

**EB-2024-0031**

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

**AND IN THE MATTER OF** an application by  
Hydro Hawkesbury Inc.  
For an order approving just and reasonable rates and  
Other charges for electricity distribution beginning  
January 1, 2025.

**Hydro Hawkesbury Inc.**

**Settlement Proposal**

Filed: December 20, 2024

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## LIST OF ATTACHMENTS

HHI has filed revised models as evidence to support this Settlement Proposal. The models have been filed through the OEB's e-filing service and include:

1. OEB Chapter 2 Appendices
2. Revenue Requirement Workform
3. Income Tax PILs Model
4. Load Forecast Model
5. Cost Allocation Model
6. DVA Continuity Schedule
7. RTSR Model
8. Tariff Schedule and Bill Impact Model
9. Proposed Tariff of Rates and Charges
10. GA Analysis Workform
11. Accelerate CCA Calculations
12. HONI updated demand data Calculations

## SETTLEMENT PROPOSAL

Hydro Hawkesbury Inc. (the Applicant or HHI) filed a Cost-of-Service application with the Ontario Energy Board (the OEB) on August 6, 2024, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the Act), seeking approval for changes to the rates that HHI charges for electricity distribution, to be effective January 1, 2025 (OEB file number EB-2024-0031) (the Application).

The OEB issued a Letter of Direction and Notice of Application on August 23, 2024. In Procedural Order No. 1, dated September 24, 2024, the OEB approved the Vulnerable Energy Consumers Coalition (VECC) as an intervenor. The order also approved the inclusion of the application in the OEB's Very Small Utility Pilot and indicated the prescribed dates for an Issues Meeting, the filing of a proposed Issues List, the submission of interrogatories, HHI's responses to interrogatories, a Settlement Conference, and various other elements in the proceeding.

On October 16, 2024, the OEB issued a direction that OEB Staff would participate in the proceeding as a party.

On October 21, 2024, OEB Staff, on behalf of all the parties, submitted a proposed issues list to the OEB for approval. OEB Staff also provided a summary list of the information commitments that HHI agreed to provide as a result of the Issues Day process and informed the OEB that HHI, VECC and OEB staff (collectively referred to as the Parties) had agreed to eliminate the need for interrogatories.

The OEB approved the Issues List on October 21, 2024 (the Approved Issues List).

HHI filed its information commitments with the OEB on November 4, 2024.

The Settlement Conference was convened on November 19, 2024, in accordance with the OEB's Rules of Practice and Procedure (the Rules) and the OEB's Practice Direction on Settlement Conferences. VECC and OEB Staff (the Intervenors) participated in the Settlement Conference.

Commissioner Pankaj Sardana acted as the facilitator for the Settlement Conference.

The Parties reached a full, comprehensive settlement regarding HHI's 2025 Cost of Service Application. The details and specific components of the settlement are detailed in this Settlement Proposal.

This document is called a Settlement Proposal because it is a proposal by the Parties presented to the OEB to settle the issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB's approval of this Settlement Proposal, this document is intended to be a legal agreement, such that the Parties are obligated to support its terms unless and until it is rejected by the OEB. In entering into this Settlement Proposal, the Parties understand and agree that pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that the Settlement Conference was confidential in accordance with the OEB's Practice Direction on Settlement Conferences. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the specific rules with respect to confidentiality and privilege are as set out in the Practice Direction on Settlement Conferences, as amended on February 17, 2021. The Parties have interpreted the revised Practice Direction on Settlement Conferences to mean that the documents and other information provided during the Settlement Conference itself, the discussion of each issue, the offers and counteroffers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the Parties agree that attendees are deemed to include, in this context, persons who were not in attendance at the Settlement Conference but were a) any persons or entities that the Parties engaged to assist them with the Settlement Conference, and b) any persons or entities from whom the attendees' sought instructions with respect to the negotiations, in each case provided those persons are subject to the same obligations of confidentiality and privilege as those persons actually in attendance.

This Settlement Proposal provides a brief description of each of the settled issues, as applicable, together with references to the evidence. The Parties agree that references to the evidence in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the responses to the information commitments, all other components of the record up to and including the date hereof, and the additional information included by the Parties in this Settlement Proposal and the attachments and appendices to this document.

Included with the Settlement Proposal are attachments that provide further support for the proposed settlement, including responses to Pre-Settlement Clarification questions (Clarification Responses). The Parties acknowledge that the attachments were prepared by HHI. The Parties have reviewed the attachments and are relying on the accuracy of the attachments and the underlying evidence in entering into this Settlement Proposal.

For ease of reference, this Settlement Proposal follows the format of the Approved Issues List.

According to section 6 of the Practice Direction on Settlement Conferences, the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any such adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the OEB does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the OEB accepts may continue as a valid settlement without inclusion of any part(s) that the OEB does not accept).

If the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all the Parties must agree with any revised Settlement Proposal as it relates to that issue, or take no position, prior to its resubmission to the OEB.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not HHI is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Where, in this Settlement Proposal, the Parties accept the evidence of HHI, or agree to any issue, term or condition, including a revised budget or forecast, then unless the Settlement Proposal expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

## SUMMARY

The Parties were able to reach agreement on all aspects of the Application with respect to capital costs, operations, maintenance & administration (OM&A) costs, revenue requirement-related issues, including the accuracy of the revenue requirement determination and the application of OEB policies and practices.

In reaching this Settlement Proposal, the Parties have been guided by the letter issued by the OEB on April 11, 2024 - Filing Requirements for Electricity Distribution Rate Applications for 2025 Rates, the Filing Requirements for Electricity Distribution Rate Applications - 2023 Edition for 2024 Rate Applications, Chapter 2 Cost of Service, December 15, 2022, and the Approved Issues List.

The Parties have described below, in detail, areas where they have settled an issue by agreeing to adjustments to the Application as updated.

This Settlement Proposal will, if accepted, result in a total bill increase of \$4.16 or 3.6% per month for the typical residential customer consuming 750 kWh per month.

The financial impact of the Settlement Proposal reduced the base revenue requirement requested of \$2,224,767 by \$20,061 to \$2,204,706

A Revenue Requirement Work Form (RRWF) incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, HHI has agreed to certain adjustments to its original Application. The changes are described in the following sections.

HHI has provided the following tables summarizing the Application and highlighting the changes to its Rate Base and Capital, Operating Expenses, and Revenue Requirement as between HHI's Application as filed, the interrogatory process and this Settlement Proposal.



**Table 1 – Summary of 2025 Revenue Requirement**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
<b>Long Term Debt</b>	3.59%	3.59%	0.00%	3.59%	0.00%
Short Term Debt	6.23%	5.04%	-1.19%	5.04%	0.00%
Return on Equity	9.21%	9.25%	0.04%	9.25%	0.00%
Weighted Debt Rate	3.77%	3.69%	-0.08%	3.69%	0.00%
Regulated Rate of Return	5.94%	5.91%	-0.03%	5.91%	0.00%
Controllable Expenses	\$1,686,034	\$1,603,550	-\$82,484	\$1,603,550	\$0
Power Supply Expense	\$16,892,567	\$17,408,508	\$515,940	\$16,874,087	-\$534,421
Total Eligible Distribution Expenses	\$18,578,602	\$19,012,058	\$433,456	\$18,477,637	-\$534,421
Working Capital Allowance Rate	7.50%	7.50%		7.50%	
Total Working Capital Allowance ("WCA")	\$1,393,395	\$1,425,904	\$32,509	\$1,385,823	-\$40,082
Average Gross Assets	\$9,571,346	\$9,571,346	\$0	\$9,561,873	-\$9,473
Average Accumulated Depreciation	\$2,836,543	\$2,836,543	\$0	\$2,835,986	-\$556
Average Fixed Asset	\$6,734,804	\$6,734,804	\$0	\$6,725,887	-\$8,917
Working Capital Allowance	\$1,393,395	\$1,425,904	\$32,509	\$1,385,823	-\$40,082
Rate Base	\$8,128,199	\$8,160,708	\$32,509	\$8,111,709	-\$48,999
Regulated Rate of Return	5.94%	5.91%	-0.03%	5.91%	0.00%
Regulated Return on Capital	\$483,108	\$482,461	-\$647	\$479,564	-\$2,897
Deemed Interest Expense	\$183,665	\$180,515	-\$3,150	\$179,431	-\$1,084
Deemed Return on Equity	\$299,443	\$301,946	\$2,503	\$300,133	-\$1,813
OM&A	\$1,658,229	\$1,575,745	-\$82,484	\$1,575,745	\$0
Depreciation Expense	\$289,138	\$289,138	\$0	\$322,027	\$32,888
PILs	\$10,479	\$10,827	\$348	\$28,183	\$17,356
Property Taxes	\$27,805	\$27,805	\$0	\$27,805	\$0
Revenue Offset	-\$243,992	-\$211,618	\$32,374	-\$228,618	-\$17,000
Revenue Requirement	\$2,224,767	\$2,174,358	-\$50,409	\$2,204,706	\$30,347

Based on the foregoing, and the evidence and rationale provided below, the Parties accept this Settlement Proposal as appropriate and recommend its acceptance by the OEB. Table 2 below illustrates the updated bill impacts that would result from the acceptance of this Settlement Proposal.

