



BY EMAIL and WEB POSTING

November 1, 2024

**To: All Rate-regulated Electricity Distributors and Transmitters  
Independent Electricity System Operator (IESO)  
All Intervenors in 2025 Electricity Transmission and Distribution Rate  
Applications**

**Re: 2025 Preliminary Uniform Transmission Rates and Hydro One Sub-  
Transmission Rates  
OEB File Number: EB-2024-0244**

This letter provides the calculations for 2025 preliminary Uniform Transmission Rates (UTRs) and facilitates their implementation in applicable 2025 electricity distributor rate applications for distributors with an effective date of January 1, 2025.

The OEB began issuing preliminary UTRs in 2023<sup>1</sup> to improve regulatory efficiency, allowing for this data to feed into distribution rate applications on a timelier basis. Earlier availability of these transmission rates allows electricity distributors to capture the most up to date costs in the Retail Transmission Service Rates (RTSRs) billed to their customers, to be determined as part of their rate applications. This approach decreases amounts accumulated in the retail transmission variance accounts.

Distributors with an effective date of January 1, 2025 should update their 2025 rate applications to reflect these preliminary UTRs.

The calculation of the 2025 preliminary UTRs uses the most recent OEB-approved revenue requirement for individual electricity transmitters.

Specifically:

- for Hydro One Networks Inc. (Hydro One), Hydro One Sault Ste. Marie LP (HOSSM), and Upper Canada Transmission 2, Inc. (UCT 2), the recently OEB-approved individual 2025 transmission revenue requirements were used.<sup>2</sup>

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<sup>1</sup> [EB-2023-0222](#)

<sup>2</sup> Hydro One EB-2024-0217 Decision Issued October 24, 2024, HOSSM EB-2024-0218 Decision Issued October 24, 2024, and UCT 2 EB-2024-0254 Decision Issued October 24, 2024.

- Canadian Niagara Power Inc. (CNPI) and Five Nations Energy Inc. (FNEI) confirmed they are not requesting changes in 2025 to their previously OEB-approved revenue requirements.<sup>3</sup>
- for B2M Limited Partnership (B2M LP), Niagara Reinforcement Limited Partnership (NRLP), and Wataynikaneyap Power LP (WPLP), the OEB-approved 2024 revenue requirements were used since these transmitters have ongoing active applications for proposed 2025 transmission revenue requirements.<sup>4</sup>
- for Chatham x Lakeshore Limited Partnership (CLLP), a new transmitter not yet included in the UTRs, no revenue requirement has been factored in. CLLP has an ongoing active proceeding for its proposed 2025 transmission revenue requirement.<sup>5</sup>

The OEB has calculated 2025 preliminary UTRs effective January 1, 2025, as follows:

- \$6.25/kW/Month Network Service Rate (a \$0.13/kW increase)
- \$1.00/kW/Month Line Connection Service Rate (a \$0.05/kW increase)
- \$3.39/kW/Month Transformation Connection Service Rate (a \$0.18/kW increase)

On August 30, 2024, Hydro One filed its 2025 distribution Custom IR update application with proposed new Sub-Transmission (ST) rates. Distributors with January 1 rates affected by Hydro One's ST RTSRs should likewise update their 2025 rate applications with the proposed RTSRs.

Tables showing the derivation of the 2025 preliminary UTRs according to the approved methodologies, as well as Hydro One's currently proposed ST RTSRs for 2025,<sup>6</sup> are provided in the attached Appendices.

If the OEB issues decisions approving the 2025 revenue requirements for B2M LP, NRLP, WPLP, and CLLP by the end of 2024, the OEB anticipates issuing a final 2025 UTR decision in December 2024 or January 2025 that the IESO will use for settlement purposes effective January 1, 2025. If the OEB does not issue all decisions approving the 2025 revenue requirements for B2M LP, NRLP, WPLP, and CLLP by the end of 2024, the OEB anticipates issuing a 2025 UTR decision reflecting any available final transmitter revenue requirement decisions that the IESO will use for settlement

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<sup>3</sup> CNPI Letter dated August 14, 2024 and FNEI Letter dated August 12, 2024.

<sup>4</sup> B2M LP EB-2024-0116 and NRLP EB-2024-0117, filed May 23, 2024, and WPLP EB-2024-0176, filed June 28, 2024.

<sup>5</sup> CLLP EB-2024-0216, filed July 12, 2024.

<sup>6</sup> EB-2024-0032, Hydro One's 2025 Custom IR Annual Update Application.

purposes effective January 1, 2025. A subsequent 2025 UTR decision may follow later in 2025 reflecting all final transmitter revenue requirement decisions.

