

EB-2024-0026

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
Greater Sudbury Hydro Inc.
For an order approving just and reasonable rates and
Other charges for electricity distribution beginning
May 1, 2025.

Greater Sudbury Hydro Inc.

Partial Settlement Proposal

Filed: March 19, 2025

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LIST OF ATTACHMENTS

GSHi 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

PARTIAL SETTLEMENT PROPOSAL

Greater Sudbury Hydro Inc. (the Applicant or GSHi) filed a Cost-of-Service application with the Ontario Energy Board (the OEB) on October 30, 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 GSHi charges for electricity distribution, to be effective May 1, 2025 (OEB file number EB-2024-0026) (the Application).

The OEB issued a Letter of Direction and Notice of Application on November 19, 2024. In Procedural Order No. 1, dated December 12, 2024, the OEB approved the Vulnerable Energy Consumers Coalition (VECC), the School Energy Coalition (SEC), the Association of Major Power Consumers of Ontario (AMPCO) and The Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC) as intervenors. The order also indicated the prescribed dates for the filing of a proposed Issues List, the submission of interrogatories, GSHi's responses to interrogatories, a Settlement Conference, and various other elements in the proceeding.

On December 16, 2024, OEB Staff, on behalf of the parties, submitted a proposed issues list (the Issues List) to the OEB for approval. The OEB approved the Issues List on December 19, 2024.

GSHi filed its interrogatory responses with the OEB on January 28 and February 4, 2025.

The Settlement Conference was convened on February 10, 11 and 12, 2025 in accordance with the OEB's Rules of Practice and Procedure (the Rules) and the OEB's Practice Direction on Settlement Conferences. VECC, SEC, AMPCO and CCMBC and OEB Staff participated in the Settlement Conference.

Sarah Daitch acted as the facilitator for the Settlement Conference.

Unsettled Issues

GSHi, VECC, SEC, AMPCO and CCMBC (collectively referred to as the Parties), reached a settlement regarding the Application on all issues except part of the relief requested under issue 6.1; the Parties have agreed that the following issues should proceed to a hearing before the OEB:

- a) The proposed recovery of \$26,089,910 in relation to Account 1508 – Other Regulatory Assets, Sub-Account OPEB Cash to Accrual Transitional Amount, including the length of any disposition period; and
- b) The proposed credit of (\$7,218,181) in relation to disposition of Account 1508 – Other Regulatory Assets, Sub-Account OPEB Actuarial Gains & Losses, including the length of any disposition period.

Notwithstanding the partial nature of the Settlement Proposal, the Parties agree and submit to the OEB that the partial settlement can be considered and, if approved, GSHi can

implement new rates based on the Settlement Proposal without the need for a resolution of the unsettled issues. The Parties propose that the OEB determine the unsettled issues noted above and provide for the implementation of any riders related to the unsettled issues. The Parties propose that the unsettled issues, and implementation of associated riders, be determined separately from the settled issues. The Parties propose that the OEB approve the implementation of base rates and rider amounts as agreed to in this partial Settlement Proposal.

Concurrently with the filing of the Settlement Proposal, the Parties are proposing for the OEB's consideration a process to consider the unsettled issues, which includes the filing of additional evidence and a discovery process.

The Partial Settlement

The details and specific components of the settled issues 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, creating mutual obligations, and binding and enforceable in accordance with its terms. 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.

OEB staff also participated in the Settlement Conference. The role adopted by OEB staff is set out in page 5 of the Practice Direction on Settlement Conferences. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction on Settlement Conferences, OEB staff who did participate in the Settlement Conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding. 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 interrogatories, 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 GSHi. 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 final 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, other than the already severed issues under issue 6.1 that the parties have submitted should proceed to a hearing before the OEB. 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 GSHi 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 GSHi, 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, save for the identified unsettled issues.

As previously noted, the Parties were not able to reach agreement on the distinct issues of the amounts to be disposed of in relation to:

- a) The proposed recovery of \$26,089,910 in relation to Account 1508 – Other Regulatory Assets, Sub-Account OPEB Cash to Accrual Transitional Amount, including the length of any disposition period; and
- b) The proposed credit of (\$7,218,181) in relation to disposition of Account 1508 – Other Regulatory Assets, Sub-Account OPEB Actuarial Gains & Losses, including the length of any disposition period.

The Parties have proposed that those issues proceed to a hearing.

In reaching this Settlement Proposal on all other issues, the Parties have been guided by the Filing Requirements for 2025 rates 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 \$0.51 per month for the typical residential customer consuming 750 kWh per month, excluding the unsettled OPEB rate rider.

The financial impact of the Settlement Proposal is to reduce the total base revenue requirement requested of \$32,687,699 by \$1,514,388 to \$31,173,311.

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

GSHi 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 GSHi's Application as filed, the interrogatory process and this Settlement Proposal.

Table 1 – Summary of 2025 Revenue Requirement

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Long Term Debt	4.21%	4.26%	0.05%	4.26%	0.00%	0.05%
Short Term Debt	6.23%	5.04%	-1.19%	5.04%	0.00%	-1.19%
Return on Equity	9.21%	9.25%	0.04%	9.25%	0.00%	0.04%
Regulated Return on Equity	6.29%	6.29%	0.00%	6.29%	0.00%	0.00%
Controllable Expenses	20,566,002	20,566,002	-	19,266,002	-1,300,000	- 1,300,000
Cost of Power	107,410,437	98,869,223	- 8,541,214	98,869,223	-	- 8,541,214
Total Eligible Distribution Expenses	127,976,439	119,435,225	- 8,541,214	118,135,225	-1,300,000	- 9,841,214
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	0.00%	0.00%
Total Working Capital Allowance	9,598,233	8,957,642	- 640,591	8,860,142	- 97,500	- 738,091
Fixed Asset Opening Bal. Test Year	114,942,358	115,481,070	538,712	115,481,070	-	538,712
Fixed Asset Closing Bal. Test Year	120,282,179	121,945,221	1,663,042	121,106,959	- 838,262	824,780
Average Fixed Assets	117,612,268	118,713,146	1,100,877	118,294,014	- 419,131	681,746
Working Capital Allowance	9,598,233	8,957,642	- 640,591	8,860,142	- 97,500	- 738,091
Rate Base	127,210,501	127,670,787	460,286	127,154,156	- 516,631	- 56,345
Deemed Interest Expense	3,316,123	3,303,099	- 13,024	3,289,732	- 13,367	- 26,391
Deemed Return on Equity	4,686,435	4,723,819	37,384	4,704,704	- 19,115	18,269
Regulated Return on Capital	8,002,558	8,026,918	24,360	7,994,436	- 32,482	- 8,122
OM&A	20,224,828	20,224,828	-	18,924,828	-1,300,000	- 1,300,000
Depreciation Expense	5,354,146	5,319,641	- 34,505	5,306,719	- 12,922	- 47,427
Property Taxes	341,174	341,174	-	341,174	-	-
PILs	834,697	768,476	- 66,220	798,732	30,256	- 35,965
Operating Expenses & PILs	26,754,845	26,654,120	- 100,725	25,371,453	-1,282,667	- 1,383,392
Regulated Return on Capital	8,002,558	8,026,918	24,360	7,994,436	- 32,482	- 8,122
Service Revenue Requirement	34,757,403	34,681,038	- 76,365	33,365,889	-1,315,149	- 1,391,514
Less: Revenue Offset	2,069,704	2,069,704	-	2,192,578	122,874	122,874
Base Revenue Requirement	32,687,699	32,611,334	- 76,365	31,173,311	-1,438,023	- 1,514,388

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 Test Year bill impacts that would result solely from the acceptance of this Settlement Proposal, reflecting the implementation of the partial settlement. These bill impacts do not include any effects from the proposed disposition of the unsettled issues. In contrast, Table 3 presents the bill impacts that would result from both the acceptance of this Settlement Proposal and the implementation of the proposed unsettled issues. The Parties have proposed that the implementation of any riders associated with the outcome of the unsettled issues should be separately determined by the OEB.

Table 2 - Bill Impact Summary (Partial Settlement; Excluding Unsettled Issues)

Rate Class	Units		Sub-Total A		Sub-Total B		Sub-Total C		Total Bill	
	kWh	kW	\$	%	\$	%	\$	%	\$	%
Residential	750		\$ 2.78	7.98%	-\$ 1.00	-2.35%	\$ 0.55	1.01%	\$ 0.51	0.38%
General Service (Under) < 50kW	2,000		\$ 4.48	5.80%	-\$ 5.93	-6.12%	-\$ 2.83	-2.34%	-\$ 2.68	-0.80%
General Service (Over) >50kW	60,000	150	\$ 44.50	4.08%	\$ 94.57	8.10%	\$ 261.24	10.61%	\$ 283.59	2.97%
Street Lighting	304,920	855	\$ 5,755.21	12.44%	\$ 5,803.45	12.47%	\$ 6,285.43	12.50%	\$ 7,043.57	7.73%
Sentinel Lighting	78	0.2	\$ 1.12	10.89%	\$ 0.73	6.58%	\$ 0.85	7.07%	\$ 0.79	3.96%
Unmetered Scattered Load	289		\$ 1.09	8.14%	-\$ 0.45	-2.79%	-\$ 0.00	-0.02%	-\$ 0.01	-0.01%

Table 3 – Bill Impact Summary (Including Unsettled Issues)

Rate Class	Units		Sub-Total A		Sub-Total B		Sub-Total C		Total Bill	
	kWh	kW	\$	%	\$	%	\$	%	\$	%
Residential	750		\$ 4.96	14.24%	\$ 1.18	2.80%	\$ 2.73	5.01%	\$ 2.55	1.91%
General Service (Under) < 50kW	2,000		\$ 8.88	11.49%	-\$ 1.53	-1.58%	\$ 1.57	1.29%	\$ 1.45	0.43%
General Service (Over) >50kW	60,000	150	\$ 118.11	10.84%	\$ 168.18	14.40%	\$ 334.84	13.60%	\$ 366.77	3.85%
Street Lighting	304,920	855	\$ 10,244.73	22.14%	\$ 10,292.97	22.12%	\$ 10,774.94	21.43%	\$ 12,116.72	13.29%
Sentinel Lighting	78	0.2	\$ 1.73	16.79%	\$ 1.34	12.09%	\$ 1.46	12.15%	\$ 1.36	6.81%
Unmetered Scattered Load	289		\$ 2.10	15.70%	\$ 0.56	3.46%	\$ 1.01	5.12%	\$ 0.94	1.86%

The chart below outlines the rates that comprise the Sub-Totals 'A', 'B', 'C', and Total Bill in Table 2 & Table 3 above:

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

SETTEMENT PROPOSAL BY ISSUE NUMBER

1. Capital Spending and Rate Base

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

Full Settlement

2024 Bridge Year Net In-Service Additions

The Parties agree that the 2024 Net In-Services Additions of \$13,910,195 as updated through the proceeding is appropriate.

2025 Test Year Net Service Additions

The Parties agree that the proposed 2025 Capital Budget and resulting net in-service additions are appropriate, subject to a 7% reduction to the proposed net in-service additions to reflect a more paced approach to GSHi's proposed capital spending for the purposes of setting rates for 2025. For the purposes of setting the 2025 Test Year rates GSHi has reflected the proposed 7% reduction in its forecast 2025 in-service additions of \$11,545,010. The Parties recognize that, despite these adjustments to the forecast, GSHi retains the discretion to adjust its capital spending as it sees fit to effectively manage its distribution system, notwithstanding the notional changes made in the context of the Settlement Proposal.

2026 to 2029 DSP Budgets

In furtherance of the settlement, GSHi has made changes to its planned expenditures over the 2026 to 2029 period, reflecting a reduction to the forecast average annual net in-service addition amount over that period of 6% per year other than in 2027, where the reduction is 3% to reflect the fact that the 2027 budget is dominated by the proposed Moonlight MS ACM project. While the Parties are not requesting, and the OEB does not approve the 2026 to 2029 DSP budgets, the non-test year DSP budget is often considered a basis for the review of GSHi's capital spending over that period in GSHi's next cost of service proceeding.

As with the changes made to GSHi's 2025 capital budget, the Parties recognize that GSHi retains the discretion to adjust its capital spending over the 2026 to 2029 period as it sees fit in order to effectively manage its distribution system, notwithstanding the changes to the 2026 to 2029 budgets made in the context of the Settlement Proposal. Furthermore, as the OEB does not approve the budget for those years and rates in this application are derived from the costs of only the 2025 capital budget, the revised 2026 to 2029 DSP budget should not be construed as Parties agreeing to its prudence.

Commitments for GSHi's next Cost of Service Proceeding

As part of this Settlement Proposal, GSHi commits to the following in connection with its capital planning:

1. GSHi shall implement the required processes to track the number of outages and duration of outages by equipment type, and report back at the next rebasing application.

2. GSHi has 6 non-contiguous service areas. For all reliability metrics, GSHi shall track and report the data by non-contiguous area.

3. GSHi shall conduct analyses to compare equipment failures of major assets with health index information results from the Asset Condition Assessment and report back in the next application. For example, compare the failure trend of wood poles with the Health Index trend in the Asset Condition Assessment.

4. GSHi shall report on the wood pole test results by year (number of poles tested and breakdown of pole condition) and review the appropriateness of the proposed 3-year timeline for wood pole testing.

5. GSHi will review the appropriateness of including a telecommunications duct within the scope of its construction activities where appropriate and report back on implementation opportunities and any cost savings achieved.

6. GSHi shall consider the feasibility and cost-effectiveness of cable injection as an alternative to cable replacements in its next five-year investment plan.

Table 4 – 2024 and 2025 In-Service Additions

2024 Bridge Year In-Service Additions						
	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
System Access	2,969,582	2,833,493	- 136,089	2,833,493	-	- 136,089
System Renewal	9,840,322	10,529,394	689,072	10,529,394	-	689,072
System Service	247,520	265,672	18,152	265,672	-	18,152
General Plant	2,496,512	1,723,309	- 773,203	1,723,309	-	- 773,203
Capital Contributions	- 2,091,466	- 1,441,673	649,793	- 1,441,673	-	649,793
Total Additions	13,462,470	13,910,195	447,725	13,910,195	-	447,725

2025 Test Year In-Service Additions						
	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
System Access	2,175,000	2,372,625	197,625	2,372,625	-	197,625
System Renewal	8,510,651	8,982,847	472,196	8,319,194	- 663,652	- 191,457
System Service	280,919	275,368	- 5,551	275,368	-	- 5,551
General Plant	1,555,227	2,113,024	557,797	2,002,698	- 110,326	447,471
Capital Contributions	- 1,187,250	- 1,329,875	- 142,625	- 1,424,875	- 95,000	- 237,625
Total Additions	11,334,548	12,413,989	1,079,441	11,545,010	- 868,978	210,463

The Parties accept the evidence of GSHi 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 Responses

- 2-Staff-6 to 2-Staff-30
- 2-AMPCO-8 to 2-AMPCO-30
- 2-VECC-4 to 2-VECC-12
- 2-SEC-8 to 2-SEC-14
- 2-CCMBC-2 to 2-CCMBC-11
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Clarification Questions

- AMPCO-38 to AMPCO-41
- SEC-1

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

1.2 Are the proposed rate base and depreciation amounts appropriate?

Full Settlement

The Parties agree that the proposed rate base and depreciation amounts, including the underlying working capital calculation and depreciation methodology, are appropriate, and accurately reflect updates to the evidence and the outcomes of this Settlement Proposal.

Table 5 – 2025 Working Capital

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
OM&A	20,224,828	20,224,828	-	18,924,828	-1,300,000	-1,300,000
Property Taxes	341,174	341,174	-	341,174	-	-
Controllable Expenses	20,566,002	20,566,002	-	19,266,002	-1,300,000	-1,300,000
Cost of Power	107,410,437	98,869,223	-8,541,214	98,869,223	-	-8,541,214
Total Eligible Distribution Expenses	127,976,439	119,435,225	-8,541,214	118,135,225	-1,300,000	-9,841,214
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	0.00%	0.00%
Total Working Capital Allowance	9,598,233	8,957,642	-640,591	8,860,142	-97,500	-738,091

Table 6 – 2025 Rate Base

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Opening - Gross Fixed Assets	254,061,793	255,728,861	1,667,068	255,728,861	-	1,667,068
Opening - Accum. Depreciation	-139,119,435	-140,247,791	-1,128,356	-140,247,791	-	-1,128,356
Opening - Net Fixed Assets	114,942,358	115,481,070	538,712	115,481,070	-	538,712
Closing - Gross Fixed Assets	262,135,451	265,163,743	3,028,292	264,294,764	-868,979	2,159,313
Closing - Accum. Depreciation	-141,853,272	-143,218,522	-1,365,250	-143,187,805	30,717	-1,334,533
Closing - Net Fixed Assets	120,282,179	121,945,221	1,663,042	121,106,959	-838,262	824,780
Average Fixed Assets	117,612,269	118,713,146	1,100,877	118,294,015	-419,131	681,746
Working Capital Allowance	9,598,233	8,957,642	-640,591	8,860,142	-97,500	-738,091
Rate Base	127,210,501	127,670,787	460,286	127,154,156	-516,631	-56,345

Table 7 – 2025 Depreciation Expense

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Depreciation Expense	5,520,014	5,475,125	- 44,889	5,444,408	- 30,717	- 75,606
Less: Fully Allocated Depreciation						
Transportation	433,309	401,902	- 31,407	399,069	- 2,833	- 34,240
Stores Equipment	100,714	107,275	6,561	106,775	- 500	6,061
Deferred Revenue	- 368,155	- 353,693	14,462	- 368,155	- 14,462	-
Net Depreciation	5,354,146	5,319,641	- 34,505	5,306,719	- 12,922	- 47,427

Evidence References

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

IR Responses

- 2-Staff-30, 6-Staff-47

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

1.3 Is the in-service addition of the Cressey (MS3) Substation ACM project appropriate?

Full Settlement

The Parties agree that the in-service addition of the Cressey (MS3) Substation ACM project is appropriate. The Parties note that the true up of the rider revenue as against the actual revenue requirement for the project during the IRM period has been updated as part of issue 6.1.