**Table 2 - Bill Impact Summary**

RATE CLASSES / CATEGORIES (e.g.: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
Residential service classification - RPP	kwh	\$1.93	9.9%	\$1.59	6.5%	\$4.13	11.7%	\$4.16	3.6%
General service less than 50 kw service classification - RPP	kwh	\$3.93	12.0%	\$3.64	7.9%	\$9.54	13.3%	\$9.62	3.4%
GENERAL SERVICE 50 to 4,999 kw SERVICE CLASSIFICATION - Non-RPP (Other)	kw	\$42.79	6.4%	-\$187.90	-23.6%	\$84.36	4.2%	\$114.92	2.3%
Unmetered scattered load service classification - non--RPP (other)	kwh	\$3.57	12.1%	-\$25.97	-46.1%	-\$12.39	-10.7%	-\$12.17	-2.2%
Sentinel lighting service classification - non--RPP (other)	kw	-\$7.64	-5.6%	-\$7.53	-5.4%	-\$6.32	-4.4%	-\$6.31	-4.1%
Street lighting service classification - non--RPP (other)	kw	-\$143.45	-7.8%	-\$284.81	-15.0%	-\$155.27	-6.3%	-\$163.20	-3.6%
Residential service classification - non-RPP (retailer)	kwh	\$1.93	9.9%	-\$3.19	-13.1%	-\$0.65	-1.8%	-\$0.61	-0.6%

The chart below outlines the rates that comprise the Sub-Totals 'A', 'B', 'C', and Total Bill in Table 2 above:

Subtotal A	Sub-Total B - Distribution (includes Sub-Total A)	Sub-Total C - Delivery (including Sub-Total B)	Total Bill - Sub-Total C and Items below
Monthly Service Charge	Line Losses on Cost of Power	RTSR - Network	Wholesale Market Service Charge (WMSC)
Distribution Volumetric Rate	Total Deferral/Variance Account Rate Riders	RTSR - Connection and/or Line and Transformation Connection	Rural and Remote Rate Protection (RRRP)
Fixed Rate Riders	CBR Class B Rate Riders		Standard Supply Service Charge
Volumetric Rate Riders	GA Rate Riders		Ontario Electricity Support Program (OESP) if applicable
	Low Voltage Service Charge		Commodity
	Smart Meter Entity Charge (if applicable)		HST
	Additional Fixed Rate Riders		OER (if applicable)
	Additional Volumetric Rate Riders		

## SETTLEMENT PROPOSAL BY ISSUE NUMBER

### 1. Capital Spending and Rate Base

#### 1.1 Are the proposed capital expenditures and in-service additions appropriate?

##### Full Settlement

The Parties agree to HHI's proposed 2025 capital expenditures and 2025 net capital additions for the purpose of setting rates. The Parties further agree that, as part of this Settlement Proposal, HHI undertakes to do the following:

- a) as part of HHI's next Cost of Service application HHI will report on the impact of its capital spending over the 2025 to 2029 period on improving the reliability of its system, including specifically with respect to improving reliability issues related to equipment failure.
- b) as part of its next Cost of Service application HHI will update its Asset Condition Assessment.
- c) with respect to the forecast spending of approximately \$2.1M in 2027 for the replacement of HHI's 115kV Transformer 55T2 and \$375,000 in 2028 for the modification to HHI's two 44 kV transformers to allow them to run simultaneously, HHI will report annually as part of its IRM filings as to the status of those planned projects, the forecast or actual cost of the projects, their in-service timing and information as to how the projects are to be financed. HHI will also produce rate impact projections for the projects.<sup>1</sup> These projects are estimated to cost significantly more than the annual capital budget of HHI. The purpose of this reporting is to provide the OEB an ongoing understanding of how it is addressing these Distribution System Plan forecasted large projects.

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<sup>1</sup> The Parties note that HHI has not requested Advance Capital Module approval for these projects, intending instead to seek Incremental Capital Module approval for the projects, as appropriate, when the details of the project(s) are more defined.

**Table 3 - 2025 Capital Expenditures/In-Service Additions**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
<b>2025 Fixed Asset Continuity</b>					
Opening	\$9,415,924	\$9,415,924	\$0	\$9,406,451	-\$9,473
Additions	\$310,844	\$310,844	\$0	\$310,844	\$0
Disposals	\$0	\$0	\$0	\$0	\$0
Closing	<b>\$9,726,768</b>	<b>\$9,726,768</b>	\$0	<b>\$9,717,295</b>	-\$9,473
<b>Accumulated Depreciation</b>					
Opening	\$2,691,973	\$2,691,973	\$0	\$2,691,417	-\$556
Additions	\$289,138	\$289,138	\$0	\$289,138	\$0
Disposals	\$0	\$0	\$0	\$0	\$0
Closing	<b>\$2,981,112</b>	<b>\$2,981,112</b>	\$0	<b>\$2,980,556</b>	-\$556
System Access	\$169,344	\$169,344	\$0	\$169,344	\$0
System Renewal	\$165,000	\$165,000	\$0	\$165,000	\$0
System Service	\$0	\$0	\$0	\$0	\$0
General Plant	\$11,500	\$11,500	\$0	\$11,500	\$0
<b>Total Expenditures</b>	<b>\$345,844</b>	<b>\$345,844</b>	<b>\$0</b>	<b>\$345,844</b>	<b>\$0</b>
Capital Contribution included in System Access	-\$35,000	-\$35,000	\$0	-\$35,000	\$0
<b>Total Expenditures</b>	<b>\$310,844</b>	<b>\$310,844</b>	<b>\$0</b>	<b>\$310,844</b>	<b>\$0</b>

The Parties acknowledge HHI's business and investment planning efforts and accept the evidence of HHI that the level of planned capital expenditures over the course of its Distribution System Plan and the rationale for planning and pacing choices are appropriate to maintain system reliability, service quality objectives and the reliable and safe operation of the distribution system.

### **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

### **IR and Clarification Responses**

#### **Supporting Parties**

- VECC, OEB Staff

#### **Parties Taking No Position**

- None

## 1.2 Are the proposed rate base and depreciation amounts appropriate?

### Full Settlement

For the purpose of settlement, the Parties agree that HHI's proposed 2025 rate base, including the calculation of the working capital allowance and depreciation amounts are appropriate subject to the following:

- a) the Parties agree that HHI's opening rate base for 2025 will be adjusted to reflect the updated forecast in service additions for 2024 as provided for in Commitment 2, which updates the forecast in service additions for 2024 from \$344,800 to \$335,327; and
- b) the Parties acknowledge that the correct depreciation rates underpinning HHI's application are as set out in Commitment 3.

**Table 4 – 2024 In Service Additions**

Particulars	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
2024 Additions	\$344,800	\$344,800	\$0	\$335,327	-\$9,473
2024 Capital Contribution	-\$44,612	-\$44,612	\$0	-\$44,612	\$0
Net Additions	\$300,188	\$300,188	\$0	\$290,715	-\$9,473

**Table 5 – 2025 Rate Base**

Particulars	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Gross Fixed Assets (avg)	\$9,571,346	\$9,571,346	\$0	\$9,561,873	-\$9,473
Accumulated Depreciation (avg)	-\$2,836,543	-\$2,836,543	\$0	-\$2,835,986	\$556
Net Fixed Assets (avg)	<b>\$6,734,804</b>	<b>\$6,734,804</b>	<b>\$0</b>	<b>\$6,725,887</b>	<b>-\$8,917</b>
Allowance for Working Capital	\$1,393,395	\$1,425,904	\$32,509	\$1,385,823	-\$40,082
<b>Total Rate Base</b>	<b>\$8,128,199</b>	<b>\$8,160,708</b>	<b>\$32,509</b>	<b>\$8,111,709</b>	<b>-\$48,999</b>

**Table 6 – 2025 Working Capital**

Particulars	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Controllable Expenses	\$1,686,034	\$1,603,550	-\$82,484	\$1,603,550	\$0
Cost of Power	\$16,892,567	\$17,408,508	\$515,940	\$16,874,087	-\$534,421
Working Capital Base	\$18,578,602	\$19,012,058	\$433,456	\$18,477,637	-\$534,421
Working Capital Rate %	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance	<b>\$1,393,395</b>	<b>\$1,425,904</b>	<b>\$32,509</b>	<b>\$1,385,823</b>	<b>-\$40,082</b>

**Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 2 – Rate Base
- EXHIBIT 2 – Distribution System Plan

**IR and Clarification Responses**

- HHI Response to Commitments – Commitment 2

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

## 2. OM&A

### 2.1 Are the proposed OM&A expenditures appropriate?

#### Full Settlement

The Parties have agreed that HHI's proposed updated 2025 OM&A budget of \$1,575,745 is appropriate.

In agreeing to HHI's proposed OM&A budget the Parties recognize that HHI has, throughout the period from 2018 to the proposed 2025 Test Year, maintained its position within the OEB's Group 1 in terms of benchmarking performance, consistently exhibiting cost performance below 60% of the applicable benchmark. In addition, the Parties note that HHI's proposed OM&A budget results in a projected OM&A per customer of \$278, placing HHI as one of the lowest OM&A per customer performers in the province.

**Table 7 - 2025 Test Year OM&A Expenses**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Operations	\$208,000	\$178,000	-\$30,000	\$178,000	\$0
Maintenance	\$232,800	\$232,800	\$0	\$232,800	\$0
Billing and Collecting	\$572,330	\$522,830	-\$49,500	\$522,830	\$0
Community Relations	\$0	\$0	\$0	\$0	\$0
Administration & General +LEAP	\$645,099	\$642,115	-\$2,984	\$642,115	\$0
<b>Total</b>	<b>\$1,658,229</b>	<b>\$1,575,745</b>	<b>-\$82,484</b>	<b>\$1,575,745</b>	<b>\$0</b>

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – OM&A

#### IR and Clarification Responses

- HHI Response to Commitments – Commitment 4

#### Supporting Parties

- VECC, OEB Staff

#### Parties Taking No Position

- None



## **2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?**

### **Full Settlement**

The Parties acknowledge that HHI does not share services with any affiliates.

### **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses

### **IR and Clarification Responses**

- N/A

### **Supporting Parties**

- VECC, OEB Staff

### **Parties Taking No Position**

- None

### 3. Cost of Capital, PILs, and Revenue Requirement

#### 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?

##### Full Settlement

The Parties agree to HHI's proposed cost of capital parameters as reflected in Table 8 below, which reflect where appropriate the OEB's deemed cost of capital parameters for 2025 Cost of Service Applications.

The Parties acknowledge that HHI will comply with the outcomes of the OEB's cost of capital generic proceeding (EB-2024-0063) insofar as they are applicable to HHI, including the OEB's directions with respect to the use of the prevailing parameters on an interim basis as described in the OEB's directions as per the July 26, 2024, and October 31, 2024 OEB Letters and Accounting Orders.

**Table 8 - 2025 Cost of Capital Calculation**

Particulars	Application Aug 6, 2024	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
<b>Debt</b>								
Long-term Debt	3.59%	\$163,409	3.59%	\$164,063	\$654	3.59%	\$163,078	-\$985
Short-term Debt	6.23%	\$20,255	5.04%	\$16,452	-\$3,803	5.04%	\$16,353	-\$99
<b>Total Debt</b>	<b>3.77%</b>	<b>\$183,665</b>	<b>3.69%</b>	<b>\$180,515</b>	<b>-\$3,150</b>	<b>3.69%</b>	<b>\$179,431</b>	<b>-\$1,084</b>
<b>Equity</b>								
Common Equity	9.21%	\$299,443	9.25%	\$301,946	\$2,503	9.25%	\$300,133	-\$1,813
Preferred Shares	0.00%	\$0	0.00%	\$0	\$0	0.00%	\$0	
<b>Total Equity</b>	<b>9.21%</b>	<b>\$299,443</b>	<b>9.25%</b>	<b>\$301,946</b>	<b>\$2,503</b>	<b>9.25%</b>	<b>\$300,133</b>	<b>-\$1,813</b>
<b>Total</b>	<b>5.94%</b>	<b>\$483,108</b>	<b>5.91%</b>	<b>\$482,461</b>	<b>-\$647</b>	<b>5.91%</b>	<b>\$479,564</b>	<b>-\$2,897</b>

**Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 5 – Cost of Capital and Capital Structure

**IR and Clarification Responses**

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

### 3.2 Is the proposed PILs (or Tax) amount appropriate?

#### Full Settlement

The Parties accept HHI’s calculations of forecast PILs in this Settlement Proposal, as summarized in Table 9 below. The Parties note that HHI’s proposed PILs for the 2025 Test Year include the application of the prevailing accelerated CCA rules, and that HHI intends to use the Account 1592 subaccount with respect to accelerated CCA to record the impact of the planned phase out of accelerated CCA during HHI’s IRM period.

**Table 9 - 2025 Income Taxes**

	<b>Application Aug 6, 2024</b>	<b>Issues Day Process Nov 4, 2024</b>	<b>Variance over Original Filing</b>	<b>Settlement Proposal Dec 20, 2024</b>	<b>Variance over Issues Day Process</b>
Income Taxes (Grossed up)	\$10,479	\$10,827	\$348	\$28,183	\$17,356

An updated Income Tax/PILs Model has been submitted in Live Excel format as part of this Settlement Proposal.

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

#### IR and Clarification Responses

##### Supporting Parties

- VECC, OEB Staff

##### Parties Taking No Position

- None

### 3.3 Is the proposed Other Revenue forecast appropriate?

#### Full Settlement

The Parties agree that HHI's other revenue forecast is appropriate, subject to an increase of \$17,000 to reflect the inclusion of forecast revenue related to Standard Supply Services charges in the Test Year that were not included in the original application.

A summary of the updated Revenue Offsets is presented in Table 10 below.

**Table 10 - 2025 Revenue Offsets**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Miscellaneous Service Revenues	\$48,049	\$48,049	\$0	\$48,049	\$0
Late Payment Charges	\$30,667	\$30,667	\$0	\$30,667	\$0
Other Operating Revenues	\$25,946	\$37,708	\$11,762	\$54,708	\$17,000
Other Income and Deductions	\$139,330	\$95,194	-\$44,136	\$95,194	\$0
<b>Total</b>	<b>\$243,992</b>	<b>\$211,618</b>	<b>-\$32,374</b>	<b>\$228,618</b>	<b>\$17,000</b>

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

#### IR and Clarification Responses

- HHI Clarification Responses – VECC-CQ-2

#### Supporting Parties

- VECC, OEB Staff

#### Parties Taking No Position

- None

**3.4 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?**

**Full Settlement**

The Parties accept the evidence of HHI that all impacts of any changes to accounting standards, policies, estimates, and adjustments have been properly identified in the Application and the information commitment responses and have been recorded and treated appropriately in the rate-making process.

**Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

**IR and Clarification Responses**

- None

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

### 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

#### Full Settlement

The Parties agree that the methodology used by HHI to calculate the Revenue Requirement is appropriate.

The depreciation expense increased by \$33k due to the removal of 2025 deferred revenue in the calculation of the expense, which was included in the original application.

A summary of the adjusted Base Revenue Requirement of \$2,433,155 reflecting adjustments and settled issues is presented in Table 11 - 2025 Revenue Requirement Summary below.

**Table 11 - 2025 Revenue Requirement Summary**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
OM&A Expenses	\$1,658,229	\$1,575,745	-\$82,484	\$1,575,745	\$0
Amortization/Depreciation	\$289,138	\$289,138	\$0	\$322,027	\$32,888
Property Taxes	\$27,805	\$27,805	\$0	\$27,805	\$0
Capital Taxes	\$0	\$0		\$0	
Income Taxes (Grossed up)	\$10,479	\$10,827	\$348	\$28,183	\$17,356
Other Expenses	\$0	\$0	\$0		
Return			\$0		
Deemed Interest Expense	\$183,665	\$180,515	-\$3,150	\$179,431	-\$1,084
Return on Deemed Equity	\$299,443	\$301,946	\$2,503	\$300,133	-\$1,813
Service Revenue Requirement (before Revenues)	<b>\$2,468,759</b>	<b>\$2,385,976</b>	<b>-\$82,783</b>	<b>\$2,433,324</b>	<b>\$47,347</b>
Revenue Offsets	\$243,992	\$211,618	-\$32,374	\$228,618	\$17,000
Base Revenue Requirement	\$2,224,767	\$2,174,358	-\$50,409	\$2,204,706	\$30,347
Revenue Sufficiency/Deficiency	<b>\$378,893</b>	<b>\$322,144</b>	<b>-\$56,750</b>	<b>\$313,964</b>	<b>-\$8,180</b>

#### Evidence References

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 4 – Operating Expenses
- EXHIBIT 6 – Revenue Requirement and Revenue Deficiency or Sufficiency

#### IR and Clarification Responses

- None

#### Supporting Parties

- VECC, OEB Staff

**Parties Taking No Position**

- None



## 4. Load Forecast

### 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

#### Full Settlement

The Parties have agreed to the following changes to the load forecast underpinning the 2025 Test Year rates:

- a) the customer count for each rate class has been updated to reflect the pace of customer additions in 2024 to date; and
- b) embedded generation (MicroFIT) has been added to the purchase power figures in the regression analysis.

These updates are reflected in Table 12 and 13 below.

As part of this Settlement Proposal HHI agrees to update its load profiles as part of its next Cost of Service application.

**Table 12 – 2025 Test Year Billing Determinants**

Rate Class	Billing Determinant	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Residential	kWh	50,447,580	50,447,580	0	50,707,437	259,857
General Service < 50 kW	kWh	18,034,273	18,034,273	0	18,064,851	30,578
General Service > 50 to 4999 kW	kWh	73,757,579	73,757,579	0	74,503,253	745,675
Unmetered Scattered Load	kWh	421,393	421,393	0	412,999	-8,394
Sentinel Lighting	kWh	49,171	36,743	-12,428	40,328	3,585
Street Lighting	kWh	524,794	524,794	0	519,579	-5,215
<b>Total</b>		<b>143,234,789</b>	<b>143,222,361</b>	<b>-12,428</b>	<b>144,248,447</b>	1,026,086
Residential	kW	0	0	0	0	0
General Service < 50 kW	kW	0	0	0	0	0
General Service > 50 to 4999 kW	kW	186,745	186,745	0	188,790	2,045
Unmetered Scattered Load	kW	0	0	0	0	0
Sentinel Lighting	kW	855	640	-215	704	64
Street Lighting	kW	1,445	1,445	0	1,431	-14
<b>Total</b>		<b>189,044</b>	<b>188,829</b>	<b>-215</b>	<b>190,925</b>	2,096

Table 13 below details the number of customers and devices for the test year.

**Table 13 – Number of Customers & Devices**

Rate Class	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Residential	4937.74	4938	0	4972	34
General Service < 50 kW	607.28	607	0	609	2
General Service > 50 to 4999 kW	84.97	85	0	91	6
Unmetered Scattered Load	16.95	17	0	15	-2
Sentinel Lighting	40.54	41	0	45	4
Street Lighting	1268.61	1269	0	1256	-13
<b>Total</b>	<b>6,956</b>	<b>6,956</b>	<b>0</b>	<b>6,988</b>	<b>32</b>

**Evidence References**

- EXHIBIT 3 – Load and Customer Forecast

**IR and Clarification Responses**

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

## 5. Cost Allocation, Rate Design, and Other Charges

### 5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

#### Full Settlement

The Parties accept the results of HHI's cost allocation methodology and its proposed revenue-to-cost ratios, as updated through the information commitment responses, the clarification questions, and to reflect changes resulting from this Settlement Proposal that require an update to the allocation of costs. The updates to the Cost Allocation methodology and revenue to cost ratios include the following:

- a) the Cost Allocation Model has been updated to correctly reflect the fact that all of HHI's GS>50 customers own their own transformers, and
- b) HHI agrees to adjust the revenue to cost ratio for the sentinel rate class down to the applicable maximum revenue to cost ratio of 120%, with consequential adjustments to the remaining revenue to cost ratios as detailed in Table 14 below.

**Table 14 – Summary of 2025 Revenue-to-Cost Ratios**

	Application Aug 6, 2024	Application Aug 6, 2024	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Issues Day Process Nov 4, 2024	Issues Day Process Nov 4, 2024	Settlement Proposal Dec 20, 2024	Settlement Proposal Dec 20, 2024	Settlement Proposal Dec 20, 2024
<b>Rate Class</b>	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance	Calculated R/C Ratio	Proposed R/C Ratio	Variance
Residential	0.9817	0.9835	-0.0018	0.9529	0.9525	0.0004	0.9564	0.9564	0.0000
General Service < 50 kW	0.9825	0.9828	-0.0003	0.9403	0.9529	-0.0126	0.9305	0.9472	-0.0167
General Service > 50 to 4999 kW	1.0643	1.0646	-0.0003	1.2014	1.2012	0.0002	1.1846	1.1846	0.0000
Unmetered Scattered Load	0.9084	0.9081	0.0003	0.9021	0.9525	-0.0504	0.9055	0.9474	-0.0419
Sentinel Lighting	2.7236	1.1999	1.5237	1.3532	0.9525	0.4007	1.4429	1.2000	0.2429
Street Lighting	0.9647	0.9648	-0.0001	1.3376	1.2000	0.1376	1.4895	1.2000	0.2895

**Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 7 – Cost Allocation

**IR and Clarification Responses**

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

**5.2 Is the proposed rate design, including fixed/variable splits, appropriate?**

**Full Settlement**

The Parties accept HHI’s approach to rate design including the proposed fixed/variable splits.

**Table 15 – Summary of 2025 Fixed to Variable Split**

		Application Aug 6, 2024	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Issues Day Process Nov 4, 2024	Settlement Proposal Dec 20, 2024	Settlement Proposal Dec 20, 2024
Customer Class		Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Residential	kWh	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
General Service < 50 kW	kWh	47.05%	52.95%	47.05%	52.95%	47.08%	52.92%
General Service > 50 to 4999 kW	kW	22.07%	77.93%	22.58%	77.42%	23.48%	76.52%
Unmetered Scattered Load	kWh	44.76%	55.24%	44.76%	55.24%	42.25%	57.75%
Sentinel Lighting	kW	19.50%	80.50%	24.46%	75.54%	24.62%	75.38%
Street Lighting	kW	49.10%	50.90%	49.10%	50.90%	49.09%	50.91%

**Evidence References**

- EXHIBIT 8 - Rate Design

**IR and Clarification Responses**

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None

**5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?**

**Full Settlement**

The Parties accept that the RTSR rates and low voltage rates as updated for the preliminary 2025 UTRs and host RTSRs and presented in Table 16 and

Table 17 below are appropriate.

**Table 16 - 2025 RTSR Network and Connection Rates Charges**

		Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
<b><u>Transmission - Network</u></b>						
<b>Rate Class</b>	<b>Per</b>	<b>Rate \$</b>	<b>Rate \$</b>	<b>\$</b>	<b>Rate \$</b>	<b>\$</b>
Residential	kWh	\$0.0102	\$0.0111	\$0.0010	\$0.0116	\$0.0004
General Service < 50 kW	kWh	\$0.0093	\$0.0102	\$0.0009	\$0.0106	\$0.0004
General Service > 50 to 4999 kW	kW	\$3.7308	\$4.1908	\$0.4601	\$4.3560	\$0.1652
Unmetered Scattered Load	kWh	\$0.0093	\$0.0102	\$0.0009	\$0.0106	\$0.0004
Sentinel Lighting	kW	\$2.8278	\$3.1617	\$0.3339	\$3.2863	\$0.1246
Street Lighting	kW	\$2.8135	\$3.1608	\$0.3473	\$3.2854	\$0.1246
<b><u>Transmission - Connection</u></b>						
<b>Rate Class</b>	<b>Per</b>	<b>Rate \$</b>	<b>Rate \$</b>	<b>\$</b>	<b>Rate \$</b>	<b>\$</b>
Residential	kWh	\$0.0048	\$0.0051	\$0.0004	\$0.0052	\$0.0001
General Service < 50 kW	kWh	\$0.0043	\$0.0045	\$0.0002	\$0.0045	\$0.0000
General Service > 50 to 4999 kW	kW	\$1.6890	\$1.8249	\$0.1358	\$1.8444	\$0.0195
Unmetered Scattered Load	kWh	\$0.0043	\$0.0045	\$0.0002	\$0.0045	\$0.0000
Sentinel Lighting	kW	\$1.3329	\$2.8806	\$1.5476	\$2.9114	\$0.0309
Street Lighting	kW	\$1.3057	\$1.4106	\$0.1049	\$1.4257	\$0.0151

**Table 17 - 2025 Low Voltage Rates**

		Application Aug 6, 2024	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Issues Day Process Nov 4, 2024	Settlement Proposal Dec 20, 2024	Settlement Proposal Dec 20, 2024
<b>Rate Class</b>	<b>Per</b>	<b>Rate</b>	<b>\$ Impact on CoP</b>	<b>Rate</b>	<b>\$ Impact on CoP</b>	<b>Rate</b>	<b>\$ Impact on CoP</b>
Residential	kWh	0.0017	\$88,809	0.0017	\$86,471	0.0017	\$86,284
General Service < 50 kW	kWh	0.0015	\$28,573	0.0015	\$27,048	0.0015	\$26,897
General Service > 50 to 4999 kW	kW	0.5554	\$103,723	0.5751	\$107,394	0.5705	\$107,708
Unmetered Scattered Load	kWh	0.0015	\$668	0.0015	\$632	0.0015	\$615
Sentinel Lighting	kW	0.4383	\$375	0.9078	\$581	0.9006	\$634
Street Lighting	kW	0.4294	\$620	0.4445	\$642	0.4410	\$631
			<b>\$222,769</b>		<b>\$222,769</b>		<b>\$222,769</b>

**Evidence References**

- EXHIBIT 8 - Rate Design

**IR and Clarification Responses**

**Supporting Parties**

- VECC, OEB Staff

**Parties Taking No Position**

- None



## 5.4 Are the Proposed Loss Factors Appropriate?

### Full Settlement

The Parties accept that the 2025 forecast loss factors, updated to include the impact of embedded generation on the Supply Facilities loss factor, are appropriate for the purpose of setting rates.

**Table 18 - 2025 Loss Factors**

	Application Aug 6, 2024	Issues Day Process Nov 4, 2024	Variance over Original Filing	Settlement Proposal Dec 20, 2024	Variance over Issues Day Process
Distribution Loss Factor	1.0398	1.0384	-0.0014	1.0400	0.0016
Supply Facilities Loss Factor	1.0187	1.0187	0.0000	1.0178	-0.0009
Total Loss Factor	1.0592	1.0578	-0.0014	1.0585	0.0007

### Evidence References

- EXHIBIT 8 – Rate Design

### IR and Clarification Responses

#### Supporting Parties

- VECC, OEB Staff

#### Parties Taking No Position

- None

## **5.5 Are the Specific Service Charges and Retail Service Charges appropriate?**

### **Full Settlement**

The Parties accept that HHI's proposed Specific Service Charges and Retail Service Charges are appropriate. The Retail Service Charges have been updated in accordance with the OEB Decision and Order issued on September 26, 2024.<sup>2</sup>

### **Evidence References**

- EXHIBIT 8 - Rate Design

### **IR and Clarification Responses**

- None

### **Supporting Parties**

- VECC, OEB Staff

### **Parties Taking No Position**

- None

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<sup>2</sup> EB-2024-0226

## **5.6 Are rate mitigation proposals required and appropriate?**

### **Full Settlement**

The Parties agree that there is no need for rate mitigation in relation to the rates that flow from this Settlement Proposal.

### **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 8 - Rate Design

### **IR and Clarification Responses**

#### **Supporting Parties**

- VECC, OEB Staff

#### **Parties Taking No Position**

- None

## 6. Deferral and Variance Accounts

### 6.1 Are the proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

#### Full Settlement

The Parties agree that HHI's proposals for deferral and variance accounts, including the balances (as presented in Table 19 below) are appropriate, including the proposed disposition of those accounts on a final basis, subject to HHI forecasting the balances in the account 1592 sub account in relation to accelerated CCA and the Pole Attachment Revenue Variance Account to the end of 2024 and disposing of the account in this application.

The Parties agree to a disposition period of 12 months for the deferral and variance accounts being cleared in this proceeding.

With respect to the Parties agreement that HHI clear Accounts 1588 and 1589 for the period from 2020 to 2023 as proposed (a net credit to be paid by HHI to its customers) HHI recognizes the OEB's direction in its letter dated October 31, 2019 with respect to the disposition of commodity pass through accounts like accounts 1588 and 1589 on a final basis, which includes the following:

*Where an accounting or other error is discovered after the balance in one of the above-listed variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:*

- *whether the error was within the control of the distributor*
- *the frequency with which the distributor has made the same error*
- *failure to follow guidance provided by the OEB*
- *the degree to which other distributors are making similar errors*

*Consistent with the OEB's past practice, an asymmetrical approach to the correction of the error may be appropriate. For example, if a distributor repeats an error, and if correcting the error is solely to the benefit of the distributor, the OEB may not approve part or all of the correction and of any associated carrying charges.*

The Parties note that in agreeing to the accuracy of the disposition of Accounts 1588 and 1589 that they rely on, in part, the 3<sup>rd</sup> Party review of the accounting entries related to the accounts performed by Baker Tilley, provided in the evidence at Exhibit 9, Attachment 9A.

**Table 19 - DVA Balances for Disposition**

<b>Account Description</b>	<b>Acct #</b>	<b>Application Aug 6, 2024</b>	<b>Issues Day Process Nov 4, 2024</b>	<b>Settlement Proposal Dec 20, 2024</b>	<b>Continue use of Account</b>
LV variance account	1550	\$101,005	\$101,005	\$101,005	Yes
Smart metering entity charge variance account	1551	\$(27,788)	\$(27,788)	\$(27,788)	Yes
RSVA - wholesale market service charge	1580	\$37,327	\$37,327	\$37,327	Yes
RSVA - retail transmission network charge	1584	\$238,579	\$238,579	\$238,579	Yes
RSVA - retail transmission connection charge	1586	\$99,007	\$99,007	\$99,007	Yes
RSVA - power (excluding global adjustment)	1588	\$(616,035)	\$(616,035)	\$(616,035)	Yes
RSV - global adjustment	1589	\$(377,952)	\$(377,952)	\$(377,952)	Yes
<b>Total group 1 accounts above (excluding 1589)</b>		<b>\$(167,904)</b>	<b>\$(167,904)</b>	<b>\$(167,904)</b>	
Pole attachment revenue variance	1508	\$(113,312)	\$(113,312)	\$(110,553)	No
Customer choice initiative costs	1508	\$12,888	\$12,888	\$12,888	No
Retail cost variance account - retail	1518	(16,084)	\$(16,084)	\$(16,084)	No
Retail cost variance account - str	1548	\$24,637	24,637	\$24,637	No
Pils and tax variance for 2006 and subsequent years- sub-account cca changes	1592	\$(22,707)	\$(22,707)	\$(36,334)	Yes
<b>Total of group 1 accounts (1550, 1551, 1584, 1586 and 1595)</b>		<b>\$410,803</b>	<b>\$410,803</b>	<b>\$410,803</b>	
<b>Total of account 1580 and 1588 (not allocated to WMPS)</b>		<b>\$(578,707)</b>	<b>\$(578,707)</b>	<b>\$(578,707)</b>	
<b>Account 1589 (allocated to non-WMPS)</b>		<b>\$(377,952)</b>	<b>\$(377,952)</b>	<b>\$(377,952)</b>	
<b>Total group 2 accounts</b>		<b>\$(114,577)</b>	<b>\$(114,577)</b>	<b>\$(125,446)</b>	

### **Evidence References**

- EXHIBIT 1 – Administrative Documents
- EXHIBIT 9 – Deferral and Variance Accounts

### **IR and Clarification Responses**

#### **Supporting Parties**

- VECC, OEB Staff

#### **Parties Taking No Position**

- None

## **7. Other**

### **7.1 Is the proposed effective date appropriate?**

#### **Full Settlement**

The Parties agree that HHI's new rates should be effective on the same date that HHI is able to implement them, subject to January 1, 2025, being the earliest effective date that will be permitted. The Parties note that HHI is able to implement rates for the first of a month if it has approval to implement new rates within 7 days following the proposed implementation date; for example, HHI would be able to implement rates for January 1, 2025, if it were to receive approval of this Settlement Proposal on or before January 8, 2025.

#### **Evidence References**

- EXHIBIT 1 – Administrative Documents

#### **IR and Clarification Responses**

- None

#### **Supporting Parties**

- VECC, OEB Staff

#### **Parties Taking No Position**

- None

## **7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?**

### **Full Settlement**

As part of its 2018 Cost of Service Settlement Proposal<sup>3</sup>, HHI agreed to file an independent, third-party Asset Condition Assessment with its next rebasing, as well as enter into a service agreement with Sproule Inc. to formalize the terms of their working relationship.

The Parties accept that HHI has responded appropriately to all outstanding OEB directions.

### **Evidence References**

- EXHIBIT 2 – Rate Base

### **IR and Clarification Responses**

- HHI Response to Commitments – Commitment 43

### **Supporting Parties**

- VECC, OEB Staff

### **Parties Taking No Position**

- None

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<sup>3</sup> EB-2017-0048



### **7.3 Should the 2024 interim rates be made final?**

#### **Full Settlement**

On December 21, 2023, the OEB declared HHI's rates interim as of January 1, 2024.<sup>4</sup> The OEB noted that as part of HHI's 2025 Cost of Service that it would consider HHI's 2024 Return on Equity and determine if rates for 2024 should be declared final, or whether any adjustments should be made. HHI has forecasted its 2024 Return on Equity to be 1.84%.

The Parties agree that HHI's 2024 rates should be made final without adjustments.

#### **Evidence References**

#### **IR and Clarification Responses**

- HHI Response to Commitments – Commitment 10

#### **Supporting Parties**

- VECC, OEB Staff

#### **Parties Taking No Position**

- None

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<sup>4</sup> EB-2023-0029

**APPENDIX A**  
**Revenue Requirement Work Form**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2025 Filers



Version 1.10

Utility Name	Hydro Hawkesbury Inc.
Service Territory	
Assigned EB Number	EB-2024-0000
Name and Title	Heather Dowling
Phone Number	519-843-2900 ext 229
Email Address	<a href="mailto:mpoulin@hydrohawkesbury.com">mpoulin@hydrohawkesbury.com</a>
Test Year	<a href="#">2025</a>
Bridge Year	<a href="#">2024</a>
Last Rebasing Year	<a href="#">2018</a>

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

Commencing with 2023 rate applications, the RRWF has been enhanced with an additional column, so that two stages of processing of an application (e.g. interrogatory responses and settlement agreement) between the initial application filing and the OEB decision and draft rate order ("Per Board Decision") can be used. Functionality of the RRWF is the same as in previous versions of the RRWF. (May 2022)

***This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.***

***While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and***



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2025 Filers

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[11. Cost Allocation](#)

12. Residential Rate Design - hidden. Contact OEB staff if needed.

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### Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale blue cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.**



# Revenue Requirement Workform (RRWF) for 2025 Filers

Data Input Sheet <sup>(1)</sup>

	Initial Application <sup>(2)</sup>	Adjustments	Interrogatory Responses <sup>(6)</sup>	Adjustments	Settlement Agreement <sup>(6)</sup>	Adjustments	Per Board Decision
<b>1 Rate Base</b>							
Gross Fixed Assets (average)	\$ 9,571,346	\$ -	\$ 9,571,346	(\$9,473)	\$ 9,561,873		\$ 9,561,873
Accumulated Depreciation (average)	(\$2,836,543) <sup>(6)</sup>	\$ -	(2,836,543)	\$556	(2,835,986)		(2,835,986)
<b>Allowance for Working Capital:</b>							
Controllable Expenses	\$1,686,034	(\$82,484)	\$ 1,603,550	(\$0)	\$ 1,603,550		\$ 1,603,550
Cost of Power	\$16,892,567	\$515,941	\$ 17,408,508	(\$534,421)	\$ 16,874,087		\$ 16,874,087
Working Capital Rate (%)	7.50% <sup>(9)</sup>	0.00%	7.50% <sup>(9)</sup>	0.00%	7.50% <sup>(9)</sup>		
<b>2 Utility Income</b>							
<b>Operating Revenues:</b>							
Distribution Revenue at Current Rates	\$1,881,620	(\$931)	\$1,880,689	\$20,173	\$1,900,862		
Distribution Revenue at Proposed Rates	\$2,224,767	(\$50,409)	\$2,174,358	\$30,348	\$2,204,706		
<b>Other Revenue:</b>							
Specific Service Charges	\$48,049	\$0	\$48,049	\$0	\$48,049		
Late Payment Charges	\$30,667	\$0	\$30,667	\$0	\$30,667		
Other Distribution Revenue	\$25,946	\$11,762	\$37,708	\$17,000	\$54,708		
Other Income and Deductions	\$139,330	(\$44,136)	\$95,194	\$0	\$95,194		
Total Revenue Offsets	\$243,992 <sup>(7)</sup>	(\$32,374)	\$211,618	\$17,000	\$228,618		
<b>Operating Expenses:</b>							
OM+A Expenses	\$1,658,229	(\$82,484)	\$ 1,575,745	(\$0)	\$ 1,575,745		\$ 1,575,745
Depreciation/Amortization	\$289,138	\$ -	\$ 289,138	\$32,888	\$322,027		\$ 322,027
Property taxes	\$27,805	\$ -	\$ 27,805	\$ -	\$27,805		\$ 27,805
Other expenses		\$ -					
<b>3 Taxes/PILs</b>							
<b>Taxable Income:</b>							
Adjustments required to arrive at taxable income	(\$224,028) <sup>(8)</sup>	\$0	(\$224,028)	\$126,719	(\$97,309)		
<b>Utility Income Taxes and Rates:</b>							
Income taxes (not grossed up)	\$9,201	\$305	\$9,506	\$15,239	\$24,745		
Income taxes (grossed up)	\$10,479		\$10,827		\$28,183		
Federal tax (%)	9.00%	0.00%	9.00%	0.00%	9.00%		
Provincial tax (%)	3.20%	0.00%	3.20%	0.00%	3.20%		
<b>Income Tax Credits</b>							
<b>4 Capitalization/Cost of Capital</b>							
<b>Capital Structure:</b>							
Long-term debt Capitalization Ratio (%)	56.0%	0.00%	56.0%	0.00%	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% <sup>(8)</sup>	0.00%	4.0% <sup>(8)</sup>	0.00%	4.0% <sup>(8)</sup>		
Common Equity Capitalization Ratio (%)	40.0%	0.00%	40.0%	0.00%	40.0%		
Preferred Shares Capitalization Ratio (%)							
	100.0%		100.0%		100.0%		
<b>Cost of Capital</b>							
Long-term debt Cost Rate (%)	3.59%	0.00%	3.59%	0.00%	3.59%		
Short-term debt Cost Rate (%)	6.23%	(1.19%)	5.04%	0.00%	5.04%		
Common Equity Cost Rate (%)	9.21%	0.04%	9.25%	0.00%	9.25%		
Preferred Shares Cost Rate (%)							

**Notes:**

**General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

<sup>(1)</sup> Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

<sup>(2)</sup> Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

<sup>(3)</sup> Net of addbacks and deductions to arrive at taxable income.