In the event the OEB approves final ST rates for Hydro One Distribution in advance of other electricity distributor rate decisions, and that differ from the rates proposed by Hydro One, OEB staff will inform distributors who may then update their 2025 rate applications accordingly if time permits. Affected distributors should note that with the issuance of this preliminary 2025 UTR letter, Hydro One Distribution intends to update its proposed 2025 ST RTSRs to reflect the preliminary 2025 UTRs.

For both the preliminary UTRs and proposed Hydro One ST RTSRs, distributors will continue to capture any differences from actuals in the retail transmission variance accounts.

Any questions relating to this letter should be directed to Yaroslav Paliy at Yaroslav.Paliy@oeb.ca or at 437-880-4365. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Nancy Marconi  
Registrar

Attachment: Appendix A – 2025 Preliminary Uniform Transmission Rates and Revenue Disbursement Allocators  
Appendix B – 2025 Hydro One Proposed Sub Transmission RTSRs

## 2025 Preliminary Uniform Transmission Rates and Revenue Disbursement Allocators

## FORECAST JANUARY 1, 2025

Transmitter	Revenue Requirement			
	Network	Line Connection	Transformation Connection	Total
CNPI (effective January 1, 2025)	\$2,785,600	\$483,089	\$1,378,511	\$4,647,201
FNEI (effective January 1, 2025)	\$4,788,179	\$830,384	\$2,369,529	\$7,988,092
Hydro One (effective January 1, 2025)	\$1,280,063,491	\$221,993,543	\$633,465,726	\$2,135,522,760
HOSSM (effective January 1, 2025)	\$26,007,789	\$4,510,371	\$12,870,489	\$43,388,649
B2MLP (effective January 1, 2024)	\$36,395,939	-	-	\$36,395,939
NRLP (effective January 1, 2024)	\$8,565,165	-	-	\$8,565,165
UCT 2 (effective January 1, 2025)	\$75,681,985	-	-	\$75,681,985
WPLP (effective January 1, 2024)	\$33,585,573	-	-	\$33,585,573
<b>All Transmitters</b>	<b>\$1,467,873,721</b>	<b>\$227,817,387</b>	<b>\$650,084,255</b>	<b>\$2,345,775,364</b>
Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
CNPI	522.894	549.258	549.258	
FNEI	230.410	248.860	73.040	
Hydro One	230,449.267	223,707.783	190,298.856	
HOSSM	3,498.236	2,734.624	635.252	
B2MLP	-	-	-	
NRLP	-	-	-	
UCT 2	-	-	-	
WPLP	156.151	-	-	
<b>All Transmitters</b>	<b>234,856.958</b>	<b>227,240.525</b>	<b>191,556.406</b>	
Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW/Month)	6.25	1.00	3.39	
CNPI Allocation Factor	0.00190	0.00212	0.00212	
FNEI Allocation Factor	0.00326	0.00364	0.00364	
<b>Hydro One</b> Allocation Factor	<b>0.87204</b>	<b>0.97444</b>	<b>0.97444</b>	
HOSSM Allocation Factor	0.01772	0.01980	0.01980	
B2MLP Allocation Factor	0.02480	0.00000	0.00000	
NRLP Allocation Factor	0.00584	0.00000	0.00000	
UCT 2 Allocation Factor	0.05156	0.00000	0.00000	
WPLP Allocation Factor	0.02288	0.00000	0.00000	
<b>Sum of Allocation Factors</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	

\* The sum of 12 monthly charge determinants for the year.

Note 1: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14, 2016.

Note 2: FNEI Revenue Requirement and Charge Determinants per OEB Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.

Note 3: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2024-0217 dated October 24, 2024.

Note 4: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2024-0218 dated October 24, 2024.

Note 5: B2MLP Revenue Requirement per OEB Decision and Order EB-2023-0129 dated September 7, 2023.

Note 6: NRLP Revenue Requirement per OEB Decision and Order EB-2023-0128 dated September 7, 2023.

Note 7: UCT 2 Revenue Requirement per OEB Decision and Order EB-2024-0254, dated October 24, 2024

Note 8: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0168 dated November 30, 2023.

Note 9: The revenue requirements of CNPI, FNEI, and HOSSM are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of B2MLP, NRLP, UCT 2, and WPLP are allocated entirely to the Network rate pool. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.

Note 10: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.

**2025 Hydro One Proposed Sub Transmission RTSRs\***

Retail Transmission Rate – Network Service Rate	\$/kW	5.2172
Retail Transmission Rate – Line Connection Service Rate	\$/kW	0.6537
Retail Transmission Rate – Transformation Connection Service Rate	\$/kW	3.3041

*\* Hydro One Distribution intends to update its proposed 2025 ST RTSRs to reflect the preliminary 2025 UTRs.*