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April 26, 2012

*via email – signed original to follow by courier*

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Toronto Hydro-Electric System Limited (“THESL”)  
Reply Submission on Comments on Draft Rate Order  
OEB File No. EB-2012-0064**

THESL writes in respect of the above-noted matter.

Pursuant to Procedural Order No. 5, enclosed are THESL’s reply submissions on comments received from Board Staff and School Energy Coalition. THESL did not receive any additional comments from other parties.

Also enclosed as Appendix “A” are revised Tariffs of Rates and Charges, as described in THESL’s submissions.

Please do not hesitate to contact me if you have any questions.

Yours truly,

*[original signed by]*

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encl.

:AK/RB/acc

cc: Fred Cass, THESL Counsel  
Intervenors of Record for EB-2012-0064

1 **REPLY TO INTERVENOR AND BOARD STAFF SUBMISSIONS**

2  
3 Toronto Hydro-Electric System Limited (“THESL”) has received comments from Ontario Energy  
4 Board Staff (“Staff”) and the School Energy Coalition (“SEC”) on the Draft Rate Order (“DRO”)  
5 that it filed on April 12, 2013. THESL’s responses to these comments are set out below.

6  
7 **OVERVIEW**

8 On reviewing Staff’s comments, THESL believes that the Board would benefit from a clearer  
9 explanation of the capital work included in THESL’s application, along with a confirmation of which  
10 work would be funded via ICM rate riders, the threshold amount that has been used to calculate the  
11 ICM rate riders, and how that threshold was calculated. To aid in this exercise, THESL has prepared  
12 Figure 1, on the following page, to illustrate the composition of its 2013 capital work and related  
13 ICM funding.

14  
15 As a preliminary matter, THESL wishes to clarify two key points:

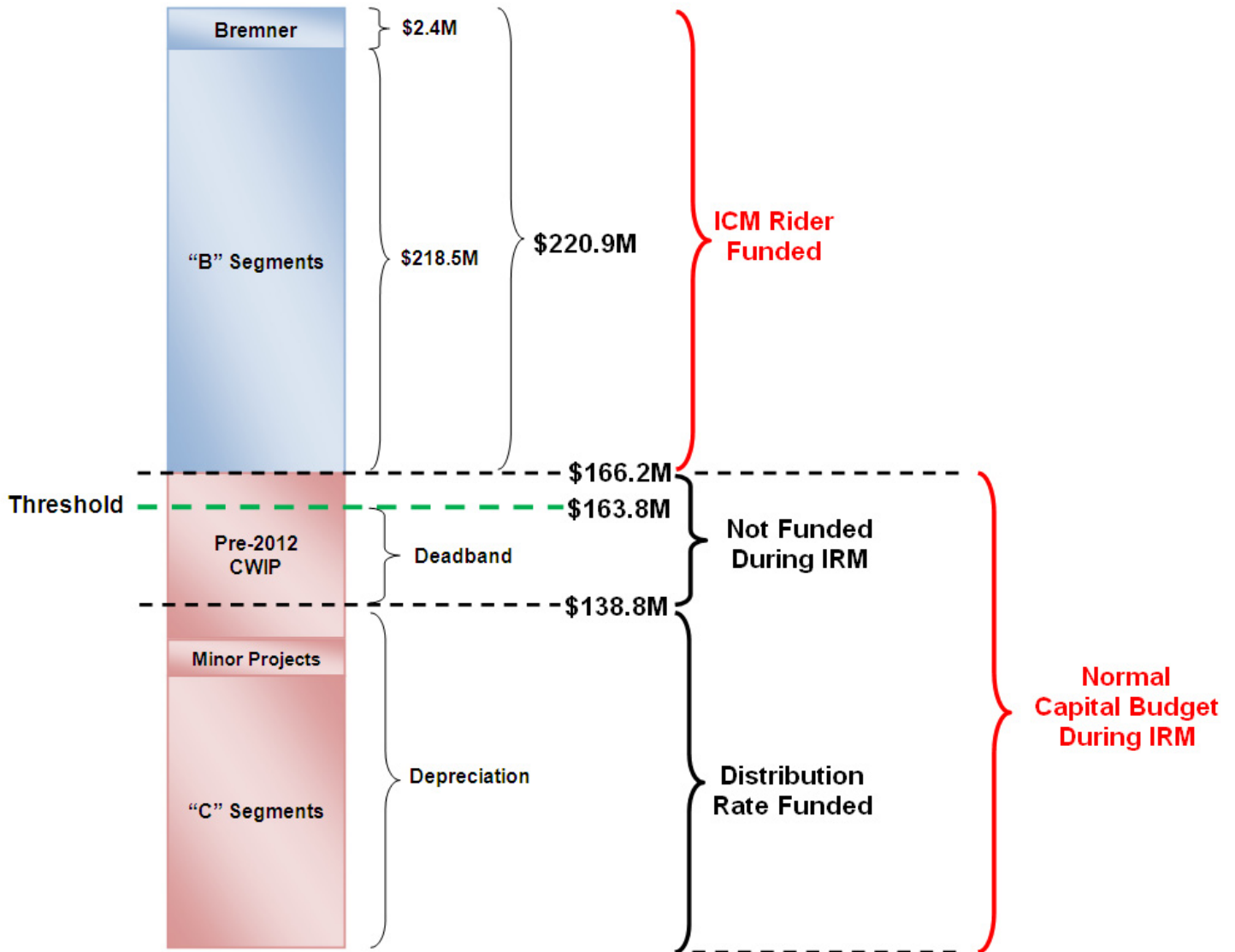
- 16  
17 1. In calculating the ICM rate riders in the DRO, THESL has not deviated from the threshold  
18 amount determined by the Board’s ICM Workform. As stated in the DRO, the ICM  
19 Workform calculates a 2013 ICM threshold of \$163,833,177. This is the amount that  
20 THESL has used in determining its eligibility for incremental capital spending.
- 21  
22 2. The \$166.19 million referred to by Staff<sup>1</sup> is not a substitute for the threshold calculations  
23 described above. This amount reflects THESL’s normal capital budget during the IRM term,  
24 and is composed solely of non-ICM capital work that the Board has determined to be non-  
25 discretionary, along with pre-2012 CWIP entering service in 2013 on an in-service basis (the  
26 “Normal Capital Budget”). THESL is not claiming ICM recovery for the portion of this  
27 amount that exceeds the threshold (approximately \$2.34 million); that amount is attributable  
28 to pre-2012 CWIP, which the Board directed THESL not to recover through ICM rate  
29 riders.<sup>2</sup>