<sup>(4)</sup> Average of Gross Fixed Assets at beginning and end of the Test Year

<sup>(5)</sup> Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

<sup>(6)</sup> Select option from drop-down list by clicking on cell M12 or U12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected. Beginning for 2023, two intermediate stages can be shown (e.g., Interrogatory Responses and Settlement Agreement).

<sup>(7)</sup> Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

<sup>(8)</sup> 4.0% unless an Applicant has proposed or been approved another amount.

<sup>(9)</sup> The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study with supporting rationale could be provided.



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Rate Base and Working Capital

Rate Base								
Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) <sup>(2)</sup>	\$9,571,346	\$ -	\$9,571,346	(\$9,473)	\$9,561,873	\$ -	\$9,561,873
2	Accumulated Depreciation (average) <sup>(2)</sup>	(\$2,836,543)	\$ -	(\$2,836,543)	\$556	(\$2,835,986)	\$ -	(\$2,835,986)
3	Net Fixed Assets (average) <sup>(2)</sup>	\$6,734,804	\$ -	\$6,734,804	(\$8,917)	\$6,725,887	\$ -	\$6,725,887
4	Allowance for Working Capital <sup>(1)</sup>	\$1,393,395	\$32,509	\$1,425,904	(\$40,082)	\$1,385,823	(\$1,385,823)	\$ -
5	<b>Total Rate Base</b>	<b>\$8,128,199</b>	<b>\$32,509</b>	<b>\$8,160,708</b>	<b>(\$48,999)</b>	<b>\$8,111,709</b>	<b>(\$1,385,823)</b>	<b>\$6,725,887</b>

### (1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$1,686,034	(\$82,484)	\$1,603,550	(\$0)	\$1,603,550	\$ -	\$1,603,550
7	Cost of Power	\$16,892,567	\$515,941	\$17,408,508	(\$534,421)	\$16,874,087	\$ -	\$16,874,087
8	Working Capital Base	\$18,578,602	\$433,457	\$19,012,059	(\$534,421)	\$18,477,637	\$ -	\$18,477,637
9	Working Capital Rate % <sup>(1)</sup>	7.50%	0.00%	7.50%	0.00%	7.50%	-7.50%	0.00%
10	Working Capital Allowance	\$1,393,395	\$32,509	\$1,425,904	(\$40,082)	\$1,385,823	(\$1,385,823)	\$ -

#### Notes

- (1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.
- (2) Average of opening and closing balances for the year.



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
<b>Operating Revenues:</b>								
1	Distribution Revenue (at Proposed Rates)	\$2,224,767	(\$50,409)	\$2,174,358	\$30,348	\$2,204,706	\$ -	\$2,204,706
2	Other Revenue <sup>(1)</sup>	\$243,992	(\$32,374)	\$211,618	\$17,000	\$228,618	\$ -	\$228,618
3	<b>Total Operating Revenues</b>	<b>\$2,468,759</b>	<b>(\$82,783)</b>	<b>\$2,385,976</b>	<b>\$47,348</b>	<b>\$2,433,324</b>	<b>\$ -</b>	<b>\$2,433,324</b>
<b>Operating Expenses:</b>								
4	OM+A Expenses	\$1,658,229	(\$82,484)	\$1,575,745	(\$0)	\$1,575,745	\$ -	\$1,575,745
5	Depreciation/Amortization	\$289,138	\$ -	\$289,138	\$32,888	\$322,027	\$ -	\$322,027
6	Property taxes	\$27,805	\$ -	\$27,805	\$ -	\$27,805	\$ -	\$27,805
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Subtotal (lines 4 to 8)</b>	<b>\$1,975,173</b>	<b>(\$82,484)</b>	<b>\$1,892,689</b>	<b>\$32,888</b>	<b>\$1,925,576</b>	<b>\$ -</b>	<b>\$1,925,576</b>
10	Deemed Interest Expense	\$183,665	(\$3,150)	\$180,515	(\$1,084)	\$179,431	(\$30,654)	\$148,777
11	<b>Total Expenses (lines 9 to 10)</b>	<b>\$2,158,837</b>	<b>(\$85,634)</b>	<b>\$2,073,203</b>	<b>\$31,804</b>	<b>\$2,105,007</b>	<b>(\$30,654)</b>	<b>\$2,074,353</b>
12	<b>Utility income before income taxes</b>	<b>\$309,922</b>	<b>\$2,851</b>	<b>\$312,773</b>	<b>\$15,543</b>	<b>\$328,316</b>	<b>\$30,654</b>	<b>\$358,971</b>
13	Income taxes (grossed-up)	\$10,479	\$348	\$10,827	\$17,356	\$28,183	\$ -	\$28,183
14	<b>Utility net income</b>	<b>\$299,443</b>	<b>\$2,503</b>	<b>\$301,946</b>	<b>(\$1,813)</b>	<b>\$300,133</b>	<b>\$30,654</b>	<b>\$330,788</b>

## Notes

### Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$48,049	\$ -	\$48,049	\$ -	\$48,049		\$48,049
	Late Payment Charges	\$30,667	\$ -	\$30,667	\$ -	\$30,667		\$30,667
	Other Distribution Revenue	\$25,946	\$11,762	\$37,708	\$17,000	\$54,708		\$54,708
	Other Income and Deductions	\$139,330	(\$44,136)	\$95,194	\$ -	\$95,194		\$95,194
	<b>Total Revenue Offsets</b>	<b>\$243,992</b>	<b>(\$32,374)</b>	<b>\$211,618</b>	<b>\$17,000</b>	<b>\$228,618</b>	<b>\$ -</b>	<b>\$228,618</b>



# Revenue Requirement Workform (RRWF) for 2025 Filers

**Taxes/PILs**

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
<b><u>Determination of Taxable Income</u></b>					
1	Utility net income before taxes	\$299,443	\$301,946	\$300,133	\$248,858
2	Adjustments required to arrive at taxable utility income	(\$224,028)	(\$224,028)	(\$97,309)	(\$97,309)
3	Taxable income	<u>\$75,415</u>	<u>\$77,918</u>	<u>\$202,825</u>	<u>\$151,549</u>
<b><u>Calculation of Utility income Taxes</u></b>					
4	Income taxes	\$9,201	\$9,506	\$24,745	\$24,745
6	Total taxes	<u>\$9,201</u>	<u>\$9,506</u>	<u>\$24,745</u>	<u>\$24,745</u>
7	Gross-up of Income Taxes	\$1,278	\$1,321	\$3,438	\$3,438
8	Grossed-up Income Taxes	<u>\$10,479</u>	<u>\$10,827</u>	<u>\$28,183</u>	<u>\$28,183</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$10,479</u>	<u>\$10,827</u>	<u>\$28,183</u>	<u>\$28,183</u>
10	Other tax Credits	\$ -	\$ -	\$ -	\$ -
<b><u>Tax Rates</u></b>					
11	Federal tax (%)	9.00%	9.00%	9.00%	9.00%
12	Provincial tax (%)	<u>3.20%</u>	<u>3.20%</u>	<u>3.20%</u>	<u>3.20%</u>
13	Total tax rate (%)	<u>12.20%</u>	<u>12.20%</u>	<u>12.20%</u>	<u>12.20%</u>

**Notes**





# Revenue Requirement Workform (RRWF) for 2025 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
<b>Initial Application</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$4,551,791	3.59%	\$163,409
2	Short-term Debt	4.00%	\$325,128	6.23%	\$20,255
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$4,876,919</b>	<b>3.77%</b>	<b>\$183,665</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$3,251,279	9.21%	\$299,443
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$3,251,279</b>	<b>9.21%</b>	<b>\$299,443</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$8,128,199</b>	<b>5.94%</b>	<b>\$483,108</b>
<b>Interrogatory Responses</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$4,569,996	3.59%	\$164,063
2	Short-term Debt	4.00%	\$326,428	5.04%	\$16,452
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$4,896,425</b>	<b>3.69%</b>	<b>\$180,515</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$3,264,283	9.25%	\$301,946
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$3,264,283</b>	<b>9.25%</b>	<b>\$301,946</b>
7	<b>Total</b>	<b>100.00%</b>	<b>\$8,160,708</b>	<b>5.91%</b>	<b>\$482,461</b>
<b>Settlement Agreement</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$4,542,557	3.59%	\$163,078
9	Short-term Debt	4.00%	\$324,468	5.04%	\$16,353
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$4,867,026</b>	<b>3.69%</b>	<b>\$179,431</b>
	<b>Equity</b>				
11	Common Equity	40.00%	\$3,244,684	9.25%	\$300,133
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.00%</b>	<b>\$3,244,684</b>	<b>9.25%</b>	<b>\$300,133</b>
14	<b>Total</b>	<b>100.00%</b>	<b>\$8,111,709</b>	<b>5.91%</b>	<b>\$479,564</b>
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$3,766,496	3.59%	\$135,217
9	Short-term Debt	4.00%	\$269,035	5.04%	\$13,559
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$4,035,532</b>	<b>3.69%</b>	<b>\$148,777</b>
	<b>Equity</b>				
11	Common Equity	40.00%	\$2,690,355	9.25%	\$248,858
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.00%</b>	<b>\$2,690,355</b>	<b>9.25%</b>	<b>\$248,858</b>
14	<b>Total</b>	<b>100.00%</b>	<b>\$6,725,887</b>	<b>5.91%</b>	<b>\$397,634</b>

