



By RESS and Email

November 13, 2024

Ms. Nancy Marconi
Registrar and Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Dear Ms. Marconi:

**Subject: Electricity Distribution Licence No. ED-2002-0556
2025 Electricity Distribution Rate Application (EB-2024-0035) - Application Updated,
Appendices and Models**

Pursuant to Hydro Ottawa's 2021-2025 Custom Incentive Rate-setting Application (EB-2019-0261), on August 15, 2024, Hydro Ottawa submitted its 2025 annual electricity distribution rate application for approval of proposed distribution rates and other charges ("Original Application") effective January 1, 2025 that incorporated specific annual and mid-term adjustments over the Custom IR Term.

In addition, Hydro Ottawa has updated its 2025 retail transmission service rates, low voltage rates and dry core transformer charges to incorporate the following:

- OEB Letter, 2025 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, EB-2024-0244 (November 1, 2024)

The changes are outlined in Exhibit 10-1-1: 2025 Application Update Summary ("Updated Application"). Please see a list of the attached Updated/Revised Excel Appendices and Models:

- Updated OEB Appendix 2-A
- Updated Attachment 8-3-1(A): OEB Workform - 2025 RTSR Workform
- Updated Attachment 8-10-1(A): OEB Workform - 2024 Current and 2025 Proposed Tariff of Rates and Charges
- Updated Attachment 8-7-1(A): Dry Core Calculations

Please do not hesitate to contact me if you require anything further.

Yours truly,

Signed by:

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April Barrie

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Directeur, Affaires réglementaires

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2025 APPLICATION UPDATE SUMMARY

1. INTRODUCTION

Hydro Ottawa Limited (“Hydro Ottawa”) filed its 2025 Electricity Distribution Rate Application (“Original Application”) on August 15, 2024. It represented Hydro Ottawa’s year five rate update under its five-year Custom Incentive Rate-Setting (“Custom IR”) plan. This Schedule outlines specific annual and mid-term adjustments over the Custom IR Term to which the Parties¹ agreed to as part of the 2021-2025 Approved Settlement Agreement.²

By way of the Original Application and as adjusted by this update, Hydro Ottawa is seeking the OEB’s approval for proposed electricity distribution rates and other charges, effective January 1, 2025. The adjustments to Hydro Ottawa’s 2025 tariff of rates and charges (“Workform”), Drycore calculations, rates, and other charges set forth in this update are wholly consistent with the Approved Settlement Agreement and the OEB’s related Decisions.

In addition, this Schedule reflects the Regulated Price Plan (“RPP”) and Ontario Electricity Rebate (“OER”) rates effective November 1, 2024, the Q4 2024 prescribed interest rates published by the OEB on September 13, 2024,³ and the latest rates for Retail Service Charges⁴ and Wireline Pole Attachment Charge⁵ as issued by OEB on September 26, 2024.

Furthermore, the values submitted in the Original Application are presented in the tables below as ‘2025 Proposed’ and any updated values are shown as ‘2025 Updated’.

¹ Hydro Ottawa and the following intervenor groups: Building Owners and Managers Association, Consumers Council of Canada, Distributed Resource Coalition, Environmental Defence, Energy Probe Research Foundation, Pollution Probe, School Energy Coalition, Vulnerable Energy Consumers Coalition.

² Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020).

³ Ontario Energy Board, “Prescribed Interest Rates,” <https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-interest-rates>.

⁴ Ontario Energy Board, *Decision and Order in the matter of the inflationary adjustment effective January 1, 2025 for energy retailer service charges for electricity distributors*, EB-2024-0226 (September 26, 2024).

⁵ Ontario Energy Board, *Distribution Pole Attachment Charge for 2025*, EB-2024-0227 (September 26, 2024).

1 **2. ANNUAL ADJUSTMENTS**

2 In Hydro Ottawa's Original Application, the OEB's 2025 inflation factor of 3.6% and 2024
3 ROE of 9.21% was used in calculating its proposed Working Capital Allowance ("WCA"),
4 Operations Maintenance & Administration ("OM&A"), Custom Price Escalation Factor
5 ("CPEF"), Specific Service Charges ("SSCs") and resulting Payments in Lieu Of Taxes
6 ("PILS") and proposed 2025 revenue requirement and rates and charges. No adjustments
7 are required as part of this Update as these factors were final when incorporated into the
8 Original evidence.

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10 Please see Table 1 below for a summary of the agreed annual and mid-term adjustments for
11 the 2025 term and what items required updating as part of this schedule.

