



Hydro One Networks Inc.

483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Kathleen Burke

VP, Regulatory Affairs
T 416-770-0592
Kathleen.Burke@HydroOne.com

BY EMAIL AND RESS

July 19, 2024

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

Dear Ms. Marconi,

EB-2024-0217 – Hydro One Networks Inc. – Application for 2025 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants (the Decision and Order) in EB-2021-0110, enclosed is Hydro One Transmission's annual update application (the Application) in support of its request for transmission revenue requirement effective January 1, 2025.

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

Ex	Tab	Sch	Att	Contents
A	1	1		Exhibit List
A	2	1		Application
A	2	1	1	Certification of Evidence
A	2	1	2	Certification of Deferral and Variance Account Balances
A	3	1		Summary of OEB Directives and Compliance with Prior OEB Decisions
A	4	1		Application Summary
A	4	1	1	Group 2 DVA Continuity Schedule – Excess Export Services Revenue Variance Account (Account 2405)

Filed: 2024-07-19
EB-2024-0217
Exhibit A
Tab 1
Schedule 1
Page 2 of 2

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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
7 Networks Inc., for an Order or Orders made pursuant to section
8 78 of the *Ontario Energy Board Act, 1998* approving rates and
9 other charges for the transmission of electricity to be effective
10 January 1, 2025.

- 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 or the Board), under licence number ET-2003-0035, to transmit
15 electricity and carry on the business of owning and operating transmission facilities in
16 Ontario. The transmission business of Hydro One is referred to as “Hydro One
17 Transmission” in this Application.
 - 18
 - 19 2. In the OEB's Decision on Settlement Proposal and Order on Rates, Revenue
20 Requirement and Charge Determinants (Decision and Order) for Hydro One's
21 Custom Incentive Rate-setting (IR) Application (EB-2021-0110), the OEB approved
22 the proposed Custom IR methodology and determined that this framework would be
23 used to determine Hydro One's transmission revenue requirement for the years 2024
24 through to 2027 inclusive.¹
 - 25
 - 26 3. This is an Application for Hydro One's 2025 transmission revenue requirement
27 determined formulaically using the Custom IR methodology approved in EB-2021-
28 0110.

¹ Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

- 1 4. Hydro One Transmission hereby applies to the OEB for an Order approving a total
2 rates revenue requirement of \$2,135.6M for 2025, to be effective on January 1,
3 2025, and inclusion of Hydro One Transmission's approved rates revenue
4 requirement in the OEB's determination of the 2025 the Uniform Transmission Rates
5 (UTRs).
6
- 7 5. Hydro One is requesting approval to dispose of the balance in the Excess Export
8 Services Revenue Variance Account as of December 31, 2023 in the amount of
9 \$15,797,767 in this Application, as described in Exhibit A-04-01, Section 3.0.
10
- 11 6. Hydro One is requesting approval of the Export Transmission Service (ETS) rate of
12 \$1.86/MWh effective January 1, 2025, which has been updated by the Revenue Cap
13 Index (RCI) factor determined in this proceeding, as described in Exhibit A-04-01,
14 Section 4.
15
- 16 7. Approval of Hydro One Transmission's 2025 rates revenue requirement results in an
17 increase in the total bill of 0.59% or \$0.83 per month for a typical Hydro One
18 Distribution medium density residential (R1) customer consuming 750 kWh monthly
19 and an increase in total bill of 0.42% or \$1.84 per month for a typical Hydro One
20 Distribution General Service Energy less than 50 kW (GS<50kW) customer
21 consuming 2,000 kWh monthly. More information regarding the monthly bill impacts
22 may be found in Exhibit A-04-01, Section 6.
23
- 24 8. In preparing this Application, Hydro One has been guided by the OEB's *Filing*
25 *Requirements for Electricity Transmission Applications* dated February 11, 2016.
26
- 27 9. The written evidence filed with the OEB may be amended from time to time prior to
28 the OEB's final decision on the Application.

