



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

DECISION AND ORDER

EB-2024-0030

HYDRO 2000 INC.

**Application for electricity distribution rates and
other charges beginning May 1, 2025**

BEFORE: David Sword
Presiding Commissioner

March 27, 2025

TABLE OF CONTENTS

1	OVERVIEW	1
2	CONTEXT AND PROCESS	2
3	DECISION ON THE SETTLEMENT PROPOSAL	4
4	IMPLEMENTATION	6
5	ORDER	7
	SCHEDULE A.....	9

1 OVERVIEW

This is the OEB's Decision and Order on an application filed by Hydro 2000 Inc. (Hydro 2000) seeking approval for changes to the rates Hydro 2000 charges for electricity distribution effective May 1, 2025.

Hydro 2000 filed a settlement proposal, dated March 20, 2025, that reflected a comprehensive settlement between Hydro 2000, Vulnerable Energy Consumers Coalition (VECC), and OEB staff, collectively the parties, on all issues included on the approved Issues List.¹

For the reasons set out in this Decision and Order, the OEB approves the settlement proposal as filed.

As a result of this Decision and Order, it is estimated that a typical residential customer with a monthly consumption of 750 kWh would see a total bill increase (excluding taxes and the Ontario Electricity Rebate) of \$10.82 per month (7.40%).

¹ The Issues List approved in the [OEB's Decision on Issues](#) List dated January 15, 2025.

2 CONTEXT AND PROCESS

The OEB's *Renewed Regulatory Framework for Electricity*² and *Handbook for Utility Rate Applications*³ provide distributors with performance-based rate application options that support the cost-effective planning and efficient operation of a distribution network. This framework provides an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

On October 15, 2024, Hydro 2000 filed a cost of service application with the OEB under section 78 of the *Ontario Energy Board Act, 1998*. The application requested OEB approval of Hydro 2000's proposed electricity distribution rates for five years, using the Price Cap Incentive Rate-setting (Price Cap IR) option described in the *Renewed Regulatory Framework for Electricity*. Under the Price Cap IR option, with an approved 2025 Test Year, Hydro 2000 will be eligible to apply to have its 2026-2029 rates adjusted mechanistically, based on inflation and the OEB's assessment of Hydro 2000's efficiency.

The application was accepted by the OEB as complete on October 19, 2024. The OEB issued a Notice of Hearing on November 7, 2024, inviting parties to apply for intervenor status. VECC was granted intervenor status and eligibility for cost awards.

The OEB issued Procedural Order No. 1 on November 29, 2024. This order established, among other things, the timetable for a written interrogatory discovery process and a settlement conference.

On January 7, 2025, the OEB determined that OEB staff would also be a party to the settlement conference and any resulting settlement proposal.

This was also the fourth proceeding in which the OEB piloted a new adjudicative process for very small utilities (the VSU pilot). This new process includes a one-day Issues Meeting, held for this application on January 8, 2025, in order for parties to discuss the application and seek agreement on (i) an Issues List for the application that sets out issues that are relevant to the application; and (ii) an Interrogatory Issues List that sets out issues that require further discovery.

² *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*, October 18, 2012

³ *Handbook for Utility Rate Applications*, October 13, 2016

On January 13, 2025, following the Issues Meeting, OEB staff filed an Issues List and a number of commitments in the form of clarifications, updates, and corrections to be completed by Hydro 2000 that had been agreed to by all parties for the OEB's consideration. The parties noted that beyond the written commitments, no further discovery would be required in the form of interrogatories. On January 15, 2025, the OEB approved the proposed Issues List, the list of commitments, and the proposal to forgo further discovery in the form of interrogatories. Hydro 2000 responded to the list of commitments on February 5, 2025.

A settlement conference was held on February 13, 2025. Hydro 2000, VECC and OEB staff participated in the settlement conference. As part of the VSU pilot, the facilitator for the settlement conference was an OEB Commissioner.

Hydro 2000 filed a settlement proposal covering all issues on March 20, 2025. The settlement proposal is attached as Schedule A to this Decision and Order.

3 DECISION ON THE SETTLEMENT PROPOSAL

The settlement proposal addresses all issues on the OEB's approved Issues List for this proceeding and represents a full settlement on all issues.

The key aspects of the settlement proposal are set out below:

- A \$32,585 reduction to the as-filed total service revenue requirement requested of \$842,382 to \$809,797 (4% reduction).
- No change to the 2025 net in-service additions of \$97,600.
- A \$27,000 reduction to the updated 2025 OM&A budget request of \$686,808 to \$659,808 (4% reduction).
- The parties acknowledge that Hydro 2000 will comply with the outcomes of the OEB's cost of capital generic proceeding (EB-2024-0063) insofar as they are applicable to Hydro 2000.
- A \$5,408 decrease to the as-filed 2025 PILs forecast requested of \$8,969 to \$3,561 (60% decrease).
- A \$15,643 reduction to the as-filed 2025 Other Revenue forecast requested of \$55,975 to 40,332 (28% reduction).
- Hydro 2000 agreed to update its load forecast customer count to include 2024 actuals, a covid variable and removing the customer count variable.
- Hydro 2000 agreed to adjust the revenue-to-cost ratio for the GS<50 kW, GS 50 to 4999 kW and Street Lighting rate class down to the applicable maximum of 120%. The resulting shortfall in 2025 is recovered by increasing the revenue-to-cost ratio for the USL and residential rate class.
- Hydro 2000 agreed to update its loss factor to 1.0832.
- Hydro 2000 would continue exploring solutions to lowering line losses and report in its next cost of service application.
- Disposition of the following DVA balances as of December 31, 2023, and forecasted interest through to April 30, 2025, over a 24-month disposition period:
 - Group 1 DVAs of a total debit balance of \$114,691
 - Group 2 DVAs of a total debit balance of \$60,247

Findings

The OEB approves the settlement proposal as filed by the parties.

The settlement proposal is in keeping with the OEB's *Practice and Direction on Settlement Conferences* as the results are an agreement that is acceptable to the parties, while at the same time achieving savings in time and money to all participants in the regulatory process.

The parties made full use of the settlement tools that were afforded to this application, including the new adjudicative process for VSUs which included a one-day Issues Meeting to discuss the application and seek agreement and better understanding on issues that were relevant to the application.

However, a settlement proposal agreed to by the parties is not sufficient on its own to gain OEB approval. The settlement proposal must also be in the public interest and produce just and reasonable rates for both the utility and the ratepayers.

The OEB is not indifferent to a 7.40% monthly bill increase for the average residential customer. Protecting the interest of consumers is core to the OEB's objectives.

However, this increase must be considered in the context of what was initially proposed by Hydro 2000, and by the needs of the utility to ensure the safe and reliable delivery of electricity to homes and businesses in its service area.

The settlement proposal has reduced the costs originally requested, while acknowledging the challenging circumstances faced by Hydro 2000 in providing reliable electricity delivery to mainly rural areas.

Looking forward, the OEB acknowledges that Hydro 2000 has agreed to comply with the outcomes of the OEB's cost of capital generic proceeding (EB-2024-0063) insofar as they are applicable to Hydro 2000. Further, the OEB notes that Hydro 2000 has also agreed to continue exploring solutions to lowering line losses and report in its next cost of service application.

The OEB is satisfied that the settlement proposal is in the public interest and has produced just and reasonable rates.

As such, the settlement proposal is approved as filed.

The OEB would like to acknowledge the efforts made by the parties in achieving this result under the VSU pilot.

4 IMPLEMENTATION

The approved effective date for Hydro 2000's new rates is May 1, 2025 as proposed by the parties.

