



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

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# DECISION AND ORDER

**EB-2024-0216**

## CHATHAM X LAKESHORE LIMITED PARTNERSHIP

**Application for approval of electricity transmission revenue  
requirement from January 1, 2025 to December 31, 2029**

**BEFORE: Fred Cass**  
Presiding Commissioner

**Patrick Moran**  
Commissioner

**Anthony Zlahtic**  
Commissioner

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**December 17, 2024**



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# 1 OVERVIEW

Hydro One Networks Inc. filed an application, on behalf of Chatham x Lakeshore Limited Partnership (CLLP), requesting approval of CLLP's 2025-2029 electricity transmission revenue requirement. The application is CLLP's first revenue requirement application.

CLLP is a partnership among Chatham x Lakeshore GP Inc., Hydro One Networks Inc., and up to five First Nations that have been offered equity partnership, including Aamjiwnaang First Nation, Caldwell First Nation, Chippewas of the Thames First Nation, Chippewas of Kettle and Stony Point First Nation, and Walpole Island First Nation. The First Nations partners have been offered ownership in 50% of the line through Hydro One's First Nations Equity Partnership model. The final agreements for participating First Nations have not yet been finalized.<sup>1</sup>

CLLP is an OEB-licensed transmitter that owns a 49km 230kV double circuit transmission line which connects the Chatham Switching Station to Lakeshore Transmission Station. The Chatham to Lakeshore line is expected to be in-service in December 2024.

The OEB sets rates for rate-regulated electricity transmitters in Ontario by setting the revenue requirement for each transmitter. These individual transmission revenue requirements are incorporated into the Uniform Transmission Rates (UTRs) that are recovered from ratepayers across the province.

A settlement conference was held on October 11, 2024. A Settlement Proposal representing a complete settlement of all issues among CLLP and the intervenors was filed with the OEB on November 18, 2024. The settlement proposed a \$0.19 million reduction to the total 2025 to 2029 rates revenue requirement of \$84.68 million included in the application. OEB staff filed a submission supporting the Settlement Proposal.

For the reasons provided in this Decision and Order, the OEB accepts the Settlement Proposal as an appropriate basis for determining CLLP's revenue requirement. The OEB finds the estimated 2025 revenue requirement of \$18.54 million is reasonable and in the public interest. The estimated average impact on 2025 transmission rates from the inclusion of CLLP's revenue requirement in the UTRs is 0.83% and the total bill impact is less than 0.09% (or \$0.13 per month) for a typical Hydro One Residential (R1) customer consuming 750 kW per month.

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<sup>1</sup> Exhibit I, Tab 1, Schedule 2, pg. 2

## 2 PROCESS

CLLP filed its application on May 24, 2024, under section 78 of the Act, and the OEB published the Notice of Hearing on July 12, 2024.

On August 30, 2024, the OEB issued Procedural Order No. 1 which, among other things, approved the Association of Major Power Consumers in Ontario (AMPCO), the Consumers Council of Canada (CCC), and the School Energy Coalition (SEC) as intervenors, and provided for the filing of interrogatories and for a settlement conference.

On August 29, 2024, CLLP filed a letter advising that the Chatham to Lakeshore line was expected to be in-service approximately three months ahead of the original December 2024 in-service date.

On September 13, 2024, written interrogatories from parties were received. CLLP filed interrogatory responses on September 27, 2024. As part of these interrogatory responses, CLLP advised that a project commissioning risk materialized in mid-September, preventing the earlier in-service date as communicated in the August 29 letter. As a result, the original forecast of December 2024 remained the most current forecast of the in-service date.<sup>2</sup>

A settlement conference was held on October 11, 2024. CLLP and the intervenors (the Parties) participated in the settlement conference.

All issues associated with the application were resolved at the settlement conference and CLLP filed a Settlement Proposal with the OEB on November 18, 2024.

OEB staff filed a submission on November 25, 2024, supporting the Settlement Proposal.

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<sup>2</sup> Exhibit I, Tab 1, Schedule 1, pg. 1.

### 3 DECISION ON THE SETTLEMENT PROPOSAL

The Settlement Proposal submitted to the OEB represented a full settlement of all the issues. It is attached as Schedule A to this Decision and Order.

CLLP had originally applied to set its revenue requirement using a forecast of Operations, Maintenance and Administration (OM&A) costs and capital (including tax) expenditures for each of the five years in 2025-2029. Through the Settlement Proposal, the Parties agreed to modify CLLP's proposed method by reducing the proposed OM&A by 3% each year and incorporating a Stretch Factor of 0.15% starting in 2026, which will apply cumulatively from 2027 through 2029 to the revised OM&A expenditures. The Settlement Proposal also reflects the OEB-approved 2024 cost of capital parameters.<sup>3</sup>

Under the Parties' agreed-upon revenue requirement framework, there would no longer be a requirement for CLLP to file annual update applications with the OEB throughout the rate term; except for a one-time update in 2025 on the cost of long-term debt and an adjustment to rate base to reflect actual project expenditures. This will update and set the revenue requirements for 2026-2029.

The Parties agreed to enhance CLLP's cost performance and scorecard measure reporting.

The Parties agreed to an overall OM&A reduction of \$0.19 million in 2025-2029. This includes a reduction to OM&A expenditures by 3% every year (approximately \$0.18 million) and reductions due to the Stretch Factor (approximately \$0.017 million).

CLLP had originally requested approval to establish three regulatory accounts including the Forgone Revenue Deferral Account; the Earnings Sharing Mechanism Deferral Account; and the Tax Rate and Rule Changes Variance Account. Through the Settlement Proposal, the Parties agreed that those three accounts should be established and that CLLP will also establish the CxL Transmission Line Revenue Requirement Variance Account (CLLPVA) to record the difference between the revenue requirement associated with actual rate base and approved rate base for 2025. In the event the CLLP assets are not put into service until after December 2024, the CLLPVA will record the 2024 revenue requirement less any removal costs (\$1.3M) as a refund to ratepayers. The balance in the CLLPVA will be disposed of at the one-time update application in 2025.

Table 1 summarizes the 2025 to 2029 estimated revenue requirements based on the Settlement Proposal.

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<sup>3</sup> OEB Letter, 2024 Cost of Capital Parameters, October 31, 2023

**Table 1 - Settled 2025-2029 Rates Revenue Requirement (\$M)<sup>4</sup>**

	2025	2026	2027	2028	2029
Proposed Revenue Requirement	16.82	16.80	16.69	16.52	16.38
Settlement Reduction	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
Settled Revenue Requirement	16.78	16.77	16.65	16.48	16.34
Settled Revenue Requirement – Updated with OEB’s 2025 Cost of Capital Parameters	16.74	16.74	16.63	16.46	16.31
Add: DVA Disposition	1.80				
<b>Settled Rates Revenue Requirement</b>	<b>18.54</b>	<b>16.74</b>	<b>16.63</b>	<b>16.46</b>	<b>16.31</b>

The Parties acknowledged the OEB’s ongoing Generic Proceeding on Cost of Capital and Other Matters (the Generic Cost of Capital Proceeding).<sup>5</sup> Notwithstanding the Generic Cost of Capital Proceeding, the Parties agreed on the following approach to cost of capital:

- For cost of capital parameters:
  - i. the 2025 to 2029 cost of common equity and short-term debt rate will be based on the OEB’s 2025 cost of capital parameters to be published in the fourth quarter of 2024.
  - ii. the 2025 long-term debt rate will be based on actual debt issuances maturing in 2025, 2030 and 2050 and a forecast debt issue for the refinancing of the 2025 maturity using the Government of Canada bond yield forecast from the September 2024 Consensus Forecast.
  - iii. the 2026 to 2029 long-term debt rate will be based on actual debt issuances. There will be no further updates to cost of capital parameters throughout the term, except one application in 2025 to update the cost of long-term debt based on actual issuances in 2025.
- For the deemed capital structure: the deemed capital structure for rate-making purposes is 60% debt and 40% common equity of utility rate base. The 60% debt component is comprised of 4% deemed short-term debt and 56% long-term debt.

<sup>4</sup> [Settlement Proposal](#), pg. 10

<sup>5</sup> [EB-2024-0063](#)

- Nothing in the settlement shall preclude any Party from taking any position and/or making submissions in the Generic Cost of Capital Proceeding.

CLLP estimated its inclusion of the 2025 rates revenue requirement in the OEB's determination of the 2025 Network pool of the Uniform Transmission Rates (UTRs) will result in an average impact on transmission rates of 0.83% and a total bill impact of 0.09% (\$0.13 per month) for a typical Hydro One Residential (R1) customer consuming 750 kW per month. Similarly, CLLP estimated a total bill impact of 0.06% (\$0.03 per month) for a typical Hydro One energy-billed General Service (GS<50kW) customer consuming 2,000 kWh per month.

OEB staff submitted that the Settlement Proposal is in the public interest and that the explanation and rationale provided are adequate.

### Findings

The OEB approves the Settlement Proposal as filed. The OEB finds that the Settlement Proposal will result in a reasonable outcome for CLLP and electricity transmission customers and that approval of the settlement proposal accords with the OEB's statutory mandate to fix or approve just and reasonable transmission rates. In making this finding, the OEB has considered the Settlement Proposal in the context of the application made by CLLP and the evidence filed in this proceeding, with particular regard for the following elements of the Settlement Proposal:

- CLLP's revenue requirement framework will include a stretch factor of 0.15% starting in 2026. This is the same as the transmission stretch factor for Hydro One Networks Inc. approved in EB-2021-0110. The stretch factor will encourage continuous improvement by CLLP.
- CLLP's proposed 2025 to 2029 OM&A expenses will be reduced by 3% each year<sup>6</sup> and the stretch factor will apply cumulatively from 2027 to 2029 to the revised OM&A expenses. The OM&A reduction should not negatively impact CLLP's ability to maintain and operate its assets in accordance with good utility practice.
- In total, CLLP's proposed OM&A expenses will be reduced by approximately \$0.19 million in 2025-2029.<sup>7</sup> The 3% per year reduction in OM&A expenses results in a 2025-2029 reduction of approximately \$0.18 million and the stretch factor results in a reduction of approximately \$0.017 million from 2026 to 2029.

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<sup>7</sup> Settlement Proposal, page 17, Issue 7, Table 3.

The OM&A reduction should not negatively impact CLLP's ability to operate and maintain its assets in accordance with good utility practice.

- The OEB approves the establishment of the four regulatory accounts set out in the Settlement Proposal: the Forgone Revenue Deferral Account; the Earnings Sharing Mechanism Deferral Account; the Tax Rate and Rule Changes Variance Account; and the CLLPVA. The OEB further approves the draft Accounting Orders included in the Settlement Proposal for three of the four accounts, and has provided for the filing of a draft Accounting Order for the remaining account – the Tax Rate and Rule Changes Deferral Account - for OEB review.
- There will be no requirement for CLLP to file annual update applications with the OEB, but a one-time update will be filed in 2025 to include: (i) an update to rate base to reflect actual project expenditures; (ii) an update to the cost of long term debt for actual debt issuances in 2025; (iii) disposition of the CLLPVA; and (iv) an update to set revenue requirements from 2026 to 2029. The OEB expects that these features of the Settlement Proposal will contribute to the efficiency of the OEB's adjudicative processes.
- As set out in the OEB staff submission on the Settlement Proposal, CLLP's revenue requirement framework aligns with the OEB's performance-based regulation principles, while being tailored to CLLP's specific circumstances.<sup>8</sup>
- CLLP will publish its performance scorecard annually on its website and annual achieved ROE will be included in the scorecard. The scorecard will be published when it is developed and, to promote consistency and efficiency, CLLP will publish subsequent scorecards at the same time as required for the transmission scorecard of Hydro One Networks Inc.
- As indicated above, based on the provisions of the Settlement Proposal, it is estimated that CLLP's 2025 revenue requirement will result in an average impact on electricity transmission rates of 0.83% and a total bill impact of \$0.13 per month (0.09%) for a typical Hydro One Residential customer consuming 750 kW per month. The OEB finds the estimated impacts of implementation of the Settlement Proposal to be reasonable.

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<sup>8</sup> Staff Submission on Settlement Proposal, pages 3-4.



## 4 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Settlement Proposal in Schedule A is approved.
2. The Transmission Accounting Order entitled Forgone Revenue Deferral Accounting Order as provided at Attachment 10 of the Settlement Proposal shall be made effective as of **January 1, 2025**.
3. The Transmission Accounting Order entitled ESM Deferral Accounting Order as provided at Attachment 11 of the Settlement Proposal shall be made effective as of **January 1, 2025**.
4. The Transmission Accounting Order entitled CxL Transmission Line Revenue Requirement Variance Account as provided at Attachment 12 of the Settlement Proposal shall be made effective as of **January 1, 2025**.
5. CLLP shall prepare a draft Accounting Order for the Tax Rate and Rule Changes Deferral Account as approved in this Decision, and CLLP shall file the draft Accounting Order no later than **January 9, 2025**.
6. Intervenors or OEB staff who wish to comment on the draft Accounting Order must do so by filing a submission with the OEB and copying it to CLLP no later than **January 15, 2025**.
7. If CLLP wishes to reply to any comments received, it must do so no later than **January 21, 2025**.
8. Cost-eligible intervenors shall submit their cost claims with the OEB and forward them to CLLP no later than **January 21, 2025**.
9. CLLP shall file with the OEB and forward to intervenors any objections to the claimed costs no later than **January 28, 2025**.
10. Intervenors shall file with the OEB and forward to CLLP any reply to any objections to the cost claims no later than **February 4, 2025**.
11. CLLP shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or

any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2024-0216**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

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

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

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

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll free)

**DATED** at Toronto **December 17, 2024**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar

**SCHEDULE A**  
**DECISION AND ORDER**  
**CHATHAM X LAKESHORE LIMITED PARTNERSHIP**  
**EB-2024-0216**  
**DECEMBER 17, 2024**



Hydro One Networks Inc.

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**BY EMAIL AND RESS**

November 18, 2024

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

Dear Ms. Marconi,

**EB-2024-0216 – Chatham x Lakeshore Limited Partnership (CLLP) – 2025-2029 Transmission Revenue Requirement Application – Settlement Proposal**

In accordance with Procedural Order No. 1 in the above-referenced proceeding, CLLP participated in a settlement conference with the School Energy Coalition, the Consumers Council of Canada and the Association of Major Power Consumers in Ontario.

On behalf of the parties, attached please find a Settlement Proposal covering all issues for the OEB's review.

An electronic copy of these responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke". The signature is written in a cursive, flowing style.

Kathleen Burke

**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 Chatham x Lakeshore Limited Partnership 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

**CHATHAM X LAKESHORE LIMITED PARTNERSHIP**

**SETTLEMENT PROPOSAL**

**November 18, 2024**

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1 **OVERVIEW**

2  
3 **1. Introduction**

4 This Settlement Proposal is filed with the Ontario Energy Board (“**OEB**”) in connection  
5 with Chatham x Lakeshore Limited Partnership’s (“**CLLP**”) rebasing application set under  
6 section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B (the “**Act**”)  
7 seeking approval for changes to the electricity transmission revenue requirements for the  
8 2025 to 2029 period, to be effective January 1, 2025 (the “**Application**”).

9  
10 By an Order in Council dated March 31, 2022, the Lieutenant Governor in Council declared  
11 that a new 230kV transmission line from the Chatham Switching Station to the new  
12 Lakeshore Transformer Station would be designated as a priority transmission project  
13 under section 96.1 of the OEB Act. CLLP’s transmission system will consist of a 230kV  
14 double circuit line from Chatham Switching Station to Lakeshore Transmission Station.  
15 The assets are expected to be placed in service in December 2024. On critical days,  
16 CLLP’s transmission system is responsible for the delivery of over 800 MW of power,  
17 which is about 4% of Ontario’s peak load.

18  
19 CLLP will be a limited partnership between Hydro One Networks Inc. (“**HONI**”), Chatham  
20 x Lakeshore GP Inc. and up to five First Nation partners who were offered the opportunity  
21 to take ownership in 50% of the line through HONI’s First Nations Equity Partnership  
22 model. The First Nations partners include: Aamjiwnaang First Nation, Caldwell First  
23 Nation, Chippewas of the Thames First Nation, Chippewas of Kettle and Stony Point First  
24 Nation, and Walpole Island First Nation.

25  
26 The OEB assigned proceeding number EB-2024-0216 to this Application. As set forth  
27 herein, the Settlement Proposal contains a comprehensive settlement of all issues within  
28 the Application.

29  
30 **2. Background**

31 CLLP filed the Application on July 12, 2024, and the OEB published the Notice of Hearing  
32 on August 6, 2024. On August 30, 2024, the OEB issued Procedural Order No. 1 which,  
33 among other things, provided for (i) the development of a proposed Issues List by OEB  
34 staff and the parties for the OEB’s consideration, (ii) a schedule for written interrogatories,  
35 and (iii) a settlement conference. Procedural Order No. 1 also approved the Association  
36 of Major Power Consumers in Ontario (“**AMPCO**”), the Consumers Council of Canada  
37 (“**CCC**”), and the School Energy Coalition (“**SEC**”) as intervenors in this proceeding.

38  
39 On September 13, 2024, written interrogatories from parties were received. CLLP filed  
40 interrogatory responses on September 27, 2024.



1 On October 3, 2024, the OEB approved the Issues List. On October 4, the OEB issued a  
2 letter postponing the Settlement Conference by one day to commence on October 11 due  
3 to the extension of the cost of capital proceeding.

### 4 5 **3. Settlement Process**

6 Pursuant to the OEB's letter dated October 4, a Settlement Conference was convened on  
7 October 11, 2024. The Settlement Conference was conducted in accordance with the  
8 OEB's *Rules of Practice and Procedure* (the "**Rules**") and the OEB's *Practice Direction on*  
9 *Settlement Conferences*.

10  
11 Mr. Pride of Andrew Pride Consulting acted as facilitator for the Settlement Conference.

12  
13 CLLP and the following intervenors participated in the Settlement Conference: AMPCO,  
14 CCC and SEC. CLLP and the intervenors are collectively referred to as the "**Parties**".

15  
16 OEB staff also participated in the Settlement Conference but is not a party to this  
17 Settlement Proposal. OEB staff who participated in the Settlement Conference are bound  
18 by the confidentiality and settlement privilege requirements that apply to the Settlement  
19 Conference.

20  
21 The Parties reached a complete settlement on all issues on the Approved Issues List, as  
22 further described in Part B of this Settlement Proposal.

### 23 24 **4. Settlement Proposal Preamble**

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

37  
38 The Parties acknowledge that the Settlement Conference, including any settlement  
39 information relating thereto, is privileged and confidential in accordance with the Practice  
40 Direction. The Parties understand that confidentiality in that context does not have the  
41 same meaning as confidentiality in the OEB's *Practice Direction on Confidential Filings*  
42 and that the rules of the latter document do not apply. Instead, in this Settlement

1 Conference, and in this Settlement Proposal, the Parties have interpreted “confidential” to  
2 mean that the documents and other information provided during the course of the offers,  
3 and Settlement Conference, the discussion of each issue, the offers and counter-offers,  
4 and the negotiations leading to the settlement of each issue during the Settlement  
5 Conference and during the preparation of this Settlement Proposal are strictly privileged  
6 and without prejudice. None of the foregoing is admissible as evidence in this proceeding,  
7 or otherwise, with one exception: the need to resolve a subsequent dispute over the  
8 interpretation of any provision of this Settlement Proposal. Further, the Parties shall not  
9 disclose those documents or other settlement information to persons who were not  
10 attendees at the Settlement Conference. However, the Parties agree that “attendees” is  
11 deemed to include, in this context, persons who were not in attendance via video  
12 conference at the Settlement Conference but were (a) any persons or entities that the  
13 Parties engaged to assist them with the Settlement Conference; and (b) any persons or  
14 entities from whom they have sought instructions with respect to the negotiations, in each  
15 case provided that any such persons or entities have agreed to be bound by the same  
16 confidentiality provisions as the Parties.

17  
18 As determined by Procedural Order No. 1, OEB staff will make a submission, as  
19 contemplated in the Practice Direction, with respect to whether the Settlement Proposal  
20 represents an acceptable outcome from a public interest perspective, and whether the  
21 accompanying explanation and rationale is adequate to support the Settlement Proposal.

22  
23 This Settlement Proposal is organized in accordance with the Approved Issues List. This  
24 Settlement Proposal provides a brief description of each of the settled issues, together  
25 with references to the evidence submitted for the record in this proceeding. The Parties  
26 agree that references to the “evidence” in this Settlement Proposal shall, unless the  
27 context otherwise requires, include, in addition to the Application, the written responses to  
28 interrogatories and other components of the record up to and including the date hereof,  
29 including the attachments to this document (the “**Attachments**”).

30  
31 The supporting Parties for each settled issue agree that the evidence in respect of that  
32 settled issue is sufficient in the context of the overall settlement to support the proposed  
33 settlement, and the sum of the evidence in this proceeding provides an appropriate  
34 evidentiary record to support acceptance by the OEB of this Settlement Proposal.

35  
36 The final agreements of the Parties following the Settlement Conference are set out below.  
37 The Parties explicitly request that the OEB consider and accept this Settlement Proposal  
38 as a package. None of the matters in respect of which a settlement has been reached is  
39 severable. If the OEB does not accept the Settlement Proposal in its entirety, then there  
40 is no agreement, unless the Parties agree, in writing, that the balance of this Settlement  
41 Proposal may continue as valid settlement subject to any revisions that may be agreed  
42 upon by the Parties.

1  
2 It is further acknowledged and agreed that none of the Parties will withdraw from this  
3 agreement under any circumstances, except as provided under Rule 30.05 of the Rules.

4  
5 In the event that the OEB directs the Parties to make reasonable efforts to revise the  
6 Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential  
7 revisions, but no Party will be obligated to accept any proposed revision. The Parties agree  
8 that all of the Parties who took a position on a particular issue must agree with any revised  
9 Settlement Proposal as it relates to that issue, or decide to take no position on the issue,  
10 prior to its resubmission to the OEB for its review and consideration as a basis for making  
11 a decision.

12  
13 Unless otherwise expressly stated in this Settlement Proposal, the settlement of any  
14 particular issue in this proceeding and the positions of the Parties in this Settlement  
15 Proposal are without prejudice to the rights of the Parties to raise the same issue and/or  
16 to take any position thereon in any other proceeding, whether or not CLLP is a party to  
17 such proceeding.

18  
19 In this Settlement Proposal, where any of the Parties “accept” the evidence of CLLP, or  
20 “agree” to a revised term or condition, including a revised budget or forecast, then, unless  
21 expressly stated to the contrary, the words “for the purpose of settlement of the issues  
22 herein” shall be deemed to qualify that acceptance or agreement.

23  
24 **5. Settlement Proposal Overview**

25 The Parties are pleased to advise that they have reached a complete settlement on all  
26 aspects of the Approved Issues List, as summarized in the following table, and as  
27 described in greater detail below.

1

<p><b>“Complete Settlement”</b> 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.</p>	<p>Issues Settled:  <b>ALL</b></p>
<p><b>“Partial Settlement”</b> means an issue for which there is partial settlement, as CLLP 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.</p>	<p>Issues Partially Settled:  <b>NONE</b></p>
<p><b>“No Settlement”</b> means an issue for which no settlement was reached. CLLP and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue (if any).</p>	<p>Issues Not Settled:  <b>NONE</b></p>

2 The following summarizes, at a high level, the most significant elements of the Settlement  
 3 Proposal. The particulars of the Settlement Agreement are detailed by issue in **Part B** of  
 4 this Settlement Proposal below. Detailed calculations in support of the settled 2025 to  
 5 2029 revenue requirements and their underlying components, as well as 2025 Uniform  
 6 Transmission Rates (“**UTRs**”) and bill impacts, are provided in the models appended to  
 7 **Part C** of the Settlement Proposal. The Parties agreed to the following terms:

8

9 a) With respect to the rate setting framework, the proposed revenue requirement  
 10 framework as proposed by CLLP will be based on a five-year forecast, subject to  
 11 the agreed-upon modifications as further described below;

12

13 b) The Parties agree to reduce the 2025 to 2029 OM&A expenditures by 3% each  
 14 year and include an additional reduction of 0.15% on OM&A expenditures starting  
 15 in 2026, which will apply cumulatively from 2027 through to 2029 as a Stretch  
 16 Factor on OM&A. Details of the total OM&A reductions are outlined in Table 3  
 17 below;

18

19 c) Under this agreed-upon revenue requirement framework, there is no longer a  
 20 requirement to file annual update applications with the OEB throughout the term;  
 21 however, there will be a one-time update application to be filed in 2025 that will  
 22 include:

23

24 i. An update to rate base in 2025 to reflect actual project expenditures as further  
 25 described in part d);

25

26 ii. An update to the cost of long-term debt for actual debt issuances in 2025, as  
 further described in part e) sub-part (iii);

- 1           iii. Disposition of the CxL Transmission Line Revenue Requirement Variance  
2           Account (“**CLLPVA**”), as further described in part f);
- 3           iv. An update to set the revenue requirements, effective on January 1 each year,  
4           for the remaining term from 2026 through to 2029;
- 5
- 6           d) With respect to rate base, there will be a one-time update to the rate base in 2025  
7           to reflect actual project expenditures, which will update the revenue requirements  
8           for the remaining term from 2026 through to 2029;
- 9
- 10          e) With respect to cost of capital parameters:
- 11           i. the 2025 to 2029 cost of common equity and short-term debt rate will be based  
12           on the OEB’s 2025 cost of capital parameters to be published in the fourth  
13           quarter of 2024;
- 14           ii. the 2025 long-term debt rate will be based on a note using the OEB’s deemed  
15           long-term debt rate for 2024 and forecast debt issuances, representing  
16           refinancing with actual debt issuances, using the Government of Canada bond  
17           yield forecast from the September 2024 Consensus Forecast;
- 18           iii. the 2026 to 2029 long-term debt rate will be based on actual debt issuances.  
19           To effect this, there will be a one-time update to the revenue requirement to  
20           update the cost of long-term debt based on actual issuances in 2025. This will  
21           update and set the revenue requirements, effective on January 1 each year,  
22           for the remaining term from 2026 through to 2029;
- 23           iv. Except as noted in part iii) above, there will be no further updates to the cost  
24           of capital parameters throughout the term;
- 25
- 26          f) The Parties agree that CLLP will establish a CLLPVA to record the difference  
27          between the revenue requirement associated with actual rate base and approved  
28          rate base for 2025. In the event the CLLP assets are in-serviced after December  
29          2024, the CLLPVA shall record the 2024 revenue requirement less any removal  
30          costs (\$1.3M) as a refund to ratepayers. The balance in the CLLPVA will be  
31          disposed of at the one-time update application in 2025.
- 32
- 33          g) The Parties agree that CLLP will publish a scorecard on its website annually, which  
34          contains the performance measures in Exhibit D-01-01 of its Application (including  
35          adding achieved ROE as an additional measure on the scorecard) when the CLLP  
36          website is developed and online. To promote consistency and efficiency, CLLP  
37          will publish the performance scorecard at the same time as required for publishing  
38          of Hydro One Network Inc.’s Transmission scorecard as set out in the approved  
39          EB-2021-0110 Settlement Proposal, Appendix A.

1 Based on this Settlement Proposal, the Parties have accepted the following 2025 to 2029  
2 revenue requirements as set out in Table 1 below.

3

4

**Table 1 - Settled 2025-2029 Rates Revenue Requirement (\$M)**

	2025	2026	2027	2028	2029
<b>Proposed Revenue Requirement</b>	16.82	16.80	16.69	16.52	16.38
Settlement Reduction <sup>1</sup>	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
<b>Settled Revenue Requirement</b>	16.78	16.77	16.65	16.48	16.34
<b>Settled Revenue Requirement – Updated with OEB’s 2025 Cost of Capital Parameters</b>	16.74	16.74	16.63	16.46	16.31
Add: DVA Disposition <sup>2</sup>	1.80				
<b>Settled Rates Revenue Requirement</b>	18.54	16.74	16.63	16.46	16.31

The associated bill impacts arising from settlement are set out in Table 2 below:

5

6

**Table 2 - Summary of Impacts on Average Transmission Rates and Transmission and Distribution-Connected Customers<sup>3</sup>**

	2025	2026	2027	2028	2029
Rates Revenue Requirement (\$M)	18.535	16.742	16.630	16.460	16.314
Net Impact on Average Transmission Rates	0.830%	-0.080%	-0.006%	-0.009%	-0.007%
Average Transmission Customer Total Bill Impact	0.101%	-0.010%	-0.001%	-0.001%	-0.001%
Typical Hydro One R1 Customer Total Bill Impact (750 kWh)	\$0.129	\$(0.013)	\$(0.001)	\$(0.001)	\$(0.001)
	0.091%	-0.009%	-0.001%	-0.001%	-0.001%
Typical Hydro One GS<50kW Customer Total Bill Impact (2000 kWh)	\$0.275	\$(0.027)	\$(0.002)	\$(0.003)	\$(0.002)
	0.062%	-0.006%	0.000%	-0.001%	-0.001%

Note: CLLP's rates revenue requirement impacts reflect its share of the transmission rates revenue requirement in UTRs

8

9

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.

<sup>1</sup> See Part B, Issue 7 of Settlement Proposal

<sup>2</sup> See Part B, Issue 14 of Settlement Proposal

<sup>3</sup> Updated with OEB's 2025 Cost of Capital Parameters

1 **SETTLEMENT BY ISSUE**

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

6  
7 **GENERAL**

8 **1. *Has CLLP responded appropriately to all relevant Ontario Energy Board***  
9 ***(OEB) directions from previous proceedings?***

10  
11 **Complete Settlement**

12 The Parties accept that CLLP has appropriately responded to prior OEB directives  
13 included in EB-2022-0140<sup>4</sup> and EB-2023-0198<sup>5</sup>, and acknowledge that the project  
14 will be placed into service ahead of schedule and under budget.

15  
16 **Evidence**

17 The evidence in relation to this issue includes the following:

18

Pre-filed Evidence	Exhibits B-02-01; C-01-01; C-02-01; E-04-08
Interrogatories	I-01-04; I-01-05; I-01-06; I-01-16; I-02-04; I-03-04; I-03-05
Pre-Settlement Questions	N/A

19  
20 **Supporting Parties**

21 AMPCO, CCC and SEC

22  
23 **Parties Taking No Position**

24 None

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<sup>4</sup> EB-2022-0140, Decision and Order, Leave to Construct Application – CxL Transmission Project, p. 20

<sup>5</sup> EB-2023-0198, Decision and Order, Leave to Construct Application - Waasigan Project, p. 19

1 **2. Are all elements of the proposed revenue requirement and their associated**  
2 **total bill impacts reasonable?**

3

4 **Complete Settlement**

5 The Parties accept that the impacts arising from CLLP’s proposal, as modified by  
6 the terms of this Settlement Proposal<sup>6</sup>, and the associated total bill impacts are  
7 reasonable.

8

9 Attachments 5 and 14 to this Settlement Proposal set out the proposed 2025  
10 Uniform Transmission Rates (“UTRs”) Schedules reflecting the settled rates  
11 revenue requirement.

12

13 **Evidence**

14 The evidence in relation to this issue includes the following:

15

Pre-filed Evidence	Exhibit E-01-01; and E-01-01 Att. 1
Interrogatories	I-01-13; I-02-01
Pre-Settlement Questions	N/A

16

17 **Supporting Parties**

18 AMPCO, CCC and SEC

19

20 **Parties Taking No Position**

21 None

---

<sup>6</sup> See Part B, Issue 7 for modifications to proposed OM&A expenditures



1 **REVENUE REQUIREMENT FRAMEWORK**

2

3 **3. *Is the proposed revenue requirement framework appropriate?***

4

5 **Complete Settlement**

6 The Parties agree that the revenue requirement framework will be modified to  
7 include a Stretch Factor of 0.15% starting in 2026, which will apply cumulatively  
8 from 2027 through to 2029 to the revised OM&A expenditures (3% reduction each  
9 year). The 0.15% Stretch Factor is the same as Hydro One Networks Inc.'s  
10 Transmission Stretch Factor approved in EB-2021-0110.

11

12 To protect ratepayers from any over earnings above 100 basis points, the earnings  
13 sharing mechanism (“**ESM**”) is maintained as part of this rate setting framework.  
14 The Z-Factor mechanism is also accepted as part of this rate setting framework.

15

16 **Evidence**

17 The evidence in relation to this issue includes the following:

18

Pre-filed Evidence	Exhibit A-04-01
Interrogatories	I-01-11; I-01-14
Pre-Settlement Questions	N/A

19

20 **Supporting Parties**

21 AMPCO, CCC and SEC

22

23 **Parties Taking No Position**

24 None

1 **4. *Is the proposed Earnings Sharing Mechanism appropriate?***

2

3

**Complete Settlement**

4

The Parties agree that the proposed ESM mechanism is appropriate. Any annual over-earnings above the 100-basis point threshold are to be shared on a 50-50 basis with ratepayers at the next rebasing application.

5

6

7

**Evidence**

8

The evidence in relation to this issue includes the following:

9

10

Pre-filed Evidence	Exhibit A-04-01
Interrogatories	I-01-13
Pre-Settlement Questions	N/A

11

12

**Supporting Parties**

13

AMPCO, CCC and SEC

14

15

**Parties Taking No Position**

16

None

1 **TRANSMISSION SYSTEM PLAN**

2

3 **5. Are the proposed OM&A expenditures arising from the Transmission**  
4 **System Plan appropriate?**

5

6 **Complete Settlement**

7 The Parties agree that the proposed OM&A expenditures arising from the  
8 Transmission System Plan are appropriate, as adjusted under Issue 7. Please see  
9 Part B, Issue 7 below for further details.

10

11 **Evidence**

12 The evidence in relation to this issue includes the following:

13

Pre-filed Evidence	Exhibit A-03-01; B-01-03 Att. 1; C-01-01; F-01-01; F-02-01
Interrogatories	I-01-10; I-01-14; I-01-16; I-02-05; I-02-06; I-03-07
Pre-Settlement Questions	N/A

14

15 **Supporting Parties**

16 AMPCO, CCC and SEC

17

18 **Parties Taking No Position**

19 None

1 **PERFORMANCE**

2

3 **6. *Is the proposed monitoring and reporting of performance adequate?***

4

5 **Complete Settlement**

6 The Parties agree that CLLP will publish its performance scorecard on its website  
7 annually (based on the table set out in Exhibit D-01-01 of its Application) and also  
8 include annual achieved ROE. The scorecard will be published on CLLP's website  
9 when it is developed and online. To promote consistency and efficiency, CLLP will  
10 publish subsequent performance scorecards at the same time as required for  
11 publishing of Hydro One Network Inc.'s Transmission scorecard as set out in the  
12 approved EB-2021-0110 Settlement Proposal, Appendix A.

13

14 **Evidence**

15 The evidence in relation to this issue includes the following:

16

Pre-filed Evidence	Exhibit D-01-01
Interrogatories	I-01-10; I-02-03
Pre-Settlement Questions	N/A

17

18 **Supporting Parties**

19 AMPCO, CCC and SEC

20

21 **Parties Taking No Position**

22 None

1 **OPERATIONS MAINTENANCE & ADMINISTRATION COSTS**

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

7. ***Are the proposed OM&A expenditures appropriate?***

**Complete Settlement**

The Parties agree to reduce the 2025 to 2029 OM&A expenditures by 3% each year and by an agreed upon Stretch Factor beginning in 2026, as discussed under Issue 3.

The settled OM&A expenditures are in **Table 3** as follows:

**Table 3 - Settled 2025-2029 OM&A (\$M)**

	2025	2026	2027	2028	2029
<b>Proposed OM&amp;A</b>	<b>1.09</b>	<b>1.12</b>	<b>1.18</b>	<b>1.17</b>	<b>1.20</b>
Settlement Reduction (3% on OM&A)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)
<b>Revised Base OM&amp;A</b>	<b>1.06</b>	<b>1.09</b>	<b>1.14</b>	<b>1.14</b>	<b>1.16</b>
Stretch Factor (0.15% cumulative reduction)		(0.002)	(0.003)	(0.005)	(0.007)
<b>Settled OM&amp;A</b>	1.06	1.08	1.14	1.13	1.15
<b>Total Settlement Reduction</b>	<b>(0.03)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>	<b>(0.04)</b>

13  
14  
15  
16

**Evidence**

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibits F-01-01; F-02-01
Interrogatories	I-01-10; I-01-14; I-02-05; I-02-06; I-03-07
Pre-Settlement Questions	N/A

17  
18  
19  
20  
21  
22

**Supporting Parties**

AMPCO, CCC and SEC

**Parties Taking No Position**

None

1 **8. *Are the amounts proposed to be included in the revenue requirement for***  
2 ***income taxes appropriate?***

3

4 **Complete Settlement**

5 Regulatory income taxes for CLLP are determined by applying the statutory tax  
6 rate to the regulatory taxable income allocated to Hydro One Networks Inc.  
7 (“**HONI**”) and Chatham x Lakeshore GP Inc. (“**CLGP**”), the taxable corporate  
8 partners of CLLP.

9

10 The Parties agree that the proposed income tax amounts included in the revenue  
11 requirement are appropriate.

12

13 **Evidence**

14 The evidence in relation to this issue includes the following:

15

Pre-filed Evidence	Exhibit F-06-01; F-06-01 Att. 1
Interrogatories	I-01-02; I-01-07
Pre-Settlement Questions	N/A

16

17 **Supporting Parties**

18 AMPCO, CCC and SEC

19

20 **Parties Taking No Position**

21 None

1 **9. *Is the proposed depreciation expense appropriate?***

2

3

**Complete Settlement**

4

The Parties agree that the proposed depreciation expense is appropriate.

5

6

**Evidence**

7

The evidence in relation to this issue includes the following:

8

Pre-filed Evidence	Exhibit F-05-01; F-05-01 Att. 1
Interrogatories	I-03-02
Pre-Settlement Questions	N/A

9

10

**Supporting Parties**

11

AMPCO, CCC and SEC

12

13

**Parties Taking No Position**

14

None

1 **RATE BASE & COST OF CAPITAL, AND REVENUE REQUIREMENT**

2  
3 **10. Are the amounts proposed for rate base reasonable?**

4  
5 **Complete Settlement**

6 CLLP's rate base is set out in Exhibit C-01-01 of the Application.

7  
8 The Parties agree that the proposed rate base is reasonable.

9  
10 The Parties further agree, as part of the one-time update application in 2025 for  
11 2026 - 2029 revenue requirement, CLLP will update the rate base to reflect actual  
12 project expenditures. This will update the revenue requirements for the remaining  
13 term from 2026 through to 2029.

14  
15 **Evidence**

16 The evidence in relation to this issue includes the following:

17

Pre-filed Evidence	Exhibit C-01-01; C-01-01 Att. 1 through 4
Interrogatories	I-01-15; I-01-16
Pre-Settlement Questions	N/A

18  
19 **Supporting Parties**

20 AMPCO, CCC and SEC

21  
22 **Parties Taking No Position**

23 None



1 **11. *Is the proposed overhead capitalization methodology appropriate?***

2

3

**Complete Settlement**

4

The Parties accepted the refined methodology for overhead capitalization rates for Early Contractor Involvement Engineering Procurement and Construction Delivery (“**ECI-EPC**”) projects.

5

6

7

8

**Evidence**

9

The evidence in relation to this issue includes the following:

10

Pre-filed Evidence	Exhibit C-02-01
Interrogatories	I-01-04; I-01-05; I-01-06; I-03-05; I-03-06
Pre-Settlement Questions	N/A

11

12

**Supporting Parties**

13

AMPCO, CCC and SEC

14

15

**Parties Taking No Position**

16

None

1 **12. *Is the proposed cost of capital (interest on long-term and short-term debt,***  
2 ***return on equity) and capital structure appropriate?***

3  
4 **Complete Settlement**

5 The Parties acknowledge the OEB's ongoing Generic Proceeding on Cost of  
6 Capital and Other Matters in EB-2024-0063 (the "**Generic Cost of Capital**  
7 **Proceeding**").

8  
9 Notwithstanding the Generic Cost of Capital Proceeding, the Parties agreed that:  
10 (i) the 2025 to 2029 cost of common equity and short-term debt rate will be based  
11 on the OEB's 2025 cost of capital parameters to be published in the fourth quarter  
12 of 2024; (ii) the 2025 long-term debt rate will be based on a note using the OEB's  
13 deemed long-term debt rate for 2024 and forecast debt issuances, representing  
14 refinancing with actual debt issuances, using the Government of Canada bond  
15 yield forecast from the September 2024 Consensus Forecast; and (iii) the 2026 to  
16 2029 long-term debt rate will be based on actual debt issuances. This will allow  
17 actual debt issuances made to be reflected in the 2026 revenue requirement and  
18 through to the end of the rate term.

19  
20 There will be no further updates to cost of capital parameters throughout the term,  
21 except for one application in 2025 to update the 2026-2029 long-term debt rate for  
22 actual issuances in 2025. This will update and set the revenue requirements,  
23 effective on January 1 each year, for the remaining term from 2026 through to  
24 2029.

25  
26 CLLP's deemed capital structure for rate-making purposes is 60% debt and 40%  
27 common equity of utility rate base. The 60% debt component is comprised of 4%  
28 deemed short-term debt and 56% long-term debt.

29  
30 For clarity, nothing in this settlement shall preclude any party from taking any  
31 position and/or making submissions in the Generic Cost of Capital proceeding.  
32

1  
2  
3  
4  
5  
6  
7  
8  
9

**Evidence**

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit G-01-01; G-01-02; G-01-03
Interrogatories	I-01-17; I-03-09
Pre-Settlement Questions	N/A

**Supporting Parties**

AMPCO, CCC and SEC

**Parties Taking No Position**

None

1 **13. *Is the proposed calculation of the revenue requirement appropriate?***

2

3 **Complete Settlement**

4 Subject to the reduction to 2025 to 2029 OM&A expenditures by 3% each year,  
5 and a further reduction of 0.15% starting in 2026 which will apply cumulatively from  
6 2027 through to 2029 as a Stretch Factor, the Parties agree that the proposed  
7 calculation of the revenue requirement is appropriate.

8

9 **Evidence**

10 The evidence in relation to this issue includes the following:

11

Pre-filed Evidence	Exhibit E-01-01; E-01-01, Att. 1
Interrogatories	I-01-13
Pre-Settlement Questions	N/A

12

13 **Supporting Parties**

14 AMPCO, CCC and SEC

15

16 **Parties Taking No Position**

17 None

1 **DEFERRAL/VARIANCE ACCOUNTS**

2

3 **14. Are the proposed amounts for disposition appropriate?**

4

5 **Complete Settlement**

6 CLLP requested disposition of the balance in the CxL Transmission Line Revenue  
7 Requirement Deferral Account (“**CLLPDA**”)<sup>7</sup> in this proceeding, which amounted  
8 to \$1.8M based on an in-service date of December 2024.

9

10 The Parties agree that the proposed amounts for disposition are appropriate.

11

12 In the event CLLP does not in-service its assets by December 2024, the Parties  
13 agree that CLLP will return the difference to ratepayers in the CxL Transmission  
14 Line Revenue Requirement Variance Account (“**CLLPVA**”), as further described in  
15 Part B, Issue 15 of the Settlement Proposal.

16

17 **Evidence**

18 The evidence in relation to this issue includes the following:

19

Pre-filed Evidence	Exhibit H-01-01; H-01-01 Att. 1
Interrogatories	I-01-09
Pre-Settlement Questions	N/A

20

21 **Supporting Parties**

22 AMPCO, CCC and SEC

23

24 **Parties Taking No Position**

25 None

---

<sup>7</sup> Approved by the OEB in EB-2024-0147

1 **15. Are the proposed deferral and variance accounts appropriate?**

2  
3 **Complete Settlement**

4 CLLP proposed to establish four new regulatory accounts including the Forgone  
5 Revenue Deferral Account, ESM Deferral Account, Tax Rate and Rule Changes  
6 Variance Account and CxL Transmission Line Revenue Requirement Variance  
7 Account (“**CLLPVA**”).

8  
9 The CLLPVA will record the difference between the revenue requirement  
10 associated with the actual rate base and approved rate base for 2025. The balance  
11 in the CLLPVA will be disposed of at the one-time update application in 2025.

12  
13 In the event the CLLP assets are in-serviced after December 2024, the CLLPVA  
14 shall also record the 2024 revenue requirement less any removal costs (\$1.3M)<sup>8</sup>  
15 as a refund to ratepayers.

16  
17 The Parties agree that the proposed deferral and variance accounts are  
18 appropriate. The draft accounting orders are included as Attachments 10, 11 and  
19 12 to this Settlement Proposal.

20  
21 **Evidence**

22 The evidence in relation to this issue includes the following:

23

Pre-filed Evidence	Exhibit E-01-01, F-01-01, H-01-01; H-01-01 Att. 1 and 2
Interrogatories	I-01-01; I-01-01, Att. 1
Pre-Settlement Questions	N/A

24  
25 **Supporting Parties**

26 AMPCO, CCC and SEC

27  
28 **Parties Taking No Position**

29 None

---

<sup>8</sup> Exhibit E-01-01, Footnote 2, p. 1: \$1.3M = \$1.8M (2024 Revenue Requirement Impact) - \$0.5M (Asset Removals)

1 **COST ALLOCATION**

2 **16. *Is the proposed cost allocation appropriate?***

3

4 **Complete Settlement**

5 This Application requests inclusion of CLLP's approved rates revenue requirement  
6 in the OEB's determination of the 2025 to 2029 Network pool of the Uniform  
7 Transmission Rates ("**UTRs**").

8

9 The Parties agree that the proposed cost allocation is appropriate.

10

11 **Evidence**

12 The evidence in relation to this issue includes the following:

13

Pre-filed Evidence	Exhibit I-01-01
Interrogatories	N/A
Pre-Settlement Questions	N/A

14

15 **Supporting Parties**

16 AMPCO, CCC and SEC

17

18 **Parties Taking No Position**

19 None

1 **ATTACHMENTS**

2

3 The following attachments that have been updated to reflect the terms of settlement are  
4 indicated as UPDATED below:

5

- 6 Attachment 1: Exhibit C-01-01-01 (2020-2029 Continuity PP&E)
- 7 Attachment 2: Exhibit C-01-01-02 (2020-2029 Continuity Depreciation)
- 8 Attachment 3: Exhibit C-01-01-03 (2020-2029 Fixed Asset Continuity)
- 9 Attachment 4: Exhibit C-01-01-04 (Statement of Utility Rate Base)
- 10 Attachment 5: Exhibit E-01-01-01 (Calculation of Revenue Requirement –  
11 UPDATED)<sup>9</sup>
- 12 Attachment 6: Exhibit F-05-01-01 (2025-2029 Depreciation Schedule)
- 13 Attachment 7: Exhibit F-06-01-01 (Test Year Taxable Income and CCA)
- 14 Attachment 8: Exhibit G-01-02 (Cost of Long Term Debt – UPDATED)<sup>10</sup>
- 15 Attachment 9: Exhibit G-01-03 (Capital Structure – UPDATED)<sup>11</sup>
- 16 Attachment 10: Exhibit H-01-01-01 (Forgone Revenue Deferral Accounting Order)
- 17 Attachment 11: Exhibit H-01-01-02 (ESM Deferral Accounting Order)
- 18 Attachment 12: Exhibit I-01-01-01 (CLLPVA Accounting Order – UPDATED)
- 19 Attachment 13: Exhibit I-04-01-01 (Proposed 2025 Uniform Transmission Rate  
20 Schedules)
- 21 Attachment 14: Exhibit I-04-01-02 (Proposed 2025 Uniform Transmission Rates  
22 and Revenue Disbursement Allocators – UPDATED)<sup>12</sup>

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<sup>9</sup> This Exhibit has been updated for the OEB's 2025 cost of capital parameters

<sup>10</sup> This Exhibit has been updated for the OEB's 2025 cost of capital parameters

<sup>11</sup> This Exhibit has been updated for the OEB's 2025 cost of capital parameters

<sup>12</sup> This Exhibit has been updated for the OEB's 2025 cost of capital parameters



**CLLP**  
 Continuity of Property, Plant and Equipment  
 Bridge (2024), Test (2025-2029) Years  
 Year Ending December 31  
 Total - Gross Balances  
 (\$ Millions)

Line No.	Year	Opening Balance	Additions	Retirements	Sales	Transfers In/Out	Closing Balance	Average
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Bridge</u>								
1	2024	-	200.21	-	-	-	200.21	
<u>Test</u>								
2	2025	200.21	4.89	-	-	-	205.10	202.66
3	2026	205.10	-	-	-	-	205.10	205.10
4	2027	205.10	-	-	-	-	205.10	205.10
5	2028	205.10	-	-	-	-	205.10	205.10
6	2029	205.10	-	-	-	-	205.10	205.10

**CLLP**  
 Continuity of Property, Plant and Equipment - Accumulated Depreciation  
 Bridge (2024) Test (2025-2029) Years  
 Year Ending December 31  
 Total - Gross Balances  
 (\$ Millions)

Line No.	Year	Opening Balance	Additions	Retirements	Sales	Transfers In/Out and Other	Closing Balance	Average
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Bridge</u>								
1	2024	-	0.21	-	-	-	0.21	
<u>Test</u>								
2	2025	0.21	2.51	-	-	-	2.71	1.46
3	2026	2.71	2.54	-	-	-	5.26	3.98
4	2027	5.26	2.54	-	-	-	7.80	6.53
5	2028	7.80	2.54	-	-	-	10.34	9.07
6	2029	10.34	2.54	-	-	-	12.89	11.62

**Appendix 2-BA  
Fixed Asset Continuity Schedule<sup>1</sup>**

Accounting Standard USGAAP  
Year 2024

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ -	\$ 0.5		\$ 0.5	\$ -	\$ 0.0		\$ 0.0	\$ 0.5
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -				\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -				\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -				\$ -	\$ -
	1675	Generators	\$ -			\$ -				\$ -	\$ -
N/A	1615	Land	\$ -			\$ -				\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -				\$ -	\$ -
N/A	1705	Land	\$ -			\$ -				\$ -	\$ -
14.1	1706	Land rights	\$ -	\$ 78.2		\$ 78.2	\$ -	\$ 0.1		\$ 0.1	\$ 78.1
1	1708	Buildings and fixtures	\$ -			\$ -				\$ -	\$ -
47	1715	Station equipment	\$ -			\$ -				\$ -	\$ -
47	1720	Towers and fixtures	\$ -	\$ 94.6		\$ 94.6	\$ -	\$ 0.1		\$ 0.1	\$ 94.5
47	1730	Overhead conductors and devices	\$ -	\$ 26.9		\$ 26.9	\$ -	\$ 0.0		\$ 0.0	\$ 26.9
47	1735	Underground conduit	\$ -			\$ -				\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -				\$ -	\$ -
17	1745	Roads and trails	\$ -			\$ -				\$ -	\$ -
N/A	1905	Land	\$ -			\$ -				\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -				\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -				\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -				\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -				\$ -	\$ -
	1925	Computer software	\$ -			\$ -				\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -				\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -				\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -				\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -				\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -				\$ -	\$ -
8	1955	Communications Equipment	\$ -			\$ -				\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -				\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -				\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -				\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -				\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -				\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -				\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -				\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -				\$ -	\$ -
		<b>Sub-Total</b>	\$ -	\$ 200.2	\$ -	\$ 200.2	\$ -	\$ 0.2	\$ -	\$ 0.2	\$ 200.0
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -				\$ -	\$ -
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>	\$ -			\$ -				\$ -	\$ -
		<b>Total PP&amp;E</b>	\$ -	\$ 200.2	\$ -	\$ 200.2	\$ -	\$ 0.2	\$ -	\$ 0.2	\$ 200.0
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>						\$ 0.2			

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**

Transportation	
Stores Equipment	
<b>Net Depreciation</b>	\$ 0.2

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The additions in column (E) must not include construction work in progress (CWIP).
- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

**Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2025

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ 0.5			\$ 0.5	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.4	
12	1610	Intangibles				\$ -			\$ -	\$ -	
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -			\$ -	\$ -	
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -			\$ -	\$ -	
	1665	Fuel holders, producers and acc.	\$ -			\$ -			\$ -	\$ -	
	1675	Generators	\$ -			\$ -			\$ -	\$ -	
N/A	1615	Land	\$ -			\$ -			\$ -	\$ -	
1	1620	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
N/A	1705	Land	\$ -			\$ -			\$ -	\$ -	
14.1	1706	Land rights	\$ 78.2	\$ -		\$ 78.2	\$ 0.1	\$ 0.8	\$ 0.8	\$ 77.3	
1	1708	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
47	1715	Station equipment	\$ -			\$ -			\$ -	\$ -	
47	1720	Towers and fixtures	\$ 94.6	\$ 3.8		\$ 98.4	\$ 0.1	\$ 1.3	\$ 1.4	\$ 97.0	
47	1730	Overhead conductors and devices	\$ 26.9	\$ 1.1		\$ 28.0	\$ 0.0	\$ 0.4	\$ 0.4	\$ 27.6	
47	1735	Underground conduit	\$ -			\$ -			\$ -	\$ -	
47	1740	Underground conductors and devices	\$ -			\$ -			\$ -	\$ -	
17	1745	Roads and trails	\$ -			\$ -			\$ -	\$ -	
N/A	1905	Land	\$ -			\$ -			\$ -	\$ -	
47	1908	Buildings & Fixtures	\$ -			\$ -			\$ -	\$ -	
13	1910	Leasehold Improvements	\$ -			\$ -			\$ -	\$ -	
8	1915	Office Furniture & Equipment	\$ -			\$ -			\$ -	\$ -	
10	1920	Computer Equipment - Hardware	\$ -			\$ -			\$ -	\$ -	
	1925	Computer software	\$ -			\$ -			\$ -	\$ -	
10	1930	Transportation Equipment	\$ -			\$ -			\$ -	\$ -	
8	1935	Stores Equipment	\$ -			\$ -			\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -			\$ -	\$ -	
8	1945	Measurement & Testing Equipment	\$ -			\$ -			\$ -	\$ -	
8	1950	Power Operated Equipment	\$ -			\$ -			\$ -	\$ -	
8	1955	Communications Equipment	\$ -			\$ -			\$ -	\$ -	
8	1960	Miscellaneous Equipment	\$ -			\$ -			\$ -	\$ -	
47	1970	Load Management Controls Customer Premises	\$ -			\$ -			\$ -	\$ -	
47	1975	Load Management Controls Utility Premises	\$ -			\$ -			\$ -	\$ -	
47	1980	System Supervisor Equipment	\$ -			\$ -			\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -			\$ -	\$ -	
47	1990	Other Tangible Property	\$ -			\$ -			\$ -	\$ -	
47	1995	Contributions & Grants	\$ -			\$ -			\$ -	\$ -	
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -			\$ -	\$ -	
		<b>Sub-Total</b>	<b>\$ 200.2</b>	<b>\$ 4.9</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 0.2</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 2.7</b>	<b>\$ 202.4</b>
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Total PP&amp;E</b>	<b>\$ 200.2</b>	<b>\$ 4.9</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 0.2</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 2.7</b>	<b>\$ 202.4</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>							<b>\$ 2.5</b>		

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 2.5

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
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**Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2026

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ 0.5			\$ 0.5	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.4	
12	1610	Intangibles				\$ -			\$ -	\$ -	
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -			\$ -	\$ -	
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -			\$ -	\$ -	
	1665	Fuel holders, producers and acc.	\$ -			\$ -			\$ -	\$ -	
	1675	Generators	\$ -			\$ -			\$ -	\$ -	
N/A	1615	Land	\$ -			\$ -			\$ -	\$ -	
1	1620	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
N/A	1705	Land	\$ -			\$ -			\$ -	\$ -	
14.1	1706	Land rights	\$ 78.2			\$ 78.2	\$ 0.8	\$ 0.8	\$ 1.6	\$ 76.5	
1	1708	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
47	1715	Station equipment	\$ -			\$ -			\$ -	\$ -	
47	1720	Towers and fixtures	\$ 98.4			\$ 98.4	\$ 1.4	\$ 1.3	\$ 2.7	\$ 95.7	
47	1730	Overhead conductors and devices	\$ 28.0			\$ 28.0	\$ 0.4	\$ 0.4	\$ 0.8	\$ 27.2	
47	1735	Underground conduit	\$ -			\$ -			\$ -	\$ -	
47	1740	Underground conductors and devices	\$ -			\$ -			\$ -	\$ -	
17	1745	Roads and trails	\$ -			\$ -			\$ -	\$ -	
N/A	1905	Land	\$ -			\$ -			\$ -	\$ -	
47	1908	Buildings & Fixtures	\$ -			\$ -			\$ -	\$ -	
13	1910	Leasehold Improvements	\$ -			\$ -			\$ -	\$ -	
8	1915	Office Furniture & Equipment	\$ -			\$ -			\$ -	\$ -	
10	1920	Computer Equipment - Hardware	\$ -			\$ -			\$ -	\$ -	
	1925	Computer software	\$ -			\$ -			\$ -	\$ -	
10	1930	Transportation Equipment	\$ -			\$ -			\$ -	\$ -	
8	1935	Stores Equipment	\$ -			\$ -			\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -			\$ -	\$ -	
8	1945	Measurement & Testing Equipment	\$ -			\$ -			\$ -	\$ -	
8	1950	Power Operated Equipment	\$ -			\$ -			\$ -	\$ -	
8	1955	Communications Equipment	\$ -			\$ -			\$ -	\$ -	
8	1960	Miscellaneous Equipment	\$ -			\$ -			\$ -	\$ -	
47	1970	Load Management Controls Customer Premises	\$ -			\$ -			\$ -	\$ -	
47	1975	Load Management Controls Utility Premises	\$ -			\$ -			\$ -	\$ -	
47	1980	System Supervisor Equipment	\$ -			\$ -			\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -			\$ -	\$ -	
47	1990	Other Tangible Property	\$ -			\$ -			\$ -	\$ -	
47	1995	Contributions & Grants	\$ -			\$ -			\$ -	\$ -	
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -			\$ -	\$ -	
		<b>Sub-Total</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 2.7</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 5.3</b>	<b>\$ 199.8</b>
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Total PP&amp;E</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 2.7</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 5.3</b>	<b>\$ 199.8</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>						<b>\$ 2.5</b>			

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 2.5

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
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- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

**Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2027

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ 0.5			\$ 0.5	\$ 0.1	\$ 0.1		\$ 0.2	\$ 0.3
12	1610	Intangibles				\$ -				\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -				\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -				\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -				\$ -	\$ -
	1675	Generators	\$ -			\$ -				\$ -	\$ -
N/A	1615	Land	\$ -			\$ -				\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -				\$ -	\$ -
N/A	1705	Land	\$ -			\$ -				\$ -	\$ -
14.1	1706	Land rights	\$ 78.2			\$ 78.2	\$ 1.6	\$ 0.8		\$ 2.4	\$ 75.7
1	1708	Buildings and fixtures	\$ -			\$ -				\$ -	\$ -
47	1715	Station equipment	\$ -			\$ -				\$ -	\$ -
47	1720	Towers and fixtures	\$ 98.4			\$ 98.4	\$ 2.7	\$ 1.3		\$ 4.0	\$ 94.4
47	1730	Overhead conductors and devices	\$ 28.0			\$ 28.0	\$ 0.8	\$ 0.4		\$ 1.2	\$ 26.8
47	1735	Underground conduit	\$ -			\$ -				\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -				\$ -	\$ -
17	1745	Roads and trails	\$ -			\$ -				\$ -	\$ -
N/A	1905	Land	\$ -			\$ -				\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -				\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -				\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -				\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -				\$ -	\$ -
	1925	Computer software	\$ -			\$ -				\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -				\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -				\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -				\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -				\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -				\$ -	\$ -
8	1955	Communications Equipment	\$ -			\$ -				\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -				\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -				\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -				\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -				\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -				\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -				\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -				\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -				\$ -	\$ -
		<b>Sub-Total</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 5.3</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 7.8</b>	<b>\$ 197.3</b>
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -				\$ -	\$ -
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -				\$ -	\$ -
		<b>Total PP&amp;E</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 5.3</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 7.8</b>	<b>\$ 197.3</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>						<b>\$ 2.5</b>			

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 2.5

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The additions in column (E) must not include construction work in progress (CWIP).
- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

**Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2028

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ 0.5			\$ 0.5	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.3	
12	1610	Intangibles				\$ -			\$ -	\$ -	
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -			\$ -	\$ -	
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -			\$ -	\$ -	
	1665	Fuel holders, producers and acc.	\$ -			\$ -			\$ -	\$ -	
	1675	Generators	\$ -			\$ -			\$ -	\$ -	
N/A	1615	Land	\$ -			\$ -			\$ -	\$ -	
1	1620	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
N/A	1705	Land	\$ -			\$ -			\$ -	\$ -	
14.1	1706	Land rights	\$ 78.2			\$ 78.2	\$ 2.4	\$ 0.8	\$ 3.2	\$ 75.0	
1	1708	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
47	1715	Station equipment	\$ -			\$ -			\$ -	\$ -	
47	1720	Towers and fixtures	\$ 98.4			\$ 98.4	\$ 4.0	\$ 1.3	\$ 5.3	\$ 93.1	
47	1730	Overhead conductors and devices	\$ 28.0			\$ 28.0	\$ 1.2	\$ 0.4	\$ 1.6	\$ 26.4	
47	1735	Underground conduit	\$ -			\$ -			\$ -	\$ -	
47	1740	Underground conductors and devices	\$ -			\$ -			\$ -	\$ -	
17	1745	Roads and trails	\$ -			\$ -			\$ -	\$ -	
N/A	1905	Land	\$ -			\$ -			\$ -	\$ -	
47	1908	Buildings & Fixtures	\$ -			\$ -			\$ -	\$ -	
13	1910	Leasehold Improvements	\$ -			\$ -			\$ -	\$ -	
8	1915	Office Furniture & Equipment	\$ -			\$ -			\$ -	\$ -	
10	1920	Computer Equipment - Hardware	\$ -			\$ -			\$ -	\$ -	
	1925	Computer software	\$ -			\$ -			\$ -	\$ -	
10	1930	Transportation Equipment	\$ -			\$ -			\$ -	\$ -	
8	1935	Stores Equipment	\$ -			\$ -			\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -			\$ -	\$ -	
8	1945	Measurement & Testing Equipment	\$ -			\$ -			\$ -	\$ -	
8	1950	Power Operated Equipment	\$ -			\$ -			\$ -	\$ -	
8	1955	Communications Equipment	\$ -			\$ -			\$ -	\$ -	
8	1960	Miscellaneous Equipment	\$ -			\$ -			\$ -	\$ -	
47	1970	Load Management Controls Customer Premises	\$ -			\$ -			\$ -	\$ -	
47	1975	Load Management Controls Utility Premises	\$ -			\$ -			\$ -	\$ -	
47	1980	System Supervisor Equipment	\$ -			\$ -			\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -			\$ -	\$ -	
47	1990	Other Tangible Property	\$ -			\$ -			\$ -	\$ -	
47	1995	Contributions & Grants	\$ -			\$ -			\$ -	\$ -	
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -			\$ -	\$ -	
		<b>Sub-Total</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 7.8</b>	<b>\$ 2.5</b>	<b>\$ 10.3</b>	<b>\$ 194.8</b>	
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Total PP&amp;E</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 7.8</b>	<b>\$ 2.5</b>	<b>\$ 10.3</b>	<b>\$ 194.8</b>	
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>						<b>\$ 2.5</b>			

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 2.5

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The additions in column (E) must not include construction work in progress (CWIP).
- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

**Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2029

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
	1609	Capital Contributions Paid	\$ 0.5			\$ 0.5	\$ 0.2	\$ 0.1	\$ 0.3	\$ 0.2	
12	1610	Intangibles				\$ -			\$ -	\$ -	
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -			\$ -	\$ -	
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -			\$ -	\$ -	
	1665	Fuel holders, producers and acc.	\$ -			\$ -			\$ -	\$ -	
	1675	Generators	\$ -			\$ -			\$ -	\$ -	
N/A	1615	Land	\$ -			\$ -			\$ -	\$ -	
1	1620	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
N/A	1705	Land	\$ -			\$ -			\$ -	\$ -	
14.1	1706	Land rights	\$ 78.2			\$ 78.2	\$ 3.2	\$ 0.8	\$ 4.0	\$ 74.2	
1	1708	Buildings and fixtures	\$ -			\$ -			\$ -	\$ -	
47	1715	Station equipment	\$ -			\$ -			\$ -	\$ -	
47	1720	Towers and fixtures	\$ 98.4			\$ 98.4	\$ 5.3	\$ 1.3	\$ 6.6	\$ 91.8	
47	1730	Overhead conductors and devices	\$ 28.0			\$ 28.0	\$ 1.6	\$ 0.4	\$ 2.0	\$ 26.0	
47	1735	Underground conduit	\$ -			\$ -			\$ -	\$ -	
47	1740	Underground conductors and devices	\$ -			\$ -			\$ -	\$ -	
17	1745	Roads and trails	\$ -			\$ -			\$ -	\$ -	
N/A	1905	Land	\$ -			\$ -			\$ -	\$ -	
47	1908	Buildings & Fixtures	\$ -			\$ -			\$ -	\$ -	
13	1910	Leasehold Improvements	\$ -			\$ -			\$ -	\$ -	
8	1915	Office Furniture & Equipment	\$ -			\$ -			\$ -	\$ -	
10	1920	Computer Equipment - Hardware	\$ -			\$ -			\$ -	\$ -	
	1925	Computer software	\$ -			\$ -			\$ -	\$ -	
10	1930	Transportation Equipment	\$ -			\$ -			\$ -	\$ -	
8	1935	Stores Equipment	\$ -			\$ -			\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -			\$ -	\$ -	
8	1945	Measurement & Testing Equipment	\$ -			\$ -			\$ -	\$ -	
8	1950	Power Operated Equipment	\$ -			\$ -			\$ -	\$ -	
8	1955	Communications Equipment	\$ -			\$ -			\$ -	\$ -	
8	1960	Miscellaneous Equipment	\$ -			\$ -			\$ -	\$ -	
47	1970	Load Management Controls Customer Premises	\$ -			\$ -			\$ -	\$ -	
47	1975	Load Management Controls Utility Premises	\$ -			\$ -			\$ -	\$ -	
47	1980	System Supervisor Equipment	\$ -			\$ -			\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -			\$ -	\$ -	
47	1990	Other Tangible Property	\$ -			\$ -			\$ -	\$ -	
47	1995	Contributions & Grants	\$ -			\$ -			\$ -	\$ -	
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -			\$ -	\$ -	
		<b>Sub-Total</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 10.3</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 12.9</b>	<b>\$ 192.2</b>
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -			\$ -	\$ -	
		<b>Total PP&amp;E</b>	<b>\$ 205.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205.1</b>	<b>\$ 10.3</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ 12.9</b>	<b>\$ 192.2</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>									
		<b>Total</b>							<b>\$ 2.5</b>		

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 2.5

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The additions in column (E) must not include construction work in progress (CWIP).
- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.



**CLLP**  
Statement of Utility Average Rate Base  
Bridge Year (2024) and Test Years (2025 to 2029)  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2024	2025	2026	2027	2028	2029
	<u>Electric Utility Plant</u>						
1	<b>Gross plant</b>						
	Transmission Corridor Land Rights	78.2	78.2	78.2	78.2	78.2	78.2
	Towers and Fixtures	94.6	98.4	98.4	98.4	98.4	98.4
	Conductors and Devices	26.9	28.0	28.0	28.0	28.0	28.0
	Roads and Trails	0.0	0.0	0.0	0.0	0.0	0.0
	Intangible asset	0.5	0.5	0.5	0.5	0.5	0.5
	<b>Total Gross Plant</b>	<b>200.2</b>	<b>205.1</b>	<b>205.1</b>	<b>205.1</b>	<b>205.1</b>	<b>205.1</b>
2	Accumulated Depreciation	0.2	2.7	5.3	7.8	10.3	12.9
3	Net plant in-service	200.0	202.4	199.8	197.3	194.8	192.2
4	Average net plant for rate base [1]	200.0	201.2	201.1	198.6	196.0	193.5
5	Construction work in progress	0.0	0.0	0.0	0.0	0.0	0.0
6	Average net utility plant	\$ 200.0	201.2	201.1	198.6	196.0	193.5
	<u>Working Capital</u>						
7	Cash working capital	0.0	0.0	0.0	0.0	0.0	0.0
8	Materials and Supplies Inventory	0.0	0.0	0.0	0.0	0.0	0.0
9	Total working capital	0.0	0.0	0.0	0.0	0.0	0.0
10	Total rate base	\$ 200.0	201.2	201.1	198.6	196.0	193.5

[1] 2024 rate base was calculated to reflect the full rate base, upon date of in-service, rather than the half-year rule, in alignment with other recent single-asset utility applications such as EB-2020-0150

**CLLP**  
Calculation of Total Revenue Requirement (2025 to 2029)  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	Test 2025	Test 2026	Test 2027	Test 2028	Test 2029
	Cost of Service					
1	Operating, maintenance & administrative	\$ 1.1	1.1	1.1	1.1	1.2
2	Depreciation	2.5	2.5	2.5	2.5	2.5
3	Income taxes	0.1	0.1	0.1	0.1	0.1
4	Cost of service excluding return on capital	\$ 3.7	3.7	3.8	3.8	3.8
5	Return on capital	13.1	13.0	12.8	12.7	12.5
6	Total revenue requirement	\$ 16.7	16.7	16.6	16.5	16.3

CLLP  
Depreciation & Amortization Expenses  
2024 Bridge, 2025 - 2029 Test Years  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2024		2025		2026		2027		2028		2029	
		Deprn Rate (a)	Provision (\$M) (b)	Deprn Rate (a)	Provision (\$M) (b)	Deprn Rate (a)	Provision (\$M) (b)	Deprn Rate (a)	Provision (\$M) (b)	Deprn Rate (a)	Provision (\$M) (b)	Deprn Rate (a)	Provision (\$M) (b)
<u>Depreciation Expenses</u>													
1	Major Fixed Assets												
2	Capital Contribution Paid	10.00%	0.00	10.00%	0.05	10.00%	0.05	10.00%	0.05	10.00%	0.05	10.00%	0.05
3	Land	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
4	Land-Rights	1.00%	0.07	1.00%	0.78	1.00%	0.78	1.00%	0.78	1.00%	0.78	1.00%	0.78
5	Towers and Fixtures	1.33%	0.11	1.33%	1.28	1.33%	1.31	1.33%	1.31	1.33%	1.31	1.33%	1.31
6	Overhead Lines	1.43%	0.03	1.43%	0.39	1.43%	0.40	1.43%	0.40	1.43%	0.40	1.43%	0.40
7	Depreciation on Fixed Assets		<u>0.21</u>		<u>2.51</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>
8	Less Capitalized Depreciation		-		-		-		-		-		-
9	Asset Removal Costs		-		-		-		-		-		-
10	Total Depreciation Expenses		<u>0.21</u>		<u>2.51</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>
<u>Amortization Expenses</u>													
11	Other Amortization		-		-		-		-		-		-
12	Total Amortization Expenses		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
13	Total Depreciation & Amortization Expenses		<u>0.21</u>		<u>2.51</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>
14	Depreciation & Amortization for recovery		<u>0.21</u>		<u>2.51</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>		<u>2.54</u>



CLLP

Calculation of Capital Cost allowance (CCA)  
 Bridge (2024) and Test Years (2025 to 2029)  
 Year Ending December 31  
 (\$ Millions)

2024	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	-	78.2	78.2	-	78.2	5.0%	3.9	74.3
	47	-	122.0	122.0	-	122.0	8.0%	9.8	112.3
	55	-	0.5	0.5	-	0.5	55.0%	0.3	0.2
	UCC	-	200.7	200.7	-	200.7		13.9	186.7

**TOTAL CCA** 13.9

2025	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	74.3	-	74.3	-	74.3	5.0%	3.7	70.5
	47	112.3	4.9	117.1	-	117.1	8.0%	9.4	107.8
	55	0.2	-	0.2	-	0.2	55.0%	0.1	0.1
	UCC	186.7	4.9	191.6	-	191.6		13.2	178.4

**TOTAL CCA** 13.2

2026	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	70.5	-	70.5	-	70.5	5.0%	3.5	67.0
	47	107.8	-	107.8	-	107.8	8.0%	8.6	99.2
	55	0.1	-	0.1	-	0.1	55.0%	0.1	0.0
	UCC	178.4	-	178.4	-	178.4		12.2	166.2

**TOTAL CCA** 12.2

2027	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	67.0	-	67.0	-	67.0	5.0%	3.4	63.7
	47	99.2	-	99.2	-	99.2	8.0%	7.9	91.2
	55	0.0	-	0.0	-	0.0	55.0%	0.0	0.0
	UCC	166.2	-	166.2	-	166.2		11.3	154.9

**TOTAL CCA** 11.3

2028	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	63.7	-	63.7	-	63.7	5.0%	3.2	60.5
	47	91.2	-	91.2	-	91.2	8.0%	7.3	83.9
	55	0.0	-	0.0	-	0.0	55.0%	0.0	0.0
	UCC	154.9	-	154.9	-	154.9		10.5	144.4

**TOTAL CCA** 10.5

2029	CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
	14.1 (Post-2017)	60.5	-	60.5	-	60.5	5.0%	3.0	57.5
	47	83.9	-	83.9	-	83.9	8.0%	6.7	77.2
	55	0.0	-	0.0	-	0.0	55.0%	0.0	0.0
	UCC	144.4	-	144.4	-	144.4		9.7	134.7

**TOTAL CCA** 9.7

CLLP  
Cost of Long-Term Debt Capital  
Test Year (2025)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		1/1/2025 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates	
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2024 (\$Millions)	at 12/31/2025 (\$Millions)				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	15-Dec-24	4.58%	1-Jul-25	112.7	0.0	112.7	100.00	4.58%	112.7	0.0	60.7	2.8		
2	1-Jul-25	4.20%	1-Jul-35	56.3	0.2	56.1	99.58	4.25%	0.0	56.3	26.0	1.1		
3	1-Jul-25	4.67%	1-Jul-55	56.3	0.3	56.0	99.42	4.71%	0.0	56.3	26.0	1.2		
4	<b>Subtotal</b>									112.7	112.7	112.7	5.1	
5	Treasury OM&A costs												0.03	
6	Other financing-related fees												0.09	
7	<b>Total</b>									112.7	112.7	112.7	5.2	4.64%

CLLP  
Cost of Long-Term Debt Capital  
Test Year (2026)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		1/1/2026 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates (m)
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2025 (\$Millions)	at 12/31/2026 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	1-Jul-25	4.20%	1-Jul-35	56.3	0.2	56.1	99.58	4.25%	56.3	56.3	56.3	2.4	
2	1-Jul-25	4.67%	1-Jul-55	56.3	0.3	56.0	99.42	4.71%	56.3	56.3	56.3	2.7	
3		<b>Subtotal</b>							112.7	112.6	112.7	5.0	
4		Treasury OM&A costs										0.03	
5		Other financing-related fees										0.09	
6		<b>Total</b>							112.7	112.6	112.7	5.2	4.58%

**CLLP**  
Summary of Cost of Capital  
Test Year 2025  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2025		Cost Rate (%) (c)	Return (\$M) (d)
		(\$M) (a)	% (b)		
1	Long-term debt	112.7	56.0%	4.64%	5.2
2	Short-term debt	8.0	4.0%	5.04%	0.4
3	Deemed long-term debt	-	0.0%	4.64%	0.0
4	Total debt	120.7	60.0%	4.66%	5.6
5	Common equity	80.5	40.0%	9.25%	7.4
6	Total rate base	<u>201.2</u>	<u>100.0%</u>	<u>6.50%</u>	<u>13.1</u>

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from C-01-01



**CLLP**  
Summary of Cost of Capital  
Test Year 2026  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2026		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
1	Long-term debt	112.7	56.0%	4.58%	5.2
2	Short-term debt	8.0	4.0%	5.04%	0.4
3	Deemed long-term debt	(0.0)	(0.0%)	4.58%	(0.0)
4	Total debt	120.7	60.0%	4.62%	5.6
5	Common equity	80.4	40.0%	9.25%	7.4
6	Total rate base	<u>201.1</u>	<u>100.0%</u>	<u>6.47%</u>	<u>13.0</u>

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from C-01-01

**CLLP**  
Summary of Cost of Capital  
Test Year 2027  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2027		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
1	Long-term debt	112.1	56.5%	4.58%	5.1
2	Short-term debt	7.9	4.0%	5.04%	0.4
3	Deemed long-term debt	(0.9)	(0.5%)	4.58%	(0.0)
4	Total debt	119.1	60.0%	4.62%	5.5
5	Common equity	79.4	40.0%	9.25%	7.3
6	Total rate base	198.6	100.0%	6.47%	12.8

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from C-01-01

**CLLP**  
Summary of Cost of Capital  
Test Year 2028  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2028		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
1	Long-term debt	110.7	56.5%	4.58%	5.1
2	Short-term debt	7.8	4.0%	5.04%	0.4
3	Deemed long-term debt	(0.9)	(0.5%)	4.58%	(0.0)
4	Total debt	117.6	60.0%	4.62%	5.4
5	Common equity	78.4	40.0%	9.25%	7.3
6	Total rate base	196.0	100.0%	6.47%	12.7

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from C-01-01

**CLLP**  
Summary of Cost of Capital  
Test Year 2029  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2029		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
1	Long-term debt	109.3	56.5%	4.58%	5.0
2	Short-term debt	7.7	4.0%	5.04%	0.4
3	Deemed long-term debt	(0.9)	(0.5%)	4.58%	(0.0)
4	Total debt	116.1	60.0%	4.62%	5.4
5	Common equity	77.4	40.0%	9.25%	7.2
6	Total rate base	193.5	100.0%	6.47%	12.5

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from C-01-01

1                   **TRANSMISSION ACCOUNTING ORDER – FORGONE REVENUE**  
2   **DEFERRAL ACCOUNT**

3  
4       CLLP proposes the establishment of a new “Forgone Transmission Revenue Deferral  
5       Account” to record any differences between revenue earned by CLLP under existing  
6       Uniform Transmission Rates (UTR) in a given year, and the revenues that would have  
7       been received in a given year under the approved UTRs based on OEB-approved rates  
8       revenue requirement (“Forgone Revenue”). The account will capture the Forgone  
9       Revenue from the first day of the year to the date when the approved rates revenue  
10      requirement is reflected in an update to the UTRs.