1 **NOTICE AND FORM OF HEARING REQUESTED**

2 10. The Application may be viewed on the internet at the following address:
3 <https://www.hydroone.com/abouthydroone/RegulatoryInformation/txrates>

4
5 11. The persons affected by this Application are all persons affected by Ontario's UTRs.
6 It is therefore impractical to set out their names and addresses because they are too
7 numerous.

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

14
15 **PROPOSED EFFECTIVE DATE**

16 13. Hydro One requests that the OEB's Rate Order be effective January 1, 2025. In
17 order to address the possibility that the requested Rate Order cannot be made
18 effective by that time, Hydro One requests an interim Rate Order making its current
19 transmission revenue requirement and charges effective on an interim basis as of
20 January 1, 2025, and approval to recover any differences between the interim rates
21 and final rates effective January 1, 2025 in the OEB's decision and order establishing
22 uniform transmission rates for the following year, based on the OEB's Decision and
23 Order herein.

24
25 **CONTACT INFORMATION**

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

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a) The Applicant:

Ms. Eryn MacKinnon
Regulatory Advisor, Regulatory Affairs
Hydro One Networks Inc.

Mailing Address: 7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
Telephone: (416) 345-4479
Fax: (416) 345-5866
Email: Regulatory@HydroOne.com

b) The Applicant's Counsel:

Ms. Raman Dhillon
Senior Legal Counsel
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 19th day of July, 2024.

By its counsel,



Raman Dhillon

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CERTIFICATION OF EVIDENCE

TO: ONTARIO ENERGY BOARD

The undersigned, Kathleen Burke, being Hydro One's Vice-President, Regulatory Affairs, hereby certifies for and on behalf of Hydro One that:

1. I am a senior officer of Hydro One;
2. This certificate is given pursuant to Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Applications*;
3. The evidence submitted herein is accurate, consistent and complete to the best of my knowledge; and
4. The evidence submitted does not contain any personal information filed herein (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), that is not otherwise redacted in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

DATED this 19th day of July, 2024.



KATHLEEN BURKE

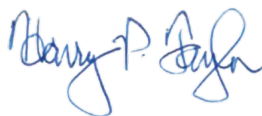
1 **CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT**
2 **BALANCES**

3
4 TO: ONTARIO ENERGY BOARD
5

6
7 The undersigned, Harry Taylor, 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 provided to be consistent with Chapter 1 of the OEB's *Filing*
11 *Requirements for Electricity Distribution Rate Applications*; and
12
13 2. Hydro One has the appropriate processes and internal controls for the
14 preparation, review, verification and oversight of all deferral and variance
15 accounts.

16
17 **DATED** this 18th day of July, 2024.

18
19 

20
21

HARRY TAYLOR

1 **SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH PRIOR**
2 **OEB DECISIONS**

3
4 This Exhibit provides a summary of directives and undertakings from previous
5 proceedings in respect of this Application.

6
7 **EB-2021-0243 – Generic Hearing on Uniform Transmission Rates-Related Issues**
8 **and the Export Transmission Service Rate**

9 In the OEB’s Decision and Order for the generic proceeding on Uniform Transmission
10 Rates-Related Issues and the Export Transmission Service Rate, the OEB directed Hydro
11 One to dispose the Excess Export Services Revenue Variance Account (Account 2405)
12 balance on an annual basis, commencing when the balance for 2023 is final. Effective
13 January 1, 2025, the OEB further ordered that the Export Transmission Service Rate shall
14 be adjusted annually using the RCI methodology for Hydro One’s Transmission business
15 as determined in the EB-2021-0110 proceeding.

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APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes Hydro One's 2025 transmission rates revenue requirement application (the Application).

The 2025 transmission total revenue requirement of \$2,174.5M has been determined formulaically, using the Custom IR methodology approved in EB-2021-0110. After deducting for other revenues (external revenue, wholesale meter service revenue and export transmission service revenue) and including the low voltage switchgear credit and the disposition of deferral and variance accounts, it results in a proposed 2025 rates revenue requirement of \$2,135.6M as outlined in Table 1 below.

