

A woman with brown hair tied back is sitting on a light-colored sofa, reading a book to a young girl with pigtails. The girl is holding a stuffed animal. They are in a cozy living room with a stone fireplace wall, framed photos, a floor lamp, and a side table with a clock and books.

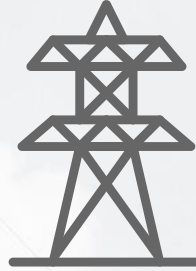
# HYDRO ONE

## 2018-2022 Distribution Rate Application Overview

# HYDRO ONE AT A GLANCE



**640,000 KM<sup>2</sup>**  
SERVICE TERRITORY



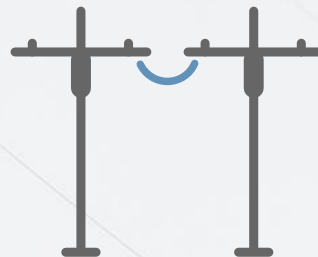
**30,000 KM** OF HIGH-VOLTAGE  
TRANSMISSION LINES



**306**  
TRANSMISSION STATIONS



**1.3 MILLION** RESIDENTIAL  
AND BUSINESS CUSTOMERS  
ACROSS ONTARIO



**123,000 KM** OF  
LOCAL DISTRIBUTION  
LINES



**1.6 MILLION**  
DISTRIBUTION  
POLES

# HOW THE SYSTEM WORKS

## ONTARIO POWER GENERATION AND PRIVATE GENERATION COMPANIES

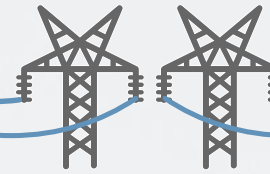


**Generation**

## HYDRO ONE TRANSMISSION



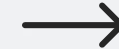
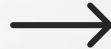
**Transformer Station**



**Transmission Lines**



**Transformer Station**



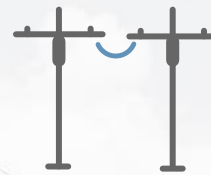
## HYDRO ONE DISTRIBUTION



**Home  
Wiring**



**Pole-Mounted  
Transformer**



**Distribution  
Lines**



**Distribution Station**





Service address:

CUSTOMER NAME

CUSTOMER NAME 2

ADDRESS FIELD, ADDRESS NOTES

Your account number:

123456123456

Page 2 of 2

## How we calculated your charges

### Balance forward

Amount of your last bill

\$207.42

Amount we received on January 15, 2017 - thank you

\$207.42 CR

### Balance forward

\$ 0.00

### Your electricity charges

Your service type is Residential - Medium Density

#### Electricity used this billing period

We read your meter J0000000 on December 3, 2016

002701.0000

We read your meter on January 3, 2017

– 001951.0000

Difference in meter readings

000750.0000

Metered usage in kilowatt-hours (750.0000 x 1) = 750.0000 kWh

Electricity: On-Peak: 135.0000 kWh@18.0000 ¢

\$24.00

Mid-Peak: 128.0000 kWh@13.2000 ¢

\$17.00

Off-Peak: 488.0000 kWh@8.7000 ¢

\$42.00

### Delivery

\$68.00

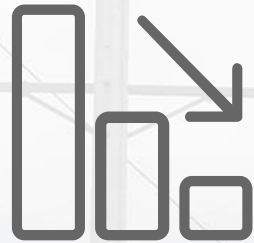
### Regulatory Charges

\$6.00



# FAIR HYDRO PLAN SAVINGS

ONTARIO AVERAGE



**25%**

estimated total bill reduction  
for all residential and small  
business customers

OUR CUSTOMER



Hydro One customers will  
receive a

**31%**

decrease on average

# FAIR HYDRO PLAN

## Your bill

**\$177**  
Jan 1, 2017  
(Before Fair Hydro Plan)

**\$122**  
July 1, 2017

**\$124**  
Jan 1, 2018

# FAIR HYDRO PLAN

Jan 2017 (Before Fair Hydro Plan)		Estimated Fair Hydro Plan Savings (As of July 1, 2017)
Time-of-Use Commodity	<b>\$83</b>	<b>-\$22</b>
Delivery	<b>\$68</b>	<b>-\$16</b>
Regulatory	<b>\$6</b>	<b>-\$2</b>
Taxes	<b>\$20</b>	<b>-\$15</b>
<b>TOTAL</b>	<b>\$177</b>	<b>-\$55 = \$122</b>

# HYDRO ONE DISTRIBUTION APPLICATION 2018

Distribution changes  
**+\$2.79**

Cancelled out by Fair Hydro Plan  
**-\$2.79**

Flow through transmission costs not covered by  
FHP  
**+\$1.95**

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**Your bill: \$124**

\*If the OEB approves Hydro One's 2018-2022 Distribution Rate Application

\*All numbers are illustrative estimates

\*Typical medium density Hydro One customer using 750kWh per month



# WHY WE HAVE TO INVEST



## RELIABILITY

- Our infrastructure is aging.
- Our plan aims to maintain overall reliability at current levels.