11  
12     The account will be established as Account 1508, Other Regulatory Assets – Sub-Account  
13     “Forgone Transmission Revenue Deferral Account”. CLLP will record interest on the  
14     balance in the sub-account using the interest rates set by the OEB. Simple interest will be  
15     calculated on the opening monthly balance of the account until the balance is fully  
16     disposed.

17  
18     The following outlines the proposed accounting entries for this account:

19

<b>USofA #</b>	<b>Account Description</b>
DR: 1508	Other Regulatory Assets – Sub account “Forgone Revenue Deferral Account”
CR: 4110	Transmission Services Revenue

20  
21     To record the difference between the existing rates revenue requirement recovered as  
22     part of existing UTRs of a given year and the actual OEB-approved rates revenue  
23     requirement that should be collected under the updated UTRs of a given year.

<b>USofA #</b>	<b>Account Description</b>
DR: 1508	Other Regulatory Assets – Sub account “Forgone Revenue Deferral Account”
CR: 6035	Other Interest Expense

1

2 To record interest improvement on the principal balance of the “Forgone Revenue Deferral  
3 Account”.

**TRANSMISSION ACCOUNTING ORDER – ESM DEFERRAL  
 ACCOUNT**

The Earnings Sharing Mechanism (ESM) Deferral Account shall record 50% of earnings that exceed the regulatory return on equity (ROE) reflected in this Application by more than 100 basis points in any year of the five-year term through CLLP’s transmission revenue. CLLP shall use a methodology which is similar to what is outlined in the annual RRR 2.1.5.6 filing. The calculation of actual ROE shall use the actual rate base for that period. The ROE calculation shall be normalized for revenue impacting items such as entries that are recorded in the year which relate to prior years to normalize the in-year net income. The portion of CLLP owned by Hydro One is subject to tax and will be included as part of the calculation of ROE.

The account will be established as Account 2435, Accrued Rate-Payer Benefit effective January 1, 2025. CLLP shall record interest on any balance in the sub-account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

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

<b>USofA #</b>	<b>Account Description</b>
DR: 4395	Rate-Payer Benefit Including Interest
CR: 2435	Accrued Rate-Payer Benefit

Initial entry to record the over-earnings realized in any year of the five-year term.

<b>USofA #</b>	<b>Account Description</b>
DR: 4395	Rate-Payer Benefit Including Interest
CR: 2435	Accrued Rate Payer Benefit

To record interest improvement on principal balance of ESM deferral account.

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**DRAFT ACCOUNTING ORDER**  
**ACCOUNT 1508 - CXL TRANSMISSION LINE REVENUE**  
**REQUIREMENT VARIANCE ACCOUNT**

Chatham x Lakeshore Limited Partnership (“CLLP”) proposes the establishment of a new “CxL Transmission Line Revenue Requirement Variance Account” (“CLLPVA”) to record the differences between the revenue requirement associated with actual rate base and approved rate base for 2025. In the event the CLLP assets are in-serviced after December 2024, the CLLPVA shall also record the refund of the 2024 revenue requirement, less any removal costs (\$1.3M)<sup>1</sup>.

The account will be established as Account 1508, Other Regulatory Assets – Sub-Account “CxL Transmission Line Revenue Requirement Variance Account” effective January 1, 2025. CLLP shall record interest on the balance in the sub-account using the prescribed interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

The following outlines the proposed accounting entries for this account:

<b>USofA #</b>	<b>Account Description</b>
DR/CR: 1508	Other Regulatory Assets – Sub account “CxL Transmission Line Revenue Requirement Variance Account”
CR/DR: 4110	Transmission Services Revenue

To record the differences between the revenue requirement associated with the actual rate base related to the in-servicing of CLLP’s assets and the revenue requirement associated with the OEB-approved rate base.

<sup>1</sup> See Part B, Issue 15 of the Settlement Proposal



<b>USofA #</b>	<b>Account Description</b>
DR/CR: 1508	Other Regulatory Assets – Sub account “CxL Transmission Line Revenue Requirement Variance Account”
CR/DR: 6035	Other Interest Expense

1

2 To record interest improvement on the principal balance of the “CxL Transmission Line

3 Revenue Requirement Variance Account”.

**SCHEDULE B**  
**2025 UNIFORM TRANSMISSION RATE SCHEDULE**  
**DECISION AND RATE ORDER**  
**EB-2024-XXXX**  
**MONTH DD, YYYY**

TRANSMISSION RATE SCHEDULES

2025 ONTARIO UNIFORM TRANSMISSION RATE SCHEDULE

EB-2024-XXXX

**The rates contained herein shall be implemented effective January 1, 2025**

Issued: Month DD, YYYY  
Ontario Energy Board

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## TRANSMISSION RATE SCHEDULES

### TERMS AND CONDITIONS

**(A) APPLICABILITY** The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.

**(B) TRANSMISSION SYSTEM CODE** The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

**(C) TRANSMISSION DELIVERY POINT** The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

**(D) TRANSMISSION SERVICE POOLS** The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers that utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS-L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.

**(E) MARKET RULES** The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

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## TRANSMISSION RATE SCHEDULES

**(F) METERING REQUIREMENTS** In accordance with Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered that energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid.

**(G) EMBEDDED GENERATION** The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation ; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998 and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO- administered energy markets.

**(H) EMBEDDED CONNECTION POINT** In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a

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## TRANSMISSION RATE SCHEDULES

distribution feeder to the Transmission Delivery Point. In above situations: •The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO- administered market. •The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

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## TRANSMISSION RATE SCHEDULES

### RATE SCHEDULE: (PTS)

### PROVINCIAL TRANSMISSION RATES

#### **APPLICABILITY:**

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

	<u>Monthly Rate (\$ per kW)</u>
<b>Network Service Rate (PTS-N):</b>	<b>5.85</b>
\$ Per kW of Network Billing Demand <sup>1,2</sup>	
<b>Line Connection Service Rate (PTS-L):</b>	<b>0.95</b>
\$ Per kW of Line Connection Billing Demand <sup>1,3</sup>	
<b>Transformation Connection Service Rate (PTS-T):</b>	<b>3.21</b>
\$ Per kW of Transformation Connection Billing Demand <sup>1,3,4</sup>	

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

#### Notes:

1 The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.

2. The Network Service Billing Demand is defined as the higher of (a) customer coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IMO settlement systems.

3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2MW or more for renewable generation and 1 MW or higher for non-renewable generation on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

4. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

#### **TERMS AND CONDITIONS OF SERVICE:**

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

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TRANSMISSION RATE SCHEDULES

**RATE SCHEDULE: (ETS)**

**EXPORT TRANSMISSION SERVICE**

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***APPLICABILITY:***

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

**Export Transmission Service Rate (ETS):**

**Hourly Rate**

\$1.78 / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

***TERMS AND CONDITIONS OF SERVICE:***

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.

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**SCHEDULE A**  
**2025 REVENUE DISBURSEMENT ALLOCATOR**  
**DECISION AND RATE ORDER**  
**EB-2024-XXXX**  
**MONTH DD, YYYY**

MONTH DD, YYYY

**Uniform Transmission Rates and Revenue Disbursement Allocators  
Effective January 1, 2025**

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
Hydro One	\$1,206,861,187	\$212,168,826	\$605,276,749	\$2,024,306,762
HOSSM	\$25,645,763	\$4,508,581	\$12,862,112	\$43,016,456
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
B2MLP	\$36,395,939	\$0	\$0	\$36,395,939
NRLP	\$8,565,165	\$0	\$0	\$8,565,165
CLLP	\$18,535,124	\$0	\$0	\$18,535,124
All Transmitters	\$1,392,043,331	\$218,001,720	\$621,916,870	\$2,231,961,921

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
Hydro One	233,393.428	226,543.453	192,711.042	
HOSSM	3,498.236	2,734.624	635.252	
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	
B2MLP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
CLLP	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)	<b>5.85</b>	<b>0.95</b>	<b>3.21</b>	
<b>Hydro One</b> Allocation Factor	<b>0.86697</b>	<b>0.97325</b>	<b>0.97325</b>	
HOSSM Allocation Factor	<b>0.01842</b>	<b>0.02068</b>	<b>0.02068</b>	
FNEI Allocation Factor	<b>0.00342</b>	<b>0.00384</b>	<b>0.00384</b>	
CNPI Allocation Factor	<b>0.00199</b>	<b>0.00223</b>	<b>0.00223</b>	
WPLP Allocation Factor	<b>0.02413</b>	<b>0.00000</b>	<b>0.00000</b>	
EWTLP Allocation Factor	<b>0.03945</b>	<b>0.00000</b>	<b>0.00000</b>	
B2MLP Allocation Factor	<b>0.02615</b>	<b>0.00000</b>	<b>0.00000</b>	
NRLP Allocation Factor	<b>0.00615</b>	<b>0.00000</b>	<b>0.00000</b>	
CLLP Allocation Factor	<b>0.01332</b>	<b>0.00000</b>	<b>0.00000</b>	
Total of Allocation Factors	1.00000	1.00000	1.00000	

Note 1: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0127 dated September 19, 2023.

Note 2: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0130 dated October 24, 2023.

Note 3: FNEI Revenue Requirement and Charge Determinants per OEB Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.

Note 4: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14, 2016.

Note 5: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0168 dated November 30, 2023.

Note 6: EWTLP Revenue Requirement per OEB Decision and Order EB-2023-0298, Upper Canada Transmission 2, Inc. dated December 12, 2023.

Note 7: B2M LP Revenue Requirement per OEB Decision and Order EB-2023-0129 dated September 7, 2023.

Note 8: NRLP Revenue Requirement per OEB Decision and Order EB-2023-0128 dated September 7, 2023.

Note 9: CLLP Revenue Requirement per Table 1 of the Settlement Proposal

Note 10: The revenue requirements of HOSSM, FNEI, and CNPI are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of WPLP, EWTLP, B2M LP, NRLP and CLLP are allocated entirely to the Network rate pool. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.

Note 11: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.