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Kathleen Burke

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BY EMAIL AND RESS

October 3, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

EB-2023-0291 – Hydro One Networks Inc. Renewable Generation Funding Application – Application and Evidence

Pursuant to Section 79.1 of the *Ontario Energy Board Act, 1998* and Ontario Regulation 330/09 (O. Reg. 330/09), enclosed is Hydro One's request for Renewable Generation Connection Rate Protection (RGCRP) amounts effective January 1, 2024 for Hydro One Distribution, and the Haldimand and Peterborough rate zones.

An electronic copy of the Application has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke". The signature is written in a cursive, flowing style.

Kathleen Burke

EXHIBIT LIST

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Filed: 2023-10-03
EB-2023-0291
Exhibit A
Tab 1
Schedule 1
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1 **APPLICATION**

2
3 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,
4 S.O.1998, c.15 (Schedule B);

5
6 **AND IN THE MATTER OF** an Application by Hydro One Networks
7 Inc., for an Order or Orders made pursuant to sections 78 and
8 79.1 of the *Ontario Energy Board Act, 1998* to establish
9 Renewable Generation Connection Rate Protection (RGCRP)
10 compensation amounts.

- 11
- 12 1. The applicant, Hydro One Networks Inc. (Hydro One), is an Ontario corporation with
13 its head office in Toronto, Ontario. Hydro One is licensed by the Ontario Energy
14 Board (the OEB), under licence number ED-2003-0043, to distribute electricity and
15 carry on the business of owning and operating distribution facilities in Ontario in the
16 areas specified in its licence.
 - 17
 - 18 2. This is an Application for the recovery of RGCRP funding for Hydro One
19 Distribution, and the Haldimand and Peterborough rate zones (RZ).¹
 - 20
 - 21 3. Hydro One hereby applies to the OEB for an Order approving:
 - 22 a. For Hydro One Distribution,
 - 23 i. the collection of a one-time payment of \$8,697,477 for renewable generation
24 connection investments made prior to January 1, 2024 that are not funded
25 through the balance accrued in Account 1533; and
 - 26 ii. the collection of provincial RGCRP compensation amounts for 2024-2027 as
27 follows:

¹ Haldimand RZ and Peterborough RZ refer to the Hydro One service areas formerly served by Haldimand County Hydro and Peterborough Distribution Inc., respectively.

- 1 • \$8,035,443 for 2024 (\$669,620 per month);
- 2 • \$8,160,624 for 2025 (\$680,052 per month);
- 3 • \$8,157,823 for 2026 (\$679,819 per month); and
- 4 • \$8,148,189 for 2027 (\$679,016 per month).

5

6 b. For Peterborough RZ,

7 i. the collection of a one-time payment of \$130,800 for renewable generation
8 connection investments made prior to January 1, 2024 that are not funded
9 through the balance accrued in Account 1533; and

10 ii. the collection of provincial RGCRP compensation amounts for 2024-2027 as
11 follows:

- 12 • \$18,018 for 2024 (\$1,502 per month);
- 13 • \$17,473 for 2025 (\$1,456 per month);
- 14 • \$16,918 for 2026 (\$1,410 per month); and
- 15 • \$16,354 for 2027 (\$1,363 per month).

16

17 4. In preparing this Application, Hydro One has been guided by the OEB's 2023 Filing
18 Requirements for Electricity Distribution Rate Applications (the "Filing
19 Requirements") and the Handbook for Utility Rate Applications.

20

21 5. The written evidence filed with the OEB may be amended from time to time prior to
22 the OEB's final decision on the Application.

23

24 **NOTICE AND FORM OF HEARING REQUESTED**

25 6. The Application may be viewed on the Internet at the following address:

26 <https://www.hydroone.com/abouthydroone/RegulatoryInformation/oebapplications>.

27

28 7. The persons affected by this Application are all electricity ratepayers in Ontario. It is
29 impractical to set out their names and addresses because they are too numerous.