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Table 1 - Summary of Annual and Mid-Term Adjustments

#	Item	Timing	Adjustment Description	Comments
1	Working Capital Allowance	Annual	Use of OEB's annual inflation factor (with no productivity or growth factor)	No update required
2	Cost of Capital - ROE	Mid-term adjustment (for 2024 and 2025)	Use of OEB's Fall 2024 deemed ROE results for 2025	No update required
3	Cost of Capital - Long-Term Debt Rate	Set	Set for all years	No update required
4	Cost of Capital - Short-Term Debt Rate	Set	Set for all years	No update required
5	Inflation Factor for OM&A	Annual	Use of OEB's annual inflation factor	No update required
6	Specific Service Charges	Annual	"1 minus X" component of modified Custom Price Escalation Factor (i.e. OEB inflation factor minus 0.45% stretch factor)	No update required except for dry core charges
7	Low Voltage Charges	Annual	Based on updated Transmission Connection rates	Updated
8	Retail Transmission Service Rates ("RTSRs")	Annual	Based on OEB-approved adjustments to the Hydro One Networks' Uniform Transmission Rates ("UTRs") using the RTSRs model	Updated
9	Deferral Accounts	In accordance with OEB policy	Disposition of Group 1 and Group 2 accounts will be in accordance with applicable OEB policy	Updated from IR Response
10	Third Party Non-Distribution Charges	Ad hoc	Further to OEB direction	N/A

3. APPLICATION UPDATES

The below provides details on the updates from the Original Application.

3.1 Retail Transmission Service and Low Voltage Rates

Hydro Ottawa’s 2025 Retail Transmission Service Rates (“RTSR”) model has been updated with the 2025 preliminary Uniform Transmission Rates (“UTRs”) and 2025 Hydro One Proposed Sub Transmission RTSRs.⁶ The updated rate calculations are provided as Updated Attachment: OEB-6_A_Updated-OEB_Workform.xlsm.

Tables 2 & 3 below summarize the 2024 Approved, 2025 Original and 2025 Updated RTSR rates for all rate classes. The updated rates have also been included in the updated bill impact model.

Table 2 - Updated 2025 RTSR Network Rates

Rate Class	Per	2024 Approved	2025 Proposed	2025 Updated	2025 Change
Residential	kWh	\$0.0110	\$0.0123	\$0.0126	\$0.0003
General Service <50 kW	kWh	\$0.0103	\$0.0116	\$0.0118	\$0.0002
General Service 50 to 1,499 kW	kW	\$4.2259	\$4.7412	\$4.8480	\$0.1068
General Service 1,500 to 4,999 kW	kW	\$4.3877	\$4.9227	\$5.0337	\$0.1110
Large Use > 5,000 kW	kW	\$4.8641	\$5.4572	\$5.5802	\$0.1230
Unmetered Scattered Load	kWh	\$0.0103	\$0.0116	\$0.0118	\$0.0002
Sentinel Lighting	kW	\$3.1195	\$3.4999	\$3.5788	\$0.0789
Street Lighting	kW	\$3.1354	\$3.5177	\$3.5970	\$0.0793

⁶ As per OEB Letter, *2025 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates* (November 1, 2024).

1 **Table 3 - Updated 2025 RTSR Connection Rates**

Rate Class	Per	2024 Approved	2025 Proposed	2025 Updated	2025 Change
Residential	kWh	\$0.0063	\$0.0068	\$0.0072	\$0.0004
General Service <50 kW	kWh	\$0.0061	\$0.0066	\$0.0070	\$0.0004
General Service 50 to 1,499 kW	kW	\$2.4718	\$2.6767	\$2.8187	\$0.1420
General Service 1,500 to 4,999 kW	kW	\$2.6418	\$2.8608	\$3.0126	\$0.1518
Large Use > 5,000 kW	kW	\$2.9749	\$3.2215	\$3.3924	\$0.1709
Unmetered Scattered Load	kWh	\$0.0061	\$0.0066	\$0.0070	\$0.0004
Sentinel Lighting	kW	\$1.8364	\$1.9887	\$2.0942	\$0.1055
Street Lighting	kW	\$1.8746	\$2.0300	\$2.1377	\$0.1077

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 3 The 2025 Low Voltage (“LV”) rates have been updated using the 2025 RTSR Connection
 4 rates to allocate the 2025 LV Expense of \$367,685 to each rate class. The updated
 5 calculation of Low Voltage rates has been provided in Table 4 below, Table 5 below
 6 summarizes the 2025 Original and 2025 Updated Calculation of LV Rates, and Table 6
 7 summarizes the 2025 Original and 2025 Updated LV rates for all rate classes.