30  
31 THESL responds to Staff’s and SEC’s specific comments below.

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<sup>1</sup> Staff submissions on DRO, p. 2. [Staff]

<sup>2</sup> DRO, p. 5, ll. 20-22.



**Figure 1: 2013 ICM Funding Visualization**

**NOTES:**

THESL's ICM riders are calculated based on all approved ICM projects above the threshold amount. Since THESL's Normal Capital Budget (which is composed solely of non-ICM capital work that the Board has determined to be non-discretionary and pre-2012 CWIP on an in-service basis) exceeds the threshold, all approved ICM projects are eligible for ICM funding.

**"B" Segments** = Board-approved ICM projects and segments, per Schedule B of pre-filed evidence

**"C" Segments** = Board-approved, non-discretionary capital work, per Schedule C of pre-filed evidence

**"Minor Projects"** = ICM projects and segments found by the Board to be non-discretionary, but ordered to be included in THESL's Normal Capital Budget during the IRM term. This work is not funded by the ICM riders.

**Pre-2012 CWIP** = The CWIP amount above the threshold level does not attract additional ICM rate funding, in accordance with the Decision.

By definition, all of THESL's planned non-discretionary capital work must be reflected in Figure 1, either in the Normal Capital Budget or in the ICM Rider Funded amounts (if approved by the Board).

**Visualization not to scale.**

1 **1. STAFF COMMENTS**

2  
3 **(a) Approved Project Level and Minor Projects**

4  
5 **Approved Project Level**

6 *THESL should clarify in its reply submission its basis for determining the approved ICM*  
7 *project level, specifically commenting on the apparent exclusion of “C” projects from the*  
8 *approved amount, and if so whether or not this implies that THESL will not go ahead with*  
9 *these projects and how such a determination was made.*<sup>3</sup>

10  
11 **Minor Projects**

12 *This means that THESL is increasing its level of 2013 project recovery by this amount, which*  
13 *appears to be contradictory to the Board’s finding Page 6 of 11 that THESL would not be*  
14 *permitted additional recovery for these projects. Board staff submits that THESL should*  
15 *provide further explanation of this approach in its reply submission.*<sup>4</sup>

16  
17 **Exclusions from Minor Projects**

18 *It is unclear to Board staff why THESL has excluded segments B15 and C3 from this amount*  
19 *and Board staff submits that THESL should state the basis for this exclusion in its reply*  
20 *submission.*<sup>5</sup>

21  
22 Pursuant to the *Filing Requirements for Electricity Transmission and Distribution Applications* (the  
23 “Filing Requirements”), to be eligible for ICM funding, a distributor must first establish that it has a  
24 sufficient amount of non-discretionary capital work to meet the ICM threshold.<sup>7</sup> In other words, a  
25 distributor may only include its non-discretionary capital work when calculating the threshold. The  
26 Decision<sup>8</sup> and the DRO are consistent with this requirement.

27  
28 As illustrated in Figure 1, in THESL’s case, this threshold amount is approximately \$163 million for  
29 2013. In preparing the DRO, THESL has only included segments in its Normal Capital Budget that

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<sup>3</sup> Staff, p. 2.

<sup>4</sup> Staff, p. 5.

<sup>5</sup> Staff, p. 5.

<sup>7</sup> Filing Requirements, Ch. 3, s. 2.2.2. See also Board Decision in Oshawa PUC (EB-2008-0205), p. 12.