1 8. Hydro One requests, in accordance with sections 6(4) and 21(4)(b) of the *Ontario*
2 *Energy Board Act, 1998*, that this Application be disposed of without a hearing and
3 hereby provides its consent to the same. Hydro One submits that in accordance
4 with the requirements of section 21(4)(b) of the *Ontario Energy Board Act, 1998*, no
5 person will be adversely affected in a material way by the outcome of this
6 proceeding.

7
8 **PROPOSED EFFECTIVE DATE**

9 9. Hydro One requests that the OEB's Order in this proceeding be effective January 1,
10 2024.

11
12 **CONTACT INFORMATION**

13 10. Hydro One requests that a copy of all documents filed with the OEB by each party
14 to this Application be served on the Applicant and the Applicant's counsel, as
15 follows:

16
17 **a) The Applicant:**

18 Ms. Carla Molina
19 Senior Regulatory Coordinator – Regulatory Affairs
20 Hydro One Networks Inc.

21
22 Mailing Address: 7th Floor, South Tower
23 483 Bay Street
24 Toronto, Ontario M5G 2P5
25 Telephone: (416) 345-5317
26 Fax: (416) 345-5866
27 Email: Regulatory@HydroOne.com

28
29 **b) The Applicant's Counsel:**

30 Ms. Raman Dhillon
31 Senior Legal Counsel

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Hydro One Networks Inc.

Mailing Address: 8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
Telephone: (416) 859-0942
Fax: (416) 345-6972
Email: Raman.Dhillon@HydroOne.com

DATED at Toronto, Ontario, this 3rd day of October 2023.

By its counsel,



Raman Dhillon

1 **CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT**
2 **BALANCES**

3
4 TO: ONTARIO ENERGY BOARD
5

6
7 The undersigned, Chris Lopez, being Hydro One's EVP, Chief Financial and Regulatory
8 Officer, hereby certifies for and on behalf of Hydro One that:

- 9
10 1. This certificate is given pursuant to Chapter 1 of the OEB's *Filing Requirements*
11 *for Electricity Distribution Rate Applications – 2022 Edition for 2023 Rate*
12 *Applications*; and
13
14 2. Hydro One has the appropriate processes and internal controls for the
15 preparation, review, verification and oversight of all deferral and variance
16 accounts.

17
18 DATED this 3rd day of October 2023.

19
20 

21
22 _____
CHRIS LOPEZ

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APPLICATION SUMMARY

1.0 INTRODUCTION

Pursuant to Section 79.1 of the *Ontario Energy Board Act, 1998* and Ontario Regulation 330/09 (O. Reg. 330/09), Hydro One is requesting RGCRP amounts effective January 1, 2024 for Hydro One Distribution, Haldimand RZ and Peterborough RZ. This exhibit provides the details on the requested RGCRP amounts for each RZ.

Accordingly, this exhibit contains the following sections:

- Section 2.0 – Hydro One Distribution RGCRP Request
 - 2.1 Background
 - 2.2 Requested RGCRP Funding for Hydro One Distribution
- Section 3.0 – Haldimand RZ RGCRP Request
 - 3.1 Background
 - 3.2 Requested RGCRP Funding for Haldimand RZ
- Section 4.0 – Peterborough RZ RGCRP Request
 - 4.1 Background
 - 4.2 Requested RGCRP Funding for Peterborough RZ
- Section 5.0 – List of Attachments

2.0 HYDRO ONE DISTRIBUTION RGCRP REQUEST

2.1 BACKGROUND

In its EB-2009-0096 Decision, the OEB authorized Hydro One to collect the following RGCRP amounts from provincial energy consumers:

- \$3.7M from May 1 to December 31, 2010 for other Green Energy Plan work;¹ and
- \$19.7M in 2011 for Hydro One’s proposed Express Feeders and other Green Energy Plan work.²

¹ EB-2009-0096, Rate Order, April 29, 2010, p. 2.

² EB-2009-0096, 2011 Rate Order, December 21, 2010, p.2.