Hydro 2000 filed Tariff of Rates and Charges and detailed supporting material with the settlement proposal, including all relevant calculations showing the impact of the implementation of the settlement proposal on its revenue requirement, the allocation of the revenue requirement to its rate classes and the determination of the final rates and rate riders, including bill impacts. These Tariff of Rates and Charges included interim cost of capital parameters issued by the OEB on October 31, 2024.⁴

Subsequent to the settlement proposal filed by Hydro 2000, the OEB issued its decision and order setting the final 2025 cost of capital parameters in the generic cost of capital proceeding on March 27, 2025.⁵

The OEB understands that, to implement rates effective May 1, 2025, Hydro 2000 requires a final rate order by May 8, 2025.⁶ The OEB is of the view that there should likely be sufficient time to proceed with a draft rate order process that incorporates the final 2025 cost of capital parameters before that date. Unless Hydro 2000 is not able to update its draft rate order to allow for implementation by May 1, 2025, it should file an updated draft rate order, incorporating the final 2025 cost of capital parameters, for the OEB's review and approval.

Alternatively, if Hydro 2000 is not able to update its draft rate order to allow for implementation by May 1, 2025, it should advise the OEB of such and continue to follow the requirements within the OEB's letter dated October 31, 2024, with respect to cost of capital parameter updates.⁷ In this case, no further updates to the models or tariff sheets will be required and the OEB will issue a final rate order in early April 2025. The revenue requirement impact of the difference between the final and interim cost of capital parameters will continue being tracked in the generic variance accounts specified in the OEB's letter dated October 31, 2024.

VECC is eligible to apply for cost awards in this proceeding. The OEB will make provision for VECC to file its cost claim at a later date.

⁴ EB-2024-0063, [OEB Letter](#), October 31, 2024

⁵ EB-2024-0063, Decision and Order, March 27, 2025

⁶ EB-2024-0030, Settlement Proposal, p.38

⁷ EB-2024-0063, [OEB Letter](#), October 31, 2024

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Settlement Proposal set out in Schedule A is approved.
2. Hydro 2000 shall file a letter with the OEB advising as to whether it will be able to update the draft rate order with a proposed Tariff of Rates and Charges to reflect the decision in the cost of capital generic proceeding by **April 1, 2025**.
3. If Hydro 2000 is able to update the final parameters from the cost of capital decision, it shall file with the OEB and forward to VECC a draft rate order with the proposed Tariff of Rates and Charges by **April 7, 2025**. Hydro 2000 shall also include customer rate impacts and detailed information in support of the calculation of final rates in the draft rate order.
4. If Hydro 2000 updates the draft rate order with a proposed Tariff of Rates and Charges, VECC and OEB staff may file any comments on the draft rate order with the OEB by **April 14, 2025**.
5. If Hydro 2000 updates the draft rate order with a proposed Tariff of Rates and Charges, it may file with the OEB and forward to VECC, responses to any comments on its draft rate order by **April 22, 2025**.

Please quote file number, **EB-2024-0030** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

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

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

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Amber Goher at amber.goher@oeb.ca and OEB Counsel, Lawren Murray at lawren.murray@oeb.ca.

DATED at Toronto **March 27, 2025**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND ORDER
SETTLEMENT PROPOSAL
HYDRO 2000 INC.
EB-2024-0030
MARCH 27, 2025

EB-2024-0030

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 2000 Inc.
For an order approving just and reasonable rates and
Other charges for electricity distribution beginning
May 1, 2025.

Hydro 2000 Inc.

Settlement Proposal

Filed: March 20, 2024

TABLE OF CONTENTS

LIST OF TABLES	4
SETTLEMENT PROPOSAL	5
SUMMARY	8
SETTLEMENT PROPOSAL BY ISSUE NUMBER	11
1. Capital Spending and Rate Base	11
1.1 Are the proposed capital expenditures and in-service additions appropriate?	11
1.2 Are the proposed rate base and depreciation amounts appropriate?.....	14
2. OM&A	16
2.1 Are the proposed OM&A expenditures appropriate?	16
2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?.....	17
3. Cost of Capital, PILs, and Revenue Requirement	18
3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?	18
3.2 Is the proposed PILs (or Tax) amount appropriate?	21
3.3 Is the proposed Other Revenue forecast appropriate?	22
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?	23
3.5 Is the proposed calculation of the Revenue Requirement appropriate?	24
4. Load Forecast	25
4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?	25
5. Cost Allocation, Rate Design, and Other Charges	27
5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?	27
5.2 Is the proposed rate design, including fixed/variable splits, appropriate?	29
5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?.....	30
5.4 Are the Proposed Loss Factors Appropriate?	32
5.5 Are the Specific Service Charges and Retail Service Charges appropriate?.....	33
5.6 Are rate mitigation proposals required and appropriate?	34
6. Deferral and Variance Accounts	35
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?.....	35

7. Other 38

7.1 Is the proposed effective date appropriate? 38

7.2 Has the applicant responded appropriately to all relevant OEB directions from..... 39

previous proceedings? 39

LIST OF TABLES

Table 1 – Summary of 2025 Revenue Requirement	9
Table 2 - Bill Impact Summary	10
Table 3 - 2025 Capital Expenditures/In-Service Additions	12
Table 4 – 2024 In Addition Services	14
Table 5 – 2025 Rate Base	14
Table 6 – 2025 Working Capital	15
Table 7 - 2025 Test Year OM&A Expenses	16
Table 8 - 2025 Cost of Capital Calculation	18
Table 9 - 2025 Cost of Capital Calculation	19
Table 10 - 2025 Income Taxes	21
Table 11 - 2025 Revenue Offsets	22
Table 12 - 2025 Revenue Requirement Summary	24
Table 13 – 2025 Test Year Billing Determinants	25
Table 14 – Number of Customers & Devices	26
Table 15 – Summary of 2025 Revenue-to-Cost Ratios	27
Table 16 – Summary of 2025 Fixed to Variable Split	29
Table 17 - 2025 RTSR Network and Connection Rates Charges	30
Table 18 - 2025 Low Voltage Rates	31
Table 19 - 2025 Loss Factors	32
Table 20 - DVA Balances for Disposition	36

LIST OF ATTACHMENTS

H2000 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:

- EB-2024-0030 H2000 2025 Benchmarking Forecast Model
- EB-2024-0030 H2000 2025 Cost Allocation
- EB-2024-0030 H2000 2025 LRAMVA Workform
- EB-2024-0030 H2000 2025 PILs Workform
- EB-2024-0030 H2000 2025 Rev Req Workform
- EB-2024-0030 H2000 2025 RTSR Workform
- EB-2024-0030 H2000 2025 Update Demand Data
- EB-2024-0030 H2000 2025 DVA Continuity Schedule
- EB-2024-0030 H2000 2025 Chapter 2 Appendices
- EB-2024-0030 H2000 2025 GA Workform
- EB-2024-0030 H2000 1508 Pole Attachment
- EB-2024-0030 H2000 TESI Load Forecast

SETTLEMENT PROPOSAL

Hydro 2000 Inc. (the Applicant or H2000) filed a Cost-of-Service application with the Ontario Energy Board (the OEB) on October 15, 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 H2000 charges for electricity distribution, to be effective May 1, 2025 (OEB file number EB-2024-0030) (the Application).

The OEB issued a Letter of Direction and Notice of Application on November 7, 2024. In Procedural Order No. 1, dated November 21, 2024, the OEB approved the Vulnerable Energy Consumers Coalition (VECC) as an intervenor.

On January 7, 2025, the OEB issued a direction that OEB Staff would be a party to the settlement conference and to any resulting settlement proposal.

The OEB approved the Issues List on January 15, 2025 (the Approved Issues List).

H2000 filed its information commitments with the OEB on February 4, 2025.

The Settlement Conference was convened on February 13, 2025. H2000, VECC and OEB Staff (collectively referred to as the Parties) participated in the Settlement Conference.

The Parties reached a full, comprehensive settlement regarding H2000'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 H2000. 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 H2000 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 H2000, 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 \$10.81 or 7.4% 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 \$786,407 by \$16,943 to \$769,464.

A Revenue Requirement Work Form (RRWF) incorporating all terms that have been agreed to is filed with the Settlement Proposal. Through the settlement process, H2000 has agreed to certain adjustments to its original Application. The changes are described in the following sections.

H2000 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 H2000's Application as filed, the interrogatory process and this Settlement Proposal.

Table 1 – Summary of 2025 Revenue Requirement

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Long Term Debt	56.0%	56.0%	0.0%	56.0%	\$ -
Short Term Debt	4.0%	4.0%	0.0%	4.0%	\$ -
Return on Equity	40.0%	40.0%	0.0%	40.0%	\$ -
Weighted Debt Rate	0.0%	0.0%	0.0%	0.0%	\$ -
Regulated Rate of Return	100.0%	100.0%	0.0%	100.0%	0.0%
Controllable Expenses	\$687,474	\$686,808	(\$667)	\$659,808	(\$27,000)
Power Supply Expense	\$2,343,290	\$2,433,624	\$90,334	\$2,504,811	\$71,188
Total Eligible Distribution Expenses	\$3,030,764	\$3,120,432	\$89,668	\$3,164,619	\$44,188
Working Capital Allowance Rate	7.50%	7.50%	0.00%	7.50%	0.00%
Total Working Capital Allowance ("WCA")	\$227,307	\$234,032	\$6,725	\$237,346	\$3,314
Average Gross Assets	\$1,626,485	\$1,594,681	(\$31,804)	\$1,594,681	\$ -
Average Accumulated Depreciation	(\$567,595)	(\$566,545)	\$1,050	(\$566,545)	\$ -
Net Fixed Asset	\$1,058,890	\$1,028,136	(\$30,755)	\$1,028,136	\$ -
Working Capital Allowance	\$227,307	\$234,032	\$6,725	\$237,346	\$3,314
Rate Base	\$1,286,198	\$1,262,168	(\$24,030)	\$1,265,482	\$3,314
Regulated Rate of Return	6.50%	7.23%	0.73%	6.75%	-0.48%
Regulated Return on Capital	\$83,577	\$91,204	\$7,627	\$85,447	(\$5,757)
Deemed Interest Expense	\$36,194	\$44,706	\$8,512	\$38,624	(\$6,082)
Deemed Return on Equity	\$47,384	\$46,498	(\$885)	\$46,823	\$325
OM&A	\$687,474	\$686,808	(\$667)	\$659,808	(\$27,000)
Depreciation Expense	\$62,361	\$60,980	(\$1,381)	\$60,980	\$ -
PILs	\$8,969	\$9,146	\$177	\$3,561	(\$5,585)
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Offset	\$55,975	\$40,329	(\$15,646)	\$40,332	\$3
Revenue Requirement	\$786,407	\$807,810	\$21,402	\$769,464	(\$38,345)

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	\$8.66	23.4%	\$10.31	19.8%	\$10.79	16.1%	\$10.81	7.4%
General service less than 50 kw service classification - RPP	kWh	\$10.21	20.6%	\$14.80	16.8%	\$15.87	12.7%	\$15.93	4.7%
GENERAL SERVICE 50 to 4,999 kw SERVICE CLASSIFICATION - Non-RPP (Other)	kW	\$45.66	24.7%	\$72.50	16.5%	\$81.81	10.3%	\$92.61	3.4%
Street lighting service classification - non-RPP (other)	kW	\$0.46	19.6%	\$0.50	16.9%	\$0.51	14.9%	\$0.58	7.4%
Unmetered scattered load service classification - RPP (other)	kWh	\$2.13	35.5%	\$2.67	40.2%	\$2.69	36.8%	\$2.69	24.6%
Residential service classification - non-RPP (retailer)	kWh	\$8.66	23.4%	\$8.91	16.9%	\$9.40	13.9%	\$9.42	6.8%

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 H2000's proposed 2025 capital expenditures and 2025 net capital additions for the purpose of setting rates.

Table 3 - 2025 Capital Expenditures/In-Service Additions

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
2025 Fixed Asset Continuity					
Opening	\$1,577,685	\$1,545,881	-\$31,804	\$1,545,881	\$0
Additions	\$97,600	\$97,600	\$0	\$97,600	\$0
Disposals	\$0	\$0	\$0	\$0	\$0
Closing	\$1,675,285	\$1,643,481	-\$31,804	\$1,643,481	\$0
			\$0		
Accumulated Depreciation			\$0		
Opening	\$536,414	\$536,055	-\$359	\$536,055	\$0
Additions	\$62,361	\$60,980	-\$1,381	\$60,980	\$0
Disposals	\$0	\$0	\$0	\$0	\$0
Closing	\$598,775	\$597,035	-\$1,740	\$597,035	\$0
System Access	17,500	17,500	\$0	17,500	\$0
System Renewal	76,100	76,100	\$0	76,100	\$0
System Service	\$0	\$0	\$0	\$0	\$0
General Plant	9,000	9,000	\$0	9,000	\$0
Total Expenditures	102,600	102,600	\$0	102,600	\$0
Capital Contribution included in System Access	-\$5000	-\$5,000	\$0	-\$5,000	\$0
Total Expenditures	\$97,600	\$97,600	\$0	\$97,600	\$0

The Parties acknowledge H2000's business and investment planning efforts and accept the evidence of H2000 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

Commitment Responses

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 H2000's proposed 2025 rate base, including the calculation of the working capital allowance and depreciation amounts are appropriate.

Table 4 – 2024 In Addition Services

Particulars	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
2024 Additions	\$142,160	\$120,715	-\$21,445	\$120,715	\$0
2024 Capital Contribution	-\$15,545	-\$25,904	-\$10,359	-\$25,904	\$0
Net Additions	\$126,615	\$94,810	-\$31,805	\$94,810	\$0

Table 5 – 2025 Rate Base

Particulars	Applicatio n Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Gross Fixed Assets (avg)	\$1,626,485	\$1,594,681	(\$31,804)	\$1,594,681	\$ -
Accumulated Depreciation (avg)	(\$567,595)	(\$566,545)	\$1,050	(\$566,545)	\$ -
Net Fixed Assets (avg)	\$1,058,890	\$1,028,136	(\$30,755)	\$1,028,136	\$ -
Allowance for Working Capital	\$227,307	\$234,032	\$6,725	\$237,346	\$3,314
Total Rate Base	\$1,286,198	\$1,262,168	(\$24,030)	\$1,265,482	\$3,314

Table 6 – 2025 Working Capital

Particulars	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20, 2025	Variance over Issues Day Process
Controllable Expenses	\$687,474	\$686,808	(\$667)	\$659,808	(\$27,000)
Cost of Power	\$2,343,290	\$2,433,624	\$90,334	\$2,504,811	\$71,188
Working Capital Base	\$3,030,764	\$3,120,432	\$89,668	\$3,164,619	\$44,188
Working Capital Rate %	7.50%	7.50%	0.00%	7.50%	0.00%
Working Capital Allowance	\$227,307	\$234,032	\$6,725	\$237,346	\$3,314

Evidence References

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

Commitments Responses

- H2000 Response to Commitments – Commitment 2 to 5

Clarification Responses

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 H2000's proposed 2025 OM&A budget is appropriate subject to an envelope reduction of \$27,000, resulting in an approved 2025 OM&A budget of \$659,808. The Parties note that this revised budget results in an increase relative to H2000's 2024 OM&A spending of 2.03%, and an annual average increase from H2000's approved 2020 budget of 6.02%, which the Parties believe represents an appropriate increase accounting for the inflationary and other pressures experienced by H2000 over the period, particularly given H2000's size.

Table 7 - 2025 Test Year OM&A Expenses

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Operations	\$24,872	\$24,872	\$0	\$21,209	-\$3,663
Maintenance	\$44,220	\$44,220	\$0	\$29,028	-\$15,192
Billing and collecting	\$262,463	\$262,463	\$0	\$267,078	\$4,615
Community Relations	\$0	\$0	\$0	\$0	\$0
Administration & General +LEAP	\$355,920	\$355,253	-\$667	\$342,493	-\$12,760
Total	\$687,474	\$686,808	-\$666	\$659,808	-\$27,000

Evidence References

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

Commitments Responses

- H2000 Response to Commitments – Commitment 6 to 19

Clarification Responses

- H2000 Response to Commitments – Clarification 1

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 H2000 does not share services with any affiliates.

Evidence References

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

Commitments 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 H2000's proposed cost of capital parameters as reflected in Table 8 below, which reflects the following adjustments relative to the original application:

- a) H2000 issued new debt in the amount of \$250,000 in December 2024 at a rate of 5.88%, and
- b) H2000's notional debt has been included at the OEB's deemed rate of 4.66%.

The Parties acknowledge that H2000 will follow the requirements within the OEB's letter dated October 31, 2024, with respect to cost of capital parameter updates, in the event the OEB's decision in the Generic Cost of Capital Proceeding (EB-2024-0063) impacts cost of service filers that have filed for new rates effective May 1, 2025.

Table 8 - 2025 Cost of Capital Calculation

	Capitalization Ratio	Rate Base Allocation	Cost Rate	Return		Capitalization Ratio	Rate Base Allocation	Cost Rate	Return		Capitalization Ratio	Rate Base Allocation	Cost Rate	Return
	(%)	(\$)	(%)	(\$)		(%)	(\$)	(%)	(\$)		(%)	(\$)	(%)	(\$)
	Initial Application					Interrogatory Responses					Settlement Agreement			
Debt														
Long-term Debt	56.00%	\$720,271	4.58%	\$32,988		56.00%	\$706,814	5.88%	\$41,561		56.00%	\$708,670	5.09%	\$36,073
Short-term Debt	4.00%	\$51,448	6.23%	\$3,205		4.00%	\$50,487	6.23%	\$3,145		4.00%	\$50,619	5.04%	\$2,551
Total Debt	60.00%	\$771,719	4.69%	\$36,194		60.00%	\$757,301	5.90%	\$44,706		60.00%	\$759,289	5.09%	\$38,624
Equity														
Common Equity	40.00%	\$514,479	9.21%	\$47,384		40.00%	\$504,867	9.21%	\$46,498		40.00%	\$506,193	9.25%	\$46,823
Preferred Shares	0.00%	\$ -	0.00%	\$ -		0.00%	\$ -	0.00%	\$ -		0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$514,479	9.21%	\$47,384		40.00%	\$504,867	9.21%	\$46,498		40.00%	\$506,193	9.25%	\$46,823
Total	100.00%	\$1,286,198	6.50%	\$83,577		100.00%	\$1,262,168	7.23%	\$91,204		100.00%	\$1,265,482	6.75%	\$85,447

Table 9 - 2025 Cost of Capital Calculation

	Capitalization Ratio	Rate Base Allocation	Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	36.25%	\$458,737	4.66%	\$21,377
Long-term Debt	19.75%	\$249,933	5.88%	\$14,696
Short-term Debt	4.00%	\$50,619	5.04%	\$2,551
Total Debt	60.0%	\$759,289	5.09%	\$38,624
Equity				
Common Equity	40.00%	\$506,193	9.25%	\$46,823
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$506,193	9.25%	\$46,823
Total	100.0%	\$1,265,482	6.75%	\$85,447

Evidence References

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

Commitment Responses

- H2000 Response to Commitments – Commitment 20 and 21

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 H2000’s calculations of forecast PILs in this Settlement Proposal, as summarized in Table 10 below. The Parties note that H2000 agreed to apply small business deduction in the calculation of the forecast PILs using the standalone principle of the rates and the proposed Income Tax/PILS Model properly reflects consequential adjustments made necessary as a result of other aspects of this Settlement Proposal.

The Parties further agree that H2000’s proposal for the Accelerated Investment Incentive program (“AIIIP”) set out in section 6.5.2 of Exhibit 6 of the Application that H2000 will not apply AIIIP for 2024 onwards. As such, there is no need for a smoothing mechanism to address the impacts.

Table 10 - 2025 Income Taxes (*Grossed-Up PILs*)

	Original Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 7,2025	Variance over Issues Day Process	Total Change
Income Taxes (PILs Grossed up)	\$8,969	\$9,146	\$177	\$3,561	(\$5,585)	(\$5,408)

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

Commitment Responses

- H2000 Response to Commitments – Commitment 22 and 23

Clarification Responses

- H2000 Response to Commitments – Clarification 2,3,4

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 H2000's other revenue forecast as filed is appropriate.

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

Table 11 - 2025 Revenue Offsets

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Specific Service Charges	\$3,872	\$3,872	\$ -	\$3,872	\$ -
Late Payment Charges	\$4,516	\$4,516	\$ -	\$4,516	\$ -
Other Distribution Revenue	\$28,424	\$28,424	\$ -	\$28,424	\$ -
Other Income and Deductions	\$19,163	\$3,217	(\$15,646)	\$3,520	\$3
Total	\$55,975	\$40,329	(\$15,646)	\$40,332	\$3

Evidence References

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

Commitment Responses

- H2000 Response to Commitments – Commitment 24 and 28

Clarification Responses

- H2000 Response to Commitments – Clarification Response VECC 1 and 4

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 H2000 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

Commitment Responses

- None

Clarification Responses

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 H2000 to calculate the Revenue Requirement is appropriate.

A summary of the adjusted Base Revenue Requirement of \$769,464 reflecting adjustments and settled issues is presented in Table 12 - 2025 Revenue Requirement Summary below.

Table 12 - 2025 Revenue Requirement Summary

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
OM&A Expenses	\$687,474	\$686,808	(\$667)	\$659,808	(\$27,000)
Amortization/Depreciation	\$62,361	\$60,980	(\$1,381)	\$60,980	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes (Grossed up)	\$8,969	\$9,146	\$177	\$3,561	(\$5,585)
Deemed Interest Expense	\$36,194	\$44,706	\$8,512	\$38,624	(\$6,082)
Return on Deemed Equity	\$47,384	\$46,498	(\$885)	\$46,823	\$325
Service Revenue Requirement (before Revenues)	\$842,382	\$848,139	\$5,756	\$809,797	(\$38,342)
Revenue Offsets	\$55,975	\$40,329	(\$15,646)	\$40,332	\$3
Base Revenue Requirement	\$786,407	\$807,810	\$21,402	\$769,464	(\$38,345)
Grossed-Up Revenue Deficiency/(Sufficiency)	\$156,448	\$212,990	\$56,542	\$133,731	(\$79,258)

Evidence References

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

Clarification Responses

- H2000 Response to Commitments – Clarification Response VECC 1

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 load forecast as updated through the application process. Hydro 2000 updated 2024 actuals, included a covid variable and removed the customer count variable in the load forecast model.

The updates to the load forecast are reflected in Tables 13 and 14 below.

Table 13 – 2025 Test Year Billing Determinants

Rate Class	Billing Determinant	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Residential	kWh	11,782,231	11,948,689	166,458	12,563,960	615,271
General Service < 50 kW	kWh	3,672,224	3,690,766	18,542	3,881,270	190,504
General Service > 50 to 4999 kW	kWh	3,610,880	3,615,015	4,134	3,801,806	186,791
Unmetered Scattered Load	kWh	16,511	9,316	-7,195	9,316	0
Street Lighting	kWh	152,620	152,497	-123	152,497	0
Total		19,234,467	19,416,283	181,816	20,408,849	992,566
Residential	kW	0	0	0	0	0
General Service < 50 kW	kW	0	0	0	0	0
General Service > 50 to 4999 kW	kW	9,698	9,712	15	10,214	502
Unmetered Scattered Load	kW	0	0	0	0	0
Street Lighting	kW	423	422	-1	422	0
Total		10,121	10,135	14	10,637	502

Table 14 below details the number of customers and devices for the test year.

Table 14 – Number of Customers & Devices

Rate Class	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Residential	1,145	1,148	4	1,152	4
General Service < 50 kW	139	138	-1	138	0
General Service > 50 to 4999 kW	15	15	0	17	2
Unmetered Scattered Load	21	22	1	22	0
Street Lighting	370	370	0	370	0
Total	1,690	1,693	3	1,699	6

Evidence References

- EXHIBIT 3 – Load and Customer Forecast

Commitment Responses

- H2000 Response to Commitments – Commitment 29 and 32

Clarification Responses

- H2000 Response to Commitments – Clarification Response VECC 2 and 3

Supporting Parties

- VECC, OEB Staff

Parties Taking No Position

- None

Evidence References

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

Commitment Responses

- H2000 Response to Commitments – Commitment 33 to 34

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 H2000’s approach to rate design including the proposed fixed/variable splits.

Table 16 – Summary of 2025 Fixed to Variable Split

Customer Class		Application Oct 15, 2024		Commitments (Clarification Response) Feb 13, 2025		Settlement Proposal Mar 20,2025	
		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	41.61%	58.39%	40.37%	59.63%	49.58%	50.42%
General Service > 50 to 4999 kW	kW	51.98%	48.02%	41.00%	59.00%	47.46%	52.54%
Unmetered Scattered Load	kWh	68.82%	31.18%	72.29%	27.71%	90.95%	9.05%
Street Lighting	kW	55.74%	44.26%	51.20%	48.80%	64.41%	35.59%

Evidence References

- EXHIBIT 8 - Rate Design

Commitment Responses

- H2000 Response to Commitments – Commitment 35

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 presented in Table 17 and 18 are appropriate.

Table 17 - 2025 RTSR Network and Connection Rates Charges

		Application Oct 15, 2024	Commitment s (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
<u>Transmission - Network</u>						
Rate Class	Per	Rate \$	Rate \$	\$	Rate \$	\$
Residential	kWh	0.0087	0.0113	0.0026	0.0106	-0.0007
General Service < 50 kW	kWh	0.0079	0.0103	0.0024	0.0096	-0.0007
General Service > 50 to 4999 kW	kW	3.2414	4.2223	0.9809	3.9465	-0.2758
Unmetered Scattered Load	kWh	0.0079	0.0103	0.0024	0.0096	-0.0007
Street Lighting	kW	2.4444	3.1841	0.7397	2.9761	-0.208
<u>Transmission - Connection</u>						
Rate Class	Per	Rate \$	Rate \$	\$	Rate \$	
Residential	kWh	0.0072	0.0091	0.0019	0.0083	-0.0008
General Service < 50 kW	kWh	0.0069	0.0088	0.0019	0.0079	-0.0009
General Service > 50 to 4999 kW	kW	2.7026	3.4249	0.7223	3.1105	-0.3144
Unmetered Scattered Load	kWh	0.0069	0.0088	0.0019	0.0079	-0.0009
Street Lighting	kW	2.0894	2.6479	0.5585	2.4048	-0.2431

Table 18 - 2025 Low Voltage Rates

		Application Oct 15, 2024	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Commitments (Clarification Response) Feb 13, 2025	Settlement Proposal Mar 20,2025	Settlement Proposal Mar 20,2025
Rate Class	Per	Rate	\$ Impact on CoP	Rate	\$ Impact on CoP	Rate	\$ Impact on CoP
Residential	kWh	\$0.0096	\$112,853.57	\$0.0117	\$140,136.19	0.0111	139,919
General Service < 50 kW	kWh	\$0.0092	\$33,708.05	\$0.0112	\$41,138.84	0.0107	41,423
General Service > 50 to 4999 kW	kW	\$3.3306	\$32,299.92	\$4.0587	\$39,285.36	3.8561	39,388
Unmetered Scattered Load	kWh	\$2.5749	\$42,515.92	\$3.3889	\$96.61	\$0.0107	99
Street Lighting	kW	\$0.0092	\$3.88	\$0.0104	1,431.49	2.9812	1,259

Evidence References

- EXHIBIT 8 - Rate Design

Commitment Responses

- H2000 Response to Commitments – Commitment 36, 38 , 39, 41

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 19 - 2025 Loss Factors

	Application Oct 15, 2024	Commitments (Clarification Response) Feb 13, 2025	Variance over Original Filing	Settlement Proposal Mar 20,2025	Variance over Issues Day Process
Distribution Loss Factor	1.0432	1.0445	0.0013	1.0493	0.0048
			0		0
Supply Facilities Loss Factor	1.034	1.034	0	1.034	0
			0		0
Total Loss Factor	1.0786	1.08	0.0014	1.0832	0.0032

Evidence References

- EXHIBIT 8 – Rate Design

Commitment Responses

- H2000 Response to Commitments – Commitment 37,42

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 H2000'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, 2024.¹

Evidence References

- EXHIBIT 8 - Rate Design

Commitment Responses

Clarification Responses

Supporting Parties

- VECC, OEB Staff

Parties Taking No Position

- None

¹ EB-2024-0226

5.6 Are rate mitigation proposals required and appropriate?

Full Settlement

Hydro 2000 notes that the 25% bill impact for the USL class is in large part driven by adjustments made to align its revenue-to-cost ratio in accordance with OEB policies. While the percentage increase may seem significant, the USL class represents only 0.3% (or \$2,400) of total revenue. As a result, even modest adjustments appear disproportionately large when viewed as a percentage of the bill. In dollar terms, the 24.63% increase translates to an increase of \$2.13 on distribution portion of the bill and \$2.69 on the total bill per USL connection. This adjustment is a necessary to ensure fairness and consistency across all classes.

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

Commitment Responses

- H2000 Response to Commitments – Commitment 40

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

Subject to the adjustments expressly noted in this Settlement Proposal, the Parties agree that H2000's proposals for deferral and variance accounts, including the balances in the existing accounts and the proposed disposition of those accounts on a final basis, requests for discontinuation of accounts, and the continuation of existing accounts are appropriate (as presented in Table 20 below)

For the purposes of settlement, the Parties agree to the following:

- a) H2000 shall write off a debit balance of \$28,288 of Account 1592 – PILs and Tax Variance for 2006 and Subsequent Years in according with Clarification Question-4.
- b) H2000 shall record a debit balance in Account 1592 – PILs and Tax Variance for 2006 and Subsequent Years – CCA Changes based on 2024 capital additions in according with Clarification Question-5.
- c) H2000 shall continue to keep open Account 1592 – PILs and Tax Variance for 2006 and Subsequent Years – CCA Changes for the purpose of tracking any material changes in law.
- d) H2000 shall forecast Account 1508 Pole Attachment Revenue Variance Account to April 30, 2025, and discontinue the account.

Table 20 sets out the Deferral and Variance Account balances as updated to reflect this Settlement Proposal and details which Deferral and Variance Accounts will continue or to be discontinued as of May 1, 2025.

Table 20 - DVA Balances for Disposition & Account Status as of May 1, 2025

Account Description	Acct #	Principle Balance	Interest	Total Balance	Disposition Sought	Reason for no claim	Continue / Discontinue
Group 1 Accounts							
LV Variance Account	1550	\$43,443	\$4,379	\$47,822	\$47,822		Continue
Smart Metering Entity Charge Variance Account	1551	-\$2,391	-\$217	-\$2,609	-\$2,609		Continue
RSVA - Wholesale Market Service Charge	1580	-\$13,859	-\$1,380	-\$15,239	-\$15,239		Continue
Variance WMS – Sub-account CBR Class A	1580	\$0	\$0	\$0	\$0		Continue
Variance WMS – Sub-account CBR Class B	1580	\$97	\$8	\$105	\$105	Balance included in RSVA-WMS	Continue
RSVA - Retail Transmission Network Charge	1584	\$12,346	\$1,466	\$13,812	\$13,812		Continue
RSVA - Retail Transmission Connection Charge	1586	\$15,952	\$1,522	\$17,474	\$17,474		Continue
RSVA - Power (excluding Global Adjustment)	1588	\$13,021	\$1,012	\$14,033	\$14,033		Continue
RSVA - Global Adjustment	1589	\$12,288	\$1,767	\$14,055	\$14,055		Continue
Recovery/Refund of Regulatory Balances (2018 and pre-2018)	1595	\$0	\$0	\$0	\$0		discontinue
Recovery/Refund of Regulatory Balances (2019)	1595	-\$99,901	\$94,783	-\$5,118	-\$5,118		discontinue
Disposition and Recovery/Refund of Regulatory Balances (2020)	1595	\$20,538	\$9,922	\$30,460	\$30,460		discontinue
Recovery/Refund of Regulatory Balances (2021)	1595	\$19,662	\$26,747	\$46,409	\$0	Rate Rider Expiry period not met	Continue
Recovery/Refund of Regulatory Balances (2022)	1595	\$4,952	-\$758	\$4,194	\$0	Rate Rider Expiry period not met	Continue
Recovery/Refund of Regulatory Balances (2023)	1595	\$12,273	\$1,306	\$13,579	\$0	Rate Rider Expiry period not met	Continue
Recovery/Refund of Regulatory Balances (2024)	1595	\$48,583	\$4,119	\$52,702	\$0	Rate Rider Expiry period not met	Continue
Group 1 total (including Account 1589)		\$87,004	\$144,675	\$231,679	\$114,691		
Group 1 total (excluding Account 1589)		\$74,716	\$142,909	\$217,625	\$100,636		
RSVA – Global Adjustment		\$12,288	\$1,767	\$14,055	\$14,055		
Group 2 Accounts							
Pole Attachment Revenue Variance	1508	\$1,870	-\$529	\$1,342	\$1,342		Discontinue
Retail Service Charge. Incr. revenue	1508	\$0	\$0	\$0	\$0	No Activity	Discontinue
Customer Choice Initiative Costs	1508	\$5,096	\$613	\$5,709	\$5,709		Discontinue
Green Button Initiative Costs	1508	\$47,146	\$5,118	\$52,263	\$52,263		Discontinue
Other Regulatory Assets, Sub-account ULO Implementation Cost	1508	\$2,975	\$292	\$3,267	\$3,267		Discontinue
Other Regulatory Assets, Sub-Account GOCA Variance Account	1508	\$0	\$0	\$0	\$0	No activity	Discontinue
Cloud computing imp. costs.	1511	\$0	\$0	\$0	\$0	No Activity	Discontinue
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes	1592	\$1,110	-\$421	\$688	\$688		Continue
Smart Grid OM&A Deferral Account	1535	\$1,143	\$312	\$1,455	\$1,455		Discontinue
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	-\$3,381	-\$1,097	-\$4,478	-\$4,478		Discontinue
Impacts Arising from the COVID-19 Emergency	1509	-\$936	-\$101	-\$1,037	\$0		Discontinue
Total Group 2		\$55,023	\$4,187	\$59,210	\$60,247		
Total Group 1 and 2		\$142,027	\$148,863	\$290,890	\$174,938		

Evidence References

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

Commitment Responses

- H2000 Response to Commitments – Commitment 43 to 53

Clarification Responses

- H2000 Response to Commitments – Clarification Responses 5 to 10

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 H2000's new rates should be effective on the same date that H2000 is able to implement them, subject to May 1, 2025, being the earliest effective date that will be permitted. The Parties note that H2000 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, H2000 would be able to implement rates for May 1, 2025, if it were to receive approval of this Settlement Proposal on or before May 8, 2025.

Evidence References

- EXHIBIT 1 – Administrative Documents

Commitment Responses

Clarification Responses

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 2020 Cost of Service Settlement Proposal H2000 agreed to “continue to explore possible avenues to lower line losses going forward, including revisiting the proposals in the Load Flow Study if they become more viable during the IRM period.”

While the Parties acknowledge that there is little evidence filed reflecting H2000’s efforts towards fulfilling this commitment, the Parties also acknowledge that in consideration of the circumstances impacting H2000 and its staff, including, prominently, the impact of the COVID pandemic, it is reasonable that H2000 has not evidenced any material progress toward this prior commitment. Accordingly, as part of this Settlement Proposal, the Parties agree that H2000 commits to continue exploring solutions to lowering line losses and reporting in its next cost of service.

Evidence References

- EXHIBIT 2 – Rate Base

Commitment Responses

Clarification Responses

Supporting Parties

- VECC, OEB Staff

Parties Taking No Position

- None

APPENDIX A
Revenue Requirement Work Form



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers



Version 1.10

Utility Name	
Service Territory	
Assigned EB Number	EB-2024-0030
Name and Title	Lise Wilkinson
Phone Number	(613) 679-4093 ext 202
Email Address	lisewilkinson@hydro2000.ca
Test Year	2025
Bridge Year	2024
Last Rebasing Year	2020

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

Table of Contents

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Regt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

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

[13. Rate Design and Revenue Reconciliation](#)

[14. Tracking Sheet](#)

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 ⁽¹⁾

	Initial Application ⁽²⁾	Adjustments	Interrogatory Responses ⁽⁶⁾	Adjustments	Settlement Agreement ⁽⁶⁾	Adjustments	Per Board Decision
1 Rate Base							
Gross Fixed Assets (average)	\$ 1,626,485	(\$31,804)	\$ 1,594,681		\$ 1,594,681		\$ 1,594,681
Accumulated Depreciation (average)	(\$567,595) ⁽⁶⁾	\$1,050	(\$566,545)		(\$566,545)		(\$566,545)
Allowance for Working Capital:							
Controllable Expenses	\$687,474	(\$667)	\$ 686,808	(\$27,000)	\$ 659,808		\$ 659,808
Cost of Power	\$2,343,290	\$10,065	\$ 2,353,355	\$71,188	\$ 2,424,542		\$ 2,424,542
Working Capital Rate (%)	7.50% ⁽⁹⁾	0.00%	7.50% ⁽⁹⁾	0.00%	7.50% ⁽⁹⁾		
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$640,077	\$9,440	\$649,517	(\$1,030)	\$648,487		
Distribution Revenue at Proposed Rates	\$786,407	(\$535)	\$785,872	(\$16,408)	\$769,464		
Other Revenue:							
Specific Service Charges	\$3,872	\$0	\$3,872	(\$0)	\$3,872		
Late Payment Charges	\$4,516	\$0	\$4,516	(\$0)	\$4,516		
Other Distribution Revenue	\$28,424	\$0	\$28,424	(\$0)	\$28,424		
Other Income and Deductions	\$19,163	(\$8)	\$19,155	(\$15,635)	\$3,520		
Total Revenue Offsets	\$55,975 ⁽⁷⁾	(\$8)	\$55,967	(\$15,635)	\$40,332		
Operating Expenses:							
OM+A Expenses	\$687,474	(\$667)	\$ 686,808	(\$27,000)	\$659,808		\$ 659,808
Depreciation/Amortization	\$62,361	(\$1,381)	\$ 60,980	\$ -	\$60,980		\$ 60,980
Property taxes	\$ -	\$ -	\$ -	\$ -	\$0		\$ -
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	\$17,167 ⁽⁸⁾	(\$39,828)	(\$22,661)	\$1,465	(\$21,196)		
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$7,875	(\$4,994)	\$2,881	\$245	\$3,126		
Income taxes (grossed up)	\$8,969		\$3,281		\$3,561		
Federal tax (%)	9.00%	0.00%	9.00%	0.00%	9.00%		
Provincial tax (%)	3.20%	0.00%	3.20%	0.00%	3.20%		
Income Tax Credits							
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%	0.00%	56.0%	0.00%	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁶⁾	0.00%	4.0% ⁽⁶⁾	0.00%	4.0% ⁽⁶⁾		
Common Equity Capitalization Ratio (%)	40.0%	0.00%	40.0%	0.00%	40.0%		
Preferred Shares Capitalization Ratio (%)							
	100.0%		100.0%		100.0%		
Cost of Capital							
Long-term debt Cost Rate (%)	4.58%	1.30%	5.88%	(0.79%)	5.09%		
Short-term debt Cost Rate (%)	6.23%	0.00%	6.23%	(1.19%)	5.04%		
Common Equity Cost Rate (%)	9.21%	0.00%	9.21%	0.04%	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.
- (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) 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
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 - (6) 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).
 - (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
 - (8) **4.0%** unless an Applicant has proposed or been approved another amount.
 - (9) 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) ⁽²⁾	\$1,626,485	(\$31,804)	\$1,594,681	\$ -	\$1,594,681	\$ -	\$1,594,681
2	Accumulated Depreciation (average) ⁽²⁾	(\$567,595)	\$1,050	(\$566,545)	\$ -	(\$566,545)	\$ -	(\$566,545)
3	Net Fixed Assets (average) ⁽²⁾	\$1,058,890	(\$30,755)	\$1,028,136	\$ -	\$1,028,136	\$ -	\$1,028,136
4	Allowance for Working Capital ⁽¹⁾	\$227,307	\$705	\$228,012	\$3,314	\$231,326	(\$231,326)	\$ -
5	Total Rate Base	\$1,286,198	(\$30,050)	\$1,256,148	\$3,314	\$1,259,462	(\$231,326)	\$1,028,136

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$687,474	(\$667)	\$686,808	(\$27,000)	\$659,808	\$ -	\$659,808
7	Cost of Power	\$2,343,290	\$10,065	\$2,353,355	\$71,188	\$2,424,542	\$ -	\$2,424,542
8	Working Capital Base	\$3,030,764	\$9,398	\$3,040,162	\$44,188	\$3,084,350	\$ -	\$3,084,350
9	Working Capital Rate % ⁽¹⁾	7.50%	0.00%	7.50%	0.00%	7.50%	-7.50%	0.00%
10	Working Capital Allowance	\$227,307	\$705	\$228,012	\$3,314	\$231,326	(\$231,326)	\$ -

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
Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)	\$786,407	(\$535)	\$785,872	(\$16,408)	\$769,464	\$ -	\$769,464
2	Other Revenue ⁽¹⁾	\$55,975	(\$8)	\$55,967	(\$15,635)	\$40,332	\$ -	\$40,332
3	Total Operating Revenues	\$842,382	(\$543)	\$841,839	(\$32,042)	\$809,797	\$ -	\$809,797
Operating Expenses:								
4	OM+A Expenses	\$687,474	(\$667)	\$686,808	(\$27,000)	\$659,808	\$ -	\$659,808
5	Depreciation/Amortization	\$62,361	(\$1,381)	\$60,980	\$ -	\$60,980	\$ -	\$60,980
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$749,836	(\$2,047)	\$747,788	(\$27,000)	\$720,788	\$ -	\$720,788
10	Deemed Interest Expense	\$36,194	\$8,299	\$44,493	(\$6,052)	\$38,441	(\$7,060)	\$31,380
11	Total Expenses (lines 9 to 10)	\$786,029	\$6,252	\$792,281	(\$33,052)	\$759,229	(\$7,060)	\$752,169
12	Utility income before income taxes	\$56,353	(\$6,795)	\$49,558	\$1,010	\$50,568	\$7,060	\$57,628
13	Income taxes (grossed-up)	\$8,969	(\$5,688)	\$3,281	\$279	\$3,561	\$ -	\$3,561
14	Utility net income	\$47,384	(\$1,107)	\$46,276	\$730	\$47,007	\$7,060	\$54,067

Notes Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$3,872	\$ -	\$3,872	(\$0)	\$3,872	\$ -	\$3,872
	Late Payment Charges	\$4,516	\$ -	\$4,516	(\$0)	\$4,516	\$ -	\$4,516
	Other Distribution Revenue	\$28,424	\$ -	\$28,424	(\$0)	\$28,424	\$ -	\$28,424
	Other Income and Deductions	\$19,163	(\$8)	\$19,155	(\$15,635)	\$3,520	\$ -	\$3,520
	Total Revenue Offsets	\$55,975	(\$8)	\$55,967	(\$15,635)	\$40,332	\$ -	\$40,332



Revenue Requirement Workform (RRWF) for 2025 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$47,384	\$46,276	\$46,600	\$38,041
2	Adjustments required to arrive at taxable utility income	\$17,167	(\$22,661)	(\$21,196)	(\$21,196)
3	Taxable income	<u>\$64,550</u>	<u>\$23,616</u>	<u>\$25,404</u>	<u>\$16,845</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$7,875	\$2,881	\$3,126	\$3,126
6	Total taxes	<u>\$7,875</u>	<u>\$2,881</u>	<u>\$3,126</u>	<u>\$3,126</u>
7	Gross-up of Income Taxes	\$1,094	\$400	\$434	\$434
8	Grossed-up Income Taxes	<u>\$8,969</u>	<u>\$3,281</u>	<u>\$3,561</u>	<u>\$3,561</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$8,969</u>	<u>\$3,281</u>	<u>\$3,561</u>	<u>\$3,561</u>
10	Other tax Credits	\$ -	\$ -	\$ -	\$ -
<u>Tax Rates</u>					
11	Federal tax (%)	9.00%	9.00%	9.00%	9.00%
12	Provincial tax (%)	3.20%	3.20%	3.20%	3.20%
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
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$720,271	4.58%	\$32,988
2	Short-term Debt	4.00%	\$51,448	6.23%	\$3,205
3	Total Debt	60.00%	\$771,719	4.69%	\$36,194
	Equity				
4	Common Equity	40.00%	\$514,479	9.21%	\$47,384
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$514,479	9.21%	\$47,384
7	Total	100.00%	\$1,286,198	6.50%	\$83,577
Interrogatory Responses					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$703,443	5.88%	\$41,362
2	Short-term Debt	4.00%	\$50,246	6.23%	\$3,130
3	Total Debt	60.00%	\$753,689	5.90%	\$44,493
	Equity				
4	Common Equity	40.00%	\$502,459	9.21%	\$46,276
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$502,459	9.21%	\$46,276
7	Total	100.00%	\$1,256,148	7.23%	\$90,769
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$705,299	5.09%	\$35,902
9	Short-term Debt	4.00%	\$50,378	5.04%	\$2,539
10	Total Debt	60.00%	\$755,677	5.09%	\$38,441
	Equity				
11	Common Equity	40.00%	\$503,785	9.25%	\$46,600
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$503,785	9.25%	\$46,600
14	Total	100.00%	\$1,259,462	6.75%	\$85,041
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$575,756	5.09%	\$29,308
9	Short-term Debt	4.00%	\$41,125	5.04%	\$2,073
10	Total Debt	60.00%	\$616,881	5.09%	\$31,380
	Equity				
11	Common Equity	40.00%	\$411,254	9.25%	\$38,041
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$411,254	9.25%	\$38,041
14	Total	100.00%	\$1,028,136	6.75%	\$69,421