<sup>8</sup> Partial Decision and Order in EB-2012-0064, dated April 2, 2013 [*Decision*].

1 the Board found to be non-discretionary. These items include those projects listed in Schedule “C”  
2 of THESL’s Application, as well as those projects which the Board found to be minor yet non-  
3 discretionary. By definition, all of THESL’s planned non-discretionary capital work must be  
4 reflected in Figure 1, either in the Normal Capital Budget or in the ICM Rider Funded amounts (if  
5 approved by the Board).

6  
7 Schedule “C” of THESL’s Application consists of the capital work that THESL intends to conduct  
8 during the IRM period that falls below the ICM materiality threshold (i.e., non-discretionary work for  
9 which THESL was not seeking ICM funding). This work was specifically identified in the  
10 Application in order to demonstrate to the Board, as was required by the ICM framework, that all of  
11 THESL’s proposed capital work, including that below the threshold, is non-discretionary.

12  
13 As THESL did not apply for ICM funding for the work identified in Schedule “C”, it has not  
14 included it within the projects for which ICM funding was requested. Pursuant to the Decision,  
15 THESL intends to proceed with all Board-approved projects from both Schedules “B” and “C”.

16  
17 THESL respectfully submits that it would be inconsistent with the Filing Requirements and the clear  
18 wording of the Decision (“THESL should be able to fund this project through its normal capital  
19 budget”<sup>10</sup>) if it were not permitted to account for the minor yet non-discretionary projects within its  
20 Normal Capital Budget. As directed in the Decision, THESL included in its Normal Capital Budget  
21 those ICM segments that the Board found to be non-discretionary yet immaterial (“Minor Projects”)  
22 for ICM relief. As illustrated in Figure 1, THESL is receiving no additional recovery for these  
23 projects; no ICM rate riders are proposed in respect of these non-discretionary Minor Projects.<sup>11</sup>

24  
25 In accordance with the Board’s Supplemental Report<sup>12</sup> and the Filing Requirements (collectively, the  
26 “ICM Guidelines”), THESL has not included any amount in the DRO regarding any capital work that  
27 was found by the Board to be discretionary. For this reason, THESL has not included in its  
28 calculations any amounts in respect of the following projects or segments:

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<sup>10</sup> Decision, pages 31, 32, 39, and 65.

<sup>11</sup> THESL has not included Schedule C3 as a minor project in its Normal Capital Budget because this work was already included below the threshold with the other Schedule “C” capital work – including this segment as a minor project would constitute double-recovery.

<sup>12</sup> *Supplemental Report of the Board on 3rd Generation IRM for Ontario’s Electricity Distributors*, dated September 17, 2008.

- 1       1. Schedule B15 (Stations Control & Communications Systems)
- 2       2. Schedule B19 (Feeder Automation)
- 3       3. “Continuing Projects and Emerging Issues Portfolio Capital”, which is a sub-component of
- 4             Schedule C1 (Operations Portfolio Capital)

5  
6       With regard to Schedules B13.1 and 13.2 (Stations Switchgear), THESL has included in its  
7       calculations only those jobs that were found by the Board to be non-discretionary.

8  
9       THESL must make efforts to assess and execute its capital program with a flexibility that is sensitive  
10       to the real-time demands of maintaining a safe and reliable distribution system, appropriately  
11       addressing capacity shortages, and responding to statutes, codes and external requirements including  
12       government policy. At this time, THESL does not intend to proceed further during the IRM term  
13       with those projects above the ICM-threshold that the Board found to be discretionary, as the Board  
14       has not allowed any funding for those projects under either THESL’s Normal Capital Budget or  
15       through ICM rate riders.

16  
17             **(b) Normal Capital Budget**

18  
19             *Board staff notes that while THESL is stating that its “normal capital budget” is the amount*  
20             *falling below the Board’s ICM threshold, THESL also appears to be stating that it is not*  
21             *using the ICM WorkForm calculated Threshold CAPEX of \$163.19 million, which is derived*  
22             *from the above formula, but instead the “normal capital budget” of \$166.19 million, which*  
23             *is different from the Board threshold and is determined by THESL as described above.*

24             *Board staff submits that THESL should clarify this matter in its reply submission.*<sup>13</sup>

25  
26       As stated above and as illustrated in Figure 1, THESL’s “normal capital budget”<sup>14</sup> during the IRM  
27       period totals \$166.19 million. This amount reflects THESL’s total estimated capital work during the  
28       IRM term, other than that work which is funded through ICM rate riders. It is not a substitute for the  
29       threshold.

30  

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<sup>13</sup> Staff, p. 3.

<sup>14</sup> The term “normal capital budget” was used by the Board in the Decision. As Staff note, the term is not defined. THESL’s description in the DRO and this reply constitutes its understanding of the Board’s intention. The same amounts could be called THESL’s “non-ICM capital budget”.