Table 1 - Total Rates Revenue Requirement (\$M)

	2025	Section Reference
Total Revenue Requirement	2,174.5	Section 3.0
Deduct: External Revenue	(37.1)	Section 5.3
Deduct: Wholesale Meter Service (WMS) Revenue	(0.0)	Section 5.4
Deduct: Export Transmission Service (ETS) Revenue	(37.3)	Section 5.5
Add: Low Voltage Switchgear (LVSG) Credit	19.6	Section 5.6
Add: Disposition of Deferral and Variance Accounts	15.8	Section 5.2
Rates Revenue Requirement	2,135.6	

Hydro One is requesting that the OEB approve the 2025 transmission rates revenue requirement to be effective on January 1, 2025.

Approval of the Hydro One Transmission's 2025 rates revenue requirement results in an increase in the total bill of 0.59% or \$0.83 per month for a typical Hydro One Distribution medium density residential (R1) customer consuming 750 kWh monthly and an increase in total bill of 0.42% or \$1.84 per month for a typical Hydro One Distribution General

1 Service Energy less than 50 kW (GS<50kW) customer consuming 2,000 kWh monthly.
2 More information regarding the monthly bill impacts may be found in Section 6.

3 4 **2.0 CUSTOM REVENUE CAP INDEX ADJUSTMENT**

5 In the OEB's Decision and Order for Hydro One's Custom IR Application (EB-2021-0110),
6 the OEB approved the Custom IR methodology for adjusting Hydro One's transmission
7 revenue requirement for the years 2024 to 2027, inclusive.¹

8
9 The approved formula for the Custom IR for the test year t+1 is equal to the revenue in
10 year t inflated by the Revenue Cap Index (RCI) set out below as:

$$11 \qquad \qquad \qquad 12 \qquad \qquad \qquad \text{RCI} = I - X + C$$

13 Where:

14 "I" is the Inflation Factor, based on the transmission industry specific weighted two-
15 factor input price index;

16 "X" is the Productivity Factor, which includes a Stretch Factor; and

17 "C" is the Custom Capital Factor, based on the incremental revenue necessary to
18 support Hydro One's Transmission System Plan, beyond the amount of revenue
19 recovered in rates. The calculation for the Custom Capital Factor is set out in Table 3
20 below.

21
22 In accordance with the OEB's Decision and Order in EB-2021-0110, the Inflation Factor
23 and the Custom Capital Factor will be updated annually.

24
25 On June 20, 2024, the OEB released the Inflation Factor to be used by electricity
26 transmitters for 2025 rate applications beginning January 1, 2025. This Application reflects
27 the 3.7% Inflation Factor calculated by the OEB for electricity transmitters.²

¹ Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

² OEB Letter, 2025 Inflation Parameters, June 20, 2024.

1 Consistent with the OEB's Decision and Order in EB-2021-0110, the Productivity Factor
2 of 0.15% will not be updated over the 2024 to 2027 period.³

3

4 Table 2 below summarizes the approved components of the RCI for 2025.

5

6 **Table 2 - 2025 Custom Revenue Cap Index (RCI) by Component (%)**

Custom Revenue Cap Index by Component (%)	2025
Inflation Factor (I)	3.70
Productivity Factor (X)	0.15
Custom Capital Factor (C)	1.01 ^[1]
Total Revenue Cap Index (RCI = I – X + C)	4.56

[1] As per Table 3. Includes an approved supplemental stretch on capital of 0.20% as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A. The supplemental stretch on capital is included in the 2025 approved Total Capital Related Revenue requirement as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Table 15, line 9.

