

understanding your electricity pricing

When we calculate your bill, your charges are broken out into a number of lines on your bill. *Electricity* is shown separately from the rates for electricity delivery and other industry-related charges, which we're required to pass on to you, whether or not they originate from us.

Other charges may also appear on your bill, such as late payment charges or miscellaneous administrative fees.

1 Electricity - Time-of-Use prices

This is the cost of the electricity supplied to you during this billing period and is the part of the bill that is subject to competition. If you purchase electricity from Hydro One, you're charged the Regulated Price Plan (RPP) Time-of-Use (TOU) prices as set by the Ontario Energy Board (OEB). These prices may change every six months in May and November. Your consumption is separated into three Time-of-Use periods: on-peak, mid-peak and off-peak. The Time-of-Use periods differ from summer to winter. The summer (May 1st to October 31st) has only one on-peak period, while the winter (November 1st to April 30th) has two.

As your electricity distributor, we pass through this cost with no mark-up or profit. It is calculated based on your *Adjusted usage in kilowatt-hours*, which is the amount of electricity you used in kWh adjusted to cover the line losses¹ in the electricity system that are not measured by your meter.

¹ When electricity is transmitted over distances and passes through wires and transformers, it's normal for a small amount of power to be used or lost as heat. Therefore, we must purchase a small amount more than what you use. To determine the amount of electricity we need to buy for you, we use a calculation called an "adjustment factor." The adjustment factor is approved by the Ontario Energy Board and varies according to your service type.

2 Delivery

These are the costs of delivering electricity from generating stations across the province to Hydro One then to your home. This includes the costs to build and maintain the transmission and distribution lines, towers and poles, and operate provincial and local electricity systems. It also includes calculating your charges, meter reading and 24-hour emergency power restoration service.

A portion of these charges is fixed and does not change from month to month. The rest of the charges increase or decrease depending on the amount of electricity that you use. The majority of the charges that vary are calculated based on your *Metered usage in kilowatt-hours*, with the remaining charges that vary calculated based on your *Adjusted usage in kilowatt-hours* (amount of electricity we purchased on your behalf after adjustment for line losses). Delivery charges are set according to your service type and the Ontario Energy Board regulates these charges.

3 Regulatory Charges

Includes the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid. The majority of these charges increase or decrease depending on the amount of your *Adjusted usage in kilowatt-hours* (amount of electricity we purchased on your behalf after adjustment for line losses). The Ontario Energy Board regulates these charges.

4 Debt Retirement Charge

This is the charge used to pay down the debt of the former Ontario Hydro. This charge will also be calculated based on the amount of your *Metered usage in kilowatt-hours*, before adjustment for line losses, so it will vary from one bill to the next. For more information, go to www.oefc.on.ca.

Your seasonal electricity rates at a glance

Residential - Seasonal

1 Electricity:	
Summer (May 1 to Oct. 31)	
On-peak: 11 a.m. to 5 p.m.	10.7¢
Mid-peak: 7 a.m. to 11 a.m. and 5 p.m. to 7 p.m.	8.9¢
Off-peak: Weekdays 7 p.m. to 7 a.m. and all day on weekends and holidays	5.9¢
2 Delivery:	
Distribution service charge (\$/month)	\$23.98
Distribution volume charge (metered usage - ¢/kWh)	8.257¢
Transmission connection charge (adjusted usage - ¢/kWh)	0.431¢
Transmission network charge (adjusted usage - ¢/kWh)	0.543¢
3 Regulatory Charges:	
Standard supply service administration charge (\$/month)	\$0.25*
Rural rate protection charge (adjusted usage - ¢/kWh)	0.13¢
Wholesale market service rate (adjusted usage - ¢/kWh)	0.52¢
4 Debt Retirement Charge (metered usage - ¢/kWh):	0.70¢

2011 Delivery rates are effective as of January 1, 2011. Electricity prices are effective as of May 1, 2011.

* If you've enrolled with a retailer, the Standard Supply service administration charge does not apply.

The Ontario Clean Energy Benefit is a 10% rebate applied to the total electricity bill. It is effective for electricity used from January 1, 2011 to December 31, 2015. Go to www.ontario.ca/energyplan or call 1-888-668-4636 to see if you qualify.

For more pricing information, visit www.HydroOne.com or www.ontarioenergyboard.ca