Primary Metered Customer < 5,000 kW   | 1.0553 |
| Total Loss Factor – Primary Metered Customer > 5,000 KW   | N/A    |