1 Subsequent OEB decision and orders on the collection of RGCRP compensation amounts
 2 authorized the continued collection of the 2011 annual amount of \$19.7M through 2014.³
 3 In EB-2013-0416, the OEB granted Hydro One’s request to discontinue the collection of
 4 monthly compensation amounts from provincial electricity consumers on December 31,
 5 2014.⁴ At that time, Hydro One had accumulated significant credit balances in the deferral
 6 account that tracks the revenue requirement related to these investments and the
 7 revenues collected from the IESO to support them. A summary of the RGCRP
 8 compensation amounts that Hydro One received from the IESO is provided in Table 1.

9
 10 **Table 1 - RGCRP Compensation Amounts Received from the IESO for Hydro One**
 11 **Distribution**⁵

	2010	2011	2012	2013	2014
Provincial Other Green Energy Plan <i>(Amounts recorded in Account 1533, Subaccount: Distribution Generation – Provincial – Other Costs – Deferral Account)</i>	3.7	18.6	18.6	18.6	18.6
Provincial Express Feeders <i>(Amounts recorded in Account 1533, Subaccount: Distribution Generation – Provincial – Express Feeders – Deferral Account)</i>		1.2	1.2	1.2	1.2
Total RGCRP Amounts Received	3.7	19.7	19.7	19.7	19.7

12
 13 Since 2014, Hydro One has funded the investments necessary to connect renewable
 14 generation by drawing down the balance that had accumulated in the deferral account.
 15 Table 2 provides a summary of the deferral account balance since the discontinuation of
 16 RGCRP monthly compensation amounts as of December 31, 2014. As shown below in
 17 Table 2, the deferral account balance (inclusive of principal and interest) flipped from
 18 negative (i.e., a credit toward future renewable generation connections) to positive in
 19 2023, indicating that Hydro One now requires funding for renewable generation
 20 connection investment costs through the provincial pooling mechanism.

³ EB-2010-0191 (2010 and 2011 RGCRP Decisions); EB-2012-0009 (2012 RGCRP Decision); EB-2013-0231 (2013 RGCRP Decision); and EB-2014-0005 / EB-2014-0222 (2014 RGCRP Decisions).

⁴ EB-2013-0416, Decision and Interim Rate Order, December 18, 2014.

⁵For the breakdown of RGCRP amounts between Provincial Express Feeders and Provincial Other Green Energy Plan, please refer to Exhibit 1.8 in EB-2009-0096, 2011 Rate Order, December 17, 2010.

Table 2 - Summary of Hydro One Distribution Account 1533 Provincial Sub-Account Balances (\$M) ⁶

	Balance as of Dec 31, 2014 (Timing of last Payment Received)	Balance as of Dec 31, 2015	Balance as of Dec 31, 2016	Balance as of Dec 31, 2017	Balance as of Dec 31, 2018	Balance as of Dec 31, 2019	Balance as of Dec 31, 2020	Balance as of Dec 31, 2021	Balance as of Dec 31, 2022	Forecasted Balance as of Dec 31, 2023
Provincial Other Green Energy Plan Sub-Account										
Principal	(62.1)	(57.9)	(49.4)	(39.6)	(30.7)	(20.9)	(11.0)	(1.8)	2.1	13.5
Interest	(1.9)	(2.6)	(3.2)	(3.8)	(4.4)	(5.0)	(5.3)	(5.3)	(5.2)	(4.8)
Total	(64.0)	(60.5)	(52.6)	(43.4)	(35.1)	(25.9)	(16.2)	(7.1)	(3.1)	8.7
Provincial Express Feeders Sub-Account										
Principal	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	0	0
Interest	(0.1)	(0.2)	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.6)	(0.0)	(0.0)
Total	(4.8)	(4.9)	(5.0)	(5.0)	(5.1)	(5.2)	(5.3)	(5.3)	(0.0)	(0.0)
Grand Total	(68.9)	(65.4)	(57.5)	(48.4)	(40.2)	(31.1)	(21.5)	(12.4)	(3.1)	8.7

⁶ For additional details, please refer to Attachment 1 – Account 1533 Continuity Schedule for Hydro One Distribution.