### Notes



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$378,893		\$322,144		\$313,964		\$228,310
2	Distribution Revenue	\$1,881,620	\$1,845,874	\$1,880,689	\$1,852,214	\$1,900,862	\$1,890,742	\$1,900,862	\$1,976,396
3	Other Operating Revenue	\$243,992	\$243,992	\$211,618	\$211,618	\$228,618	\$228,618	\$228,618	\$228,618
	Offsets - net								
4	<b>Total Revenue</b>	<b>\$2,125,612</b>	<b>\$2,468,759</b>	<b>\$2,092,307</b>	<b>\$2,385,976</b>	<b>\$2,129,480</b>	<b>\$2,433,324</b>	<b>\$2,129,480</b>	<b>\$2,433,324</b>
5	Operating Expenses	\$1,975,173	\$1,975,173	\$1,892,689	\$1,892,689	\$1,925,576	\$1,925,576	\$1,925,576	\$1,925,576
6	Deemed Interest Expense	\$183,665	\$183,665	\$180,515	\$180,515	\$179,431	\$179,431	\$148,777	\$148,777
8	<b>Total Cost and Expenses</b>	<b>\$2,158,837</b>	<b>\$2,158,837</b>	<b>\$2,073,203</b>	<b>\$2,073,203</b>	<b>\$2,105,007</b>	<b>\$2,105,007</b>	<b>\$2,074,353</b>	<b>\$2,074,353</b>
9	<b>Utility Income Before Income Taxes</b>	<b>(\$33,226)</b>	\$309,922	\$19,104	\$312,773	\$24,473	\$328,316	\$55,127	\$358,971
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$224,028)	(\$224,028)	(\$224,028)	(\$224,028)	(\$97,309)	(\$97,309)	\$ -	(\$97,309)
11	<b>Taxable Income</b>	<b>(\$257,254)</b>	\$85,894	(\$204,924)	\$88,745	(\$72,836)	\$231,008	\$55,127	\$261,662
12	Income Tax Rate	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%
13	<b>Income Tax on Taxable Income</b>	\$ -	\$10,479	\$ -	\$10,827	\$ -	\$28,183	\$6,726	\$31,923
14	<b>Income Tax Credits</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	<b>Utility Net Income</b>	<b>(\$33,226)</b>	<b>\$299,443</b>	<b>\$19,104</b>	<b>\$301,946</b>	<b>\$24,473</b>	<b>\$300,133</b>	<b>\$48,402</b>	<b>\$330,788</b>
16	<b>Utility Rate Base</b>	<b>\$8,128,199</b>	<b>\$8,128,199</b>	<b>\$8,160,708</b>	<b>\$8,160,708</b>	<b>\$8,111,709</b>	<b>\$8,111,709</b>	<b>\$6,725,887</b>	<b>\$6,725,887</b>
17	Deemed Equity Portion of Rate Base	\$3,251,279	\$3,251,279	\$3,264,283	\$3,264,283	\$3,244,684	\$3,244,684	\$2,690,355	\$2,690,355
18	Income/(Equity Portion of Rate Base)	-1.02%	9.21%	0.59%	9.25%	0.75%	9.25%	1.80%	12.30%
19	Target Return - Equity on Rate Base	9.21%	9.21%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
20	Deficiency/Sufficiency in Return on Equity	-10.23%	0.00%	-8.66%	0.00%	-8.50%	0.00%	-7.45%	3.05%
21	Indicated Rate of Return	1.85%	5.94%	2.45%	5.91%	2.51%	5.91%	2.93%	7.13%
22	Requested Rate of Return on Rate Base	5.94%	5.94%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%
23	Deficiency/Sufficiency in Rate of Return	-4.09%	0.00%	-3.47%	0.00%	-3.40%	0.00%	-2.98%	1.22%
24	Target Return on Equity	\$299,443	\$299,443	\$301,946	\$301,946	\$300,133	\$300,133	\$248,858	\$248,858
25	Revenue Deficiency/(Sufficiency)	\$332,668	\$ -	\$282,843	(\$0)	\$275,660	\$ -	\$200,456	\$81,930
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$378,893 <sup>(1)</sup></b>		<b>\$322,144 <sup>(1)</sup></b>		<b>\$313,964 <sup>(1)</sup></b>		<b>\$228,310 <sup>(1)</sup></b>	

**Notes:**

<sup>(1)</sup> Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$1,658,229	\$1,575,745	\$1,575,745	\$1,575,745
2	Amortization/Depreciation	\$289,138	\$289,138	\$322,027	\$322,027
3	Property Taxes	\$27,805	\$27,805	\$27,805	\$27,805
5	Income Taxes (Grossed up)	\$10,479	\$10,827	\$28,183	\$28,183
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$183,665	\$180,515	\$179,431	\$148,777
	Return on Deemed Equity	\$299,443	\$301,946	\$300,133	\$248,858
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$2,468,759</u>	<u>\$2,385,976</u>	<u>\$2,433,324</u>	<u>\$2,351,394</u>
9	Revenue Offsets	\$243,992	\$211,618	\$228,618	\$ -
10	<b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b>	<u>\$2,224,767</u>	<u>\$2,174,359</u>	<u>\$2,204,706</u>	<u>\$2,351,394</u>
11	Distribution revenue	\$2,224,767	\$2,174,358	\$2,204,706	\$2,204,706
12	Other revenue	\$243,992	\$211,618	\$228,618	\$228,618
13	<b>Total revenue</b>	<u>\$2,468,759</u>	<u>\$2,385,976</u>	<u>\$2,433,324</u>	<u>\$2,433,324</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u> <sup>(1)</sup>	<u>(\$0)</u> <sup>(1)</sup>	<u>\$ -</u> <sup>(1)</sup>	<u>\$81,930</u> <sup>(1)</sup>

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% <sup>(2)</sup>	Settlement Agreement	Δ% <sup>(2)</sup>	Per Board Decision	Δ% <sup>(2)</sup>
<b>Service Revenue Requirement</b>	\$2,468,759	\$2,385,976	###	\$2,433,324	(1.44%)	\$2,351,394	(4.75%)
<b>Grossed-Up Revenue Deficiency/(Sufficiency)</b>	\$378,893	\$322,144	###	\$313,964	#####	\$228,310	(39.74%)
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$2,224,767	\$2,174,359	###	\$2,204,706	(0.90%)	\$2,351,394	5.69%
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$343,147	\$293,669	###	\$303,843	#####	\$ -	(100.00%)

**Notes**

<sup>(1)</sup> Line 11 - Line 8

<sup>(2)</sup> Percentage Change Relative to Initial Application



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-1** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-1B** and in Exhibit 3 of the application.

**Appendix 2-1B** is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and trends from historical actuals to the Bridge and Test Year forecasts.

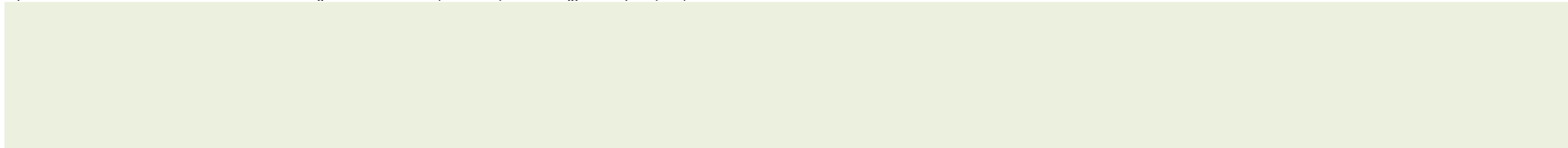
Stage in Process:

Settlement Agreement

	Customer Class Input the name of each customer class.	Initial Application			Interrogatory Responses			Settlement Agreement			Per Board Decision		
		Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA <sup>(1)</sup> Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA <sup>(1)</sup> Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA <sup>(1)</sup> Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA <sup>(1)</sup> Annual
1	Residential	4,938	50,447,580	-	4,938	50,447,580	-	4,972	50,707,437	-			
2	General Service < 50 kW	607	18,034,273	-	607	18,034,273	-	609	18,064,851	-			
3	General Service 50 to 4999 kW	85	73,757,579	186,745	85	73,757,579	186,745	91	74,503,253	188,790			
4	Unmetered Scattered Load	17	421,393	-	17	421,393	-	15	412,999	-			
5	Sentinel Lighting	41	49,171	855	41	36,743	640	45	40,328	704			
6	Street Lighting	1,269	524,794	1,445	1,269	524,794	1,445	1,256	519,579	1,431			
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<b>Total</b>			<b>143,234,789</b>	<b>189,044</b>		<b>143,222,361</b>	<b>188,829</b>		<b>144,248,447</b>	<b>190,925</b>			

Notes:

<sup>(1)</sup> Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)





# Revenue Requirement Workform (RRWF) for 2025 Filers

## Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: **Settlement Agreement**

### A) Allocated Costs

Name of Customer Class <sup>(3)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup>	%
<b>From Sheet 10. Load Forecast</b>			<b>(7A)</b>	
1 Residential	\$ 1,017,397	58.33%	\$ 1,587,538	65.24%
2 General Service < 50 kW	\$ 241,185	13.83%	\$ 362,746	14.91%
3 General Service 50 to 4999 kW	\$ 460,397	26.40%	\$ 455,982	18.74%
4 Unmetered Scattered Load	\$ 2,627	0.15%	\$ 4,785	0.20%
5 Sentinel Lighting	\$ 2,065	0.12%	\$ 3,586	0.15%
6 Street Lighting	\$ 20,469	1.17%	\$ 18,687	0.77%
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<b>Total</b>	<b>\$ 1,744,140</b>	<b>100.00%</b>	<b>\$ 2,433,324</b>	<b>100.00%</b>
<b>Service Revenue Requirement (from Sheet 9)</b>			<b>\$ 2,433,323.66</b>	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