7

8 Table 3 below sets out the calculation of the updated C-Factor within the RCI calculation.

³ Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

1

Table 3 - 2025 Capital Factor ⁴ (\$M)

	Calculation	2024	2025
Total Capital Related Revenue Requirement (including working capital adjustment and productivity adjustment)	<i>A</i>	1,623.2	1,701.8
OM&A	<i>B</i>	456.5	472.7 ^[1]
Total Revenue Requirement	$D = A + B$	2,079.8	2,174.5 ^[2]
Increase in Capital Related Revenue Requirement	$E = A_{2025} - A_{2024}$	104.5	78.6
Increase in Capital Related Revenue Requirement relative to Previous Year's Total Revenue Requirement	$F = E / D_{2024}$	5.35%	3.78%
Less Capital Related Revenue Requirement in I-X	$G = \frac{A_{2024}}{D_{2024}} \times (I - X)$	4.08%	2.77% ^[3]
Capital Factor (C)	$C = F - G$	1.27%	1.01%

[1] 2025 OM&A = 2024 OM&A * [1+(I-X)]

[2] 2025 Total Revenue Requirement as per Table 4

[3] The percent increase equals Previous Year's Capital Related Revenue Requirement multiplied by I-X; and divided by Previous Year's Total Revenue Requirement, as follows:

$$G = \frac{\$1,623.2M}{\$2,079.8M} \times (3.70\% - 0.15\%)$$

2

The 2025 total revenue requirement of \$2,174.5M is shown in Table 4 below.

3

4

5

Table 4 - 2025 Total Revenue Requirement (\$M)

Year	Formula	Total Revenue Requirement
2024	OEB-approved Hydro One 2024 Total Revenue Requirement ^[1]	2,079.8
2025	2025 Total Revenue Requirement = 2024 Total Revenue Requirement x 2025 RCI ^[2] = \$2,079.8M x 1.0456	2,174.5

[1] As per Decision and Order, EB-2023-0127, September 19, 2023, Table 2

[2] 2025 RCI as per Table 2

⁴ The numbers in the table below correspond to the Decision and Order, EB-2021-0110, Schedule A, Table 15, except where otherwise specified.

1 **3.0 DEFERRAL AND VARIANCE ACCOUNTS**

2 Pursuant to the OEB’s Decision and Order on Uniform Transmission Rates-Related Issues
3 and the Export Transmission Service Rate in EB-2021-0243, the OEB directed Hydro One
4 to dispose of the Excess Export Service Revenues Variance Account (Account 2405)
5 balance on an annual basis, commencing when the 2023 balance was final.⁵

6
7 Hydro One Transmission last disposed this account as of December 31, 2020 on a final
8 basis in the 2023 to 2027 Custom IR proceeding (EB-2023-0110).

9
10 In this Application, Hydro One seeks to dispose of a total debit balance of \$15,797,767 in
11 the Excess Export Service Revenues Variance Account as of December 31, 2023. This
12 includes the disposition of annual transactions from 2021 to 2023, as shown in Attachment
13 1 of this Exhibit.

14
15 **4.0 EXPORT TRANSMISSION SERVICE (ETS) RATE UPDATE**

16 In the OEB’s Decision and Order on Uniform Transmission Rates-Related Issues and the
17 Export Transmission Service (ETS) Rate in EB-2021-0243, the OEB ordered that the ETS
18 Rate shall be adjusted annually, effective January 1, 2025, using the RCI for Hydro One
19 Transmission’s methodology as determined in the EB-2021-0110 proceeding.

20
21 As calculated in Table 2 above, the RCI factor is 4.56% for 2025. As such, the updated
22 ETS Rate for 2025 is \$1.86/MWh as calculated in Table 5 below, to be effective January
23 1, 2025.

24
25 **Table 5 - Calculation of Updated ETS Rate for 2025**

ETS Rate (2024)	2025 RCI Factor	Updated ETS Rate (2025)
\$1.78/MWh	4.56%	\$1.86/MWh

⁵ Decision and Order, EB-2021-0243, November 24, 2022.

1 **5.0 RATES**

2 **5.1 RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY RATE**
3 **POOL**

4 The 2025 OEB approved charge determinants for the Network, Line Connection and
5 Transformation Connection rate pools are outlined in Table 6.

