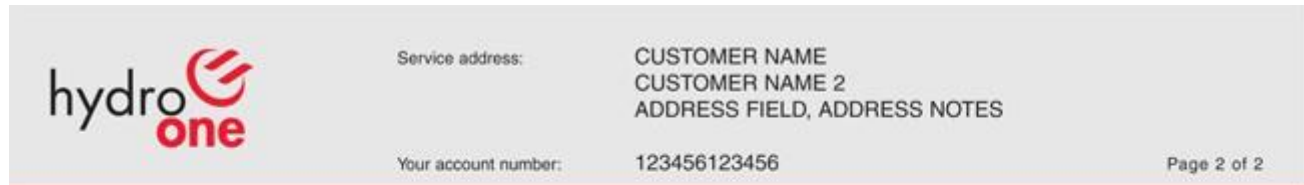


UNDERSTANDING SERVICE TYPES FOR HYDRO ONE CUSTOMERS

Hydro One service type is also known as **rate classification**. Identifying your service type will help you identify which rates and charges apply to you to help you to better understand your bill.

Service types are determined by the kind of electricity service and by density – how many customers there are in the area and the number of customers per kilometre of line. The more customers there are in an area, the lower the cost to serve each customer. To determine service type, please check page two on your bill. Below is an example of a residential customer with a low density.



How we calculated your charges

Balance forward	Amount of your last bill	\$175.00
	Amount we received on November 26, 2014 - thank you	\$175.00 CR
	Balance forward	\$ 0.00
Your electricity charges	Your service type is Residential - Low Density	
	Electricity used this billing period	
	We read your meter J1234567 on December 5, 2014	002701.0000

How Hydro One Assigns Service Types?

Residential Customers

Delivery rates for each service type are based on cost of delivering electricity to that type of customer at their electricity supply needs. **Residential service areas** are divided into three service types:

- **(U1) Urban high density zone** – customers classified as Residential Urban High Density are year-round residences in an urban high-density zone, which is an area that contains 3,000 or more customers, with at least 60 customers for every kilometer of power line used to supply energy in the zone
- **(R1) Medium density zone** – customers classified as Residential Medium Density are year-round residences in a medium-density zone, which is an area that contains 100 or more customers, with at least 15 customers for every kilometer of power line used to supply energy in the zone.
- **(R2) Low density zone** – customers classified as Residential Low Density are year-round residences in a low-density zone, which is an area *not* covered by (U1) Urban or (R1) Medium zones. (R2) Low density zone customers receive Rural or Remote Rate Protection (RRRP), which is a credit applied to the monthly distribution service charge. This credit is not separately shown on bills. It is included under the Delivery line.

UNDERSTANDING SERVICE TYPES FOR HYDRO ONE CUSTOMERS

General Service Customers

The **General Service (GS)** class applies to any service that does not fit the description of residential. There are two GS types, Urban and Non-urban, based on customer density.

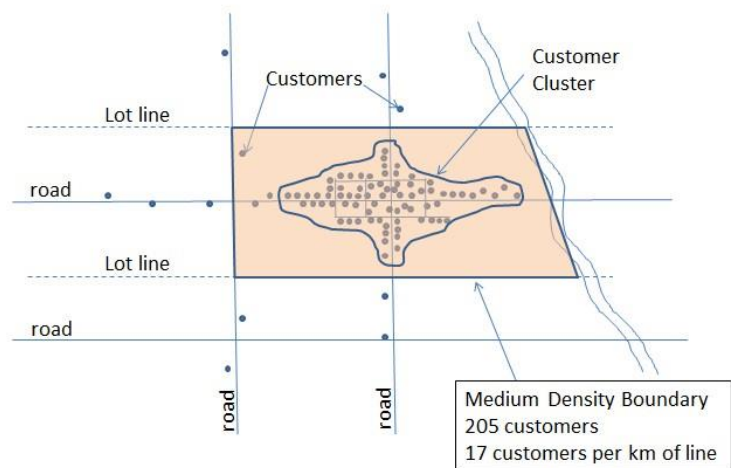
- **Urban density zone** - defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometer.
- **Non-urban density zone** - defined as areas other than Urban Density Zone.

GS is further defined by the amount of electricity the customer needs; **GS Energy-Billed** (less than 50 kW) and **GS Demand-Billed** (50 kW or more) service types.

Service Type Review Process

1. Geographic information system (GIS) data identifies and marks core customer boundaries.
2. Once density zone boundaries are marked, mapping is extended out the customer cluster boundary in all directions to easily identifiable physical or geographical boundaries, such as roads, railways, rivers, or lakes or non-physical boundaries identifiable within the GIS system such as property lines, where physical boundaries are remotely located from customer clusters.
3. Customer clusters near to each other are combined into a larger, single density zone.
4. The utility maps the kilometres of distribution line within a proposed density zone boundary and calculates customers per kilometre of line. The utility confirms the density zone definition applicable to the total number of customers and customers per kilometre for a proposed density zone boundary.

In the example, a customer cluster results in identifying a medium density zone (100 or more customers with a line density of at least 15 customers /km). All residential customers located in the shaded boundary are classed as medium density. Residential customers not included in this boundary are classified as having a low density. New residential



development(s) completed in an area may change customer service type. Email Hydro One at CustomerCommunications@HydroOne.com or call **1-888-664-9376** to verify the area density zone and service type. Hydro One will review service types on a province-wide basis by 2018.