1 THESL's Normal Capital Budget is composed solely of non-ICM capital work that the Board has  
2 determined to be non-discretionary, in addition to pre-2012 CWIP coming into service in 2013.  
3 Importantly, THESL is not claiming any ICM recovery for the portion of this amount that exceeds  
4 the threshold. That specific amount (above the threshold) is attributable to pre-2012 CWIP, which  
5 the Board directed THESL not to recover through ICM rate riders.

6  
7 THESL uses the figure of \$166.19 million simply to demonstrate that its Normal Capital Budget  
8 exceeds the threshold, which means that all Board-approved ICM projects are eligible for ICM  
9 funding. If THESL's Normal Capital Budget fell below the threshold, some ICM projects could be  
10 funded by the capital funding available below the threshold without a need for ICM relief – this is not  
11 the case for THESL in 2013. Similarly, if THESL's Normal Capital Budget were determined to be  
12 even higher than \$166.19 million, the amount of funding for Board-approved ICM projects would  
13 remain the same.

14  
15 **(c) Proposed ICM Rider Reductions**

16  
17 *Board staff notes that if the Board Approved Non-Material ICM project amount as*  
18 *calculated by Board staff is removed from the approved projects and the ICM Workform*  
19 *calculated Threshold CAPEX is used instead of the alternative proposed by THESL, the*  
20 *2013 Incremental CAPEX, or total project recovery drops from \$218.53 million to \$213.73*  
21 *million, or almost \$5 million, as shown in the table below. Board staff invites THESL to*  
22 *comment in its reply submission as to why this amount, rather than the amount which it has*  
23 *proposed, is not the appropriate 2013 recovery amount.<sup>20</sup>*

24  
25 As THESL has stated in the preceding sections, the rate riders in the DRO were, in fact, calculated  
26 using a threshold amount of \$163.84 million, as Staff propose. They were not calculated on a  
27 threshold amount of \$166.19 million and THESL is not claiming any ICM recovery for any Normal  
28 Capital Budget amounts above the threshold (i.e., THESL is not claiming ICM recovery for the  
29 difference between \$163.83 million and \$166.19 million).

30  

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<sup>20</sup> Staff, p. 6.

1 Staff proposes that THESL's incremental capital amount be reduced by \$7.16 million to reflect  
2 "Board Disallowances for Minor Projects". As discussed in the preceding two sections, THESL has  
3 not included any projects deemed not to qualify for ICM funding in its calculation of ICM rate riders.  
4 However, THESL has included amounts found by the Board to be non-discretionary in its Normal  
5 Capital Budget, pursuant to the Decision. As illustrated in Figure 1, THESL is receiving no ICM  
6 funding for these projects.

7  
8 For these and the reasons above, THESL respectfully submits that disallowing \$7.16 million as  
9 proposed by Staff would be inconsistent with the Decision and the Filing Requirements, and an  
10 improper disallowance of funding for the Board-approved non-discretionary work within the Minor  
11 Projects.

12  
13 A corresponding reduction in ICM rate riders would in fact be doubly improper, to the extent that it  
14 "withdraws" funding that was never actually included in the DRO. As noted above and in Staff's  
15 submissions,<sup>21</sup> THESL has not included amounts in respect of segments B15 and C3 as Minor  
16 Projects within its Normal Capital Budget, since the Board found B15 to be discretionary and C3 was  
17 already included in the Normal Capital Budget with other Schedule "C" segments.

18  
19 In addition, Staff's re-calculation of the ICM rate riders does not account for the \$2.43 million in  
20 respect of Bremner coming into service in 2013.

21  
22 If the Board were to remove the Minor Projects from THESL's Normal Capital Budget – which  
23 THESL submits would be improper – the net effect on the 2013 ICM rate rider in the DRO would be  
24 a reduction of \$3,359,420,<sup>22</sup> for a total 2013 ICM rate rider of \$217,602,451.

25  
26 **(d) "PCI" Projects**

27  
28 *Appendix C, Schedule 2 of the DRO includes in addition to the item discussed above of*  
29 *"Board-Approved Non-Material ICM," an item "PCI" in the amount of \$115.02 million.*

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<sup>21</sup> Staff, p. 5.

<sup>22</sup> This amount reflects the net impact of withdrawing the Minor Projects from THESL's Normal Capital Budget, calculated by (i) removing the \$5,718,140 currently included in respect of the Minor Projects, and (ii) accounting for the additional \$2,358,720 in pre-2012 CWIP coming into service in 2013, which fell above the threshold in the DRO as originally presented but would fall below (and thus count toward) the threshold, should the Minor Projects be removed.



1            *This appears to be the total Board Approved ISA of segments C1 to C4, plus Allowance for*  
2            *Funds Used During Construction.*<sup>23</sup>

3  
4            The term “PCI Projects” (or “below-threshold” amounts) was a shorthand used by THESL to  
5            describe all non-discretionary capital work that was used to calculate its Normal Capital Budget.  
6            This work and associated in-service additions are illustrated in Figure 1. As noted earlier, THESL  
7            had provided this evidence in order to demonstrate to the Board that all of THESL’s proposed capital  
8            work, including that below the threshold, is non-discretionary. No ICM rate riders are proposed in  
9            the DRO regarding the below-threshold capital work.