6
7 **Table 6 - 2025 Charge Determinants by Rate Pool ^[1] (in MWs)**

Network	Line Connection	Transformation Connection
230,449	223,708	190,299

^[1] Sum of the 12 monthly charge determinants as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.1, Table 1b

8
9 The 2025 rates revenue requirement by rate pool is provided in Table 7.

1

Table 7 - 2025 Rates Revenue Requirement by Rate Pool (\$M)

	Network	Line Connection	Transformation Connection	Total
2023 Total Revenue Requirement ^[1]	1,189.0	202.8	560.7	1,952.5
Percentage Split by Rate Pool	61%	10%	29%	100%
	Network	Line Connection	Transformation Connection	Total
2025 Total Revenue Requirement ^[2]	1,324.2	225.8	624.5	2,174.5
Deferral & Variance Accounts Disposition ^[3]	15.8	-	-	15.8
External Revenue ^[4]	(22.6)	(3.9)	(10.7)	(37.1)
WMS Revenue ^[5]	-	-	-	-
ETS Revenue ^[6]	(37.3)	-	-	(37.3)
LVSG Credit ^[7]	-	-	19.6	19.6
2025 Rates Revenue Requirement	1,280.1	222.0	633.5	2,135.6

^[1] See Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 1.

^[2] As per Table 4.

^[3] As per Section 5.2.

^[4] As per Section 5.3.

^[5] As per Section 5.4.

^[6] As per Section 5.5.

^[7] As per Section 5.6.

2 **5.2 DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS**

3 The disposition of deferral and variance accounts consists of debit balance of \$15.8M for
 4 the Excess Export Service Revenues Variance Account (Account 2405).⁶ This account is
 5 directly assigned to the Network rate pool and is shown in Table 7 above.

⁶ Section 3.0

1 **5.3 EXTERNAL REVENUE**

2 The OEB approved External Revenues of \$37.1M for 2025 in EB-2021-0110.⁷ The
3 allocation of External Revenue to rate pools is in proportion to Hydro One Transmission's
4 total revenue requirement by rate pool is shown in Table 7 above.

6 **5.4 WHOLESALE METER SERVICE REVENUE**

7 Starting in 2025, there is no longer Wholesale Meter Service (WMS) revenue for Hydro
8 One Transmission consistent with OEB-approved WMS revenue in EB-2021-0110.⁸ As
9 Hydro One Transmission ceased to provide the associated service, it does not collect any
10 WMS revenue.

12 **5.5 EXPORT TRANSMISSION SERVICE REVENUE**

13 The OEB approved Export Transmission Service (ETS) revenues of \$37.3M for 2025 in
14 EB-2021-0110, based on the 2023 ETS rate of \$1.85 per MWh that was in effect at the
15 time Hydro One's settlement proposal was approved.⁹ This amount is included in Hydro
16 One Transmission's rates revenue requirement as shown in Table 7 above and is directly
17 assigned to the Network rate pool.

18
19 Subsequent changes to the ETS rate that result in differences between forecast revenue
20 and actual revenue are recorded in the Excess Export Service Revenue Variance Account
21 (Account 2405), consistent with the EB-2021-0243 Decision.¹⁰ The balance in this
22 variance account is further described in Section 3.0.

24 **5.6 LOW VOLTAGE SWITCHGEAR CREDIT**

25 The OEB approved the methodology to determine the Low Voltage Switchgear (LVSG)
26 Credit in EB-2021-0110.¹¹ The derivation of the 2025 LVSG amount of \$19.6M is provided

⁷ Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 3.

⁸ Ibid.

⁹ Ibid.

¹⁰ Decision and Order, EB-2021-0243, November 24, 2022.

¹¹ A description of the approved LVSG methodology is provided in EB-2021-0110, Exhibit H-01-03, Section 3.3.