1 **2.1.1 CONSOLIDATION OF ACCOUNT 1533 PROVINCIAL SUBACCOUNTS**

2 As highlighted above in Table 1, a portion of the RGCRP amounts collected from 2011
3 through 2014 relate to the provincial portion of Hydro One's proposal to construct six
4 express feeders to support renewable generation. In EB-2021-0110, Hydro One's 2023-
5 2027 Transmission and Distribution Joint Rate Application (the JRAP), Hydro One
6 confirmed that due to the OEB's Decision in EB-2009-0096 to defer the construction of
7 express feeders, the express feeders were ultimately not constructed.⁷ As at the end of
8 December 31, 2022, \$(5.4M) of the deferral account balance was attributable to the
9 planned express feeder construction.

10
11 In the JRAP, Hydro One requested that "the OEB allow Hydro One to apply these funds
12 towards the ongoing expenditures made for the Distributed Generation (DG) program
13 (provincially funded portion) as there are potential regulatory efficiencies to be gained by
14 applying an existing credit balance within a sub-account of Account 1533 to fund the costs
15 within the same account for the provincially funded DG program, rather than to provide a
16 refund and then resume the collection of RGCRP amounts."⁸

17
18 Following the OEB's approval of the Settlement Proposal in EB-2021-0110, Hydro One
19 transferred the balance related to express feeders from the express feeders sub-account
20 (*Distribution Generation – Provincial – Express Feeders – Deferral Account*) to the general
21 RGCRP sub-account (*Account 1533 – Distribution Generation – Provincial – Other Costs
22 – Deferral Account*). These amounts are reflected in the continuity schedule provided in
23 Attachment 1.

24
25 **2.2 REQUESTED RGCRP FUNDING FOR HYDRO ONE DISTRIBUTION**

26 Hydro One requests that the OEB authorize Hydro One to resume collecting RGCRP
27 monthly compensation amounts from provincial electricity consumers effective
28 January 1, 2024.

⁷ EB-2021-0110, Interrogatory I-01-G-Staff-306.

⁸ EB-2021-0110, Undertaking JT-5.31.

1 Given the continuing need to provide funding for both the historical renewable generation
2 connection investments and any future renewable generation connection investments,
3 Hydro One seeks approval to:

- 4 • collect a one-time payment of \$8,697,477 for the provincially-funded portion of
5 renewable generation connection investments made prior to January 1, 2024 that
6 are not funded through the balance accrued in Account 1533; and
- 7 • receive annual payments for 2024 through 2027 for the provincially-funded portion
8 of these investments, starting January 1, 2024. The annual payments requested
9 are, as follows:
 - 10 ○ \$8,035,443 for 2024 (\$669,620 per month);
 - 11 ○ \$8,160,624 for 2025 (\$680,052 per month);
 - 12 ○ \$8,157,823 for 2026 (\$679,819 per month); and
 - 13 ○ \$8,148,189 for 2027 (\$679,016 per month).

14
15 Section 2.2.1 describes the revenue requirement model supporting the compensation
16 amounts that Hydro One requests.

17
18 Section 2.2.2 summarizes a cost-allocation error that Hydro One has identified related to
19 historical Renewable Enabling Improvement (REI) projects. As described below, Hydro
20 One applied the incorrect direct benefit percentage when calculating account entries for
21 historical REI projects, resulting in a higher percentage of REI being allocated to Hydro
22 One Distribution customers. The cumulative impact of this error is approximately \$0.6M
23 since 2010. Due to the timing of the identification of this cost-allocation error, Hydro One's
24 revenue requirement related to REI projects in its JRAP application was based on the
25 incorrect direct benefit percentage. Hydro One has calculated the cumulative impact to be
26 approximately \$1.9M over the 2023-2027 JRAP period. Hydro One proposes to credit both
27 amounts to Distribution customers in a subsequent rate-setting proceeding.

28
29 This request for RGCRP funding meets Hydro One's materiality threshold per section
30 2.0.8 of the Filing Requirements.

1 Hydro One will continue to record compensation amounts received and expenditures
2 related to renewable generation connection investments in Account 1533, as required.