**B) Calculated Class Revenues**

Name of Customer Class	Load Forecast (LF) X current approved rates  (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates  (7D)	Miscellaneous Revenues  (7E)
1 Residential	\$ 1,158,078	\$ 1,343,191	\$ 1,343,233	\$ 175,088
2 General Service < 50 kW	\$ 266,238	\$ 308,795	\$ 314,835	\$ 28,742
3 General Service 50 to 4999 kW	\$ 449,193	\$ 520,995	\$ 520,995	\$ 19,170
4 Unmetered Scattered Load	\$ 3,361	\$ 3,899	\$ 4,099	\$ 435
5 Sentinel Lighting	\$ 4,036	\$ 4,681	\$ 3,810	\$ 493
6 Street Lighting	\$ 19,956	\$ 23,146	\$ 17,735	\$ 4,689
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<b>Total</b>	<b>\$ 1,900,862</b>	<b>\$ 2,204,706</b>	<b>\$ 2,204,706</b>	<b>\$ 228,618</b>

- (4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.
- (5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.  
Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.
- (6)
- (7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19.

C) Rebalancing Revenue-to-Cost Ratios

Name of Customer Class		Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
		Most Recent Year: 2018	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
		%	%	%	%
1	Residential	98.35%	95.64%	95.64%	85 - 115
2	General Service < 50 kW	99.12%	93.05%	94.72%	
3	General Service 50 to 4999 kW	106.25%	118.46%	118.46%	
4	Unmetered Scattered Load	91.10%	90.55%	94.74%	
5	Sentinel Lighting	97.67%	144.29%	120.00%	
6	Street Lighting	81.44%	148.95%	120.00%	
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- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2020 with further adjustments to move within the range over two years, the Most Recent Year would be 2023. However, the ratios in 2023 would be equal to those after the adjustment in 2022.
- (9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
- (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios <sup>(11)</sup>

Name of Customer Class	Test Year	Proposed Revenue-to-Cost Ratio		Policy Range
		Price Cap IR Period 1	Price Cap IR Period 2	
1 Residential	95.64%	95.64%	95.64%	85 - 115
2 General Service < 50 kW	94.72%	94.72%	94.72%	
3 General Service 50 to 4999 kW	118.46%	118.46%	118.46%	
4 Unmetered Scattered Load	94.74%	94.74%	94.74%	
5 Sentinel Lighting	120.00%	120.00%	120.00%	
6 Street Lighting	120.00%	120.00%	120.00%	
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(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2025 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2026 and 2027 Price Cap IR models, as necessary. For 2026 and 2027, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2026 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.



# Revenue Requirement Workform (RRWF) for 2025 Filers

## Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process:		Settlement Agreement			Class Allocated Revenues			Fixed / Variable Splits <sup>1,3</sup>			Distribution Rates				Revenue Reconciliation		
Customer and Load Forecast					From Sheet 11, Cost Allocation and Sheet 12, Residential Rate Design			Percentage to be entered as a fraction between 0 and 1		Transformer Ownership Allowance <sup>1</sup> (\$)	Monthly Service Charge <sup>2</sup>		Volumetric Rate <sup>3</sup>		MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable		Rate	No. of decimals	Rate	No. of decimals			
<b>From sheet 10, Load Forecast</b>																	
1	Residential	kWh	4,972	50,707.437	\$ 1,343,233	\$ 1,343,233	\$ -	100.00%	0.00%			\$0.0000	kWh	4	\$ 1,343,036.64	\$ -	\$ 1,343,036.64
2	General Service < 50 kW	kWh	609	18,064.851	\$ 314,835	\$ 148,209	\$ 166,626	47.08%	52.92%			\$0.0092	kWh		\$ 148,206.24	\$ 166,196.6263	\$ 314,402.87
3	General Service 50 to 4999 kW	kWh	91	74,503.253	\$ 520,995	\$ 122,307	\$ 398,687	23.48%	76.52%	\$ 113,274	\$112.00	\$2,711.18	kWh		\$ 122,304.00	\$ 511,959.6937	\$ 520,989.69
4	Unmetered Scattered Load	kWh	15	412,999	\$ 4,099	\$ 1,732	\$ 2,367	42.25%	57.75%			\$0.0057	kWh		\$ 1,731.60	\$ 2,354.0937	\$ 4,085.69
5	Sentinel Lighting	kW	45	40.328	\$ 3,810	\$ 938	\$ 2,872	24.62%	75.38%			\$4.0790	kWh		\$ 939.60	\$ 2,871.9423	\$ 3,811.54
6	Street Lighting	kW	1,256	519,579	\$ 17,735	\$ 8,707	\$ 9,028	49.09%	50.91%			\$6.3099	kWh		\$ 8,741.76	\$ 9,028.5236	\$ 17,770.28
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<b>Total Transformer Ownership Allowance</b>										\$ 113,274							
												Rates recover revenue requirement		<b>Total Distribution Revenues</b>		\$ 2,204,096.71	
														<b>Base Revenue Requirement</b>		\$ 2,204,705.87	
														<b>Difference</b>		-\$ 609.16	
														<b>% Difference</b>		-0.028%	

**Notes:**

- Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.
- The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).
- The Volumetric rate is calculated as [(allocated volumetric revenue requirement for the class + transformer allowance credit for the class)/(annual estimate of the charge determinant for the test year (either kW or kVA for demand-billed customer classes, or kWh for non-demand-billed classes))]

# Revenue Requirement Workform (RRWF) for 2025 Filers

## Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	Original Application	\$ 483,108	5.94%	\$ 8,128,199	\$ 18,578,602	\$ 1,393,395	\$ 289,138	10,479	\$ 1,658,229	\$ 2,468,759	\$ 243,992	\$ 2,224,767	\$ 378,893

**APPENDIX B**  
**2025 Tariff Sheet**

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective January 1, 2025

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 Volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	22.51
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$	(1.17)
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0017
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	(0.0015)
Rate Rider for Disposition of Global Adjustment Account - Applicable Only to Non-RPP Customers - effective until December 31, 2025	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0116
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0052

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective January 1, 2025

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, and Town Houses and Condominiums that require centralized bulk metering. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	20.28
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0092
Low Voltage Service Rate	\$/kWh	0.0015

Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	(0.0011)
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$/kWh	(0.0010)
Rate Rider for Disposition of Global Adjustment Account - Applicable Only to Non-RPP Customers - effective until December 31, 2025	\$/kWh	(0.0063)

Retail Transmission Rate - Network Service Rate	\$/kWh	0.0106
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Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045
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### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective January 1, 2025

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

## GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate - Network Service Rate and the Retail Transmission Rate - Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 500 kW non-interval metered

General Service 50 to 500 kW interval metered

General Service greater than 500 to 5,000 kW interval metered.

Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant

If included in the following listing of monthly rates and charges, the rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge

\$

112.00

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Distribution Volumetric Rate	\$/kW	2.7118
Low Voltage Service Rate	\$/kW	0.5705
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(0.3833)
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$/kW	(0.2020)
Rate Rider for Disposition of Global Adjustment Account - Applicable Only to Non-RPP Customers - effective until December 31, 2025	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kW	4.3560
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.8444
<b>MONTHLY RATES AND CHARGES - Regulatory Component</b>		
Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Hydro Hawkesbury Inc.

## TARIFF OF RATES AND CHARGES

### Effective January 1, 2025

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## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per customer)	\$	9.62
Distribution Volumetric Rate	\$/kWh	0.0057
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$/kWh	(0.0006)
Rate Rider for Disposition of Global Adjustment Account - Applicable Only to Non-RPP Customers - effective until December 31, 2025	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0106
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



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## TARIFF OF RATES AND CHARGES

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## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.74
Distribution Volumetric Rate	\$/kW	4.0790
Low Voltage Service Rate	\$/kW	0.9006
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(0.0556)
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$/kW	(0.2026)
Retail Transmission Rate - Network Service Rate	\$/kW	3.2863
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9114

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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## TARIFF OF RATES AND CHARGES

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## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per Ontario Energy Board street lighting load shape. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	0.58
Distribution Volumetric Rate	\$/kW	6.3099
Low Voltage Service Rate	\$/kW	0.4410
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kW	(0.3527)
Rate Rider for Disposition of Deferral/Variance Accounts Group 2 - effective until December 31, 2025	\$/kW	0.3924
Rate Rider for Disposition of Global Adjustment Account - Applicable Only to Non-RPP Customers - effective until December 31, 2025	\$/kWh	(0.0063)
Retail Transmission Rate - Network Service Rate	\$/kW	3.2854
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4257

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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### microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10.00
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### ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

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### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00

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Returned cheque (plus bank charges)	\$	20.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	40.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

### Non-payment of account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	30.00
Reconnection at meter - after regular hours	\$	165.00
Reconnection at pole - during regular hours	\$	100.00
Reconnection at pole - after regular hours	\$	300.00

### Other

Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	\$	39.14

## RETAIL SERVICE CHARGES (if applicable)

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	121.23
Monthly fixed charge, per retailer	\$	48.50
Monthly variable charge, per customer, per retailer	\$/cust.	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.71)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.61
Processing fee, per request, applied to the requesting party	\$	1.20
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge

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More than twice a year, per request (plus incremental delivery costs)	\$	4.85
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.42

**LOSS FACTORS**

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0585
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0486