## EMERGENCY RESTORATION

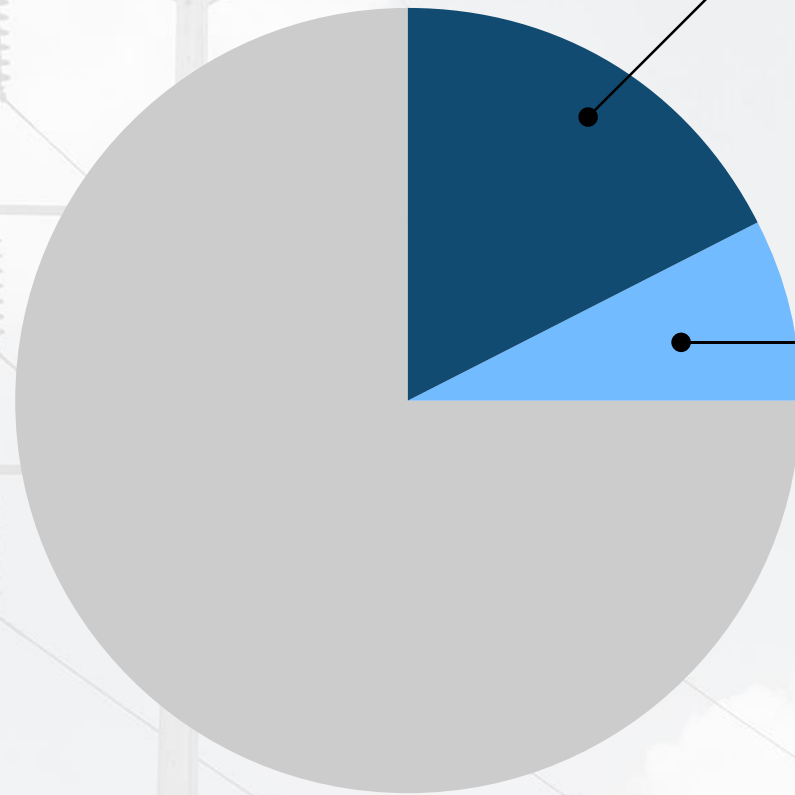
- Reducing spending increases the risk of outages.



## PRODUCTIVITY

- Not investing in productivity improvements means higher costs that put upward pressure on rates.

# AGING POLES



280,000 poles at or beyond expected service life as of 2017

120,000 poles will reach expected service life within the next five years

**1.6 Million Poles**

WHAT GOES INTO

DEVELOPING OUR  
DISTRIBUTION PLAN

# BUILDING OUR PLAN

WE TALKED TO 20,000  
CUSTOMERS:



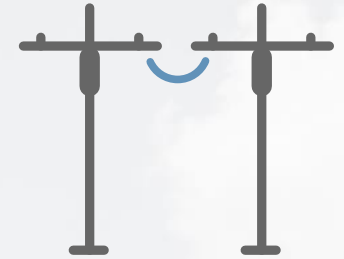
SURVEYS



FOCUS GROUPS  
& WORKSHOPS



KEEP COSTS  
LOW

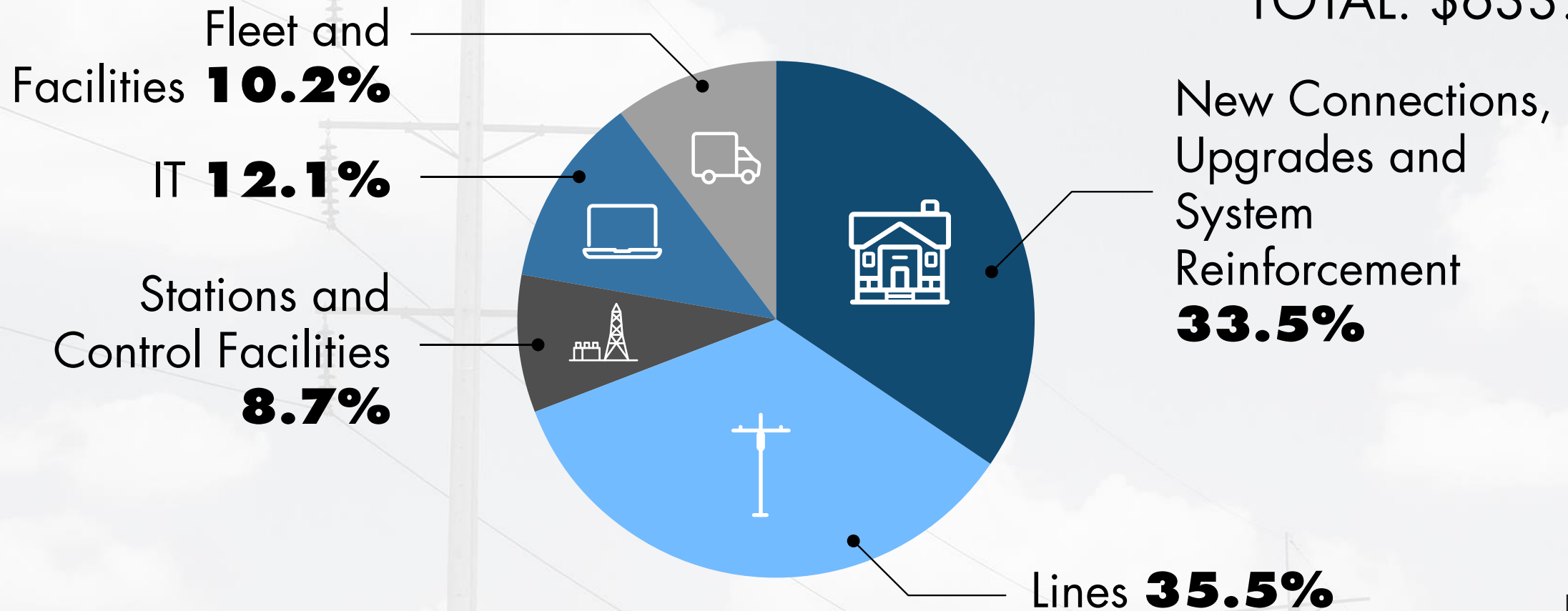


MAINTAIN  
RELIABLE SERVICE  
& CAPACITY

# CAPITAL INVESTMENT IN DISTRIBUTION

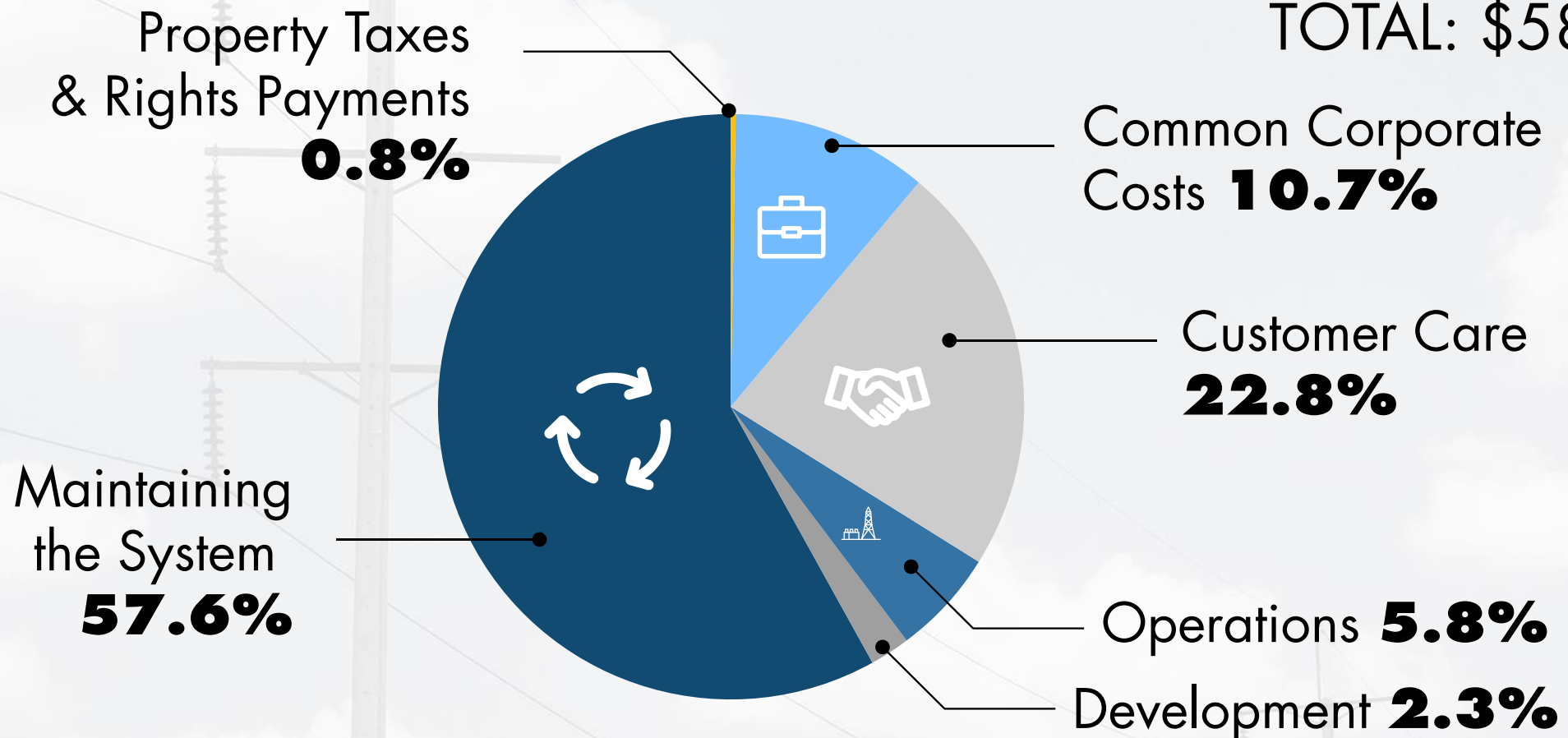
**2017 Forecast**

TOTAL: \$633.6M



# OPERATIONS AND MAINTENANCE INVESTMENTS IN DISTRIBUTION

**2017 Forecast**  
TOTAL: \$580.4M





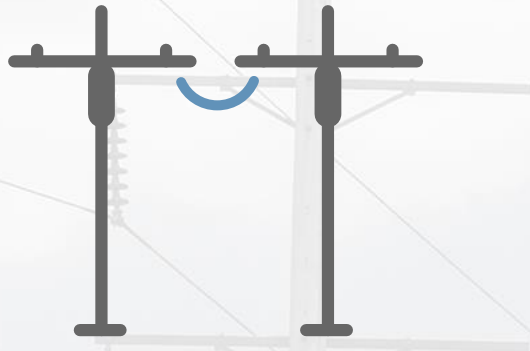
# SO WHAT DOES OUR PLAN LOOK LIKE?

# HYDRO ONE WILL...

- Direct spending to the infrastructure that needs it the most
- Improve efficiency
- Build in productivity savings of more than \$380 million over five years

# KEY **CAPITAL** PROGRAMS IN OUR PLAN

Serving over 1.3 million customers



## **POLE REPLACEMENTS**

REPLACING 72,151 POLES IN POOR  
CONDITION FROM 2018-2022

**\$579M**



## **STATION REFURBISHMENT**

REFURBISHING AN AVERAGE OF 15  
PER YEAR BETWEEN 2018-2022

**\$148M**

# KEY **OPERATIONS** AND **MAINTENANCE**

Serving over 1.3 million customers



## **FORESTRY**

MAINTAINING 12,750 KM OF  
RIGHTS-OF-WAY IN 2018

**\$150M IN 2018**



## **TROUBLE CALLS**

42,645 CALLS EXPECTED  
ANNUALLY

**\$78M IN 2018**

PART OF A TOTAL INVESTMENT OF

**\$633.9M**

in capital investment to expand, upgrade and renew the Distribution System in 2018

**\$584.8M**

to maintain and operate the Distribution System in 2018

# MEASURING OUR PROGRESS

WE WILL MEASURE HOW WELL WE



FOCUS ON  
OUR  
CUSTOMERS



OPERATE  
EFFECTIVELY



RESPOND TO  
PUBLIC POLICY



PERFORM  
FINANCIALLY





# THANK YOU.

FOR MORE INFORMATION

Please call our Customer Communications  
Centre at 1-888-664-9376

We would be happy  
to hear from you.