3 4 **2.2.1 RGCRP REVENUE REQUIREMENT MODEL**

5 Due to the custom nature of Hydro One's calculations, Hydro One has filed its custom
6 RGCRP revenue requirement model as Attachment 2. The model sets out the revenue
7 requirement calculations used to determine the revenue requirement amounts for
8 investments made prior to January 1, 2024 and for 2024-2027 annual IESO payment
9 amounts. Hydro One's calculations are equivalent to those set out in the OEB's Chapter
10 2 Appendices 2-FA, 2-FB and 2-FC.

11
12 The RGCRP revenue requirement calculations in Hydro One's model are based on actual
13 renewable generation in-service additions and OM&A expenditures from 2010 through
14 2022 and forecasted renewable generation in-service additions and OM&A expenditures
15 for 2023-2027. To determine the provincial portion of these costs, Hydro One assumed
16 the following direct benefit percentages, which were established in EB-2009-0096 as part
17 of Hydro One's Green Energy Plan:⁹

- 18 • Expansion – 18.2% direct benefit for Hydro One Distribution (81.8% allocated to
19 provincial rate payers); and
- 20 • REI – 5% direct benefit for Hydro One Distribution (95% allocated to provincial rate
21 payers).¹⁰

22
23 The forecasted renewable generation in-service additions and OM&A expenditures are
24 based on the approved renewable generation costs in EB-2021-0110, Hydro One's 2023-
25 2027 Custom IR Application for Transmission and Distribution. These amounts are
26 provided below in Table 3.

⁹ EB-2009-0096, Exhibit A, Tab 14, Schedule 2, pp. 17-23.

¹⁰ In Hydro One's Green Energy Plan, the Company noted that the direct benefit allocation associated with REI work could range from 5% for work on remote protection and control of sub-transmission reclosers to 9% for SCADA work at distribution stations. In practice, most REI scopes do not involve SCADA work at the Dx stations. Given the SCADA work is relatively immaterial, Hydro One has assumed a 5% direct benefit percentage for its REI investments.

Table 3 - Total Renewable Generation Connection Program Costs Included in 2023-2027 Rates

	2023	2024	2025	2026	2027
In-Service Additions [1]	2.6	2.6	1.5	1.5	1.5
OM&A [2]	1.5	1.6	1.6	1.7	1.7

[1] As shown in Table 41 of the Settlement Proposal for the JRAP (EB-2021-0110).

[2] 2023 amounts were derived by applying a 2% reduction (as agreed in the JRAP Settlement Proposal, p. 38) to Hydro One's proposed program costs of \$1.5M. The amounts for subsequent years were derived by applying an annual escalation of 3.25% (inflation of 3.7% less 0.45% productivity factor).

The provincial portion of the actual and forecasted in-service additions and OM&A expenditures are provided on Tab 1 of Attachment 2. The provincial portion of the in-service additions are used to determine each year's net fixed assets additions and income taxes (calculated on Tabs 2 and 3 of Attachment 2, respectively), which, in combination with the provincial portion of the OM&A expenditures, are used to calculate the revenue requirement in Tab 4 of Attachment 2.

2.2.2 CORRECTION TO HISTORIC COST ALLOCATIONS

While preparing this Application, Hydro One discovered that it had incorrectly applied a direct benefit percentage of 18.2% for REI projects in *Account 1533 – Distribution Generation – Provincial – Other Costs – Deferral Account*, as opposed to Hydro One's established 5% direct benefit percentage for REI projects. As a result, a higher percentage of actual REI costs were incorrectly allocated to Hydro One Distribution customers, cumulatively totaling approximately \$0.6M from 2010 to 2022. The detailed calculations supporting the historical correction are provided in Attachment 3.

In addition, Hydro One discovered that it had also incorrectly applied a direct benefit percentage of 18.2% for REI projects when establishing the revenue requirement for 2023-2027 in the JRAP. As a result, a higher percentage of forecasted REI costs were incorrectly allocated to Hydro One Distribution customers, cumulatively totaling approximately \$1.9M between 2023-2027. Attachment 4 provides a summary of the revenue requirement impacts.