1 in Table 8. This amount is included in Hydro One Transmission's rates revenue
 2 requirement as shown in Tables 1 and 7 above.

3
 4

Table 8 - 2025 Low Voltage Switchgear Credit Calculation ¹²

Charge Determinant	Transformation Pool Revenue Requirement Before LVSG Credit	Rate Before LVSG Credit (\$/kW)	Total Annual NCP Demand for Toronto Hydro and Hydro Ottawa	LVSG Proportion	Final Annual LVSG Credit
(MW)	(\$M) ^[1]		(MW)	(%)	(\$M)
A	B	C = B/A	D	E	F = C x D x E
190,299	613.8	3.23	32,027	19	19.6

^[1] Equals Hydro One Transmission's total rates revenue requirement for Transformation Connection Pool less Non-Rate Revenues allocated to Transformation Connection Pool, as per information in Table 7.

5

6.0 BILL IMPACTS

6

7 An update to the estimated average transmission cost as a percentage of the total bill for
 8 a transmission-connected customer is presented in Table 9.

9

**Table 9 - Estimated Transmission Cost as a Percentage of
 Total Electricity Market Costs**

10
 11

Figure	Cost Component	¢/kWh	Source
A	Commodity	10.43	IESO Monthly Market Report December 2023
B	Wholesale Market Service Charges	0.48	IESO Monthly Market Report December 2023
C	Wholesale Transmission Charges	1.51	IESO Monthly Market Report December 2023
D	Total Monthly Cost for TX-Connected Customers	12.42	D=A+B+C
E	Transmission as % of Total Cost for TX-Connected Customers	12.2%	E=C/D

¹² The numbers in the table correspond to the Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.5, except where otherwise specified.

1 Hydro One Transmission's proposed 2025 rates revenue requirement represents a 5.5%
 2 increase from the currently approved 2024 rates revenue requirement,¹³ and also includes
 3 a 1.3% increase due to change in load forecast. Hydro One Transmission's rates revenue
 4 requirement represents 91.5% of the total rates revenue requirement across all
 5 transmitters.¹⁴ This percentage has been applied to Hydro One Transmission's change in
 6 rates revenue requirement to calculate the net impact on average transmission rates in
 7 2025. Figure E (12.2%) from Table 9 above has been applied to the net impact on average
 8 transmission rates to estimate the bill impact on transmission-connected customers in
 9 2025, as shown in Table 10 below.

11 **Table 10 - Average Bill Impacts on Transmission-Connected Customers**

	2024 ^[1]	2025 ^[2]
Hydro One Transmission's Rates Revenue Requirement	\$2,024,306,762	\$2,135,572,294
% Change in Rates Revenue Requirement over prior year		5.5%
% Impact of load forecast change		1.3%
Net Impact on Average Transmission Rates^[3]		6.2%
Transmission as a % of Tx-connected customer's Total Bill		12.2%
Estimated Average Transmission Customer Bill Impact		0.8%

^[1] 2024 rates revenue requirement per Decision and Rate Order, EB-2023-0127 dated September 19, 2023.

^[2] 2025 Rates Revenue Requirement per Table 1.

^[3] The calculation of net impact on transmission rates accounts for Hydro One Transmission's 2024 rates revenue requirement as 91.5% of the total rates revenue requirement across all transmitters [91.5% x (5.5% + 1.3%)] = 6.2%, as per Decision and Rate Order, EB-2023-0022, 2024 Uniform Transmission Rates, January 18, 2024.

12
 13 The total bill impact for a distribution-connected customer is determined based on the
 14 forecast change in the customer's Retail Transmission Service Rates (RTSRs). Hydro
 15 One Distribution's current RTSRs are based on the Preliminary 2024 UTRs which include
 16 Hydro One Transmission's approved 2024 rates revenue requirement.¹⁵ The inclusion of

¹³ Decision and Rate Order, EB-2023-0022, 2024 Uniform Transmission Rates, January 18, 2024.