Evidence References

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

IR Responses

- 2-Staff-30
- 2-SEC-8
-

Clarification Questions

- SEC-2

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

1.4 Is the proposed ACM for the Moonlight (MS18) Substation Rebuild appropriate?

Full Settlement

The Parties agree that the proposed ACM for the Moonlight (MS18) Substation Rebuild is appropriate, including the current estimated cost of \$6.48M

Evidence Reference

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

IR Responses

- 2-SEC-14

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

2. OM&A

2.1 Are the proposed OM&A expenditures appropriate?

Full Settlement

The Parties agree that the proposed 2025 OM&A expenditures are appropriate, subject to a \$1.3M reduction, resulting in a settled 2025 OM&A budget of \$18,924,828. The Parties note that this revised budget represents an annual average increase between GSHi's approved 2020 OM&A budget and the revised 2025 OM&A budget of 3.3% per year and represents a 4.54% increase over GSHi's 2024 unaudited actual OM&A expenditures. The Parties note that this revised OM&A budget promotes improved benchmarking performance for GSHi in 2025 and going forward, while providing GSHi the necessary funding to maintain its distribution system.

Table 8 - 2025 Test Year OM&A Expenses

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Operations	8,367,972	8,367,972	-	7,509,483	- 858,489	- 858,489
Maintenance	1,964,161	1,964,161	-	1,889,955	- 74,206	- 74,206
Billing & Collecting	1,717,354	1,717,354	-	1,673,501	- 43,853	- 43,853
Community Relations	1,234,670	1,234,670	-	1,162,891	- 71,779	- 71,779
Administration & General	6,940,671	6,940,671	-	6,688,998	- 251,673	- 251,673
Total	20,224,828	20,224,828	-	18,924,828	-1,300,000	- 1,300,000

Evidence References

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

IR Responses

- 4-Staff-32 to 4-Staff-42
- 4-AMPCO-31 to 4-AMPCO-37
- 4-VECC-22 to 4-VECC-33
- 4-SEC-17 to 4-SEC-24
- 4-CCMBC-12 to 4-CCMBC-23

Clarification Questions

- Staff-6
- AMPCO-42
- SEC-4 to SEC-7

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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

Full Settlement

The Parties accept GSHI's proposed shared services cost allocation methodology.

Evidence References

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

IR Responses

- 4-AMPCO-35, 4-AMPCO-36
- 4-VECC-32
- 4-SEC-17, 4-SEC-21, 4-SEC-22, 4-SEC-23
- 4-CCMBC-13, 4-CCMBC-18, 4-CCMBC-19, 4-CCMBC-21, 4-CCMBC-22, 4-CCMBC-23

Clarification Questions

- VECC-54

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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 GSHi's proposed cost of capital parameters and capital structure as reflected below.

The Parties agree that GSHi will comply with any orders or directions from the OEB resulting from the Cost of Capital Generic Proceeding that are applicable to GSHi. The Parties agree that GSHi shall: (a) use the interim cost of capital parameters and the deferral and variance accounts from the OEB letter dated October 31, 2024 from EB-2024-0063; and (b) shall use the interim deemed short term debt rate and deferral and variance account established in the OEB letter dated July 26, 2024 to capture the revenue requirement impact from the changes to the Deemed Short-term Debt Rate described therein.

Table 9 - 2025 Cost of Capital Calculation

Description		Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Debt							
Long-term Debt	56.00%	4.21%	4.26%	0.05%	4.26%	-	0.05%
Short-term Debt	4.00%	6.23%	5.04%	-1.19%	5.04%	-	-1.19%
Total Debt	60.00%	4.34%	4.31%	-0.03%	4.31%	-	-0.03%
Equity	40.00%	9.21%	9.25%	0.04%	9.25%	-	0.04%
Weighted Average Cost of Capital	100.00%	6.29%	6.29%	0.00%	6.29%	-	0.00%

Evidence References

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

IR Responses

- 5-Staff-43 to 5-Staff-45
- 5-VECC-34 to 5-VECC-36

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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

Full Settlement

The Parties accept GSHi's updated calculations of forecast PILs in this Settlement Proposal.

A summary of the updated PILs calculation is presented in Table 10 below.

Table 10 - 2025 Income Taxes

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Income taxes (not grossed up)	613,502	564,830	- 48,672	587,068	22,238	- 26,434
Income taxes (grossed up)	834,697	768,476	- 66,221	798,732	30,256	- 35,965
Federal tax (%)	15.00%	15.00%	-	15.00%	-	0.00%
Provincial tax (%)	11.50%	11.50%	-	11.50%	-	0.00%

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 Responses

- 6-Staff-46

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

3.3 Is the proposed Other Revenue forecast appropriate?

Full Settlement

The Parties agree that GSHi's other revenue forecast as updated during the application process is appropriate, subject to the updated forecast of the loss on the disposal of assets (account 4360) of (\$460,093) and the gain on the disposal of assets (Account 4355) of \$62,648.

A summary of the updated Revenue Offsets is presented in Table 11 below.

Table 11 - 2025 Revenue Offsets

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Specific Service Charges	225,087	225,087	-	225,087	-	-
Late Payment Charges	200,000	200,000	-	200,000	-	-
Other Distribution Revenue	1,968,836	1,968,836	-	1,968,836	-	-
Other Income and Deductions	- 324,219	- 324,219	-	- 201,345	122,874	122,874
Total Revenue Offsets	2,069,704	2,069,704	-	2,192,578	122,874	122,874

Evidence References

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

IR Responses

- 6-VECC-37 to 6-VECC-39
- 6-SEC-25

Clarification Questions

- VECC-52

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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 GSHi that all impacts of any changes to accounting standards, policies, estimates, and adjustments have been properly identified in the Application and the interrogatories and have been recorded and treated appropriately in the ratemaking process, with the exception of the unsettled issues as described at the beginning of this Settlement Proposal.

Evidence References

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

IR Responses

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

3.5 Is the proposed calculation of the Revenue Requirement appropriate?

Full Settlement

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

A summary of the adjusted Base Revenue Requirement of \$31,173,311 reflecting adjustments and settled issues is presented in Table 12 - 2025 Revenue Requirement Summary below.

Table 12 - 2025 Revenue Requirement Summary

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
OM&A	20,224,828	20,224,828	-	18,924,828	-1,300,000	-1,300,000
Depreciation Expense	5,354,146	5,319,641	-34,505	5,306,719	-12,922	-47,427
Property Taxes	341,174	341,174	-	341,174	-	-
PILs	834,697	768,476	-66,220	798,732	30,256	-35,965
Deemed Interest Expense	3,316,123	3,303,099	-13,024	3,289,732	-13,367	-26,391
Deemed Return on Equity	4,686,435	4,723,819	37,384	4,704,704	-19,115	18,269
Service Revenue Requirement	34,757,403	34,681,038	-76,365	33,365,889	-1,315,149	-1,391,514
Revenue Offsets	2,069,704	2,069,704	-	2,192,578	122,874	122,874
Base Revenue Requirement	32,687,699	32,611,334	-76,365	31,173,311	-1,438,023	-1,514,388

Evidence References

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

IR Responses

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

4. Load Forecast

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

Full Settlement

The Parties agree that the updated load forecast filed with this Settlement Proposal is appropriate for the purpose of setting rates. Tables 13 and 14 below outline the small changes to the originally filed load forecast following the inclusion of additional months of historic data.

Table 13 – 2025 Test Year Billing Determinants

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Consumption (kWh)						
Residential	371,703,857	369,301,993	- 2,401,864	369,301,993	-	- 2,401,864
General Service (Under) < 50kW	138,839,523	139,426,048	586,525	139,426,048	-	586,525
General Service (Over) >50kW	319,690,359	321,191,653	1,501,294	321,191,653	-	1,501,294
Unmetered Scattered Load	851,487	856,205	4,718	856,205	-	4,718
Sentinel Lighting	312,757	316,427	3,670	316,427	-	3,670
Street Lighting	3,659,039	3,660,141	1,102	3,660,141	-	1,102
Total	835,057,022	834,752,468	- 304,554	834,752,468	-	- 304,554
Demand (kW)						
General Service (Over) >50kW	793,079	792,309	- 770	792,309	-	- 770
Sentinel Lighting	860	872	11	872	-	11
Street Lighting	10,255	10,258	3	10,258	-	3
Total	804,194	803,439	- 756	803,439	-	- 756

Table 14 below details the number of customers and connections for the test year. The pre-ADR changes reflect additional months of actual customer and connection count data.

Table 14 – Number of Customers & Connections

Rate Class	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Variance over Original Application	Settlement Proposal, March 7, 2025	Variance over Pre ADR	Variance Settlement over Original Application
Residential	43,422	43,485	63	43,485	-	63
General Service < 50 kW	4,404	4,367	- 37	4,367	-	- 37
General Service > 50kW	435	425	- 10	425	-	- 10
Unmetered Scattered Load	246	247	1	247	-	1
Sentinel Lighting	336	340	4	340	-	4
Street Lighting	10,303	10,306	3	10,306	-	3

Evidence References

- EXHIBIT 3 – Load and Customer Forecast

IR Responses

- 3-Staff-31
- 3-VECC-13 to 3-VECC-21
- 3-SEC-15 to 2-SEC-16

Clarification Questions

- VECC-49 to VECC-51

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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 GSHi's cost allocation methodology and its proposed revenue-to-cost ratios, as updated through the interrogatory process and to reflect changes resulting from this Settlement Proposal, including specifically the removal of EV loads from peak demand volume data in the model, based on the assumption that customers will avoid EV charging in peak hours.

Table 15 – Summary of 2025 Revenue-to-Cost Ratios

Rate Class	Original Application October 30, 2024			Responses to Pre-ADRs February 8, 2025			Settlement Proposal March 7, 2025		
	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	100.45%	100.45%	0.00%	99.70%	99.70%	0.00%	99.50%	99.50%	0.00%
General Service < 50 kW	118.54%	118.54%	0.00%	119.08%	119.08%	0.00%	119.05%	119.05%	0.00%
General Service > 50kW	85.59%	85.64%	0.05%	87.10%	87.16%	0.06%	87.74%	87.74%	0.00%
Unmetered Scattered Load	106.02%	106.02%	0.00%	106.20%	106.20%	0.00%	105.63%	105.63%	0.00%
Sentinel Lighting	79.79%	85.64%	5.85%	79.91%	87.16%	7.25%	79.49%	80.00%	0.51%
Street Lighting	121.41%	120.00%	-1.41%	121.72%	120.00%	-1.72%	119.96%	119.89%	-0.06%

Evidence References

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

IR Responses

- 7-Staff-48
- 7-VECC-40, 7-VECC-42
- 7-SEC-26
- 7-CCMBC-24 to 7-CCMBC-26

Clarification Questions

- VECC-54

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

5.2 Is the proposed rate design, including fixed/variable splits and the proposed change to 30-day fixed charges, appropriate?

Full Settlement

The Parties accept GSHi’s approach to rate design including the proposed fixed/variable splits, with the following exception:

- a) The Parties agree that GSHi will not implement its proposal to reflect its approved rates on its tariff sheet on a 30-day basis, instead reflecting its approved rates on a monthly basis.

Table 16 – Summary of 2025 Fixed to Variable Split

Rate Class	Original Application October 30, 2024		Responses to Pre-ADRs February 8, 2025		Settlement Proposal March 7, 2025	
	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %
Residential	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%
General Service < 50 kW	24.43%	75.57%	24.27%	75.73%	25.39%	74.61%
General Service > 50kW	16.47%	83.53%	16.22%	83.78%	16.98%	83.02%
Unmetered Scattered Load	60.24%	39.76%	69.63%	30.37%	69.64%	30.36%
Sentinel Lighting	59.29%	40.71%	59.27%	40.73%	59.28%	40.72%
Street Lighting	84.12%	15.88%	84.56%	15.44%	87.17%	12.83%

Evidence References

- EXHIBIT 8 - Rate Design

IR Responses

- 8-Staff-49, 8-Staff-52
- 8-SEC-27

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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

Full Settlement

The Parties accept that the RTSR rates as updated and presented in Table 17 below are appropriate.

Table 17 - 2025 RTSR Network and Connection Rates Charges

Description		Original Application, October 30, 2024	Pre ADR, February 8, 2025	Settlement Proposal, March 7, 2025
Transmission - Network				
Residential	kWh	\$ 0.0098	\$ 0.0105	\$ 0.0105
General Service (Under) < 50kW	kWh	\$ 0.0074	\$ 0.0079	\$ 0.0079
General Service (Over) >50kW	kW	\$ 5.5187	\$ 5.9162	\$ 5.9162
Street Lighting	kW	\$ 2.8015	\$ 3.0033	\$ 3.0033
Sentinel Lighting	kW	\$ 2.9659	\$ 3.1795	\$ 3.1795
Unmetered Scattered Load	kWh	\$ 0.0074	\$ 0.0079	\$ 0.0079
Transmission - Connection				
Residential	kWh	\$ 0.0067	\$ 0.0071	\$ 0.0071
General Service (Under) < 50kW	kWh	\$ 0.0048	\$ 0.0051	\$ 0.0051
General Service (Over) >50kW	kW	\$ 3.6236	\$ 3.8253	\$ 3.8253
Street Lighting	kW	\$ 1.8389	\$ 1.9413	\$ 1.9413
Sentinel Lighting	kW	\$ 1.9470	\$ 2.0554	\$ 2.0554
Unmetered Scattered Load	kWh	\$ 0.0048	\$ 0.0051	\$ 0.0051

The Parties accept that the Low Voltage rates as updated and presented in Table 18 below are appropriate.

Table 18 - 2025 Low Voltage Charges

Description		Original Application, October 30, 2024	Pre ADR, February 8, 2025	Settlement Proposal, March 7, 2025
Low Voltage				
Residential	kWh	\$ 0.0004	\$ 0.0005	\$ 0.0005
General Service (Under) < 50kW	kWh	\$ 0.0003	\$ 0.0004	\$ 0.0004
General Service (Over) >50kW	kW	\$ 0.2117	\$ 0.2550	\$ 0.2550
Street Lighting	kW	\$ 0.1074	\$ 0.1294	\$ 0.1294
Sentinel Lighting	kW	\$ 0.1138	\$ 0.1370	\$ 0.1370
Unmetered Scattered Load	kWh	\$ 0.0003	\$ 0.0004	\$ 0.0004

Evidence References

- EXHIBIT 8 - Rate Design

IR Responses

- 8-Staff-50, 8-Staff-51
- 8-VECC-44, 8-VECC-46

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

5.4 Are the Proposed Loss Factors Appropriate?

Full Settlement

The Parties accept the proposed 2025 forecast loss factors as appropriate for the purpose of setting rates.

Table 19 - 2025 Loss Factors

Description	Original Application, October 30, 2024	Pre ADR, February 8, 2025	Settlement Proposal, March 7, 2025
Low Voltage			
Supply Facilities Loss Factor	1.0071	1.0071	1.0071
Distribution Loss Factor - Secondary Metered Customer	1.0386	1.0386	1.0386
Distribution Loss Factor - Primary Metered Customer	1.0282	1.0282	1.0282
Total Loss Factor - Secondary Metered Customer	1.0459	1.0459	1.0459
Total Loss Factor - Primary Metered Customer	1.0355	1.0355	1.0355

Evidence References

- EXHIBIT 8 – Rate Design

IR Responses

- 8-VECC-47

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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

Full Settlement

The Parties accept that GSHi's proposed Specific Service Charges and Retail Service Charges are appropriate.

Evidence References

- EXHIBIT 8 - Rate Design

IR Responses

- 8-VECC-45

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

5.6 Are rate mitigation proposals required and appropriate?

Full Settlement

The Parties agree that no mitigation proposals are required.

Evidence References

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

IR Responses

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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 GSHi's proposals for deferral and variance accounts, including the balances (as presented in Table 20 below) are appropriate, including the proposed disposition of those accounts on a final basis, subject to the following adjustments and comments:

- a) The Group 2 rate rider has been adjusted to true up the difference between the actual revenue requirement and the projected revenue collected for the Cressey ACM, resulting in a \$92,540 credit to ratepayers. See Table 20 below for the supporting calculation:

Table 20 – Cressey True-Up to Actual Revenue Requirement Calculations

		2021	2022	2023	2024
Collected - Actual Projected Revenue Collection			\$ 1,257,121		
Less: Balance in 1592 CCA Changes, AIP Deferral Account			-\$ 52,906		
GSHi Actual Collected		A	\$ 1,204,215		
Actual revenue requirement		B	\$ 1,111,675	(Below)	
Difference (credit to ratepayers)		A-B	\$ 92,540		
		2021	2022	2023	2024
Incremental Revenue Requirement					
Return on Rate Base - Total	E * 5.282%	123,679	243,768	236,589	229,409
Amortization Expense - Total	- C	67,962	135,924	135,924	135,924
Grossed-Up Taxes/PILs	M	178,795	15,353	5,609	2,254
		12,846	364,339	366,904	367,587
Total Incremental Revenue Requirement (Above)					1,111,675
Rate Base Calc					
Rate base, opening	A	-	4,683,033	4,547,109	4,411,185
Add, additions	B	4,750,995	-	-	-
Deduct, amortization	C	67,962	135,924	135,924	135,924
Rate base, closing	A + B + C = D	4,683,033	4,547,109	4,411,185	4,275,261
Average	(A + D) / 2 = E	2,341,517	4,615,071	4,479,147	4,343,223
CCA Calc					
UCC, opening	F	-	4,107,331	3,771,542	3,467,412
Add, additions (Class 47 - 8%)	B	4,549,017	-	-	-
Add, additions (Class 1 - 6%)	B	93,674	-	-	-
Add, additions (Class 50 - 55%)	B	108,304	-	-	-
Less: CCA Class 47 (Note)	B * CCA Rate = G	545,882	320,251	294,631	271,060
Less: CCA Class 1 (Note)	B * CCA Rate = G	8,431	5,115	4,808	4,519
Less: CCA Class 50 (Note)	B * CCA Rate = G	89,350	10,424	4,691	2,111
UCC, closing	F + B + G	4,107,331	3,771,542	3,467,412	3,189,722
PILs Calc					
Return on Rate Base	E * 40% * 8.52% = I	79,799	157,282	152,649	148,017
Add Back: amortization	C	67,962	135,924	135,924	135,924
Deduct: CCA (Note)	G	643,663	335,790	304,129	277,690
Incremental Taxable Income	I + C + G = K	495,902	42,584	15,556	6,251
PILs	K * 26.5% = L	131,414	11,285	4,122	1,656
Grossed-Up Taxes/PILs	L / (1 - 0.265) = M	178,795	15,353	5,609	2,254

- b) The disposition of both the OPEB Actuarial Gains & Losses account (a proposed credit of \$7,218,181) and the OPEB Cash to Accrual Transitional account (a proposed debit of \$26,089,910) is excluded from this Settlement Proposal and will be addressed through a hearing process.
- c) The "Pole Attachment Revenue Variance (1508)" account was adjusted in response to Interrogatory 9-Staff-53(b) to include a forecast of the variance for the first four months of 2025.