1 Hydro One proposes to return these amounts (\$0.6M relating to corrections for 2010-2022
2 and \$1.9M relating to corrections for 2023-2027) to distribution customers in a subsequent
3 rate-setting proceeding. When taken together with the resumption of RGCRP
4 compensation from provincial ratepayers as proposed in this application, this credit to
5 Hydro One distribution customers will correct the historical misallocation of costs between
6 the two customer groups.

8 **3.0 HALDIMAND RZ RGCRP REQUEST**

9 **3.1 BACKGROUND**

10 In Haldimand County Hydro Inc.'s (HCHI) last cost of service rate application (EB-2013-
11 0134), the OEB approved recovery of eligible forecast renewable generation investments
12 under O. Reg. 330/09. These payments were remitted to HCHI from May 1, 2014 until
13 April 30, 2017. Following Hydro One's acquisition of HCHI, these payments were remitted
14 to Hydro One beginning May 1, 2017.¹¹

15
16 In a letter dated August 21, 2017, Hydro One made a request to discontinue the collection
17 of provincial funding for the eligible investments in the former Haldimand service area.
18 Hydro One stated that it would record costs for the provincial portion of the eligible
19 investments in account 1533 until such time as the credit in the account is expected to be
20 fully depleted. The OEB confirmed the discontinuation of these amounts starting January
21 1, 2018 in its decision for the 2018 Electricity Rate Protection Benefit and Charge (EB-
22 2017-0370).

23
24 The annual amounts remitted to the former HCHI (May 1, 2014 to April 30, 2017) and
25 Hydro One (May 1, 2017 to Dec 31, 2017) are provided below in Table 4.

¹¹ Haldimand was acquired by Hydro One with the transaction approved by the OEB on March 12, 2015 (EB-2014-0244). As of May 1, 2017, the IESO remitted to Hydro One the payment previously made to HCHI.

1 **Table 4 - RGCRP Compensation Amounts for Haldimand RZ**

RGCRP Proceeding	Rate Year	Annual Amount
EB-2014-0222 / EB-2015-0002	May 2014 to Apr 2015	\$44,346
EB-2015-0177 / EB-2016-0012	May 2015 to Apr 2016	\$203,655
EB-2016-0170 / EB-2017-0004	May 2016 to Apr 2017	\$358,667
EB-2017-0188 / EB-2017-0370 ¹²	Apr 2017 to Dec 2017	\$371,736
Total		\$978,404

2

3 **3.2 REQUESTED RGCRP FUNDING FOR HALDIMAND RZ**

4 Hydro One is not requesting funding for its Haldimand RZ at this time as the Account 1533
 5 balance continues to be in a credit position. The updated continuity schedule for Account
 6 1533 is provided in Attachment 5.

7

8 **3.2.1 RGCRP REVENUE REQUIREMENT MODEL**

9 Hydro One has filed the revenue requirement model for Haldimand RZ as Attachment 6,
 10 which provides equivalent revenue requirement calculations as those required in the
 11 OEB's Chapter 2 Appendices 2-FA, 2-FB and 2-FC.

12

13 The revenue requirement calculations are based on actual renewable generation in-
 14 service additions and OM&A expenditures from 2014 through 2022 and forecasted
 15 renewable generation in-service additions and OM&A expenditures for 2023-2027. To
 16 determine the provincial portion of these costs, Hydro One assumed the following direct
 17 benefit percentages:

- 18 • For 2014-2022, Hydro One assumed a direct benefit percentage of 17% for all
 19 investments. This is based on the historical assumptions applied by HCHI and is
 20 consistent with the OEB's policy for renewable energy generation expansion
 21 investments, set in EB-2009-0349 and in Chapter 2 of the Filing Requirements for

¹² The annual amount for May 1, 2017 through April 30, 2018 was originally approved at \$483,043 in EB-2017-0188. However, as Hydro One requested to discontinue the payments, only eight monthly payments of \$46,467 were received in 2017, and no payments were received in 2018. (\$483,043 / 12 months = \$46,467; \$46,467 x 8 months = \$371,736)

1 Electricity Distribution Rate Applications. No REI investments were made for the
2 Haldimand RZ.

- 3 • For 2023-2027, as Haldimand RZ rates are now harmonized with Hydro One, the
4 model assumes a direct benefit percentage of 18.2% to align with Hydro One's
5 assumptions. There are no material in-service additions anticipated for Haldimand
6 RZ between 2023-2027.

