

**APPENDIX "H" TO
HYDRO ONE NETWORKS INC.**

RATE ORDER

BOARD FILE NO. EB-2005-0020/EB-2005-0378

DATED: April 27, 2006

**HYDRO ONE DISTRIBUTION
LOSS FACTORS
Effective Date: May 1, 2006**

The following loss factors shall remain in effect until superseded by further Order or Orders of the Board.

APPLICABILITY:

These loss factors are applicable to Hydro One Distribution's Legacy retail customers and LV system-connected customers. Legacy retail customers are customers of Hydro One Distribution's retail distribution system, excluding those customers previously served by Acquired distribution utilities. LV system-connected customers are Embedded distribution utilities and customers designated as direct (industrial or commercial customers with average monthly demands in excess of 5 MW) who are directly connected to Hydro One Distribution's LV system, or distribution utilities with a delivery point embedded in Hydro One Distribution's service territory.

Supply Facilities Loss Factor	1.006
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Distribution Loss Factors

Secondary Metered Customers (Retail Customers other than those in F3, G3 and retail T- classes)	1.085
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Primary Metered Customers (Retail Customers in F3, G3 and retail T- classes)	1.055
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Direct Customers and Distribution Utilities with Delivery Points Embedded in Hydro One Distribution's System

Embedded Delivery Points on Express Feeders	1.000
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Embedded Delivery Points on Non-Express Feeders	1.028
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RP-2005-0020

EB-2005-0378

Total Loss Factors

Secondary Metered Customers (Retail Customers other than those in F3, G3 and retail T- classes)	1.092
Primary Metered Customers (Retail Customers in F3, G3 and retail T- classes)	1.061

Direct Customers and Distribution Utilities with Delivery Points Embedded in Hydro One Distribution's System

Embedded Delivery Points on Express Feeders	1.006
Embedded Delivery Points on Non-Express Feeders	1.034

For Embedded Direct and Embedded LDC customers that are supplied through Express feeders, as defined below and that are required to move the meter location from inside a TS or HVDS to outside a TS or HVDS, the applicable Supply Facility Loss Factor and the Distribution Loss Factor will be determined for such customers on the basis of an engineering study to arrive at a Site Specific Loss Adjustment for this circumstance, (SSLA), including radial line loss as appropriate, and this calculated value would replace the average Total Loss Factor shown above.

Express feeders are feeders that supply only one customer, either an Embedded Distributor or Embedded Direct, with the meter currently located at the transformer station or High Voltage Distribution Station.

Distribution utilities receiving power directly through their own facilities from one of three dedicated High Voltage Distribution Stations (HVDS) which perform a transformation function from 115 kV to 27.6 kV, specifically distribution utilities who receive power from Hydro One Distribution's Niagara-on-the-Lake HVDS, Hydro One Distribution's Vineland HVDS and Hydro One Distribution's Fallow field HVDS.

1.006

**HYDRO ONE DISTRIBUTION (Acquired LDC)
LOSS FACTORS
Effective Date: May 1, 2006**

LOSS FACTORS

Supply Facilities Loss Factor 1.0045

Distribution Loss Factors

Secondary Metered Customers

-Customer less than 5,000 kW 1.0500

-Customer greater than 5,000 kW 1.0100

Primary Metered Customers

-Customers less than 5,000 kW 1.0000

-Customers greater than 5,000 kW 1.0000

Total Loss Factors

Secondary Metered Customers

-Customer less than 5,000 kW 1.0545

-Customer greater than 5,000 kW 1.0145

Primary Metered Customers

-Customer less than 5,000 kW 1.0045

-Customer greater than 5,000 kW 1.0045