10  
11           THESL has only included amounts in the DRO regarding capital work found by the Board to be non-  
12           discretionary. THESL has not included the portion of Schedule C4 that was found to be  
13           discretionary in the calculation of its Normal Capital Budget.

14  
15           **(e)        ICM Rider Calculation**

16  
17           *The total of [PCI plus Board Approved Non-Material ICM plus Pre-2012 CWIP, being*  
18           *\$166.19 million] is stated by THESL as being used to establish the projects eligible for ICM*  
19           *funding, instead of the ICM Workform calculated Threshold CAPEX of \$163.83 million.*  
20           *THESL does not appear to provide an explanation for this departure from normal practice.*  
21           *THESL removes this amount to determine the Incremental CAPEX used in the Incremental*  
22           *Capital Workform and calculates the proposed rate riders on the basis of an amount of*  
23           *\$218.53 million. Board staff submits that THESL should explain this approach in its reply*  
24           *submission.*<sup>24</sup>

25  
26           As described in the overview and preceding sections, and as illustrated in Figure 1, THESL used the  
27           ICM Workform to calculate the threshold of \$163.83 million for determining ICM funding  
28           eligibility. THESL’s Normal Capital Budget is \$166.19 million. The portion of THESL’s Normal  
29           Capital Budget that exceeds depreciation-determined distribution rates is unfunded during the IRM  
30           period. The DRO does not include any funding for THESL’s Normal Capital Budget above the  
31           threshold through ICM rate riders.

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<sup>23</sup> Staff, p. 6.

<sup>24</sup> Staff, p. 6.

1  
2 **(f) Tariff Format**

3  
4 *Board staff submits that THESL's proposed Tariff of Rates and Charges did not in a number*  
5 *of instances use the standard Board terminology and that these discrepancies should be*  
6 *addressed before the Final Rate Order is issued.*<sup>25</sup>

7  
8 The tariffs of rates and charges in the DRO were based on the tariff sheets generated by the Board's  
9 IRM Rate Generator model. As a convenience, THESL has manually prepared a revised Tariff of  
10 Rates and Charges, modeled after those approved in EB-2010-0142, which is attached as  
11 Appendix "A" to these submissions.

12  
13 **(g) Carrying Charges**

14  
15 *Board staff submits that THESL should update carrying charges on all deferral account*  
16 *balances to be disposed up to May 31, 2013, the date prior to implementation of the new*  
17 *rates.*<sup>26</sup>

18  
19 THESL prepared the DRO in accordance with the Board's Decision, which expressly directed  
20 THESL to update the carrying charges to December 31, 2013.<sup>27</sup> For consistency, THESL also  
21 prepared the PILs amounts on this basis, although the Decision was silent on this point. THESL  
22 advises the Board that the difference between calculating carrying charges up to December 31, 2013  
23 or up to May 31, 2013 is approximately \$40,000.

24  
25 **(h) Fixed vs. Variable DVA Riders**

26  
27 *Board staff submits that since the Board's direction on this matter is clear that THESL*  
28 *should use a combined fixed and variable DVA rate rider, rather than a variable only rider*  
29 *as proposed.*<sup>28</sup>

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<sup>25</sup> Staff, p. 8.

<sup>26</sup> Staff, p. 8.

<sup>27</sup> Decision, p. 70.

<sup>28</sup> Staff, p. 9.

1 As described in the DRO, THESL is prepared to create a DVA rider with both fixed and variable  
2 components, if the Board wishes.<sup>29</sup> THESL has produced a variable rider because it believes it is  
3 consistent with the Board's methodology for this account, and will reduce the already large number  
4 of riders and adders on its customers' bills.

5  
6 **(i) Billing Determinants**

7  
8 *Board staff submits that THESL should address in its reply submission whether the use of*  
9 *2011 billing determinants would result in a materially different allocation amongst each of*  
10 *the classes for the disposition of Deferral and Variance Account balances, shared tax*  
11 *savings, ICM revenue requirements and RTSRs approved by the Board.*<sup>30</sup>

12  
13 THESL has in fact used 2011 Board-Approved billing determinants to allocate and derive rates  
14 related to the Deferral and Variance Account balances, Shared Tax Savings, and ICM rate riders.  
15 THESL believes this is consistent with the Board's models.

16  
17 For the 2013 RTSRs, THESL acknowledges that the Board's model requests "the most recent  
18 reported RRR billing determinants". When the application was filed, these were 2010 billing  
19 determinants. In its DRO, THESL filed the updated RTSR with billing units consistent with the  
20 other models in its filed evidence.

21  
22 The following table shows the allocations of transmission costs using the 2011 RRR data, compared  
23 with the allocation as filed in the DRO. THESL submits that the differences are not material.

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<sup>29</sup> DRO, p. 10.