7

8 **4.0 PETERBOROUGH RZ RGCRP REQUEST**

9 **4.1 BACKGROUND**

10 In Peterborough Distribution Inc.'s (PDI) last cost of service rate application (EB-2012-
11 0160), the OEB approved recovery of eligible forecast renewable generation investments
12 under O. Reg. 330/09. These payments were remitted to PDI from January 1, 2014 to
13 December 31, 2021. Since January 1, 2022, these payments have been remitted to Hydro
14 One and continue to be collected in 2023.

15

16 The annual amounts remitted to PDI (January 1, 2014 to December 31, 2021) and Hydro
17 One (January 1, 2022 to present) are provided below in Table 5.

1

Table 5 - RGCRP Compensation Amounts for Peterborough RZ

RGCRP Proceeding	Rate Year	Annual Amount
EB-2014-0005	Jan 2014 to Jun 2014	\$13,474 ¹³
EB-2014-0222 / EB-2015-0002	Jul 2014 to Apr 2015	\$13,375
EB-2015-0177 / EB-2016-0012	May 2015 to Apr 2016	\$13,117
EB-2016-0170 / EB-2017-0004	May 2016 to Apr 2017	\$12,980
EB-2017-0188 / EB-2017-0370	May 2017 to Apr 2018	\$12,782 ¹⁴
EB-2018-0150 / EB-2018-0295	May 2018 to Dec 2019	\$21,303
EB-2019-0279 ¹⁵	2020	\$12,192
EB-2020-0238	2021	\$12,192
EB-2021-0303	2022	\$12,192
EB-2022-0270	2023	\$12,192
Total		\$135,799

2

3 Since the integration of Peterborough RZ, Hydro One has continued to make investments
 4 necessary to connect renewable generation and has drawn down the RGCRP funding
 5 from provincial electricity consumers that had accumulated in the deferral account. As
 6 shown in the continuity schedule for Peterborough RZ's provincial portion of Account 1533
 7 (Attachment 7), the balance in the deferral account is in a debit position, indicating that
 8 Hydro One requires additional funding for renewable generation connection investment
 9 costs through the provincial pooling mechanism.

10

11 **4.2 REQUESTED RGCRP FUNDING FOR PETERBOROUGH RZ**

12 For its Peterborough RZ, Hydro One requests an amendment to the Renewable
 13 Generation Connection Rate Protection (RGCRP) monthly compensation amounts from
 14 provincial electricity consumers effective January 1, 2024.

¹³ Amount remitted for January 1, 2014 through June 30, 2014; includes \$6,737 of revenue requirement for 2013.

¹⁴ Amended recovery amount as included in EB-2014-0116, Decision on Draft Rate Order, February 25, 2016.

¹⁵ In a letter dated December 12, 2019, PDI made an amended request for a \$1,016 monthly payment for 2020 (a reduction from the previously approved monthly amount of \$1,065). As a result, the 2019/2020 payment was amended to \$1,065/month for 2019 x 8 months + \$1,016/month for 2020 x 4 months = \$12,582.

1 Given the continuing need to provide funding for both the historical renewable generation
2 connection investments and any future renewable generation connection investments,
3 Hydro One seeks approval to:

- 4 • collect a one-time payment of \$130,800 for the provincially-funded portion of
5 renewable generation connection investments made prior to January 1, 2024 that
6 are not funded through the balance accrued in Account 1533; and
- 7 • approval to receive annual payments for 2024 through 2027 for the provincially-
8 funded portion of these investments, starting January 1, 2024. The annual
9 payments requested are, as follows:
 - 10 ○ \$18,018 for 2024 (\$1,502 per month);
 - 11 ○ \$17,473 for 2025 (\$1,456 per month);
 - 12 ○ \$16,918 for 2026 (\$1,410 per month); and
 - 13 ○ \$16,354 for 2027 (\$1,363 per month).