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 9 **Table 4 - Updated 2025 Calculation of LV Rates**

Rate Class	2025 RTSR Connection Rate	2025 Charge Determinant (kWh or kW)	Basis for Allocation (A*B)	Basis for Allocation %	Total Allocated \$	Updated 2025 Rate/ kWh or kW (E/B)
	A	B	C	D	E	F
Residential	\$0.0072	2,359,683,529	\$16,989,721	33.81%	\$124,320.37	\$0.00005
General Service < 50 kW	\$0.0070	719,361,784	\$5,035,532	10.02%	\$36,846.94	\$0.00005
General Service > 50 kW < 1500 kW	\$2.8187	6,980,998	\$19,677,340	39.16%	\$143,986.71	\$0.02063
General Service > 1500 kW	\$3.0126	1,574,524	\$4,743,411	9.44%	\$34,709.38	\$0.02204
Large Use (> 5000 kW)	\$3.3924	1,054,605	\$3,577,643	7.12%	\$26,179.00	\$0.02482
Unmetered Scattered Load	\$0.0070	11,834,162	\$82,839	0.16%	\$606.17	\$0.00005
Sentinel Lighting	\$2.0942	132	\$276	0.00%	\$2.02	\$0.01530
Street Lighting	\$2.1377	66,152	\$141,413	0.28%	\$1,034.77	\$0.01564
Total			\$50,248,176		\$367,685	

1 **Table 5 - Summary of 2025 Proposed and Updated Calculation of LV Rates**

Rate Class	Original Allocation	Updated Allocation	Original LV Expense Allocation	Updated LV Expense Allocation
	D	D	E	E
Residential	33.71%	33.81%	\$123,961.13	\$124,320.37
General Service <50 kW	9.98%	10.02%	\$36,678.72	\$36,846.94
General Service 50 to 1,499 kW	39.26%	39.16%	\$144,357.74	\$143,986.71
General Service 1,500 to 4,999 kW	9.46%	9.44%	\$34,798.43	\$34,709.38
Large Use > 5,000 kW	7.14%	7.12%	\$26,246.47	\$26,179.00
Unmetered Scattered Load	0.16%	0.16%	\$603.40	\$606.17
Sentinel Lighting	0.00%	0.00%	\$2.03	\$2.02
Street Lighting	0.28%	0.28%	\$1,037.43	\$1,034.77
TOTAL			\$367,685	\$367,685

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3 **Table 6 - Summary of 2025 Proposed and Updated LV Rates**

Rate Class	Per	2024 Approved	2025 Proposed	2025 Updated	2025 Change
Residential	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
General Service <50 kW	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
General Service 50 to 1,499 kW	kW	\$0.02033	\$0.02068	\$0.02063	\$(0.00005)
General Service 1,500 to 4,999 kW	kW	\$0.02173	\$0.02210	\$0.02204	\$(0.00006)
Large Use > 5,000 kW	kW	\$0.02447	\$0.02489	\$0.02482	\$(0.00007)
Unmetered Scattered Load	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
Sentinel Lighting	kW	\$0.01511	\$0.01536	\$0.01532	\$(0.00004)
Street Lighting	kW	\$0.01542	\$0.01568	\$0.01564	\$(0.00004)

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5 **3.2 Dry Core Transformer Charge**

6 The 2025 dry core transformer charges have been adjusted to reflect changes to the RTSR
 7 and LV rates, as well as the changes to the Tiered Regulated Price Plan (“RPP”) rates
 8 effective November 1, 2024. The updated rates and related charge for each dry core
 9 transformer type are outlined in Updated Attachment 8-7-1(A): Dry Core Calculations. This

1 list has been expanded to include four additional dry core transformer types owned by our
2 customers. Should the OEB update the Regulatory Charges, Hydro Ottawa will apply the
3 updated rates to the 2025 dry core transformer charges.

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5 **3.3 Bill Impacts**

6 Table 7 below provides an updated summary of bill impacts per rate class. The updated bill
7 impacts include the updated RTSR and LV rates, revised Group 1 Rate Riders,⁷ as well as
8 the changes to the RPP rates and Ontario Energy Rebate effective November 1, 2024.

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10 Details of the impacts of the proposed rates are provided in Hydro Ottawa's Updated
11 Attachment 8-10-1(A): OEB Workform - 2024 Current and 2025 Proposed Tariff of Rates and
12 Charges.

⁷ As calculated in IRR-OEB-8 Attachment OEB-1 (A): Revised OEB Workform Deferral and Variance Account, submitted October 16, 2024.

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Table 7 – Summary of Rate Impacts

Rate Class		2024 Approved	2025 Original	2025 Updated	2025 Change
Residential (750 kWh)	Distribution Charge	\$34.19	\$34.51	\$34.51	\$0.00
	Change in Distribution Charge		\$0.32	\$0.32	\$0.00
	% Distribution Increase		0.94%	0.94%	0.00%
	% Increase of Total Bill		-0.32%	0.06%	0.38%
Residential (232 kWh)	Distribution Charge	\$34.19	\$34.51	\$34.51	\$0.00
	Change in Distribution Charge		\$0.32	\$0.32	\$0.00
	% Distribution Increase		0.94%	0.94%	0.00%
	% Increase of Total Bill		0.12%	0.38%	0.26%
General Service <50 kW (2000 kWh)	Distribution Charge	\$84.55	\$85.93	\$85.93	\$0.00
	Change in Distribution Charge		\$1.38	\$1.38	\$0.00
	% Distribution Increase		1.63%	1.63%	0.00%
	% Increase of Total Bill		-0.24%	0.10%	0.34%
General Service 50 kW - 1,499 kW (250 kW)	Distribution Charge	\$1,743.45	\$1,776.90	\$1,776.90	\$0.00
	Change in Distribution Charge		\$33.45	\$33.45	\$0.00
	% Distribution Increase		1.92%	1.92%	0.00%
	% Increase of Total Bill		3.29%	3.68%	0.39%
General Service 1,500 kW - 4,999 kW (2,500 kW)	Distribution Charge	\$19,595.68	\$19,831.00	\$19,831.00	\$0.00
	Change in Distribution Charge		\$235.32	\$235.32	\$0.00
	% Distribution Increase		1.20%	1.20%	0.00%
	% Increase of Total Bill		2.96%	3.35%	0.39%
Large Use (7,500 kW)	Distribution Charge	\$60,873.32	\$61,692.18	\$61,692.18	\$0.00
	Change in Distribution Charge		\$818.86	\$818.86	\$0.00
	% Distribution Increase		1.35%	1.35%	0.00%
	% Increase of Total Bill		2.72%	3.15%	0.43%
Sentinel Lighting (0.4 kW)	Distribution Charge	\$17.14	\$20.19	\$20.19	\$0.00
	Change in Distribution Charge		\$3.05	\$3.05	\$0.00
	% Distribution Increase		17.81%	17.81%	0.00%
	% Increase of Total Bill		8.96%	9.57%	0.61%
Street Lighting (50 kW)	Distribution Charge	\$922.05	\$928.89	\$928.89	\$0.00
	Change in Distribution Charge		\$6.84	\$6.84	\$0.00
	% Distribution Increase		0.74%	0.74%	0.00%
	% Increase of Total Bill		2.27%	2.59%	0.32%

Rate Class		2024 Approved	2025 Original	2025 Updated	2025 Change
Unmetered Scattered Load (470 kWh)	Distribution Charge	\$22.03	\$22.98	\$22.98	\$0.00
	Change in Distribution Charge		\$0.95	\$0.95	\$0.00
	% Distribution Increase		4.30%	4.30%	0.00%
	% Increase of Total Bill		0.46%	0.85%	0.39%

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3.4 Deferral and Variance Account Workform

In the original submission of this Application, Attachment 9-1-1(A): OEB Workform - Deferral and Variance Account (“Continuity Schedule”) used the OEB’s Q3 2024 prescribed interest rate to calculate projected interest for Q4 2024. As part of Hydro Ottawa’s interrogatory response to IRR-OEB-1, Hydro Ottawa revised the projected interest to incorporate the prescribed interest rate for Q4 2024 as published by the OEB on September 13, 2024.⁸ Please refer to Attachment OEB-1(A): Updated OEB Workform Deferral and Variance Account (Continuity Schedule) that was provided during the interrogatory response to IRR-OEB-1 for the updated interest amounts as well as the updated total account balances. The Bill impacts incorporate the changes to the rate riders.

All of which are respectfully submitted this 13th day of November, 2024.

⁸ Ontario Energy Board, “Prescribed Interest Rates,” <https://www.oeb.ca/regulatory-rules-and-documents/rules-codes-and-requirements/prescribed-interest-rates>

UPDATED ATTACHMENT 1-1-3(A)

Updated OEB Appendix 2-A - List of Requested Approvals

(Refer to the attachment in Excel format)

ATTACHMENT 8-3-1(A)

Updated Attachment 8-3-1 A OEB Workform - 2025 RTSR Workform

(Refer to the attachment in Excel format)

ATTACHMENT 8-7-1(A)

Updated Attachment 8-7-1(A) Dry Core Calculations

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 8-10-1(A)

**Attachment 8-10-1(A) Updated OEB Workform - 2024 Current and 2025
Proposed Tariff of Rates and Charges**

(Refer to the attachment in Excel format)