<sup>30</sup> Staff, p. 9.

Allocation of Transmission Costs				
	As filed in DRO		Using 2011 RRR data	
	Network	Connection	Network	Connection
Residential	24.3%	24.4%	24.1%	24.2%
Residential Urban	0.5%	0.5%	0.5%	0.5%
General Service Less Than 50 kW	9.6%	9.0%	9.7%	9.1%
General Service 50 to 999 kW	40.3%	40.1%	41.1%	41.0%
General Service 1,000 to 4,999 kW	15.9%	16.4%	15.2%	15.7%
Large Use	8.8%	8.8%	8.8%	8.8%
Street Lighting	0.5%	0.6%	0.5%	0.6%
Unmetered Scattered Load	0.2%	0.2%	0.1%	0.1%

1           **(j) True-Up**

2  
 3           *[Board staff submits that] THESL should recalculate the revenue requirement impacts ...*  
 4           *based on the actual in-service assets ... to determine the revenue requirement on an actual*  
 5           *basis for each applicable period.... All other input information in the Incremental Capital*  
 6           *Workform should remain unchanged....*

7  
 8           *The recalculated revenue requirement should then be compared to the rate rider revenues*  
 9           *collected in the same period to determine the variances. These variances should be refunded*  
 10           *to or collected from customers through a rate rider at the time of THESL's next rebasing*  
 11           *application.*<sup>31</sup>

12  
 13           THESL believes that the level of detail provided in the Draft Accounting Order accurately reflects  
 14           the direction provided by the Board in its Decision.

15  
 16           However, THESL does not object to the revenue reconciliation process that Board Staff has outlined.  
 17           In particular, THESL supports the administrative clarity in confirming, alongside the accounting  
 18           order, a process through which actual in-service assets in Board-approved ICM segments are to be  
 19           used to determine eligible ICM revenue requirement (on a segment basis, as per the Board's  
 20           Decision). In accordance with Staff's suggestion, this actual revenue requirement would then be

<sup>31</sup> Staff, p. 11.

1 matched to revenues collected through the ICM rate adders (which were granted necessarily based on  
2 forecasts and other estimates), with any variance (i.e., under-spend or prudent over-spend) to be  
3 collected from or refunded to customers at the time of THESL's next rebasing application.  
4

5 **(k) Assets Coming Out of Service**  
6

7 *Board staff notes that THESL observed that its treatment of the rate rider revenues is similar*  
8 *to the method the Board used to reconcile smart meter rate rider revenues with Smart Meter*  
9 *capital spending. In this context, the Board may also wish to consider whether or not*  
10 *depreciation of assets coming out of service should be tracked for future consideration by the*  
11 *Board. Board staff notes that under the general framework of the accounting for smart*  
12 *meters, the Board's treatment does not allow for the "double counting" of the not in-service*  
13 *conventional meters (i.e., stranded meters) and the new smart meter replacements, which are*  
14 *concurrently included in rate base. Board staff invites THESL to comment on this matter in*  
15 *its reply submission.*<sup>32</sup>  
16

17 THESL submits that tracking assets coming out of service is fundamentally inconsistent with the  
18 operation of the ICM and the IRM. As the Board has observed in the Decision when addressing  
19 THESL's request for adjustment to its 2011 ratebase, "THESL will continue to earn a return on rate  
20 base and depreciation on assets that will be retired during the IRM period."<sup>33</sup>  
21

22 Neither the Board's ICM Guidelines nor any prior Board decision concerning an ICM application has  
23 ever contemplated the tracking of ICM related assets coming out of service. This is not a simple  
24 proposition, and it was never addressed in evidence or in argument. As such, it is not a matter that  
25 can be properly considered in the context of a draft rate order.  
26

27 In addition, tracking assets coming out of service during the IRM period is not comparable to  
28 tracking conventional meters replaced by smart meters. In the case of smart meters, largely un-  
29 depreciated conventional meter assets were replaced on a clear one-for-one basis. As a consequence,  
30 there existed a clearly defined and identifiable pool of assets to track for future disposal. In contrast,  
31 this application deals with a large and highly varied pool of equipment, most of which has already

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<sup>32</sup> Staff, p. 11.

<sup>33</sup> Decision, p. 10.

1 been depreciated past its useful life, to be replaced by varying engineering solutions that may or may  
2 not be implemented on a like-for like basis.

3  
4 **2. SEC COMMENTS**

5  
6 SEC raises one issue in its comments on the DRO, relating to the in-service additions in respect of  
7 the Bremner Station for 2013:

8  
9 *The Board's Decision is clear - the approved ICM treatment for the Bremner TS project is*  
10 *for 2014 only. No amount was approved for 2013.*

11 ...