¹⁴ Hydro One Transmission's rates revenue requirement divided by all transmitters' rates revenue requirement (\$2,024.3M / \$2,213.4M = 91.5% per Decision and Rate Order, EB-2023-0022, 2024 Uniform Transmission Rates, January 18, 2024.

¹⁵ Preliminary 2024 UTRs as per Decision and Order, EB-2023-0222, September 28, 2023 and Hydro One Transmission's 2024 Revenue Requirement and Charge Determinants included in Preliminary 2024 UTRs as per Decision and Order, EB-2023-0127, September 19, 2023.

1 Hydro One Transmission's rates revenue requirement in the UTR in 2025 will result in a
2 total bill impact of 0.59% (\$0.83 per month) for a typical Hydro One Distribution (R1)
3 customer consuming 750 kW per month and; similarly, a total bill impact of 0.42% (\$1.84
4 per month) for a typical Hydro One Distribution (GS<50kW) customer consuming 2,000
5 kWh per month.

6

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Table 11 - 2025 Total Bill Impacts for Distribution-Connected Customers

	Calculation	2024	2025
Hydro One Transmission's Rates Revenue Requirement ^[1]	A	\$2,024,306,762	\$2,135,572,294
Hydro One Transmission's 2024 Revenue Requirement as % of Total UTR Revenue Requirement ^[2]	B		91.5%
Hydro One Transmission's Net Impact on 2025 RTSRs ^[3,4]	$C=(A_{2025}/A_{2024}-1)*B$		5.03%
		Typical Hydro One Distribution R1 Residential Customer Consuming 750 kWh per Month	Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month
Total bill as of January 1, 2024 ^[5]	D	\$141.10	\$441.58
2024 RTSR Network Charge ^[6]	E	\$9.523	\$20.386
2024 RTSR Connection Charge ^[7]	F	\$7.021	\$16.221
2024 Total RTSR Charge	G=E+F	\$16.544	\$36.606
2025 Estimated Change in RTSR Charge	H=G*C	\$0.832	\$1.840
2025 Estimated Total RTSR Charge	I=G+H	\$17.375	\$38.447
<i>2025 Increase as a % of Total bill</i>	$J=H/D$	<i>0.589%</i>	<i>0.417%</i>

^[1] Hydro One Transmission's 2024 rates revenue requirement as per the Decision and Rate Order, EB-2023-0127 dated September 19, 2023 and the 2025 rates revenue requirement as per Table 1.

^[2] Represents Hydro One Transmissions' currently approved revenue disbursement allocator based on total UTR Revenue Requirement of \$2,213,426,797 as per OEB Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates-Schedule A, January 18, 2024.

^[3] Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2024 UTRs, EB-2023-0222, September 28, 2023. Hydro One Transmission's net impact on 2025 RTSRs represents the change in Hydro One Transmission's rates revenue requirement relative to its approved 2024 rates revenue requirement included in the Preliminary UTRs.

^[4] Hydro One Transmission's charge determinants as per the Decision and Rate Order, EB-2023-0127 dated September 19, 2023.

^[5] Total 2024 bill including HST, based on time-of-use commodity price effective November 1, 2023 and distribution rates effective January 1, 2024 approved per Distribution Rate Order EB-2023-0030, dated December 14, 2023, with 19.3% Ontario Energy Rebate (effective November 1, 2023), \$0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of \$39.49 (effective July 1, 2023 for Hydro One Distribution R1).

^[6] Represents the approved 2024 RTSR Network (\$/kWh) effective January 1, 2024 per the OEB Decision and Rate Order, EB-2023-0030, December 14, 2023, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[7] Represents the approved 2024 RTSR Connection (\$/kWh) effective January 1, 2024 approved per the OEB Decision and Rate Order, EB-2023-0030, December 14, 2023, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.




Ontario Energy Board

2025 Deferral/Variance Account Workform


Utility Name	Hydro One Networks Inc.
Service Territory	Transmission
Assigned EB Number	EB-2024-0217
Name of Contact and Title	
Phone Number	
Email Address	

General Notes

Notes

 Pale green cells represent input cells.

 Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

 White cells contain fixed values, automatically generated values or formulae.

 Pale grey cell represent auto-populated RRR data

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		2020									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-20	Transactions Debit/ (Credit) during 2020	Board- Approved Disposition during 2020	Principal Adjustments during 2020	Closing Principal Balances as of Dec 31-20	Board- Approved Disposition during 2020	Opening Interest Amounts as of Jan-1-20	Interest Jan-1 to Dec-31-20	Interest Adjustments during 2020	Interest Balance as at Dec 31 -20 balance
Group 2 Accounts											
Excess Export Service Revenue Variance Account	2405				4,037,258	\$4,037,258				210,363	\$210,363
Total Transmission Regulatory Accounts for Disposition											

		2021									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-21	Transactions Debit/ (Credit) during 2021	Board-Approved Disposition during 2021	Principal Adjustments during 2021	Closing Principal Balances as of Dec 31-21	Opening Interest Amounts as of Jan-1-21	Interest Jan-1 to Dec-31-21	Board-Approved Disposition during 2021	Interest Adjustments during 2021	Interest Balance as at Dec 31 -21 balance
Group 2 Accounts											
Excess Export Service Revenue Variance Account	2405	\$4,037,258	3,888,587	1,612,625		\$6,313,220	\$210,363	27,551			\$237,914
Total Transmission Regulatory Accounts for Disposition											

		2022									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-22	Transactions Debit / (Credit) during 2022	Board- Approved Disposition during 2022	Principal Adjustments during 2022	Closing Principal Balances as of Dec 31-22	Opening Interest Amounts as of Jan-1-22	Interest Jan-1 to Dec 31-22	Board- Approved Disposition during 2022	Interest Adjustments during 2022	Interest Balance as at Dec 31, 2022 balance
Group 2 Accounts											
Excess Export Service Revenue Variance Account	2405	\$6,313,220	3,263,974	1,493,322		\$8,083,871	\$237,914	117,580	119,303		\$236,191
Total Transmission Regulatory Accounts for Disposition											

		2023									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-23	Transactions Debit / (Credit) during 2023	Board- Approved Disposition during 2023	Principal Adjustments during 2023	Closing Principal Balances as of Dec 31-23	Opening Interest Amounts as of Jan-1-23	Interest Jan-1 to Dec 31, 2023	Board- Approved Disposition during 2023	Interest Adjustments during 2023	Interest Balance as at Dec 31, 23 balance
Group 2 Accounts											
Excess Export Service Revenue Variance Account	2405	\$8,083,871	7,205,331	931,311		\$14,357,891	\$236,191	534,478	119,041		\$651,628
Total Transmission Regulatory Accounts for Disposition											

		2024			
Account Descriptions	Account Number	Principal Disposition during 2024 - instructed by OEB	Interest Disposition during 2024- instructed by OEB	Closing Principal Balances as of Dec 31-23 Adjusted for Dispositions during 2024	Closing Interest Balances as of Dec 31-23 Adjusted for Dispositions during 2024
Group 2 Accounts					
Excess Export Service Revenue Variance Account	2405			14,357,891	651,628
Total Transmission Regulatory Accounts for Disposition				14,357,891	651,628

		Projected Interest on Dec-31-23 Balances			2.1.7 RRR		
Account Descriptions	Account Number	Projected Interest from Jan 1, 2024 to December 31, 2024 on Dec 31-23 balance adjusted for disposition during 2024	Total Interest	Total Claim (inclusive of carrying charges)	Accounts To Dispose Yes/No	As of Dec 31-23	Variance RRR vs. 2023 Balance (Principal + Interest)
Group 2 Accounts							
Excess Export Service Revenue Variance Account	2405	788,248	1,439,876	15,797,767	Yes	\$15,009,519	-
Total Transmission Regulatory Accounts for Disposition		788,248	1,439,876	15,797,767			