



**Toronto Hydro-Electric System Limited**

**Application for electricity distribution rates and other  
charges beginning January 1, 2025**

**PROCEDURAL ORDER NO. 9**

**September 27, 2024**

Toronto Hydro-Electric System Limited (Toronto Hydro) filed an application with the Ontario Energy Board (OEB) on November 17, 2023, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Toronto Hydro charges for electricity distribution, beginning January 1, 2025, and for each following year through to December 31, 2029 (the Application).

On August 16, 2024, Toronto Hydro filed a settlement proposal which contains a substantial settlement of the issues within the Application, with Toronto Hydro's proposed Innovation Fund remaining unsettled.

On September 3, 2024, OEB staff filed a submission supporting the settlement proposal as being acceptable and in the public interest.

The OEB is scheduling a presentation of the settlement proposal by Toronto Hydro. The OEB appreciates the settlement proposal is a "package deal" among many parties. The goal is to provide clarification to the OEB on some of the elements of the proposal, particularly how they will be brought into regulatory reporting and operation over the 2025-2029 rate term – if the settlement proposal is approved.

A full presentation of the entire settlement proposal is not necessary. Rather, the OEB seeks additional clarity regarding the following principal areas:

- 1. Capital expenditure reporting:** Appendix A to the Settlement Proposal lists annual reporting to be filed by Toronto Hydro.
  - The OEB has questions on Appendix A, #1 "Net Capital Expenditures and Net In-Service Additions by Program", and whether it can include actual to forecast variance explanations relative to Tables 8, 9, 20 and 21 from the Settlement Proposal.

- Given the programmatic nature of the DSP, the OEB has questions as to how planned expenditures for the prospective year could be filed in the same format as the Chapter 2 Appendix 2-AA filing requirements.
  - The OEB seeks information on whether Appendix A, #1, with these additional items, could be filed with Toronto Hydro's annual rate applications?
2. **2026 Rates Application**: Toronto Hydro is expected to file annual rate applications with the OEB from 2026 to 2029.
- What information would Toronto Hydro expect to file with its 2026 rates application to support implementation of the proposed Custom Incentive Rate-setting Framework?
  - In particular, what information would Toronto Hydro expect to file to support the implementation of the Custom Revenue Cap Index in revising the rates for all rate classes?
3. **New Deferral and Variance Accounts**: Table 19 of the Settlement Proposal lists the proposed new deferral and variance accounts.
- What information would Toronto Hydro expect to file with its annual rate applications regarding these new accounts?
  - In addition, the OEB would like to better understand how the Revenue Variance Account and Demand Related Capital Variance Account could operate (directionally) if there is a high degree of electrification affecting system winter and summer peaks as indicated in the Future Energy Scenarios<sup>1</sup> from 2025-2029.

The OEB asks Toronto Hydro to file materials relating to this presentation day in advance, and that Toronto Hydro's staff be available on the presentation day for questions from the OEB regarding those materials. It is the OEB's expectation that these materials will be filed as evidence related to the settlement proposal. Parties to the settlement proposal may attend the presentation day, which will proceed in a hybrid format.

Further procedural orders may be issued by the OEB.

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<sup>1</sup> Exhibit 2B, Section D4, Appendix B, p. 80

**THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. Toronto Hydro shall file with the OEB and serve on all parties the material to be used at the presentation day by **October 14, 2024**.
2. A transcribed, hybrid Settlement Agreement presentation day, as described above, will be held on **October 17, 2024**, starting at 9:30 a.m. in the 25<sup>th</sup> floor North Hearing Room at the OEB office. The OEB's expectation is that all Toronto Hydro witnesses will appear in-person. If there is some reason that a witness cannot appear in-person, Toronto Hydro may request permission from the panel for the witness to appear virtually.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0195** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Thomas Eminowicz at [Thomas.Eminowicz@oeb.ca](mailto:Thomas.Eminowicz@oeb.ca) and OEB Counsel, Lawren Murray at [Lawren.Murray@oeb.ca](mailto:Lawren.Murray@oeb.ca).

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)  
Tel: 1-877-632-2727 (Toll free)

**DATED** at Toronto, **September 27, 2024**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar