Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2024-0176

WATAYNIKANEYAP POWER LP

Application for 2025 electricity transmission revenue requirement and related matters

BEFORE: **Anthony Zlahtic**
Presiding Commissioner

Robert Dodds
Commissioner

Patrick Moran
Commissioner

December 10, 2024

Ontario Energy Board | Commission de l'énergie de l'Ontario

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1 OVERVIEW

This Decision and Order addresses the application filed by Wataynikaneyap Power GP Inc. on behalf of Wataynikaneyap Power LP (WPLP) for approval of WPLP's 2025 electricity transmission revenue requirement and associated transmission rates. The application is for a single test year, beginning on January 1, 2025.

A Settlement Proposal representing a complete settlement of all issues was filed with the OEB on November 7, 2024. The Settlement Proposal included, amongst other matters, a $2.7 million reduction to the revenue requirement. The reduction results in a proposed revenue requirement of $176.2 million with $43.5 million of that amount to be recovered through the Uniform Transmission Rate Network pool and $132.7 million through a fixed monthly charge of $11.1 million to Hydro One Remote Communities Inc., effective January 1, 2025.

The OEB accepts the Settlement Proposal as an acceptable basis to establish WPLP's revenue requirement and which results in just and reasonable rates for the recovery of that revenue requirement.

2 CONTEXT AND PROCESS

WPLP filed its application on June 28, 2024 (Application). The OEB issued a Notice of Hearing on July 22, 2024. No party requested to intervene in the proceeding.

Procedural Order No. 1 on August 16, 2024, made provision for the development of an Issues List and established the timetable for a written interrogatory process.

Procedural Order No. 2 on August 28, 2024, approved the Issues List that had been agreed upon by WPLP and OEB staff. It also made provision for a settlement conference between WPLP and OEB staff.

WPLP provided responses to the interrogatories on September 27, 2024.

A settlement conference was held on October 17, 2024.

All issues associated with the Application were resolved at the settlement conference and WPLP filed a Settlement Proposal with the OEB on November 7, 2024.

3 DECISION ON THE SETTLEMENT PROPOSAL

Introduction

WPLP is a partnership involving 24 First Nations[1] and Fortis Inc.[2]

WPLP's transmission system comprises 22 stations and approximately 1,742 km of lines in northwestern Ontario, which have extended transmission service to connect 16 remote First Nation communities to the provincial electricity grid.[3] Hydro One Remote Communities Inc. (HORCI) will be providing distribution services to all 16 of the communities.

WPLP applied for approval of a $178.9 million 2025 revenue requirement based on a forward test year cost of service approach with recovery of $44.0 million through the Network pool of the Uniform Transmission Rates (UTRs) and $134.9 million through a fixed monthly charge of $11.2 million to HORCI, effective January 1, 2025.

The Settlement Proposal includes, amongst other matters, a $2.7 million reduction to the revenue requirement. The reduction results in a proposed revenue requirement of $176.2 million with $43.5 million of that amount to be recovered through the UTR Network pool and $132.7 million through a fixed monthly charge of $11.1 million to HORCI, effective January 1, 2025. The Settlement Proposal also reflects the OEB's interim 2025 cost of capital parameters.[4]

On December 9, 2024, WPLP informed the OEB of a delay in a planned $70 million equity injection by its partners, initially expected by mid-January 2025. WPLP has advised that the equity injection will likely occur at the end of Q1 2025 or shortly thereafter. WPLP further informed that the impact of an approximate 3-month delay in the equity injection would result in a decrease in the regulated return by approximately $0.5 million which is below WPLP's materiality threshold of approximately $0.895 million. WPLP will consult with

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[1] Bearskin Lake First Nation, Cat Lake First Nation, Deer Lake First Nation, Kasabonika Lake First Nation, Keewaywin First Nation, Kingfisher Lake First Nation, Kitchenuhmaykoosib Inninuwug, Lac des Mille Lacs First Nation, Lac Seul First Nation, Mishkeegogamang First Nation, McDowell Lake First Nation, Muskrat Dam First Nation, North Caribou First Nation, North Spirit Lake First Nation, Ojibway Nation of Saugeen, Pikangikum First Nation, Poplar Hill Nation, Sachigo Lake First Nation, Sandy Lake First Nation, Slate Falls First Nation, Wabigoon Lake Ojibway Nation, Wapekeka First Nation, Wawakapewin First Nation, Wunnumin Lake First Nation.
[2] For detailed corporate structure see Exhibit A / Tab 4 / Schedule 1.
[3] As indicated in Exhibit A / Tab 3 / Schedule 1, for Muskrat Dam First Nation, Poplar Hill First Nation, North Spirit Lake First Nation and Keewaywin First Nation, which have historically been served by an Independent Power Authority (IPA), the transmission system assets up to the community connection point have been energized by WPLP, but community connections are pending IPA upgrades and information transfers that are expected to be complete by year-end 2024 or early 2025.
[4] OEB's letter dated October 31, 2024, re: 2025 Cost of Capital Parameters

OEB staff if it expects a further delay would exceed WPLP's materiality threshold.

Findings

The OEB accepts the Settlement Proposal as an acceptable basis on which to establish WPLP's revenue requirement, and will result in just and reasonable rates. On that basis, the OEB also approves the accounting orders attached in Schedule B, C and D to this decision. Further, having reviewed the information WPLP provided in its December 9, 2024 letter, the OEB is satisfied that the delay in the timing of the equity injection does not have a material impact, and the Settlement Proposal continues to be an acceptable basis on which to establish WPLP's revenue requirement. This conclusion will be subject to further review in the event that there is further delay in the equity injection past the end of Q1 2025. In that event, WPLP shall immediately inform the OEB in writing.

The Settlement Proposal represents a full settlement of all the issues. In the Settlement Proposal, WPLP and OEB staff (the Parties) agreed to modifications to WPLP's proposed revenue requirement and associated rates and charges, as well as to other aspects proposed in the Application. Key features include:

- commitment to file a multi-year revenue requirement application in 2026 for a rate period starting with the 2027 test year
- addressing performance measurement and reporting, filing of initial Transmission System Plan (TSP) and initial scorecard, as part of the 2026 test year single year revenue requirement application
- a 6% reduction in Operations, Maintenance & Administration (OM&A) costs on an envelope basis
- continuation of OM&A Variance Account to ensure that any over-recovery in OM&A will be returned to ratepayers

<u>First Multi-year Revenue Requirement Application and Timing for Filing Specific Items</u>

In the Application, WPLP stated that it anticipates filing its first multi-year revenue requirement application using an incentive-based regulatory method available to transmitters in a future year. WPLP also proposed to include its initial TSP, an initial draft scorecard and an econometric benchmarking study in its first multi-year application. WPLP acknowledged that its intention had previously been to file its first multi-year application for the 2026 test. However, WPLP stated in the Application that it would not be in a position to do so in time for the 2026 test year and it could not indicate for certain which year it would be able to file the multi-year application.

In the Settlement Proposal, the Parties agreed that WPLP will file a single year application in 2025 for the 2026 test year. As part of that application, WPLP will address performance and reporting including through an initial TSP and initial performance scorecard on a best effort basis. The Parties further agreed that WPLP will file its first multi-year revenue requirement application in 2026 for a rate period starting with the 2027 test year. That multi-year application will include a TSP, performance scorecard and an econometric benchmarking study of OM&A costs based on 2025 data.

OM&A Costs, OM&A Variance Account and Econometric Benchmarking Study

In the Application, WPLP proposed to recover $35.7 million in 2025 OM&A expenses.

In the Settlement Proposal, the Parties agreed to a reduction in WPLP’s proposed 2025 OM&A expenses by 6% (or $2.1 million), to $33.6 million.

The Parties also agreed that the Construction Period OM&A Variance Account (to be renamed the “OM&A Variance Account” by means of an accounting order) will continue as an asymmetrical account in 2025 and will continue to be used to record any variances between approved and actual OM&A expense along with applicable carrying charges.

In the approved Settlement Proposal for WPLP’s 2023 revenue requirement application,[5] the Parties had agreed that WPLP would file an econometric benchmarking study of its OM&A costs in 2025 with its application for approval of a transmission revenue requirement and rates for 2026. However, as part of the current Settlement Proposal, the Parties have agreed to delay filing of the econometric benchmarking study to 2026, based on 2025 data, in conjunction with WPLP’s first multi-year revenue requirement application. It is expected that the econometric benchmarking study will address the limitations identified in the unit cost benchmarking study that was filed in WPLP’s 2023 application by allowing for appropriate adjustments for WPLP’s unique business circumstances and transmission system characteristics.

Impacts of Settlement Proposal on Customer Rates

In the Application, WPLP proposed a $178.9 million 2025 revenue requirement with recovery of $44.0 million through the Network pool of the UTRs and $134.9 million through a fixed monthly charge of $11.2 million to HORCI, effective January 1, 2025.

[5] EB-2022-0149

The proposed revenue requirement would have increased the Network UTR rate by $0.04/kW and the RRRP rate by $0.0001/kWh for 2025.

In the Settlement Proposal, the Parties agreed to a reduction, resulting in a $176.2 million 2024 revenue requirement, including updates to reflect the 2025 Cost of Capital parameters, with recovery of $43.5 million through the Network pool of the UTRs and $132.7 million through a fixed monthly charge of $11.1 million to HORCI. The revenue requirement would increase the Network UTR rate by $0.04/kW and increase the RRRP rate by $0.0001/kWh for 2025.

4 DECISION ON CONFIDENTIALITY

On September 27, 2024, WPLP filed a letter requesting confidential treatment for certain information in its responses to interrogatories on the basis that it relates to ongoing commercial discussions between WPLP and its Engineering, Procurement and Construction (EPC) contractor for the transmission system.

WPLP argued that the information for which confidentiality is requested relates to commercial discussions with its EPC contractor concerning COVID-related cost and schedule impacts, including related contract change requests, which continue to be under review or are at different stages of resolution as between the parties. WPLP stated that disclosure on the public record of the information in response to OEB Staff – 11 (part (a) of response) would significantly interfere with the commercial discussions, materially prejudice WPLP's position in those discussions and in any potential dispute resolution process, and would be likely to produce a significant loss or gain to one or both of the parties to the discussions.

OEB staff did not object to this request.

Findings

The OEB accepts WPLP's request for confidential treatment of certain information in its responses to interrogatories on the basis that it relates to ongoing commercial discussions between WPLP and its EPC contractor for the transmission system.

The OEB finds on balance that the concerns of WPLP about possible disadvantage to its negotiating position with the EPC contractor outweigh the desirability of transparency in the access to evidence that is offered in OEB proceedings.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Settlement Proposal attached as Schedule A is approved.

2. Wataynikaneyap Power LP's confidentiality request in relation to the interrogatory responses is approved.

3. The OEB approves $43,489,861 of Wataynikaneyap Power LP's total 2025 transmission revenue requirement and charge determinant of 193.876 MW to be included in the calculation of the UTRs effective January 1, 2025.

4. The OEB approves $132,731,158 of Wataynikaneyap Power LP's total 2025 transmission revenue requirement to be recovered through a fixed monthly charge of $11,060,930 applied to Hydro One Remote Communities Inc., effective January 1, 2025.

5. The Transmission Accounting Order entitled Updated Construction Period Interest Costs Variance Account as provided at Attachment B of the Settlement Proposal, replicated in Schedule B, shall be made effective as of January 1, 2025.

6. The Transmission Accounting Order entitled Updated Federal CIAC Variance Account as provided at Attachment C of the Settlement Proposal, replicated in Schedule C, shall be made effective as of January 1, 2025.

7. The Transmission Accounting Order entitled Updated Construction Period OM&A Variance Account as provided at Attachment D of the Settlement Proposal, replicated in Schedule D, shall be made effective as of January 1, 2025.

8. WPLP shall immediately inform the OEB in writing, in the event that there is any further delay in the planned equity injection past the end of Q1 2025.

9. Wataynikaneyap Power LP shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto December 10, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Digitally signed by Nancy Marconi
Date: 2024.12.10 14:52:46 -05'00'

Nancy Marconi
Registrar

SCHEDULE A

DECISION AND ORDER

WATAYNIKANEYAP POWER LP

EB-2024-0176

DECEMBER 10, 2024

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November 7, 2024

RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: Wataynikaneyap Power LP - Application for Approval of 2025 Electricity Transmission Rates (EB-2024-0176) – Settlement Proposal

We are legal counsel to Wataynikaneyap Power LP ("WPLP"), which is the Applicant in the above-referenced proceeding. In accordance with Procedural Order No. 2 in the above-referenced proceeding, WPLP participated in a settlement conference with OEB Staff on October 17, 2024. On behalf of WPLP, we are pleased to submit the attached Settlement Proposal for the OEB Panel's review and consideration. The Parties have worked diligently to reach and document a full settlement of all issues in the proceeding.

WPLP has filed this document through the OEB's Regulatory Electronic Submissions System and served all parties to the proceeding. If you have any questions, please do not hesitate to contact me at the number shown above.

Yours truly,

Jonathan Myers

cc: Ms. Margaret Kenequanash, WPLP
Mr. Duane Fecteau, WPLP
Mr. Charles Keizer, Torys LLP
All Parties

51309555.1

EB-2024-0176

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B) (the "Act");

AND IN THE MATTER OF an application by Wataynikaneyap Power GP Inc. on behalf of Wataynikaneyap Power LP ("WPLP") for an Order or Orders made pursuant to section 78 of the Act, approving or fixing just and reasonable rates for the transmission of electricity.

WATAYNIKANEYAP POWER GP INC. on behalf of WATAYNIKANEYAP POWER LP

SETTLEMENT PROPOSAL

November 7, 2024

CONTENTS

A. OVERVIEW

1. Introduction

This Settlement Proposal is filed with the Ontario Energy Board ("OEB") in connection with Wataynikaneyap Power LP's (by its general partner Wataynikaneyap Power GP Inc., together, "WPLP") cost of service application (EB-2024-0176) made under section 78 of the Act, seeking approval of an electricity transmission revenue requirement and associated rates, effective January 1, 2025 and to charge Hydro One Remote Communities Inc. ("HORCI") a fixed charge for transmission service, effective January 1, 2025 (the "Application"). During the first half of 2024, construction of all remaining aspects of WPLP's transmission system, that were not brought into service in prior years, was completed such that all segments are now energized. This is WPLP's fourth transmission revenue requirement application.

As set forth herein, the Settlement Proposal contains a comprehensive settlement of all issues within the Application.

2. Background

WPLP filed its Application on June 28, 2024, and, on July 12, 2024, the OEB issued a letter confirming the completeness of the Application. The OEB issued and published a Notice of Hearing on July 22, 2024, and Procedural Order No. 1 on August 16, 2024. In Procedural Order No. 1, the OEB confirmed that it did not receive any intervention requests. The OEB also provided an opportunity for OEB staff to file submissions on WPLP's confidentiality request and directed WPLP and OEB staff to jointly develop a proposed issues list. On August 28, 2024, as part of Procedural Order No. 2, the OEB approved both WPLP's confidentiality request and the proposed issues list for the purposes of the proceeding (the "Approved Issues List").

Interrogatories from OEB staff were filed on September 9, 2024, and in accordance with Procedural Order No. 1, WPLP filed its responses to those interrogatories on September 27, 2024.

Procedural Order No. 2 also made provision for a Settlement Conference to be held commencing on October 17, 2024, and continuing October 18, 2024, if needed. In Procedural Order No. 2, the OEB determined that, as there are no intervenors in this proceeding, pursuant to section 11 of the OEB's *Practice Direction on Settlement Conferences* (the "Practice Direction") OEB staff is required to be a party to the Settlement Conference and to any resulting settlement proposal.

3. Settlement Process

Pursuant to Procedural Order No. 2, a Settlement Conference was carried out on October 17, 2024, and was completed within one day. The Settlement Conference was conducted in accordance with the OEB's *Rules of Practice and Procedure* (the "Rules") and the Practice Direction. Ms. Sarah Daitch of MASS LBP acted as facilitator for the Settlement Conference. WPLP and OEB staff (collectively referred to as the "Parties") participated in the Settlement Conference. To facilitate discussions, WPLP provided responses to a short list of pre-settlement clarifying questions from OEB staff on October 16, 2024.

The Parties have reached a complete settlement on all issues in the Approved Issues List, as further described in Part B, below.

4. Settlement Proposal Preamble

This document comprises the Settlement Proposal and is presented jointly to the OEB by the Parties. This document is called a "Settlement Proposal" because it is a proposal by the Parties to the OEB to settle the issues in this proceeding identified as settled in this Settlement Proposal. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties, it is null and void and of no further effect. In entering into this Settlement Proposal, the Parties understand and agree that, pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that the Settlement Conference, including any settlement information relating thereto, is privileged and confidential in accordance with the Practice Direction. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's *Practice Direction on Confidential Filings* and that the rules of the latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the Parties have interpreted "confidential" to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counteroffers, and the negotiations leading to the settlement of each issue during the Settlement Conference and during the preparation of this Settlement Proposal are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other settlement information to persons who were not attendees at the Settlement Conference. However, the Parties agree that "attendees" is deemed to include, in this context, persons who were not in attendance via video conference at the Settlement Conference but were: (a) any persons or entities that the Parties engaged to assist them with the Settlement Conference; and (b) any persons or entities from whom they have sought instructions with respect to the negotiations, in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions as the Parties.

As determined by the OEB in Procedural Order No. 2, OEB staff is a party to the Settlement Conference and to this Settlement Proposal and, accordingly, there is no need for OEB staff to make a submission, as contemplated in the Practice Direction, with respect to whether the Settlement Proposal represents an acceptable outcome from a public interest perspective, or whether the accompanying explanation and rationale is adequate to support the Settlement Proposal.

This Settlement Proposal is organized in accordance with the Approved Issues List. This Settlement Proposal provides a brief description of each of the settled issues, together with references to the evidence submitted for the record in this proceeding. The Parties agree that references to the "evidence" in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the written responses to interrogatories and other components of the record up to and including the date hereof, including the attachments to this document (the "Attachments").

The Parties agree that the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the OEB of this Settlement Proposal.

The final agreements of the Parties following the Settlement Conference are set out below. The Parties explicitly request that the OEB consider and accept this Settlement Proposal as a package. None of the matters in respect of which a settlement has been reached is severable. If the OEB does not accept the Settlement Proposal in its entirety, then there is no agreement, unless the Parties agree, in writing, that the balance of this Settlement Proposal may continue as valid settlement subject to any revisions that may be agreed upon by the Parties.

It is further acknowledged and agreed that none of the Parties will withdraw from this agreement under any circumstances, except as provided under Rule 30.05 of the Rules.

In the event that the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that both Parties must agree with any revised Settlement Proposal as it relates to that issue, or decide to take no position on the issue, prior to its resubmission to the OEB for its review and consideration as a basis for making a decision.

Unless otherwise expressly stated in this Settlement Proposal, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not WPLP is a party to such proceeding.

In this Settlement Proposal, where any of the Parties "accept" the evidence of WPLP, or "agree" to a revised term or condition, including a revised budget or forecast, then, unless expressly stated to the contrary, the words "for the purpose of settlement of the issues herein" shall be deemed to qualify that acceptance or agreement.

5. Settlement Proposal Overview

The Parties have reached a complete settlement, partial settlement, or no settlement on the aspects of the Approved Issues List as summarized in the following Table and as described in greater detail in Part B, below.

"Complete Settlement" means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the OEB, none of the Parties (including Parties who take no position on that issue) will adduce any evidence or argument during the hearing (if any) in respect of the specific issue.	Issues Settled: **ALL**
"Partial Settlement" means an issue for which there is partial settlement, as WPLP and the Intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the OEB, the Parties (including Parties who take no position on the Partial Settlement) will only adduce evidence and argument during the hearing (if any) on the portions of the issue for which no agreement has been reached.	Issues Partially Settled: **NONE**
"No Settlement" means an issue for which no settlement was reached. WPLP and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue (if any).	Issues Not Settled: **NONE**

The following summarizes, at a high level, the most significant elements of the Settlement Proposal, which are with respect to the timing, approach and content of WPLP's first multi-year revenue requirement application, including related performance measurement and reporting, as well as with respect to Operations, Maintenance and Administration ("OM&A") costs, including the continuance of an existing OM&A related regulatory account. More detailed descriptions of each of the settled issues based on the Approved Issues List are set out in **Part B**. The 2025 revenue requirement update, which sets out the impacts of settlement and the impacts of applying the OEB's 2025 Cost of Capital parameters, including resulting rate and bill impacts, are set out in **Attachment 'A'**. Draft accounting orders for revised regulatory accounts pursuant to the terms of settlement are provided in **Attachments 'B'** to **'D'**. WPLP's responses to OEB staff's pre-settlement clarifying questions are provided in **Attachment 'E'**.

The Application and the supporting evidence, including WPLP's interrogatory responses, provide extensive detail on WPLP's proposals in respect of its proposed 2025 electricity transmission revenue requirement and associated rates, including the proposed fixed charge to HORCI for electricity transmission service in 2025. The Parties, through negotiations, have agreed on modifications to WPLP's proposed revenue requirement and associated rates and charges, as well as on other aspects proposed in or relating to the Application. In particular, these include:

a) As part of its single year revenue requirement application to be filed in 2025 for the 2026 test year, WPLP will address performance measurement and reporting including through an initial Transmission System Plan ("TSP") and initial performance scorecard, each of which will be prepared on a best efforts basis having regard to the fact that 2025 will be the first full year of operations for the completed transmission system as well as the limited time and resources available for WPLP to develop these components of the application in time for the filing;

b) WPLP firmly commits to filing a multi-year revenue requirement application using one of the methodologies available for transmitters in 2026 for a rate period starting with the 2027 test year, which will include a TSP, performance scorecard and an econometric benchmarking report based on 2025 data;

c) In the event WPLP is not in a position to seek clearance of the balance from the EPC COVID-Related Cost Deferral Account as part of its single test year application filed in 2025 in respect of a 2026 test year or its first multi-year revenue requirement application to be filed in 2026 in respect of a rate period starting with the 2027 test year, on account of WPLP not having reached a final settlement with (or not having received a final arbitration award in respect of) its EPC contractor, the Parties agree it would be appropriate for WPLP to have the ability to seek mid-term clearance of such account during its first multi-year rate term and the Parties will not object to such a proposal if included as part of WPLP's initial multi-year revenue requirement application.

d) With respect to OM&A costs, a 6% reduction to WPLP's proposed 2025 OM&A expense on an envelope basis;

e) With respect to the Construction Period OM&A Variance Account, continuing it to allow for the recording of additional variance amounts for 2025 rather than maintaining it only for the purposes of facilitating recovery of the existing balance and applicable carrying costs as proposed in the Application, subject to changing the name of the account to remove the reference to "construction period" (via a revised Accounting Order included with this Settlement Proposal);

f) Including as part of this Settlement Proposal draft accounting orders setting out the modifications to the Construction Period Interest Costs Variance Account and the Federal CIAC Variance Account, as were proposed in the Application; and

g) Updating, in Attachment 'A' hereto, the balances of WPLP's deferral and variance accounts to reflect the OEB's prescribed interest rates for Q3 and Q4 2024.

The Parties also agree that this Settlement Proposal shall present updates to reflect the OEB's 2025 Cost of Capital parameters, which were issued (on an interim basis pending the OEB's determinations in the generic proceeding on the cost of capital, EB-2024-0063) after the conclusion of the Settlement Conference but prior to the required filing date for this Settlement Proposal, while also showing variances between amounts as proposed in the Application and the amounts resulting from settlement prior to updating for the 2025 Cost of Capital parameters.

Based on this Settlement Proposal and the updated cost of capital parameters, WPLP has revised its 2025 revenue requirement as summarized in Table 1, below.

Table 1 - Summary of 2025 Revenue Requirement

	Revenue Requirement for Rates ($000's)		
	Line to Pickle Lake	**Remote Connection Lines**	**Total**
Rate Application (2024-06-28)	44,040	134,895	178,935
Settlement Proposal (2024-11-07)	43,585	133,032	176,618
Change	-455	-1,863	-2,317
% Change	-1.0%	-1.4%	-1.3%
Settlement Proposal (2024-11-07)	43,585	133,032	176,618
2025 Cost of Capital Update	43,490	132,731	176,221
Change	-95	-301	397
% Change	-0.2%	-0.2%	-0.2%

Detailed calculations in support of the settled and updated 2025 revenue requirement and its underlying components, as well as 2025 transmission rates and bill impacts, are provided in **Attachment 'A'**.

The bill impacts resulting from this Settlement Proposal, as well as from the updated 2025 Cost of Capital parameters, are summarized in Table 2, below.

Table 2 - Summary of Bill Impacts

Item	**Description**	**Settlement Amount**		**Settlement and Cost of Capital Update Amount**[1]	
		Residential	**General Service**	**Residential**	**General Service**
A	Typical monthly bill	$139.82	$430.64	139.82[2]	430.64[3]
B	Increase related to Network RTSR	$0.06	$0.14	$0.06	$0.13
C	Increase related to RRRP rate	$0.08	$0.21	$0.08	$0.21
D = B + C	Total bill increase	$0.14	$0.34	$0.14	$0.34
E = D / A	Bill impact (%)	0.10%	0.08%	0.10%	0.08%

[1] All amounts are inclusive of 13% HST and the updated Ontario Electricity Rebate of 11.7%.

[2] Total bill amount for a Hydro One R1 TOU customer (750 kWh per month), as indicated in the OEB's online bill calculator (https://www.oeb.ca/rates-and-your-bill/bill-calculator), as at April 30, 2024.

[3] Total bill amount for a Hydro One General Service Energy Billed TOU customer (2000 kWh per month), as indicated in the OEB's online bill calculator, as at April 30, 2024.

Based on the foregoing and the evidence and rationale provided below, the Parties agree that this Settlement Proposal is appropriate and recommend its acceptance by the OEB. For purposes of regulatory efficiency and given that the 2025 Cost of Capital parameters have already been published, it is the intention of the Parties that this Settlement Proposal includes all supporting information necessary for implementation, including in part through the OEB's subsequent approval of Uniform Transmission Rates for 2025, without the need for WPLP to file a separate draft revenue requirement and charge determinant order for further approval of the OEB.

B. SETTLEMENT BY ISSUE

The subsections below summarize the key components of the comprehensive settlement reached by the Parties, including details on how each of the issues in the Approved Issues List has been addressed either through the Application or through the modifications to WPLP's proposals which have been agreed upon in this Settlement Proposal.

1. Issue 1: General

- *Has WPLP responded appropriately to all relevant OEB directions from previous proceedings?*
- *Are all elements of the proposed revenue requirement and their associated total bill impacts reasonable?*
- *Is the proposed effective date of January 1, 2025 and proposed timing for inclusion in the UTRs and Hydro One Remote Communities Inc. (HORCI) billings appropriate?*

(a) Complete Settlement

The Parties agree that WPLP has responded appropriately to all relevant OEB directions from previous proceedings, that all elements of the proposed revenue requirement and their associated total bill impacts as modified in this Settlement Proposal are reasonable, and that the proposed effective date of January 1, 2025, and timing for inclusion in UTRs and HORCI billings are appropriate.

In the Application, WPLP stated that it anticipates filing a multi-year revenue requirement application using an incentive-based regulatory method available to transmitters in a future period. The Application also stated WPLP's intention for its first multi-year application to include its initial TSP, initial performance scorecard and an econometric benchmarking study. WPLP acknowledged that its intention had previously been to file such multi-year revenue requirement application for a period beginning with a 2026 test year, as that was viewed as the earliest opportunity to implement a multi-year revenue requirement framework following completion of the project in 2024. However, WPLP stated in the Application that while it was not in a position to indicate for certain what the earliest opportunity would be for filing the first multi-year revenue requirement application, WPLP would not be in a position to do so in time for a 2026 test year. To provide further clarity, the Application included a list of factors that WPLP required to be resolved before it would be in a position to file its first multi-year revenue requirement application.

The Parties agree that WPLP will file a single rate year application in 2025 for the 2026 test year. As part of that application, WPLP will address performance measurement and reporting including through an initial TSP and initial performance scorecard, each of which will be prepared on a best efforts basis having regard to the fact that 2025 will be the first full year of operations for the completed transmission system as well as the limited time and resources available for WPLP to develop these components of the application in time for the filing, particularly given that WPLP will be focused on settlement discussions with its EPC contractor in the period leading up to filing the 2026 test year application.

The Parties further agree that, rather than leaving the date for filing the first multi-year revenue requirement application uncertain, WPLP will file its first multi-year revenue requirement application in 2026 in respect of a rate period commencing with a 2027 test year. That application will include a TSP, performance scorecard and econometric benchmarking study based on 2025 data.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	*Prior OEB Directions:* Exhibit A-5-2 *Elements of Revenue Requirement and Bill Impacts:* Exhibit I *Effective / Implementation Date:* Exhibits A-2-1; A-3-1; I-1-1; I-3-1; I-3-2 *Other (Rate Framework)*: A-2-1; A-3-1; A-5-1; B-1-2; F-1-1
Interrogatories	*Prior OEB Directions:* - *Element of Revenue Requirements and Bill impacts:* See Issue 8: Cost Allocation *Other (Rate Framework)*: OEB Staff-4,6, 22, 23, 25, 28
Other	-

2. Issue 2: Rate Base

- *Are the amounts proposed for rate base appropriate?*

(a) Complete Settlement

The Parties agree that the amounts proposed by WPLP for rate base are appropriate. In the Application, WPLP requested approval of a 2025 rate base for the Line to Pickle Lake of $304,026,382, and for the Remote Connection Lines of $959,982,341, each inclusive of allocated General Plant amounts, for a total of $1,264,008,724.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit C, and Exhibit I-2-1
Interrogatories	OEB Staff - 14 to 21
Other	Attachment E, Clarification Question 1

3. Issue 3: Performance

- *Is the proposed approach to monitoring and OEB reporting of WPLP's transmission system performance adequate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed approach to monitoring and OEB reporting of its transmission system performance, as modified through this Settlement Proposal and discussed in *Issue 1: General*, is appropriate.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit D
Interrogatories	OEB Staff 22 to 25
Other	Attachment E, Clarification Question 2

4. Issue 4: Operating Revenue

- *Are the proposed load and revenue forecasts appropriate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed load and revenue forecasts are appropriate.

In the Application, WPLP requested approval of total forecasted charge determinants of 193.876 MW for inclusion in the 2025 UTR calculation. WPLP's revenue forecast is consistent with its calculated revenue requirement, subject to immaterial rounding variances arising in the UTR calculations.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit E
Interrogatories	OEB Staff 26 to 27
Other	-

5. Issue 5: Operating Costs

- *Are the proposed spending levels for OM&A in 2025 appropriate, including consideration of factors such as system reliability and asset condition?*
- *Are the amounts proposed to be included in the revenue requirement for income taxes appropriate?*
- *Is the proposed depreciation expense appropriate?*
- *Are the services to be provided by third parties, and their associated costs, appropriate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed spending levels for OM&A in 2025, as modified through this Settlement Proposal, are appropriate and have appropriately considered factors such as system reliability and asset condition; that the amounts proposed to be included in the revenue requirement for income taxes and depreciation expense are appropriate; and that the services to be provided by third parties, and their associated costs, are appropriate.

In the Application, WPLP proposed to recover $35,715,363 in OM&A expenses, $26,658,501 in depreciation expense, and $624,329 in income tax expense. The Parties accept WPLP's proposed depreciation expense and income tax expense, and agree to a 6% reduction to OM&A expenses on an envelope basis, which reduces the OM&A expenses recoverable for 2025 to $33,572,441. WPLP's income taxes have been updated based on the updated cost of capital parameters.

The Parties determined that a 6% reduction to OM&A is appropriate based on comparisons to the OM&A benchmarking results filed in EB-2022-0149, while taking into consideration (a) that a significant portion of the OM&A budget relates to the inspection and maintenance of in-service assets, as well as preparing for outage and emergency response, which are critical activities especially given the remoteness and radial nature of the system (which, for the most part, requires access by helicopter); (b) that the radial and remote nature of the WPLP's transmission system, in addition to other considerations such as the geographic expanse covered by the Indigenous communities that it serves, make WPLP a unique transmitter that operates under unique business circumstances, and which distinguish WPLP from the comparator group of the referenced benchmarking study; (c) that much of the OM&A budget increase is expected as a result of 2025 being the first year of WPLP's entire transmission system being in-service for a full year, and that carrying out inspection and maintenance activities in 2025 is expected to result in savings to ratepayers because it will enable identification of issues while the transmission system remains under warranty; and (d) that the (soon to be renamed) Construction Period OM&A Variance Account will continue to ensure that any over-recovery in OM&A will be returned to ratepayers, as discussed in *Issue 7: Deferral and Variance Accounts*, including for any unused amounts for helicopter services required to perform maintenance activities and make emergency repairs to the transmission system.

In the approved Settlement Proposal for EB-2022-0149, the Parties had agreed that WPLP would file an econometric benchmarking study of its OM&A costs in 2025 in respect of its application for approval of a transmission revenue requirement and rates for the period starting in 2026. However, as part of this Settlement Proposal, the Parties have agreed to delay filing of the econometric benchmarking study to 2026, based on 2025 data, in conjunction with WPLP's first multi-year revenue requirement application for the 2027 test year. It is expected that the econometric benchmarking study will help overcome the limitations identified in the unit cost benchmarking study that was filed in WPLP's 2023 transmission revenue application by allowing for appropriate adjustments for WPLP's unique business circumstances and transmission system characteristics.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit F
Interrogatories	OEB Staff - 22, 28 to 39
Other	-

6. Issue 6: Cost of Capital & Capital Structure

- *Is the proposed capital structure appropriate?*
- *Is the proposed cost of capital, including updates appropriate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed capital structure and proposed cost of capital, including updates, are appropriate.

In the Application, WPLP requested approval of a capital structure of 56% long-term debt, 4% short-term debt and 40% equity, consistent with the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, dated December 11, 2009. WPLP applied its forecasted cost of debt to the long-term and short-term debt components of its capital structure; and applied the OEB's 2024 Cost of Capital parameter for the equity component, resulting in a weighted average cost of capital rate of 7.48%. The Application further states that WPLP will update the short-term debt rate and rate of return on equity to reflect the OEB's published Cost of Capital parameters for 2025. The Parties agreed that WPLP will update its Revenue Requirement and Bill Impact calculations based on the updated Cost of Capital parameter for equity and short-term debt established by the OEB for 2025. The OEB issued the interim 2025 Cost of Capital parameters on October 31, 2024. Based on the OEB's interim 2025 Cost of Capital parameters, WPLP's updated weighted average cost of capital rate is 7.44%. The impacts of these updates are summarized in **Part A**, above, as well as presented in **Attachment 'A'**. Furthermore, as proposed in the Application and addressed under *Issue 7: Deferral & Variance Accounts*, differences between WPLP's forecast and actual costs of debt until WPLP transitions to long-term debt financing (due in particular to changes in its variable cost of long-term debt) will continue to be recorded in WPLP's existing Construction Period Interest Costs Variance Account. In response to interrogatories, WPLP confirmed that it would implement the outcomes from the OEB's generic cost of capital proceeding (EB-2024-0063), including what the OEB decides with respect to implementation of its decision, insofar as those outcomes are applicable to WPLP. WPLP also confirmed that it would follow all other direction included in the OEB's

Letter and Accounting Order issued on July 26, 2024, including the establishment of a new variance account for the interim short term debt rate.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit G
Interrogatories	OEB Staff 40 to 44, 48(b), 50
Other	Attachment E, Clarification Question 3

7. Issue 7: Deferral & Variance Accounts

- *Are the proposed amounts, disposition, continuance and discontinuance of existing deferral and variance accounts appropriate?*
- *Are the proposed modifications to existing deferral and variance accounts appropriate?*
- *Are the proposed new deferral and variance accounts appropriate, if any?*
- *Are WPLP's COVID-19 related costs and their proposed treatment appropriate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed amounts, disposition, modification, continuance and discontinuance of existing deferral and variance accounts, as modified through this Settlement Proposal, are appropriate.

The Parties agree that WPLP shall update the balances of its deferral and variance accounts to reflect the OEB's prescribed interest rates for Q3 and Q4 2024. The balances for disposition as set out below reflect this update.

The Parties agreed with WPLP's proposals:

- to discontinue the 2021-2023 COVID Construction Costs Deferral Account (2021-2023 CCCDA), and to dispose of the $3,007,256 audited December 31, 2023 balance on a final basis, inclusive of applicable carrying charges and adjustments to reflect AFUDUC;

- to continue the Pikangikum Distribution System Deferral Account to track any residual carrying charges during 2025 for disposition in a future year, and to dispose of the December 31, 2023 audited balance for that account, less approved 2024 dispositions, plus forecasted carrying charges to year-end 2025 and forecasted variance on 2024 carrying charges, by recovering $708,178 over a one-year period, and the addition of those costs to WPLP's revenue requirement in respect of the Remote Connection Lines for 2025;

- to continue the COVID Construction Costs Deferral Account (CCCDA) to track any residual carrying charges during 2025 for disposition in a future year, and to dispose of the

December 31, 2023 audited balance for that account, less approved 2024 dispositions, plus forecasted carrying charges to year-end 2025 and forecasted variance on 2024 carrying charges, by recovering $5,056,324 over a one-year period;

- to continue the In-Service Date Variance Account (ISDVA) to enable recovery of the audited year-end 2024 balance and to track any residual carrying charges during 2025 for disposition in a future year, and to dispose of the ($724,235) audited December 31, 2023 balance, inclusive of forecasted carrying charges to year-end 2025 and variance in forecasted 2024 carrying charges less approved 2024 dispositions;

- to continue the Construction Period Interest Costs Variance Account (CPICVA), and to dispose of the $21,770,683 audited December 31, 2023 balance, inclusive of forecasted carrying charges to year-end 2025 and variance in forecasted 2024 carrying charges less approved 2024 dispositions; and

- to continue the Deferred Contingency Deferral Account (DCDA) to track any residual carrying charges for recovery in a future year, and to dispose of the $196,794 audited December 31, 2023 balance, inclusive of forecasted carrying charges to year-end 2025 and variance in forecasted 2024 carrying charges less approved 2024 dispositions.

Regarding the Construction Period OM&A Variance Account, WPLP applied to continue that account for the purpose of enabling future disposition of the audited year-end 2024 balance along with applicable carrying charges in a future year, and to dispose of the ($5,730,870) audited December 31, 2023 balance, inclusive of applicable forecasted carrying charges. Notwithstanding that WPLP applied to continue that account for 2025, the Application stated that WPLP does not expect to record additional principal amounts in the account in 2025. However, for the purposes of settlement the Parties agree that the Construction Period OM&A Variance Account will continue as an asymmetrical account in 2025 and will continue to be used to record any variances between approved and actual OM&A expense for 2025, along with applicable carrying charges. The Parties further agree that WPLP will change the name to this account to "OM&A Variance Account" by means of a draft accounting order, attached hereto as Attachment "D", to reflect that this account will continue to record amounts for 2025 notwithstanding the completion of the construction phase of the transmission project in 2024.

In the Application, the WPLP proposed to modify two existing accounts, notably,

- the Construction Period Interest Costs Variance Account, by extending its term from its current expiry at the end of the construction period, as previously approved in EB-2021-0134, to a modified expiry at such time that construction financing has been transitioned to long-term debt financing and the audited balance can thereafter be disposed of in full, including any residual carrying charges; and

- the Federal CIAC Variance Account, by extending its term from its current expiry on December 31, 2024, as previously approved in EB-2023-0168, to a modified expiry date of December 31, 2026, which will allow for the principal amounts to be recorded in 2024 once the CIAC is received by WPLP, and to be audited in 2025 for disposition in 2026.

The Parties agree to WPLP's modifications to the Construction Period Interest Costs Variance Account and Federal CIAC Variance Account, as proposed, on the condition that this Settlement Proposal include draft accounting orders documenting such modifications. These draft accounting orders are included hereto as Attachments "B" and "C" respectively.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit H
Interrogatories	OEB Staff 45 to 48
Other	-

8. Issue 8: Cost Allocation

- *Is the proposed cost allocation appropriate?*

(a) Complete Settlement

The Parties agree that WPLP's proposed cost allocation is appropriate.

In the Application, WPLP explained that due to its unique cost recovery and rate framework, its 2025 revenue requirement is allocated between the Line to Pickle Lake and the Remote Connection Lines. The Line to Pickle Lake portion of the revenue requirement is recovered through the UTR Network rate and the Remote Connection Lines revenue requirement is recovered through a fixed monthly charge applicable to HORCI during 2025. Based on the Application, the UTR Network rate was estimated to increase by $0.04/kW and the fixed monthly charge to HORCI was proposed to be $11,241,276 effective January 1, 2025.

Based on this Settlement Proposal but without reflecting the 2025 Cost of Capital parameters, the UTR Network rate is estimated to increase by $0.04/kW effective January 1, 2025 and the fixed monthly charge to HORCI would be $11,086,023 effective January 1, 2025.

Based on this Settlement Proposal together with updates to reflect the 2025 Cost of Capital parameters, the UTR Network rate is estimated to increase by $0.04/kW effective January 1, 2025 and the fixed monthly charge to HORCI is proposed to be $11,060,930 effective January 1, 2025.

(b) Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit I
Interrogatories	OEB Staff 3, 49 to 51
Other	-

C. ATTACHMENTS

Attachment ‘A’ 2025 Revenue Requirement and Bill Impacts Update (including UTR Charge Determinants and Fixed Charges to HORCI)

Attachment ‘B’ Draft Updated Accounting Order for Construction Period Interest Costs Variance Account

Attachment ‘C’ Draft Updated Accounting Order for Federal CIAC Variance Account

Attachment ‘D’ Draft Updated Accounting Order for Construction Period OM&A Variance Account

Attachment ‘E’ WPLP Responses to OEB Staff Clarification Questions

ATTACHMENT 'A'

2025 Revenue Requirement and Bill Impacts Update (including UTR Charge Determinants and Fixed Charges to HORCI)

A. INTRODUCTION AND SUMMARY

This Attachment ‘A’ updates various components of WPLP’s written evidence as required to recalculate WPLP’s 2025 test year transmission revenue requirement in alignment with the Settlement Proposal. Unless otherwise stated, variances calculated within this Attachment compare the results of the Settlement Proposal to WPLP’s June 28, 2024 filed rate application. WPLP’s revised 2025 revenue requirement resulting from the Settlement Proposal is summarized in Table 1.

Table 1: Summary of Change in Revenue Requirement

	Revenue Requirement for Rates ($000's)		
	Line to Pickle Lake	**Remote Connection Lines**	**Total**
Rate Application (2024-06-28)	44,040	134,895	178,935
Settlement Proposal (2024-11-07)	43,585	133,032	176,618
Change	-455	-1,863	-2,317
% Change	-1.0%	-1.4%	-1.3%

In addition, interim 2025 cost of capital parameters were released by the OEB on October 31, 2024. WPLP’s updated 2025 revenue requirement resulting from the Settlement Proposal and the updated cost of capital parameters is summarized in Table 2.

Table 2: Summary of Change to Settlement Proposal Revenue Requirement with Cost of Capital Update

	Revenue Requirement for Rates ($000's)		
	Line to Pickle Lake	**Remote Connection Lines**	**Total**
Settlement Proposal (2024-11-07)[4]	43,585	133,032	176,618
2025 Cost of Capital Update	43,490	132,731	176,221
Change	-95	-301	-397
% Change	-0.2%	-0.2%	-0.2%

[4] From Table 1 above.

Part B, below, provides high-level summaries of two aspects of the Settlement Proposal which directly affect WPLP's 2025 test year transmission revenue requirement: (i) reduction of OM&A expense on an envelope basis by 6%; and (ii) update to deferral account forecasted carrying charges based on Q3 and Q4 OEB prescribed interest rates. Part C, below, provides updates to various tables that support the recalculation of WPLP's 2025 revenue requirement, with reference to the corresponding tables in the Application.

B. SETTLEMENT AGREEMENT EFFECT ON 2025 REVENUE REQUIREMENT

1. OM&A Cost Forecast

WPLP proposed to recover $35,715,363 in OM&A expenses in the rate application. The settlement proposal provides that WPLP will reduce its OM&A expense on an envelope basis by 6%, which reduces the OM&A expense recoverable for 2025 to $33,572,441. The Parties accepted WPLP's depreciation and income tax expense as proposed. The changes to OM&A costs are presented below in Table 3.

Table 3 – Summary of Operating Costs from Settlement

	Rate Application	Settlement	Variance
OM&A Expenses	$35,715,363	$33,572,441	-$2,142,922
Depreciation and Amortization	$26,658,501	$26,658,501	-
Income Taxes	$624,329	$624,329	-
Total Operating Costs	**$62,998,193**	**$60,855,271**	**-$2,142,922**

2. Deferral Account Carrying Charges

WPLP proposed to use the OEB posted prescribed rate for Q2 2024 deferral/variance account carrying charges. The Parties agreed that WPLP will instead use the OEB posted prescribed rate for Q3 and Q4 2024 deferral/variance account carrying charges. The net impact of this change is a decrease to the 2025 revenue requirement of $0.17 million from the amount filed in the rate application. These changes to the Pikangikum Distribution Deferral Account, CCCDA, ISDVA, CPICVA, DCDA and Construction Period OM&A Variance Account 2025 disposition values are presented below in Table 4.

Table 4 – Pikangikum Distribution Deferral Account, CCCDA, ISDVA, CPICVA, DCDA and Construction Period OM&A Variance Account Disposition

	LTPL	RCL	Total
Rate Application			
Disposition of Pikangikum Distribution System Deferral Account	$0	$715,382	$715,382
Disposition of COVID Construction Costs Deferral Account (CCCDA)	$3,556,423	$1,543,880	$5,100,303
Disposition of In-Service Date Variance Account (ISDVA)	-$95,990	-$645,304	-$741,294
Disposition of Construction Period Interest Costs Variance Account (CPICVA)	$7,364,505	$14,594,521	$21,959,026
Disposition of Deferred Contingency Deferral Account (DCDA)	$29,538	$168,962	$198,500
Disposition of Construction Period OM&A Variance Account	-$1,752,709	-$4,027,996	-$5,780,705
Total	**$9,101,767**	**$12,349,445**	**$21,451,212**
Settlement			
Disposition of Pikangikum Distribution System Deferral Account	$0	$708,178	$708,178
Disposition of COVID Construction Costs Deferral Account (CCCDA)	$3,525,757	$1,530,567	$5,056,324
Disposition of In-Service Date Variance Account (ISDVA)	-$90,770	-$633,465	-$724,235
Disposition of Construction Period Interest Costs Variance Account (CPICVA)	$7,300,938	$14,469,744	$21,770,683
Disposition of Deferred Contingency Deferral Account (DCDA)	$29,271	$167,522	$196,794
Disposition of Construction Period OM&A Variance Account	-$1,737,599	-$3,993,271	-$5,730,870
Total	**$9,027,597**	**$12,249,275**	**$21,276,874**
Variance	**-$74,170**	**-$100,170**	**-$174,338**

C. DETAILED CALCULATIONS FOR UPDATED REVENUE REQUIREMENT

The following sections provide detailed calculations to support the recalculation of WPLP’s 2025 test year revenue requirement resulting from the Settlement Proposal and the OEB’s 2025 cost of capital parameters.

For ease of reference, each numbered section below corresponds to the specific Exhibit from the Application as indicated.

3. Operating Costs (Updates to Exhibit F)

(a) Operating Cost Summary

WPLP’s 2025 operating costs have been revised from $35.72 million to $33.57 million as a result of the Settlement Proposal. Table 5 below summarizes the revised operating costs compared to the amounts presented in the rate application. Details of the recalculated income tax expense are provided in subsection (c) below based on changes to the cost of capital parameters.

Table 5 – Summary of 2025 Operating Costs

(Update of: F-1-1, Table 1)

Operating Cost Category	Rate Application	Settlement and Cost of Capital Update	Variance	
			$	%
OM&A Expenses	$35,715,363	$33,572,441	-$2,142,922	-6.0%
Depreciation and Amortization	$26,658,501	$26,658,501	-	0%
Income Taxes	$624,329	$627,041	$2,712	0.4%
Total Operating Costs	**$62,998,193**	**$60,857,983**	**-$2,140,210**	**-3.4%**

(b) Income Taxes

Table 6 provides a revised calculation of WPLP’s 2025 income tax expense. The increase in income tax expense from $624k to $627k, as shown in Table 5, results from the increase in WPLP’s 2025 return on equity arising from the 2025 updated cost of capital parameters published by the OEB.

Table 6 – WPLP’s 2025 Ontario Corporate Minimum Tax ($000’s)
(Update of: F-5-1, Table 1)

Item	Description	Allocation / Rate	Amount
A	WPLP Regulatory Net Income (before Tax and adjustments, includes gross-up of income tax expense)		47,395[5]
B	% of LP Interests Held by Taxable Entities	49%	
C = A x B	Regulatory Net Income subject to Taxation		23,224
D	Ontario Minimum Corporate Tax Rate	2.7%	
E = C x D	***Ontario Minimum Corporate Tax***		***627***
F	Ontario Corporate Income Tax Payable		0
G = E-F	**Ontario Corporate Minimum Tax Payable**		**627**

4. Capital Structure and Cost of Capital (Updates to Exhibit G)

Table 7 provides a revised calculation of WPLP’s 2025 capital structure and cost of capital. The short-term interest rate has been updated based on the OEB’s 2025 cost of capital parameters, resulting in a reduction in interest cost of $0.6 million, and an increase in return on rate base from $46.6 million in the application to $46.8 million in Table 7, which is solely attributable to the updated return on equity rates in the OEB’s 2025 cost of capital parameters.

Table 7 – 2025 Capital Structure and Cost of Capital
(Update of: G-2-1, Table 1)

	Capitalization Ratio		**Cost Rate**	**Updated Return**	**Application Return**	**Variance**
	(%)	**($)**	**(%)**	**($)**	**($)**	**($)**
Long-term Debt	*56%*	$707,844,885	6.32%	$44,769,599	$44,769,599	$0
Short-term Debt	*4%*	$50,560,349	5.04%	$2,548,242	$3,149,910	-$601,668
Total Debt	*60%*	*$758,405,234*	*6.24%*	*$47,317,840*	*$47,919,508*	-$601,668
Common Equity	*40%*	*$505,603,490*	*9.25%*	*$46,768,323*	*$46,566,081*	$202,242
Total	**100%**	**$1,264,008,724**	**7.44%**	**$94,086,163**	**$94,485,590**	**-399,427**

[5] The regulated income of $46,748,323 provided in Table 7 below has been grossed up for tax purposes.

5. *Deferral and Variance Accounts (Exhibit H)*

Table 8 provides a revised calculation of WPLP's deferral account disposition continuity. The Settlement Proposal provides that WPLP will calculate forecasted carrying charges for the Pikangikum Distribution Deferral Account, CCCDA, ISDVA, CPICVA, DCDA and Construction Period OM&A Variance Account using the posted Q3 and Q4 2024 OEB prescribed interest. The change in carrying charges results in an overall decrease in the Variance/Deferral account dispositions to ratepayers in 2025 of $0.17 million.

Table 8 – Deferral Account Disposition Continuity

(Update of: H-2-1, Table 1)

	Audited 2023 Balance[6]	**Forecasted Carrying Charges**	**2024 Application Recovery**	**Adjusted Balance**	**Net Amount Disposition to LTPL[7]**	**Net Amount Disposition to RCL[3]**
Pikangikum Distribution System Deferral Account	$2,511,723	$96,189	($1,899,734)	$708,178	-	$708,178
In-Service Date Variance Account	($16,583,528)	($479,295)	$16,338,588	($724,235)	($90,770)	($633,465)
Construction Period Interest Costs Variance Account	$23,832,772	$1,591,409	($3,653,498)	$21,770,683	$7,300,938	$14,469,745
Deferred Contingency Deferral Account	$206,331	$14,220	($23,757)	$196,794	$29,271	$167,523
COVID Construction Costs Deferral Account	$9,646,529	$452,752	($5,042,957)	$5,056,324	$3,525,757[8]	$1,530,567
COVID Construction Costs 2021-2023 Deferral Account	$3,007,256	-	-	$3,007,256	-	-
Construction Period OM&A Variance Account	($5,330,204)	($400,666)	-	($5,730,870)	($1,737,599)	($3,993,271)
	$17,290,879	**$1,274,609**	**$5,718,642**	**$24,284,130**	**$9,027,597**	**$12,249,277**

[6] Audited balances include deferral account carrying charges.

[7] Disposition amount is 100% of adjusted deferral account balance for the Pikangikum Distribution System Deferral Account, ISDVA, CPICVA, DCDA and Construction Period OM&A Variance Account.

[8] Disposition amount is 25% of deferral account balance as at December 31, 2020 approved in EB-2021-0134 plus carrying charges.

6. Cost Allocation, Rate Design and Bill Impacts (Updates to Exhibit I)

(c) Revised Revenue Requirement and Cost Allocation

Exhibit I-2-1 described the methodology for allocating each component of WPLP's revenue requirement to either the Line to Pickle Lake (recovered via Network UTR rates) or the Remote Connection Lines (recovered via a monthly fixed charge to HORCI). WPLP continues to apply the same cost allocation methodologies to each component of its revised 2025 revenue requirement and rate base values as presented in rate application, as illustrated in Tables 9 through 12.

Table 9 – Allocation of 2025 OM&A and Income Tax Expense Based on Settlement

(Update of: I-2-1, Table 3)

	LTPL	**RCL**	**Total**
Direct OM&A Expenses	771,666	7,643,964	8,415,630
Indirect OM&A Expenses			25,156,811
Income Tax Expense			624,329
Allocation Factor from Table 1	*17.7%*	*82.26%*	*100%*
Allocation of Indirect OM&A	4,461,661	20,695,150	25,156,811
Allocation of Income Tax Expense	110,727	513,602	624,329
Total 2025 Allocated OM&A	**5,233,327**	**28,339,114**	**33,572,441**
Total 2025 Allocated Income Tax	**110,727**	**513,602**	**624,329**

Table 10 – Allocation of 2025 OM&A and Income Tax Expense Settlement and Cost of Capital Update (Update of: I-2-1, Table 3)

	LTPL	**RCL**	**Total**
Direct OM&A Expenses	771,666	7,643,964	8,415,630
Indirect OM&A Expenses			25,156,811
Income Tax Expense			627,041
Allocation Factor from Table 1	*17.7%*	*82.26%*	*100%*
Allocation of Indirect OM&A	4,461,661	20,695,150	25,156,811

Allocation of Income Tax Expense	111,208	515,832	627,041
Total 2025 Allocated OM&A	**5,233,327**	**28,339,114**	**33,572,441**
Total 2025 Allocated Income Tax	**111,208**	**515,832**	**627,041**

Table 11 – Allocation of 2025 Updated Revenue Requirement Based on Settlement (Update of: I-2-1, Table 6)

	LTPL	**RCL**	**Total**
Gross Fixed Assets (avg)	321,446,578	1,003,842,232	1,325,288,810
Accumulated Depreciation (avg)	-17,420,196	-43,859,890	-61,280,087
Net Fixed Assets (avg)	304,026,382	959,982,341	1,264,008,724
Working Capital Allowance	0	0	0
Rate Base	304,026,382	959,982,341	1,264,008,724
Regulated Rate of Return	7.48%	7.48%	7.48%
Regulated Return on Rate Base	22,726,198	71,759,392	94,485,590
OM&A Expenses	5,233,327	28,339,114	33,572,441
Property Taxes	0	0	0
Depreciation Expense	6,487,604	20,170,897	26,658,501
Income Taxes	110,727	513,602	624,329
Service Revenue Requirement	**34,557,856**	**120,783,005**	**155,340,861**
Other Revenue Offset	0	0	0
Base Revenue Requirement	**34,557,856**	**120,783,005**	**155,340,861**
Disposition of Pikangikum Distribution System Deferral Account	0	708,178	708,178
Disposition of COVID Construction Costs Deferral Account (CCCDA)	3,525,757	1,530,567	5,056,324
Disposition of In-Service Date Variance Account (ISDVA)	-90,770	-633,465	-724,235
Disposition of Construction Period Interest Costs Variance Account (CPICVA)	7,300,938	14,469,745	21,770,683
Disposition of Deferred Contingency Deferral Account (DCDA)	29,271	167,523	196,794
Disposition of Construction Period OM&A Variance Account	-1,737,599	-3,993,271	-5,730,870
Revenue Requirement for Rates	**43,585,453**	**133,032,282**	**176,617,735**

Table 12 – Allocation of 2025 Updated Revenue Requirement based on Settlement and Cost of Capital Update

(Update of: I-2-1, Table 6)

	LTPL	RCL	Total
Gross Fixed Assets (avg)	321,446,578	1,003,842,232	1,325,288,810
Accumulated Depreciation (avg)	-17,420,196	-43,859,890	-61,280,087
Net Fixed Assets (avg)	304,026,382	959,982,341	1,264,008,724
Working Capital Allowance	0	0	0
Rate Base	304,026,382	959,982,341	1,264,008,724
Regulated Rate of Return	7.44%	7.44%	7.44%
Regulated Return on Rate Base	22,630,125	71,456,038	94,086,163
OM&A Expenses	5,233,327	28,339,114	33,572,441
Property Taxes	0	0	0
Depreciation Expense	6,487,604	20,170,897	26,658,501
Income Taxes	111,208	515,832	627,041
Service Revenue Requirement	**34,462,264**	**120,481,881**	**154,944,146**
Other Revenue Offset	0	0	0
Base Revenue Requirement	**34,462,264**	**120,481,881**	**154,944,146**
Disposition of Pikangikum Distribution System Deferral Account	0	708,178	708,178
Disposition of COVID Construction Costs Deferral Account (CCCDA)	3,525,757	1,530,567	5,056,324
Disposition of In-Service Date Variance Account (ISDVA)	-90,770	-633,465	-724,235
Disposition of Construction Period Interest Costs Variance Account (CPICVA)	7,300,938	14,469,745	21,770,683
Disposition of Deferred Contingency Deferral Account (DCDA)	29,271	167,523	196,794
Disposition of Construction Period OM&A Variance Account	-1,737,599	-3,993,271	-5,730,870
Revenue Requirement for Rates	**43,489,861**	**132,731,158**	**176,221,020**

(d) Calculation of Uniform Transmission Rates

The Network UTR calculations provided in Exhibit I-3-1 are updated in Tables 13 through 19. Tables 14 through 16 reflect the revised 2025 revenue requirement for the Line to Pickle Lake, as detailed in Table 11 from Settlement only and Tables 17 through 19 reflect the revised 2025 revenue requirement for the Line to Pickle Lake, as detailed in Table 12.

Table 13 – Current UTR Calculations

(I-3-1, Table 1)

Transmitter	Revenue Requirement ($)			
	Network	Line Connection	Transformation Connection	Total
FNEI	$4,762,380	$837,237	$2,388,475	$7,988,092
CNPI	$2,770,591	$487,076	$1,389,534	$4,647,201
WPLP	$33,585,573	$0	$0	$33,585,573
EWTLP	$54,921,609	$0	$0	$54,921,609
H1N SSM	$25,645,763	$4,508,581	$12,862,112	$43,016,456
H1N	$1,206,861,187	$212,168,826	$605,276,749	$2,024,306,762
B2MLP	$36,395,939	$0	$0	$36,395,939
NRLP	$8,565,165	$0	$0	$8,565,165
All Transmitters	$1,373,508,207	$218,001,720	$621,916,870	$2,213,426,797

Transmitter	Total Annual Charge Determinants (MW)			
	Network	Line Connection	Transformation Connection	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
WPLP	156.151	0.000	0.000	
EWTLP	0.000	0.000	0.000	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	233,393.428	226,543.453	192,711.042	
B2MLP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
All Transmitters	237,801.119	230,076.195	193,968.592	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates ($/kW-Month)	**5.78**	**0.95**	**3.21**	
	↓	↓	↓	
FNEI	0.00347	0.00384	0.00384	

CNPI	0.00202	0.00223	0.00223	
WPLP	0.02445	0.00000	0.00000	
EWTLP	0.03999	0.00000	0.00000	
H1N SSM	0.01867	0.02068	0.02068	
H1N	0.87866	0.97325	0.97325	
B2MLP	0.02650	0.00000	0.00000	
NRLP	0.00624	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

Table 14 – Calculation of 2025 UTRs based on Settlement

(Update of: I-3-1, Table 2)

Transmitter	**Revenue Requirement ($)**			
	Network	**Line Connection**	**Transformation Connection**	**Total**
FNEI	$4,762,380	$837,237	$2,388,475	$7,988,092
CNPI	$2,770,591	$487,076	$1,389,534	$4,647,201
WPLP	$43,585,453	$0	$0	$43,585,453
EWTLP	$54,921,609	$0	$0	$54,921,609
H1N SSM	$25,645,763	$4,508,581	$12,862,112	$43,016,456
H1N	$1,206,861,187	$212,168,826	$605,276,749	$2,024,306,762
B2MLP	$36,395,939	$0	$0	$36,395,939
NRLP	$8,565,165	$0	$0	$8,565,165
All Transmitters	$1,383,508,087	$218,001,720	$621,916,870	$2,223,426,677
Transmitter	**Total Annual Charge Determinants (MW)**			
	Network	**Line Connection**	**Transformation Connection**	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
WPLP	193.876	0.000	0.000	
EWTLP	0.000	0.000	0.000	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	233,393.428	226,543.453	192,711.042	
B2MLP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
All Transmitters	237,838.844	230,076.195	193,968.592	
Transmitter	**Uniform Rates and Revenue Allocators**			
	Network	**Line Connection**	**Transformation Connection**	
Uniform Transmission Rates ($/kW-Month)	**5.82**	**0.95**	**3.21**	
	↓	↓	↓	

FNEI	0.00344	0.00384	0.00384	
CNPI	0.00200	0.00223	0.00223	
WPLP	0.03150	0.00000	0.00000	
EWTLP	0.03970	0.00000	0.00000	
H1N SSM	0.01854	0.02068	0.02068	
H1N	0.87232	0.97325	0.97325	
B2MLP	0.02631	0.00000	0.00000	
NRLP	0.00619	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

Table 15 – Change in UTRs Resulting from WPLP Line to Pickle Lake based on Settlement (Update of: I-3-1, Table 3)

Transmitter	**Change in Revenue Requirement ($)**			
	Network	**Line Connection**	**Transformation Connection**	**Total**
FNEI	-	-	-	-
CNPI	-	-	-	-
WPLP	$9,999,880	$0	$0	$9,999,880
EWTLP	-	-	-	-
H1N SSM	-	-	-	-
H1N	-	-	-	-
B2MLP	-	-	-	-
NRLP	-	-	-	-
All Transmitters	$9,999,880	$0	$0	$9,999,880
Transmitter	**Change in Total Annual Charge Determinants (MW)**			
	Network	**Line Connection**	**Transformation Connection**	
FNEI	-	-	-	
CNPI	-	-	-	
WPLP	37.725	-	-	
EWTLP	-	-	-	
H1N SSM	-	-	-	
H1N	-	-	-	
B2MLP	-	-	-	
NRLP	-	-	-	
All Transmitters	37.725	-	-	
Transmitter	**Change in Uniform Rates and Revenue Allocators**			
	Network	**Line Connection**	**Transformation Connection**	
Uniform Transmission Rates ($/kW-Month)	**0.04**	**0.00**	**0.00**	

	↓	↓	↓	
FNEI	-0.00003	-	-	
CNPI	-0.00002	-	-	
WPLP	0.00705	-	-	
EWTLP	-0.00029			
H1N SSM	-0.00013	-	-	
H1N	-0.00634	-	-	
B2MLP	-0.00019	-	-	
NRLP	-0.00005	-	-	
Total of Allocation Factors	0.00000	-	-	

Table 16 – Revenue Reconciliation – UTR Rate based on Settlement

(Update of: I-3-1, Table 4)

2025 Network Charge Determinants (kW)	237,838,844
2025 Network UTR Rate ($/kW)	$5.82
2025 WPLP Network Allocation Factor	0.03150
2025 Revenue Forecast	$43,580,505
2025 WPLP LTPL Revenue Requirement	$43,585,453
Difference due to Rounding	($4,948)
	(0.011%)

Table 17 – Calculation of 2025 UTRs based on Settlement and Updated Cost of Capital (Update of: I-3-1, Table 2)

Transmitter	**Revenue Requirement ($)**			
	Network	**Line Connection**	**Transformation Connection**	**Total**
FNEI	$4,762,380	$837,237	$2,388,475	$7,988,092
CNPI	$2,770,591	$487,076	$1,389,534	$4,647,201
WPLP	$43,489,861	$0	$0	$43,489,861
EWTLP	$54,921,609	$0	$0	$54,921,609
H1N SSM	$25,645,763	$4,508,581	$12,862,112	$43,016,456
H1N	$1,206,861,187	$212,168,826	$605,276,749	$2,024,306,762
B2MLP	$36,395,939	$0	$0	$36,395,939
NRLP	$8,565,165	$0	$0	$8,565,165
All Transmitters	$1,383,412,495	$218,001,720	$621,916,870	$2,223,331,085
Transmitter	**Total Annual Charge Determinants (MW)**			
	Network	**Line Connection**	**Transformation Connection**	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
WPLP	193.876	0.000	0.000	
EWTLP	0.000	0.000	0.000	
H1N SSM	3,498.236	2,734.624	635.252	
H1N	233,393.428	226,543.453	192,711.042	
B2MLP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
All Transmitters	237,838.844	230,076.195	193,968.592	
Transmitter	**Uniform Rates and Revenue Allocators**			
	Network	**Line Connection**	**Transformation Connection**	
Uniform Transmission Rates ($/kW-Month)	**5.82**	**0.95**	**3.21**	
	↓	↓	↓	
FNEI	0.00344	0.00384	0.00384	
CNPI	0.00200	0.00223	0.00223	
WPLP	0.03144	0.00000	0.00000	
EWTLP	0.03970	0.00000	0.00000	
H1N SSM	0.01854	0.02068	0.02068	
H1N	0.87238	0.97325	0.97325	
B2MLP	0.02631	0.00000	0.00000	
NRLP	0.00619	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

Table 18 – Change in UTRs Resulting from WPLP Line to Pickle Lake based on Settlement and Updated Cost of Capital (Update of: I-3-1, Table 3)

Transmitter	Change in Revenue Requirement ($)			
	Network	**Line Connection**	**Transformation Connection**	**Total**
FNEI	-	-	-	-
CNPI	-	-	-	-
WPLP	$9,904,288	$0	$0	$9,904,288
EWTLP	-	-	-	-
H1N SSM	-	-	-	-
H1N	-	-	-	-
B2MLP	-	-	-	-
NRLP	-	-	-	-
All Transmitters	$9,904,290	$0	$0	$9,904,290
Transmitter	**Change in Total Annual Charge Determinants (MW)**			
	Network	**Line Connection**	**Transformation Connection**	
FNEI	-	-	-	
CNPI	-	-	-	
WPLP	37.725	-	-	
EWTLP	-	-	-	
H1N SSM	-	-	-	
H1N	-	-	-	
B2MLP	-	-	-	
NRLP	-	-	-	
All Transmitters	37.725	-	-	
Transmitter	**Change in Uniform Rates and Revenue Allocators**			
	Network	**Line Connection**	**Transformation Connection**	
Uniform Transmission Rates ($/kW-Month)	**0.04**	**0.00**	**0.00**	
	↓	↓	↓	
FNEI	-0.00003	-	-	
CNPI	-0.00002	-	-	
WPLP	0.00699	-	-	
EWTLP	-0.00029			
H1N SSM	-0.00013	-	-	
H1N	-0.00628	-	-	
B2MLP	-0.00019	-	-	
NRLP	-0.00005	-	-	
Total of Allocation Factors	0.00000	-	-	

Table 19 – Revenue Reconciliation – UTR Rate based on Settlement and Updated Cost of Capital (Update of: I-3-1, Table 4)

2025 Network Charge Determinants (kW)	237,838,844
2025 Network UTR Rate ($/kW)	$5.82
2025 WPLP Network Allocation Factor	0.03144
2025 Revenue Forecast	$43,494,489
2025 WPLP LTPL Revenue Requirement	$43,489,861
Difference due to Rounding	$4,628
	0.011%

(e) Monthly Fixed Charge to Hydro One Remotes

The monthly fixed charge to Hydro One Remotes will be updated effective January 1, 2025, consistent with the Application.

WPLP's updated 2025 revenue requirement, based on both the Settlement and updated cost of capital parameters, attributable to the Remote Connection Lines is $132,731,158. Recovering this amount over a 12-month period results in a fixed monthly charge of $11,060,930, which will apply for each month from January 2025 to December 2025.

(f) Bill Impacts

Exhibit I-4-1 provided detailed bill impact analysis related to WPLP's 2025 revenue requirement for typical residential, general service and transmission-connected customers. All of the bill impact tables from Exhibit I-4-1 have been updated below to reflect the revised and updated revenue requirement presented in this Attachment.

Table 20 – Summary of Total 2025 Bill Impact

(Update of: I-4-1, Table 1)

Item	Description	Settlement Amount[9]		Settlement and Cost of Capital Amount[10]	
		Residential	General Service	Residential	General Service
A	Typical monthly bill	$139.82	$430.64	$139.82[11]	$430.64[12]
B	Increase related to Network RTSR	$0.06	$0.14	$0.06	$0.13
C	Increase related to RRRP rate	$0.08	$0.21	$0.08	$0.21
D = B + C	Total bill increase	$0.14	$0.34	$0.14	$0.34
E = D / A	Bill impact (%)	0.10%	0.08%	0.10%	0.08%

Table 21 – Bill Impact – Line to Pickle Lake

(Update of: I-4-1, Table 2)

Item	Description	Settlement Amount		Settlement and Cost of Capital Amount	
		Residential	General Service	Residential	General Service
A	Typical monthly bill (see Table 1)	$139.82	$430.64	$139.82	$430.64
B	Portion of bill related to Network RTSR	$8.92	$19.11	$8.92[13]	$19.11[14]
C	Increase in Network UTR	0.71%	0.71%	0.71%	0.71%
D = B x C	Bill increase	$0.06	$0.14	$0.06	$0.13
E = D / A	Bill impact (%)	0.05%	0.03%	0.04%	0.03%

[9] All amounts are inclusive of 13% HST and the Ontario Electricity Rebate.

[10] All amounts are inclusive of 13% HST and the Ontario Electricity Rebate.

[11] Total bill amount for a Hydro One R1 TOU customer (750 kWh per month), as indicated in the OEB's online bill calculator (https://www.oeb.ca/rates-and-your-bill/bill-calculator), as at April 30, 2024.

[12] Total bill amount for a Hydro One General Service Energy Billed TOU customer (2000 kWh per month), as indicated in the OEB's online bill calculator, as at April 30, 2024.

[13] HONI R1 Network RTSR Rate of $0.0118/kWh * 750 kWh * 1.076 loss factor = $9.5226 ($8.92 after 13% HST and 19.3% Ontario Electricity Rebate).

[14] HONI GSe Network RTSR Rate of $0.0093/kWh * 2000 kWh * 1.096 loss factor = $20.3856 ($19.11 after 13% HST and 19.3% Ontario Electricity Rebate)

Table 22 – RRRP Rate Calculation Based on Settlement
(Update of: I-4-1, Table 3)

	2024	**2025**	**Change**
First Nations (O. Reg. 442/01, schedule 1)	$1,600,000	$1,600,000	$0
Algoma Power	$17,174,943	$17,174,943	$0
Hydro One Remote Communities Inc.	$47,931,000	$47,931,000	$0
Hydro One Remote Communities Inc. - WPLP	$119,236,825	$133,032,282	$13,795,457
Total RRRP Funding Required[15]	***$185,942,768***	***$199,738,221***	***$13,795,457***
Ontario TWh	136.1	136.1	0
RRRP Rate (Calculated)	$0.001366	$0.001468	$0.000101
RRRP Rate (Rounded to 4 Decimals)	$0.0014	$0.0015	$0.0001

Table 23 – RRRP Rate Calculation Based on Settlement and Cost of Capital Update

(Update of: I-4-1, Table 3)

	2024	**2025**	**Change**
First Nations (O. Reg. 442/01, schedule 1)	$1,600,000	$1,600,000	$0
Algoma Power	$17,174,943	$17,174,943	$0
Hydro One Remote Communities Inc.	$47,931,000	$47,931,000	$0
Hydro One Remote Communities Inc. - WPLP	$119,236,825	$132,731,158	$13,494,333
Total RRRP Funding Required[16]	***$185,942,768***	***$199,437,097***	***$13,494,333***
Ontario TWh	136.1	136.1	0
RRRP Rate (Calculated)	$0.001366	$0.001465	$0.000099
RRRP Rate (Rounded to 4 Decimals)	$0.0014	$0.0015	$0.0001

[15] RRRP variance account balances have been omitted from this analysis in order to isolate the impact of the RRRP funding requested in this application. Similarly, the 2025 RRRP funding requirements for parties other than WPLP have been held constant from 2024 to 2025 for the purpose of bill impact analysis. WPLP expects that the OEB will consider the RRRP variance account balance and changes to 2025 RRRP funding for other parties when it determines the 2025 RRRP rate in due course.

[16] RRRP variance account balances have been omitted from this analysis in order to isolate the impact of the RRRP funding requested in this application. Similarly, the 2025 RRRP funding requirements for parties other than WPLP have been held constant from 2024 to 2025 for the purpose of bill impact analysis. WPLP expects that the OEB will consider the RRRP variance account balance and changes to 2025 RRRP funding for other parties when it determines the 2025 RRRP rate in due course.

Table 24 – RRRP Bill Impact Calculation Based on Settlement

(Update of I-4-1, Table 4)

Item	**Description**	**Amount**	
		Residential	**General Service**
A	Typical monthly bill (see Table 1)	$139.82	$430.64
B	RRRP rate increase ($/kWh)	$0.0001	$0.0001
C = kWh * 1.076/1.096	Uplifted consumption (kWh)	807	2,192
D = B x C	Bill increase due to RRRP	$0.08	$0.22
E = D * (1+ 0.13 - 0.193)	Bill increase adjusted for HST and OER	$0.08	$0.21
F	Bill impact (%)	0.05%	0.05%

Table 25 – RRRP Bill Impact Calculation Based on Settlement and Cost of Capital Update

(Update of I-4-1, Table 4)

Item	**Description**	**Amount**	
		Residential	**General Service**
A	Typical monthly bill (see Table 1)	$139.82	$430.64
B	RRRP rate increase ($/kWh)	$0.0001	$0.0001
C = kWh * 1.076/1.096	Uplifted consumption (kWh)	807	2,192
D = B x C	Bill increase due to RRRP	$0.08	$0.22
E = D * (1+ 0.13 - 0.193)	Bill increase adjusted for HST and OER	$0.08	$0.21
F	Bill impact (%)	0.05%	0.05%

Table 26 – Transmission-Connected Customer Bill Impacts

(Update of: I-4-1, Table 5)

Item	Description	Settlement Amount	Settlement and Cost of Capital Amount
A	Total Wholesale Market Charges ($/MWh)	124.13	124.13
B	Total Wholesale Transmission Charges ($/MWh)	15.05	15.05
C = B / A	Transmission % of Total Bill	12.12%	12.12%
D	% Increase in Transmission Revenue Requirement	0.45%	0.45%
E = C * D	% Bill Increase from Line to Pickle Lake	0.05%	0.05%
F	Total RRRP Charges ($/MWh)	0.70	0.70
G = F / A	RRRP % of Total Bill	0.56%	0.56%
H	% Increase in RRRP Rate	7%	7%
I = G * H	% Bill Increase from Remote Connection Lines	0.04%	0.04%
J = E + I	**Total % Bill Increase**	0.10%	0.09%

ATTACHMENT ‘B’

Draft Updated Accounting Order for Construction Period Interest Costs Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP CONSTRUCTION PERIOD INTEREST COSTS VARIANCE ACCOUNT (CPICVA)

Wataynikaneyap Power LP ("WPLP") shall establish a new "Construction Period Interest Costs Variance Account" in EB-2021-0134 to record the revenue requirement impact attributable to the difference between the effective interest rate for long-term debt approved in this Application and WPLP's actual effective interest rate on long-term debt during the construction period (the "Interest Cost Differential").[17] The CPICVA shall be symmetrical. The term of the CPICVA shall be modified in EB-2024-0176 from expiring as of the end of the construction period, as previously determined in EB-2021-0134, to instead expire as at such time that WPLP's construction financing has been transitioned to long-term debt financing and the audited balance of the CPICVA can thereafter be disposed of in full, including any residual carrying charges.

For clarity, the Interest Cost Differential in respect of any specific asset will continue to be recorded from the actual in-service date of the asset[18] until the effective date that construction financing has been transitioned to long-term debt financing and the audited balance can thereafter be disposed of in full, including any residual carrying charges. As WPLP intends to rely on project specific financing for the duration of the construction period, and will transition to long-term debt financing after all assets comprising the Line to Pickle Lake and Remote Connection Line are in service,[19] and a final resolution on COVID costs and related matters has been reached with its EPC contractor either by settlement or arbitration.

The account was established as Account 1508, Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account", effective January 1, 2022. WPLP will continue to record interest on the balance in the sub-account using the OEB's prescribed interest rate for deferral and variance accounts. Simple interest will be calculated on the opening monthly

[17] Without accounting for any differences between forecast and actual in-service dates for Transmission System assets, which are addressed in a separate variance account.

[18] Prior to the in-service date, interest will be calculated on WPLP's CWIP account balance, in accordance with the OEB's Decision and Order in EB-2018-0190 and will be recorded as a carrying cost within the CWIP account.

[19] The process of transitioning to long-term financing is expected to take approximately 6-9 months once all project components are in-service.

balance of the account until the balance is fully disposed. WPLP will continue to use separate sub-accounts within the CPICVA in order to separately record principal and interest amounts related to the Line to Pickle Lake and the Remote Connections Lines.

The balance in this account will be brought forward for disposition in future proceedings.

The following outlines the proposed accounting entries for this account:

USofA#	Account Description
DR/CR 1508	Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account"
CR/DR 4110	Transmission Service Revenue

- *To record the Interest Cost Differential*

USofA#	Account Description
DR/CR 1508	Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account"
CR/DR 6035	Other Interest Expense

- *To record interest on the principal balance of the variance account*

ATTACHMENT ‘C’

Draft Updated Accounting Order for Federal CIAC Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP FEDERAL CIAC VARIANCE ACCOUNT

Wataynikaneyap Power LP ("WPLP") shall establish a new "Federal CIAC Variance Account" in EB-2023-0168 to record the revenue requirement impact of the difference, if any, between WPLP's forecasted date of the Contribution in Aid of Construction ("CIAC") funds being distributed to WPLP pursuant to the Federal Funding Framework and the actual date of the CIAC funds being distributed to WPLP. The Federal CIAC Variance Account shall be modified in EB-2024-0176 by extending the term of the account beyond the expiry date of December 31, 2024, as previously established in EB-2023-0168, to instead expire on December 31, 2026, which reflects that the principal amounts have been recorded in 2024 upon receipt of the CIAC by WPLP, audited in 2025 and therefore will be able to be disposed of in 2026.

In EB-2023-0168, WPLP forecasted that the date the CIAC funds will be distributed to WPLP pursuant to the Federal Funding Framework is December 31, 2024. However, the actual date the funds will be distributed is subject to a number of variables and could not be determined with certainty at that time. The Federal CIAC Variance Account shall be asymmetrical, such that it would track revenue requirement amounts to be returned to customers by WPLP if the CIAC funds are distributed earlier than were expected. As the CIAC funds would be provided in respect of the Remote Connection Lines, any return of amounts to customers arising from the account shall be through the portion of WPLP's revenue requirement that relates to the Remote Connection Lines.

The account was established as Account 1508, Other Regulatory Assets – Sub Account "Federal CIAC Variance Account", effective January 1, 2024, and will continue until December 31, 2026.[20] WPLP will record interest on the balance in the sub-account using the OEB's prescribed interest rate for deferral and variance accounts. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

[20] Should the CIAC be distributed to WPLP in 2025, any revenue requirement impacts will be considered in WPLP's 2025 rate application.

The balance in this account will be brought forward for disposition in a future proceeding.

The following outlines the proposed accounting entries for this deferral account:

USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "Federal CIAC Variance Account"
DR 4110	Transmission Service Revenue

- *To record the Federal CIAC Revenue Requirement Differential to be returned to customers*

USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "Federal CIAC Variance Account"
DR 6035	Other Interest Expense

- *To record interest on the principal balance of the variance account*

ATTACHMENT ‘D’

Draft Updated Accounting Order for Construction Period OM&A Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP

OM&A VARIANCE ACCOUNT ("OMAVA")

Wataynikaneyap Power LP ("WPLP") shall establish a new "Construction Period OM&A Variance Account" in EB-2022-0149 to record the difference between forecast and actual OM&A costs during the period that WPLP's transmission project is under construction. The Construction Period OM&A Variance Account (as it was then named) shall continue, subject to the modifications in EB-2024-0176 that (a) WPLP shall continue to record variances between approved and actual OM&A amounts in 2025 notwithstanding the completion of the construction period in 2024, and (b) this account shall be renamed as the "OM&A Variance Account" ("OMAVA").

For clarity, the account will be asymmetrical, to the benefit of ratepayers, and the amounts eligible to be recorded in the OMAVA will be the differences, if any, between WPLP's forecast annual OM&A expenses as approved by the OEB and its actual OM&A expenses for the corresponding year (in each case excluding depreciation expense and income tax expense), until December 31, 2025. For further clarity, WPLP shall continue to record such amounts in the OMAVA until December 31, 2025, irrespective of whether the transmission project is under construction or is in-service. Any shortfall in actual spending relative to forecast, together with applicable interest on the principal balance recorded, will be returned to ratepayers in a future rate proceeding.

The account will be continued as Account 1508, Other Regulatory Assets – Sub Account "OM&A Variance Account", effective January 1, 2023. WPLP will record interest on the balance in the sub-account using the OEB's prescribed interest rate for deferral and variance accounts. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed. WPLP will establish separate sub-accounts within the OMAVA in order to separately record principal and interest amounts related to the Line to Pickle Lake and the Remote Connections Lines.

The balance in this account will be brought forward for a prudence review and disposition in a future proceeding.

The following outlines the proposed accounting entries for this account:

USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "OM&A Variance Account"
DR 4110	Transmission Service Revenue

- *To record the difference between forecasted OM&A as approved by the OEB and actual OM&A in the corresponding year.*

USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "OM&A Variance Account"
DR 6035	Other Interest Expense

- *To record interest on the principal balance of the variance account*

ATTACHMENT ‘E’

WPLP Responses to OEB Staff Clarification Questions

Wataynikaneyap Power LP (WPLP)
2025 Transmission Rate Application
EB-2024-0176
Responses to OEB Staff Clarification Questions
October 16, 2024

Please note, WPLP is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, 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*.

Clarification Question-1

Ref.: Exhibit C / Tab 1 / Schedule 1 / page 2 / Table 2

Question(s)

a) Table 2 shows the 2024 Forecast Opening Gross Fixed Assets is in amount of $1,117,289k. Please confirm this number should be $1,177,289 (the 2023 Actual Closing balance shown in Table 1 of Exhibit C Tab 1 Schedule 1).

b) Please provide detailed explanation for the variance between 2024 Forecast Opening Gross Fixed Assets (i.e. 2023 Actual Closing Gross Fixed Assets) and 2024 Approved Opening Fixed Assets of $63,225k (= $1,177,289 - $1,114,064).

Response(s)

a) Confirmed. This was a typographical error. The opening balance for 2024 should be $1,177,289.
b) Details of the cost variance are provided in table below:

	($000s)
Substation M	18,694
Line Segments WKM and WM1	44,736
Additional Scope	135
General Plant, not used	(340)
Total Variance	**63,225**

The majority of the variance is driven by the early energization of line segments WKM and WM1, as well as Substation M, which were energized in 2023 rather than in 2024. Some additional costs were incurred for Line PQ pole replacement. These amounts were partially offset by underspend in general plant forecasted costs that were not used in 2023.

Clarification Question-2

Ref.: Exhibit D / Tab 1 / Schedule 1 / page 7

Preamble

Footnote 8 on page 7 of the above reference states that:

> Under its Transmission Licence, WPLP is exempt from Section 3.1.1 through 3.1.4, inclusive, of the Electricity Reporting and Record Keeping Requirements. This exemption applies in respect of the 2019 to 2024 reporting periods. WPLP is required to commence reporting under Section 3.1.1 through 3.1.4 of the Electricity Reporting and Record Keeping Requirements (RRR) in 2026 in respect of the 2025 reporting period.

Question(s)

a) Please confirm that WPLP will start reporting with the OEB under Section 3.1.1 through 3.1.4 of the RRR in 2026 in respect of the 2025 period.

Response(s)

a) Confirmed. WPLP will start reporting with the OEB under Section 3.1.1 through 3.1.4 of the RRR in 2026 for the 2025 period.

Clarification Question-3

Ref.: WPLP's Interrogatory Response to Staff-44
Exhibit G / Tab 2 / Schedule 1 / pages 2-3

Preamble

The application states:

> In 2019, WPLP negotiated a Common Terms and Inter-Creditor Agreement (CTIA) with Ontario and Senior Bank Lenders (collectively the "Lenders") to provide total project financing of up to $2.02 billion, consisting of up to $1.34 billion from Ontario and up to $680 million from the Senior Bank Lenders.

The original debt structure between Ontario and Senior Banks of 66:34 was determined as 66% ($1.34 billion/$2.02 billion) for Ontario and 34% ($0.68 billion/$2.02 billion) for Senior Bank Lenders.

The debt structure applied in this application has been changed to 46:54 given the CIAC contribution from the Trust is used to pay down the Ontario Facility.

Question(s)

a) Why the original debt structure of 66:34 as described in the second paragraph of the Preamble does not applicable in the current application?

b) If 66:34 is the debt structure for the 2025 cost of capital calculation, please update the calculation for the long-term debt rate in Table 2 of Exhibit G-2-1. What would the weighted average long-term debt rate be under this scenario?

c) Please explain (with necessary calculations) how the debt structure of 46:54 was determined. WPLP noted in its response to Staff-44 a) that "the reduction in Ontario Loan is the distribution from the Trust paid to Ontario as required by the Trust Agreement." What is the dollar amount of this reduction, and how was it applied in the determination/calculation of debt structure of 46:54?

Response(s)

a) The original debt structure of 66:34, being the proportionate shares of WPLP's debt financed by Ontario and the Senior Bank Lenders, was established through the draw provisions within the CTIA and was negotiated to obtain the best rate possible at the time of establishing the debt as described in Exhibit G-2-1 of EB-2021-0134 inaugural rate application. The CTIA repayment terms were established to adhere to the Independent Trust requirements as negotiated by Ontario and Canada, which required the Independent Trust to make the payment out of the Trust solely to Ontario, as provided in response Board Staff 44(b). The requirements of the Independent Trust have driven the debt structure included in WPLP's current and prior rate applications. While the existing debt structure forecasted in 2025, is different from the original debt structure established under the draw conditions, it is consistent with the repayment conditions within the CTIA and is reflective of WPLP's actual costs. The original debt structure was adjusted when the Trust contribution was received in July 2024, as the entire amount of $509M was repaid against the Ontario facility, reducing their portion of outstanding debt and thereby changing the outstanding debt structure maintained by WPLP for a portion of 2024 and for 2025. The calculation of the reduction by the Trust contribution is provided in response (c) below. As described in response (b) below, the debt structure for 2025 is not 66:34, however there is potential for downward pressure on cost of debt as a result of any settlement with Valard. At this time, we are not in a position to forecast the impact of any settlement with Valard on debt structure.

b) For the reasons noted above in response (a), the debt structure for 2025 will not be 66:34. However, to be responsive to the question, the 2025 Interest and Fees are provided below calculated with a 66:34 structure. In the event WPLP settles with Valard, the amount of such settlement will be funded by the 66:34 debt structure as required under CTIA, impacting the weighting between Ontario and Senior Banks facility forecasted at 46:54. This impact will be neutral for the rate payer given the existing Construction Period Interest Variance Account which will capture variances in actual vs approved interest costs.

Description	Lender	2025 Principal ($) (12-month Average)[1]	2025 Interest & Fees ($)	Rate (%)
Ontario Facility	Province of Ontario	535,454,235	26,243,232	4.90%
Senior Bank Facility	Senior Bank Lenders	271,682,086	20,480,663	7.54%
Total		**807,136,321**	**46,723,896**	**5.79%**

c) The table below provides the calculation of the forecasted debt opening for January 2025 and the impact of the contribution from the Trust being paid against the Ontario facility, as established within the Independent Trust requirements as negotiated by Ontario and Canada.

Audited Ontario 2023 Balance	**630,362,816**	
Forecasted 2024 Additions	272,396,980	
Trust Contribution	- 509,236,276	
Ontario January 2025 Opening	**393,523,520**	A

[1] Assumed principal balance is split at a 66:34 ratio between Ontario and Senior Banks.

Audited Senior Banks 2023 Balance	**319,677,184**	
Forecasted 2024 Additions	142,103,020	
Trust Contribution	-	
Senior Banks January 2025 Opening	**461,780,204**	B
Total Debt	**855,303,724**	C
Ontario %	46%	A/C
Senior Banks %	54%	B/C

SCHEDULE B

DECISION AND ORDER

WATAYNIKANEYAP POWER LP

EB-2024-0176

DECEMBER 10, 2024

ATTACHMENT ‘B’

Draft Updated Accounting Order for Construction Period Interest Costs Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP CONSTRUCTION PERIOD INTEREST COSTS VARIANCE ACCOUNT (CPICVA)

Wataynikaneyap Power LP ("WPLP") shall establish a new "Construction Period Interest Costs Variance Account" in EB-2021-0134 to record the revenue requirement impact attributable to the difference between the effective interest rate for long-term debt approved in this Application and WPLP's actual effective interest rate on long-term debt during the construction period (the "Interest Cost Differential").[17] The CPICVA shall be symmetrical. The term of the CPICVA shall be modified in EB-2024-0176 from expiring as of the end of the construction period, as previously determined in EB-2021-0134, to instead expire as at such time that WPLP's construction financing has been transitioned to long-term debt financing and the audited balance of the CPICVA can thereafter be disposed of in full, including any residual carrying charges.

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The account was established as Account 1508, Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account", effective January 1, 2022. WPLP will continue to record interest on the balance in the sub-account using the OEB's prescribed interest rate for deferral and variance accounts. Simple interest will be calculated on the opening monthly

[17] Without accounting for any differences between forecast and actual in-service dates for Transmission System assets, which are addressed in a separate variance account.

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The balance in this account will be brought forward for disposition in future proceedings.

The following outlines the proposed accounting entries for this account:

USofA#	Account Description
DR/CR 1508	Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account"
CR/DR 4110	Transmission Service Revenue

- *To record the Interest Cost Differential*

USofA#	Account Description
DR/CR 1508	Other Regulatory Assets – Sub Account "Construction Period Interest Costs Variance Account"
CR/DR 6035	Other Interest Expense

- *To record interest on the principal balance of the variance account*

SCHEDULE C

DECISION AND ORDER

WATAYNIKANEYAP POWER LP

EB-2024-0176

DECEMBER 10, 2024

ATTACHMENT 'C'

Draft Updated Accounting Order for Federal CIAC Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP FEDERAL CIAC VARIANCE ACCOUNT

Wataynikaneyap Power LP (“WPLP”) shall establish a new “Federal CIAC Variance Account” in EB-2023-0168 to record the revenue requirement impact of the difference, if any, between WPLP’s forecasted date of the Contribution in Aid of Construction (“CIAC”) funds being distributed to WPLP pursuant to the Federal Funding Framework and the actual date of the CIAC funds being distributed to WPLP. The Federal CIAC Variance Account shall be modified in EB-2024-0176 by extending the term of the account beyond the expiry date of December 31, 2024, as previously established in EB-2023-0168, to instead expire on December 31, 2026, which reflects that the principal amounts have been recorded in 2024 upon receipt of the CIAC by WPLP, audited in 2025 and therefore will be able to be disposed of in 2026.

In EB-2023-0168, WPLP forecasted that the date the CIAC funds will be distributed to WPLP pursuant to the Federal Funding Framework is December 31, 2024. However, the actual date the funds will be distributed is subject to a number of variables and could not be determined with certainty at that time. The Federal CIAC Variance Account shall be asymmetrical, such that it would track revenue requirement amounts to be returned to customers by WPLP if the CIAC funds are distributed earlier than were expected. As the CIAC funds would be provided in respect of the Remote Connection Lines, any return of amounts to customers arising from the account shall be through the portion of WPLP’s revenue requirement that relates to the Remote Connection Lines.

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USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "Federal CIAC Variance Account"
DR 4110	Transmission Service Revenue

- *To record the Federal CIAC Revenue Requirement Differential to be returned to customers*

USofA#	Account Description
CR 1508	Other Regulatory Assets – Sub Account "Federal CIAC Variance Account"
DR 6035	Other Interest Expense

- *To record interest on the principal balance of the variance account*

SCHEDULE D

DECISION AND ORDER

WATAYNIKANEYAP POWER LP

EB-2024-0176

DECEMBER 10, 2024

ATTACHMENT 'D'

Draft Updated Accounting Order for Construction Period OM&A Variance Account

DRAFT UPDATED ACCOUNTING ORDER – WATAYNIKANEYAP POWER LP

OM&A VARIANCE ACCOUNT (“OMAVA”)

Wataynikaneyap Power LP (“WPLP”) shall establish a new “Construction Period OM&A Variance Account” in EB-2022-0149 to record the difference between forecast and actual OM&A costs during the period that WPLP’s transmission project is under construction. The Construction Period OM&A Variance Account (as it was then named) shall continue, subject to the modifications in EB-2024-0176 that (a) WPLP shall continue to record variances between approved and actual OM&A amounts in 2025 notwithstanding the completion of the construction period in 2024, and (b) this account shall be renamed as the “OM&A Variance Account” (“OMAVA”).

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SCHEDULE E

DECISION AND ORDER

WATAYNIKANEYAP POWER LP

EB-2024-0176

DECEMBER 10, 2024

ATTACHMENT 'E'

WPLP Responses to OEB Staff Clarification Questions

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2025 Transmission Rate Application
EB-2024-0176
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October 16, 2024

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Clarification Question-1

Ref.: Exhibit C / Tab 1 / Schedule 1 / page 2 / Table 2

Question(s)

a) Table 2 shows the 2024 Forecast Opening Gross Fixed Assets is in amount of $1,117,289k. Please confirm this number should be $1,177,289 (the 2023 Actual Closing balance shown in Table 1 of Exhibit C Tab 1 Schedule 1).

b) Please provide detailed explanation for the variance between 2024 Forecast Opening Gross Fixed Assets (i.e. 2023 Actual Closing Gross Fixed Assets) and 2024 Approved Opening Fixed Assets of $63,225k (= $1,177,289 - $1,114,064).

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Question(s)

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Response(s)

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Clarification Question-3

Ref.: WPLP's Interrogatory Response to Staff-44
Exhibit G / Tab 2 / Schedule 1 / pages 2-3

Preamble

The application states:

> In 2019, WPLP negotiated a Common Terms and Inter-Creditor Agreement (CTIA) with Ontario and Senior Bank Lenders (collectively the "Lenders") to provide total project financing of up to $2.02 billion, consisting of up to $1.34 billion from Ontario and up to $680 million from the Senior Bank Lenders.

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The debt structure applied in this application has been changed to 46:54 given the CIAC contribution from the Trust is used to pay down the Ontario Facility.

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Senior Bank Facility	Senior Bank Lenders	271,682,086	20,480,663	7.54%
Total		**807,136,321**	**46,723,896**	**5.79%**

c) The table below provides the calculation of the forecasted debt opening for January 2025 and the impact of the contribution from the Trust being paid against the Ontario facility, as established within the Independent Trust requirements as negotiated by Ontario and Canada.

Audited Ontario 2023 Balance	**630,362,816**	
Forecasted 2024 Additions	272,396,980	
Trust Contribution	- 509,236,276	
Ontario January 2025 Opening	**393,523,520**	A

[1] Assumed principal balance is split at a 66:34 ratio between Ontario and Senior Banks.

Audited Senior Banks 2023 Balance	**319,677,184**	
Forecasted 2024 Additions	142,103,020	
Trust Contribution	-	
Senior Banks January 2025 Opening	**461,780,204**	B
Total Debt	**855,303,724**	C
Ontario %	46%	A/C
Senior Banks %	54%	B/C