14 15 **4.2.1 RGCRP REVENUE REQUIREMENT MODEL**

16 Hydro One has filed the revenue requirement model for Peterborough RZ as Attachment
17 8, which provides equivalent revenue requirement calculations as those required in the
18 OEB's Chapter 2 Appendices 2-FA, 2-FB and 2-FC.

19
20 The revenue requirement calculations are based on actual renewable generation in-
21 service additions and OM&A expenditures from 2014 through 2022; and forecasted
22 renewable generation in-service additions and OM&A expenditures for 2023-2027. To
23 determine the provincial portion of these costs, Hydro One assumed the following direct
24 benefit percentages:

- 25 • For 2014-2022, Hydro One assumed a direct benefit percentage of 17% for all
26 investments. This is based on the historical assumptions applied by PDI and is
27 consistent with the OEB's policy for renewable energy generation expansion
28 investments, set in EB-2009-0349 and in Chapter 2 of the Filing Requirements for
29 Electricity Distribution Rate Applications. No material REI investments were made
30 for the Peterborough RZ.

- 1 • For 2023-2027, as Peterborough RZ remains on deferred rebasing, the model
2 continues to assume a direct benefit percentage of 17% to align with past practice
3 for PDI. There are no material in-service additions anticipated for Peterborough
4 RZ between 2023-2027.

5

6 **5.0 LIST OF ATTACHMENTS**

7 The following attachments are provided as part of this section:

- 8 • Attachment 1 - Hydro One Distribution Account 1533 Distribution Generation –
9 Provincial Continuity Schedule
- 10 • Attachment 2 - Hydro One Distribution RGCRP Revenue Requirement Updated
11 Model
- 12 • Attachment 3 - Hydro One Distribution RGCRP Revenue Requirement –
13 Comparison of Historical Model to Updated Model
- 14 • Attachment 4 - Hydro One Distribution RGCRP Revenue Requirement – 2023-
15 2027 Revenue Requirement Comparison
- 16 • Attachment 5 - Haldimand RZ Account 1533 Distribution Generation – Provincial
17 Continuity Schedule
- 18 • Attachment 6 - Haldimand RZ RGCRP Revenue Requirement Model
- 19 • Attachment 7 - Peterborough RZ Account 1533 Distribution Generation –
20 Provincial Continuity Schedule
- 21 • Attachment 8 - Peterborough RZ RGCRP Revenue Requirement Model

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1 **HYDRO ONE DISTRIBUTION ACCOUNT 1533 DISTRIBUTION**
2 **GENERATION – PROVINCIAL CONTINUITY SCHEDULE**

3

4 This exhibit has been filed separately in MS Excel format.

1 **HYDRO ONE DISTRIBUTION RGCRP REVENUE REQUIREMENT –**
2 **COMPARISON OF HISTORICAL MODEL TO UPDATED MODEL**

3

4 This exhibit has been filed separately in MS Excel format.

1 **HYDRO ONE DISTRIBUTION RGCRP REVENUE REQUIREMENT –**
2 **2023-2027 REVENUE REQUIREMENT COMPARISON**

3

4 This exhibit has been filed separately in MS Excel format.

1 **HALDIMAND RZ ACCOUNT 1533 DISTRIBUTION GENERATION –**
2 **PROVINCIAL CONTINUITY SCHEDULE**

3

4 This exhibit has been filed separately in MS Excel format.

1 **HALDIMAND RZ RGCRP REVENUE REQUIREMENT MODEL**

2

3 This exhibit has been filed separately in MS Excel format.

1 **PETERBOROUGH RZ ACCOUNT 1533 DISTRIBUTION GENERATION –**
2 **PROVINCIAL CONTINUITY SCHEDULE**

3
4 This exhibit has been filed separately in MS Excel format.

1 **PETERBOROUGH RZ RGCRP REVENUE REQUIREMENT MODEL**

2

3 This exhibit has been filed separately in MS Excel format.