12 *There is no evidence on the record about what asset the \$2.43 million is attributed to, and*  
13 *how it can be in-service in 2013 while the Bremner station itself will not be in-service until*  
14 *2014.<sup>34</sup>*

15  
16 In THESL's submission, the amounts approved in the Decision are intended to reflect the work  
17 approved by the Board, on the basis determined by the Board (i.e., in-service additions). As a result,  
18 the amounts in the DRO must accurately reflect the Board's Decision. This is similar to THESL's  
19 reduction of the Board's allowed amounts for Schedule B13, in relation to the amounts quoted in the  
20 Decision, to accurately reflect the specific jobs found to be ICM-eligible. The in-service amounts in  
21 the DRO for Bremner accurately reflect the Decision.

22  
23 During the Oral Hearing THESL's witness Tom Odell testified that the asset classification of  
24 Bremner station required minor corrections, as new information had arisen since the Phase One Oral  
25 Hearing in December.<sup>35</sup> Mr. Odell testified to the effect that this reclassification would have on the  
26 depreciation of these assets over the three years of the project, which THESL believed to be the most  
27 pertinent effect of the correction. A consequence of the asset reclassification was the change in 2013  
28 ISAs (some asset classes, such as land, roads and certain civil infrastructure, may be used or useful in  
29 advance of other classes of assets).

30  

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<sup>34</sup> SEC Submissions, p. 1-2.

<sup>35</sup> Tr. 6, p. 84, lines 1-4

1 THESL submits that the DRO process is a mechanism for the Board to address the consequential  
2 effects of its decisions. At the time of the hearing, THESL understood that funding was to be  
3 determined on a spend basis. THESL believed that, if the Board were to select an in-service model  
4 (as it now has), these sorts of adjustments would be appropriately addressed through the DRO  
5 process.

6

7 To assist the Board, THESL can clarify that the discrete assets underlying the forecast amount to  
8 come into service during 2013 are as follows:

- 9 1. a service road (\$927,000), and
- 10 2. a cable chamber beneath Rees Street (\$1,500,000).

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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

EB-2012-0064

### RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Bulk metered residential buildings with up to six units also qualify as residential customers. 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 the 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	\$	18.43	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Smart Metering Entity –Effective until Oct 31 2018	\$	0.78	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	0.07	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	0.73	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	0.03	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.01521	
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kWh	0.00005	
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kWh	0.00061	
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kWh	0.00002	
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kWh	(0.00058)	
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kWh	(0.00010)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00820	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00548	

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)



# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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EB-2012-0064

### COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL

This classification is applicable to accounts where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Further details concerning the terms of service 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	\$	17.16	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Smart Metering Entity –Effective until Oct 31 2018	\$	0.78	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	0.06	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	0.68	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	0.03	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.02589	
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kWh	0.00009	
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kWh	0.00103	
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kWh	0.00004	
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kWh	(0.00065)	
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kWh	(0.00018)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00820	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00548	

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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EB-2012-0064

### **GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION**

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 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.

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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 the 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	\$	24.53	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Smart Metering Entity –Effective until Oct 31 2018	\$	0.78	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	0.09	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	0.97	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	0.04	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.02268	
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kWh	0.00008	
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kWh	0.00090	
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kWh	0.00003	
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kWh	(0.00043)	
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kWh	(0.00007)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00794	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00494	

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

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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EB-2012-0064

### **GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION**

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 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.

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

Service Charge	\$	35.90	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	0.13	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	1.42	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	0.05	(per 30 days)
Distribution Volumetric Rate	\$/kVA	5.6495	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kVA	0.0202	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kVA	0.2225	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kVA	0.0083	(per 30 days)
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kVA	(0.0740)	(per 30 days)
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kVA	(0.0134)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8417	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8824	

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

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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

EB-2012-0064

### **GENERAL SERVICE 1,000 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 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 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.

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

Service Charge	\$	693.06	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	2.49	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	27.34	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	1.02	(per 30 days)
Distribution Volumetric Rate	\$/kVA	4.4925	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kVA	0.0161	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kVA	0.1771	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kVA	0.0066	(per 30 days)
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kVA	(0.0588)	(per 30 days)
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kVA	(0.0113)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7455	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8806	

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

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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EB-2012-0064

### **LARGE USE > 5000 KW SERVICE CLASSIFICATION**

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. 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	\$	3038.05	(per 30 days)
Smart Meter Funding Rider	\$	0.68	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	10.90	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	119.83	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$	4.47	(per 30 days)
Distribution Volumetric Rate	\$/kVA	4.7862	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kVA	0.0172	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kVA	0.1887	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kVA	0.0070	(per 30 days)
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kVA	(0.0611)	(per 30 days)
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kVA	(0.0118)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	3.1298	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0893	

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

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# **Toronto Hydro-Electric System Limited**

## **TARIFF OF RATES AND CHARGES**

**Effective Date June 1, 2012**  
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EB-2012-0064

### **STANDBY POWER SERVICE CLASSIFICATION**

These classifications refer to an account that has Load Displacement Generation and requires THESL to provide back-up service. 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.

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#### **MONTHLY RATES AND CHARGES – Delivery Component - APPROVED ON AN INTERIM BASIS**

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).