- d) The “PILs and Tax Variance CCA Changes (1592)” account was adjusted for the following items:
- 1) In response to Interrogatory 9-Staff-57(b)(ii), to include the revenue requirement impact of the 2024 CCA difference based on 2024 capital additions.
 - 2) During the interrogatory phase, to correct the revenue requirement impact of the 2019 CCA difference based on 2019 capital additions, following the discovery and correction of a calculation error for that year.
 - 3) During the settlement phase, to subsequently further correct the revenue requirement impact of the 2019 CCA, based upon agreed upon methodology between GSHi and intervenors.
- e) The interest rates applied to the DVA continuity balances were updated to reflect the 2025 Quarter 1 prescribed interest rates released by the OEB on December 11, 2024.

As noted earlier in the Settlement Proposal, the Parties submit that, if approved, the proposal can be implemented—including the proposed adjustments to base rates and riders—excluding the impact of the two unsettled OPEB accounts, which are proposed to proceed separately to a hearing.

The following tables summarize the DVA account balances for Group 1 and Group 2 accounts (Tables 21 and 22). Following these summaries, Tables 23 through 28 detail the rate riders used for the disposition of these balances, while Tables 29 and 30 provide a summary of which DVA accounts will be continued or discontinued for Group 1 and Group 2 accounts, respectively:

Table 21 – DVA Balances for Disposition (Group 1)

Account Description	USoA	Principal	Interest	Total	Projected Interest (Jan 1, 2024 to Apr 30, 2025)	Total Claim	Disposition Method
Group 1 Accounts							
LV Variance Account	1550	43,247	- 430	42,817	2,750	45,567	RR for DVA
Smart Metering Entity Charge Variance Account	1551	- 87,219	1,234	- 85,984	- 5,546	- 91,530	RR for DVA
RSVA - Wholesale Market Service Charge	1580	- 873,688	- 48,367	- 922,055	- 55,552	- 977,607	RR for DVA
Variance WMS – Sub-account CBR Class A	1580	-	-	-	-	-	
Variance WMS – Sub-account CBR Class B	1580	43,870	7,395	51,265	2,789	54,054	RR for DVA
RSVA - Retail Transmission Network Charge	1584	228,659	- 10,593	218,065	14,539	232,604	RR for DVA
RSVA - Retail Transmission Connection Charge	1586	- 59,070	- 6,505	- 65,575	- 3,756	- 69,331	RR for DVA
RSVA - Power (excluding Global Adjustment)	1588	- 64,515	- 4,857	- 69,372	- 4,102	- 73,474	RR for DVA
Disposition and Recovery/Refund of Regulatory Balances (2019)	1595	0	1,705	1,705	- 1,705	-	
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	- 129,579	- 715	- 130,294	- 8,239	- 138,533	RR for DVA
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	42,381	35,735	78,116	2,695	-	
Disposition and Recovery/Refund of Regulatory Balances (2022)	1595	70,265	- 29,559	40,706	4,468	-	
Disposition and Recovery/Refund of Regulatory Balances (2023)	1595	- 18,083	- 3,579	- 21,662	- 1,150	-	
Group 1 sub-total (excluding Account 1589)		- 803,731	- 58,536	- 862,267	- 52,809	- 1,018,249	
RSVA - Global Adjustment	1589	574,425	27,978	602,403	36,524	638,927	RR for GA
Group 1 total		- 229,306	- 30,558	- 259,864	- 16,285	- 379,322	
Rate Rider Summaries							
Rate Rider for Group 1 Deferral / Variance Accounts Balances ("RR for DVA")						- 670,172	
Rate Rider for Group 1 Deferral / Variance Accounts Balances - NON-WMP ("RR for DVA")						- 402,132	
Rate Rider for Account 1580, sub-account CBR Class B ("RR for DVA")						53,852	
Rounding						203	
Group 1 Rate Rider sub-total (excluding Account 1589)						- 1,018,249	
Rate Rider for Global Adjustment ("RR for GA")						631,191	
Customer Specific GA Allocation (Class A/B Transition Customer) ("RR for GA")						7,735	
Rounding						1	
RSVA - Global Adjustment Rate Rider sub-total						638,927	
Group 1 Total Rate Riders						- 379,322	

Table 22 – DVA Balances for Disposition (Group 2)

Account Description	USoA	Principal	Interest	Total	Projected Interest (Jan 1, 2024 to Apr 30, 2025)	Total Claim	Disposition Method
Group 2 Accounts							
Pole Attachment Revenue Variance	1508	645,827	19,554	665,381	33,720	699,100	RR Grp 2
Other Regulatory Assets, Sub-account OPEB Actuarial Gains & Losses	1508	- 7,218,181	-	- 7,218,181	-	-	
Other Regulatory Assets, Sub-account OPEB Cash to Accrual Transitional Amount	1508	26,089,910	-	26,089,910	-	-	
(ACM) Actual Revenue Requirement vs. Actual Projected Revenue Collection	1508	- 92,540	-	- 92,540	-	- 92,540	RR Grp 2
LRAM 1568 2023 Balance	1508	- 37,640	- 1,298	- 38,938	- 2,393	- 41,331	RR LRAM
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential, Carrying Charges	1522	-	- 41,716	- 41,716	- 28,247	- 69,964	RR Grp 2
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	- 283,034	- 47,648	- 330,681	- 24,051	- 354,732	RR Grp 2
Group 2 Total		19,104,341	- 71,108	19,033,234	- 20,972	140,533	
Rate Rider Summaries							
Rate Rider for Group 2 Accounts ("RR Grp 2")						181,864	
Rate Rider for Lost Revenue Variance Adjustment Account ("RR LRAM")						- 41,331	
Group 2 Total Rate Riders						140,533	

Table 23 – Rate Rider Calculation for Group 1 DVA Balances (Excl. GA)

Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.)				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL SERVICE CLASSIFICATION	kWh	369,301,993	- 497,507	- 0.0013
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	139,426,048	- 163,438	- 0.0012
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	792,309	- 131	- 0.0002
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	856,205	- 1,006	- 0.0012
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	872	- 432	- 0.4951
STREET LIGHTING SERVICE CLASSIFICATION	kW	10,258	- 7,658	- 0.7465
			- 670,172	

Table 24 – Rate Rider Calculation for Group 1 DVA Balances (Excl. GA & NON-WMP)

Rate Rider Calculation for Group 1 Deferral / Variance Accounts Balances (excluding Global Adj.) - NON-WMP				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	786,794	- 402,132	- 0.5111

Table 25 – Rate Rider Calculation for Account 1580, sub-account CBR Class B

Rate Rider Calculation for Account 1580, sub-account CBR Class B				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL SERVICE CLASSIFICATION	# of Customers	43,485	25,966	0.0498
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	# of Customers	4,367	9,803	0.1871
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	647,580	17,744	0.0274
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	# of Customers	247	60	0.0203
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	872	22	0.0255
STREET LIGHTING SERVICE CLASSIFICATION	kW	10,258	257	0.0251
			53,852	

Table 26 – Rate Rider Calculation for RSVA Global Adjustment

Rate Rider Calculation for RSVA Global Adjustment				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL SERVICE CLASSIFICATION	kWh	4,751,590	13,010	0.0027
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	24,927,785	68,256	0.0027
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kWh	197,154,339	539,835	0.0027
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	3,656	10	0.0027
SENTINEL LIGHTING SERVICE CLASSIFICATION	kWh	21,448	59	0.0027
STREET LIGHTING SERVICE CLASSIFICATION	kWh	3,660,141	10,022	0.0027
			631,191	

Table 27 – Rate Rider Calculation for Group 2 Accounts

Rate Rider Calculation for Group 2 Accounts				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
RESIDENTIAL SERVICE CLASSIFICATION	# of Customers	43,485	192,716	0.3693
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	# of Customers	4,367	26,861	0.5125
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	792,309	56,782	0.0717
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	856,205	606	0.0007
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	872	773	0.8873
STREET LIGHTING SERVICE CLASSIFICATION	kW	10,258	17,690	1.7244
			181,864	

Table 28 – Rate Rider Calculation for Lost Revenue Variance Adjustment

Rate Rider for Lost Revenue Variance Adjustment Account				
Rate Class	Units	kW / kWh / # of Customers	Amount	Rate Rider for Deferral/Variance Accounts
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	139,426,048	27,233	0.0002
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	792,309	39,351	0.0497
STREET LIGHTING SERVICE CLASSIFICATION	kW	10,258	25,253	2.4617
			41,331	

Table 29 – DVA Accounts Continued or Discontinued (Group 1)

Account Description	USoA	Continue / Discontinue
Group 1 Accounts		
LV Variance Account	1550	Continue
Smart Metering Entity Charge Variance Account	1551	Continue
RSVA - Wholesale Market Service Charge	1580	Continue
Variance WMS – Sub-account CBR Class A	1580	Continue
Variance WMS – Sub-account CBR Class B	1580	Continue
RSVA - Retail Transmission Network Charge	1584	Continue
RSVA - Retail Transmission Connection Charge	1586	Continue
RSVA - Power (excluding Global Adjustment)	1588	Continue
RSVA - Global Adjustment	1589	Continue
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	Discontinue
Disposition and Recovery/Refund of Regulatory Balances (2021)	1595	Continue
Disposition and Recovery/Refund of Regulatory Balances (2022)	1595	Continue
Disposition and Recovery/Refund of Regulatory Balances (2023)	1595	Continue

Table 30 – DVA Accounts Continued or Discontinued (Group 2)

Account Description	USoA	Continue / Discontinue
Group 2 Accounts		
Other Regulatory Assets - Sub-Account - Pole Attachment Revenue Variance	1508	Discontinue
Other Regulatory Assets, Sub-account OPEB Actuarial Gains & Losses	1508	Continue (Pending Hearing)
Other Regulatory Assets, Sub-account OPEB Cash to Accrual Transitional Amount	1508	Discontinue (Pending Hearing)
(ACM) Other Regulatory Assets, Related Incremental Capital Module (ICM) Sub-accounts (Cressey Substation)	1508	Discontinue
Other Regulatory Assets, Sub-account Retail Service Charge Incremental Revenue	1508	Discontinue
Impacts Arising from the COVID-19 Emergency	1509	Discontinue
RCVA Retail	1518	Discontinue
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential, Carrying Charges	1522	Continue
Misc Deferred Debits (Deferred Cost of Service Expenses)	1525	Continue
Retail Cost Variance Account - STR	1548	Discontinue
IFRS-CGAAP Transition PP&E Amounts Balance + Return Component	1575	Discontinue
PILs and Tax Variance for 2006 and Subsequent Years - Sub-account CCA Changes	1592	Continue
Other Regulatory Liabilities or Credits, Sub-account LRAM 2023 - OEB Account #2405	2405	Discontinue

Evidence References

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

IR Responses

- 9-Staff-53, 9-Staff-55 to 9-Staff-59
- 9-VECC-48
- 9-SEC-28

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

7. Other

7.1 Is the proposed effective date appropriate?

Full Settlement

The Parties agree that GSHi's new rates should take effect upon implementation. Regarding timing, GSHi's new rates can be implemented on the first of a month if approval is received within 9 days of that date. For example, to implement rates effective May 1, 2025, approval of the settlement proposal would need to be received by May 9, 2025.

As noted earlier in the Settlement Proposal, the Parties submit that the base rate adjustments and disposition riders in the partial Settlement Proposal can be implemented separately from the resolution of the unsettled issues. Accordingly, the Parties agree that there is no need to delay the implementation of the Settlement Proposal's impacts due to the hearing of the unsettled issues.

Evidence References

- EXHIBIT 1 – Administrative Documents

IR Responses

Clarification Questions

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position

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

Full Settlement

The Parties agree that GSHi has responded appropriately to all relevant OEB directions from previous proceedings.

Evidence References

- EXHIBIT 1 – Administrative Documents

IR Responses

- 2-Staff-5

Supporting Parties

- VECC, SEC, AMPCO, CCMBC

Parties Taking No Position