Service Charge	\$	199.81	(per 30 days)
General Service 50 – 999 kW	\$/kVA	5.6495	(per 30 days)
General Service 1,000 – 4,999 kW	\$/kVA	4.4925	(per 30 days)
Large Use	\$/kVA	4.7862	(per 30 days)

# Toronto Hydro-Electric System Limited

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**Effective Date June 1, 2012**  
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EB-2012-0064

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location 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 level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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	\$	4.89	(per 30 days)
Service Charge (per connection)	\$	0.49	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$	0.02	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$	0.02	(per 30 days)
Rate Rider for 2013 ICM (per connection) - Effective until April 30, 2015	\$	0.19	(per 30 days)
Rate Rider for 2013 Bremner (per connection) - Effective until April 30, 2015	\$	0.01	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.06128	
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kWh	0.00022	
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kWh	0.00245	
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kWh	0.00009	
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kWh	(0.00119)	
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kWh	(0.00015)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00499	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00346	

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
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EB-2012-0064

### STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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.

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#### MONTHLY RATES AND CHARGES – Delivery Component

Connection Charge (per connection)	\$	1.31	(per 30 days)
Rate Rider for 2013 ICM (per connection) - Effective until April 30, 2015	\$	0.05	(per 30 days)
Distribution Volumetric Rate	\$/kVA	29.0011	(per 30 days)
Rate Rider for 2012 and 2013 Foregone IRM - Effective until April 30, 2015	\$/kVA	0.1041	(per 30 days)
Rate Rider for 2013 ICM - Effective until April 30, 2015	\$/kVA	1.1439	(per 30 days)
Rate Rider for 2013 Bremner - Effective until April 30, 2015	\$/kVA	0.0427	(per 30 days)
Rate Rider for Deferral/Variance Account - Effective until Apr 30, 2014	\$/kVA	(0.5199)	(per 30 days)
Rate Rider for Shared Tax Savings - Effective until Apr 30, 2014	\$/kVA	(0.0851)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5274	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2446	

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)



**Toronto Hydro-Electric System Limited**  
**TARIFF OF RATES AND CHARGES**  
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approved schedules of Rates, Charges and Loss Factors**

EB-2012-0064

**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**

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 the 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	\$	5.33	(per 30 days)
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# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

**Effective Date June 1, 2012**  
**Implementation Date June 1, 2013**

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

EB-2012-0064

### ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)	

### 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.

No 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.

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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

<b>Customer Administration</b>			
Duplicate Invoices for Previous Billing	\$	15.00	
Easement Letter	\$	15.00	
Income Tax Letter	\$	15.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00	
Returned Cheque (plus bank charges)	\$	15.00	
Special Meter Reads	\$	30.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00	
<b>Non-Payment of Account</b>			
Late Payment - per month	%	1.50	
Late Payment - per annum	%	19.56	
Collection of Account Charge – No Disconnection	\$	30.00	
Disconnect/Reconnect Charges for non-payment of account			
- At Meter During Regular Hours	\$	65.00	
- At Meter After Hours	\$	185.00	
Install/Remove Load Control Device – During Regular hours	\$	65.00	
Install/Remove Load Control Device – After Regular hours	\$	185.00	
Disconnect/Reconnect at Pole – During Regular Hours	\$	185.00	
Disconnect/Reconnect at Pole – After Regular Hours	\$	415.00	
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35	
Specific Charge for Access to the Power Poles – per pole/year (Third Party Attachments to Poles)	\$	18.55	
Specific Charge for Access to the Power Poles – per pole/year (Hydro Attachments on Third Party Poles)	\$	(22.75)	

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EB-2012-0064

### RETAIL SERVICE CHARGES (if applicable)

#### 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

Establishing Service Agreements		
Standard charge (one-time charge), per agreement per retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$	0.50
Distributor-Consolidated Billing		
Standard billing charge, per month, per customer, per retailer	\$	0.30
Retailer-Consolidated Billing		
Avoided cost credit, per month, per customer, per retailer	\$	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, regardless of whether or not the STR can be processed	\$	0.25
Processing fee, per request, applied to the requesting party if the request is processed	\$	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

# Toronto Hydro-Electric System Limited

## TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012  
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### 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.

#### Billing Determinant:

The billing determinant is the customer's metered energy consumption adjusted by the Total Loss Factor as approved by the Board and set out in this Schedule of Rates.

(A) Primary Metering Adjustment	0.9900
(B) Supply Facilities Loss Factor	1.0045

Distribution Loss Factors	
(C) Customer less than 5,000 kW	1.0330
(D) Customer greater than 5,000 kW	1.0141

#### Total Loss Factors

Secondary Metered Customers	
(E) Customer less than 5,000 kW (B)*(C)	1.0376
(F) Customer greater than 5,000 kW (B)*(D)	1.0187

Primary metered customers	
(G) Customer less than 5,000 kW (A)*(E)	1.0272
(H) Customer greater than 5,000 kW (A)*(F)	1.0085