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		\$156,448		\$151,564		\$133,268		\$115,479
2	Distribution Revenue	\$640,077	\$629,959	\$649,517	\$634,308	\$648,487	\$636,196	\$648,487	\$653,986
3	Other Operating Revenue	\$55,975	\$55,975	\$55,967	\$55,967	\$40,332	\$40,332	\$40,332	\$40,332
	Offsets - net								
4	Total Revenue	\$696,051	\$842,382	\$705,484	\$841,839	\$688,819	\$809,797	\$688,819	\$809,797
5	Operating Expenses	\$749,836	\$749,836	\$747,788	\$747,788	\$720,788	\$720,788	\$720,788	\$720,788
6	Deemed Interest Expense	\$36,194	\$36,194	\$44,493	\$44,493	\$38,441	\$38,441	\$31,380	\$31,380
8	Total Cost and Expenses	\$786,029	\$786,029	\$792,281	\$792,281	\$759,229	\$759,229	\$752,169	\$752,169
9	Utility Income Before Income Taxes	(\$89,978)	\$56,353	(\$86,797)	\$49,558	(\$70,410)	\$50,568	(\$63,349)	\$57,628
10	Tax Adjustments to Accounting Income per 2013 PILs model	\$17,167	\$17,167	(\$22,661)	(\$22,661)	(\$21,196)	(\$21,196)	\$ -	(\$21,196)
11	Taxable Income	(\$72,811)	\$73,520	(\$109,458)	\$26,897	(\$91,606)	\$29,372	(\$63,349)	\$36,432
12	Income Tax Rate	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%
13	Income Tax on Taxable Income	\$ -	\$8,969	\$ -	\$3,281	\$ -	\$3,583	\$ -	\$4,445
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	(\$89,978)	\$47,384	(\$86,797)	\$46,276	(\$70,410)	\$47,007	(\$63,349)	\$54,067
16	Utility Rate Base	\$1,286,198	\$1,286,198	\$1,256,148	\$1,256,148	\$1,259,462	\$1,259,462	\$1,028,136	\$1,028,136
17	Deemed Equity Portion of Rate Base	\$514,479	\$514,479	\$502,459	\$502,459	\$503,785	\$503,785	\$411,254	\$411,254
18	Income/(Equity Portion of Rate Base)	-17.49%	9.21%	-17.27%	9.21%	-13.98%	9.33%	-15.40%	13.15%
19	Target Return - Equity on Rate Base	9.21%	9.21%	9.21%	9.21%	9.25%	9.25%	9.25%	9.25%
20	Deficiency/Sufficiency in Return on Equity	-26.70%	0.00%	-26.48%	0.00%	-23.23%	0.08%	-24.65%	3.90%
21	Indicated Rate of Return	-4.18%	6.50%	-3.37%	7.23%	-2.54%	6.78%	-3.11%	8.31%
22	Requested Rate of Return on Rate Base	6.50%	6.50%	7.23%	7.23%	6.75%	6.75%	6.75%	6.75%
23	Deficiency/Sufficiency in Rate of Return	-10.68%	0.00%	-10.59%	0.00%	-9.29%	0.03%	-9.86%	1.56%
24	Target Return on Equity	\$47,384	\$47,384	\$46,276	\$46,276	\$46,600	\$46,600	\$38,041	\$38,041
25	Revenue Deficiency/(Sufficiency)	\$137,361	\$ -	\$133,074	\$ -	\$117,010	\$406	\$101,390	\$16,026
26	Gross Revenue Deficiency/(Sufficiency)	\$156,448 ⁽¹⁾		\$151,564 ⁽¹⁾		\$133,268 ⁽¹⁾		\$115,479 ⁽¹⁾	

Notes:

(1) 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	\$687,474	\$686,808	\$659,808	\$659,808
2	Amortization/Depreciation	\$62,361	\$60,980	\$60,980	\$60,980
3	Property Taxes	\$ -	\$ -	\$ -	\$ -
5	Income Taxes (Grossed up)	\$8,969	\$3,281	\$3,561	\$3,561
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$36,194	\$44,493	\$38,441	\$31,380
	Return on Deemed Equity	\$47,384	\$46,276	\$46,600	\$38,041
8	Service Revenue Requirement (before Revenues)	<u>\$842,382</u>	<u>\$841,839</u>	<u>\$809,390</u>	<u>\$793,771</u>
9	Revenue Offsets	\$55,975	\$55,967	\$40,332	\$ -
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	<u>\$786,407</u>	<u>\$785,872</u>	<u>\$769,058</u>	<u>\$793,771</u>
11	Distribution revenue	\$786,407	\$785,872	\$769,464	\$769,464
12	Other revenue	\$55,975	\$55,967	\$40,332	\$40,332
13	Total revenue	<u>\$842,382</u>	<u>\$841,839</u>	<u>\$809,797</u>	<u>\$809,797</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$ -</u> ⁽¹⁾	<u>\$ -</u> ⁽¹⁾	<u>\$406</u> ⁽¹⁾	<u>\$16,026</u> ⁽¹⁾

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% ⁽²⁾	Settlement Agreement	Δ% ⁽²⁾	Per Board Decision	Δ% ⁽²⁾
Service Revenue Requirement Grossed-Up Revenue	\$842,382	\$841,839	###	\$809,390	(3.92%)	\$793,771	(5.77%)
Deficiency/(Sufficiency)	\$156,448	\$151,564	###	\$133,268	#####	\$115,479	(26.19%)
Base Revenue Requirement (to be recovered from Distribution Rates)	\$786,407	\$785,872	###	\$769,058	(2.21%)	\$793,771	0.94%
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$146,331	\$136,355	###	\$120,977	#####	\$ -	(100.00%)

Notes

⁽¹⁾ Line 11 - Line 8

⁽²⁾ 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.

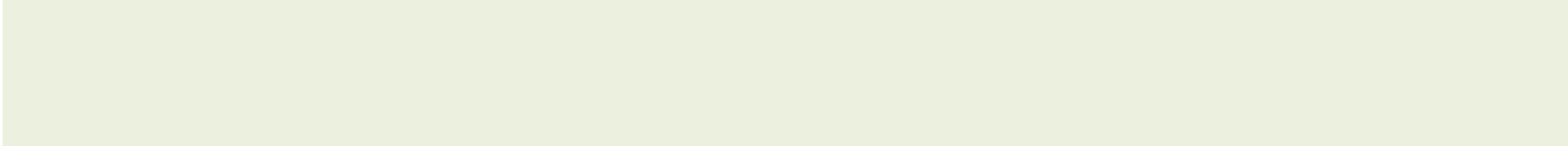
Stage in Process:

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 ⁽¹⁾ Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA ⁽¹⁾ Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA ⁽¹⁾ Annual	Customer / Connections Test Year average or mid-year	kWh Annual	kW/kVA ⁽¹⁾ Annual
1	Residential	1,148	11,990,705	-	1,148	11,990,705	-	1,152	12,563,960	-			
2	General Service < 50 kW	138	3,673,076	-	138	3,673,076	-	138	3,881,270	-			
3	General Service > 50 to 4999 kW	15	3,602,631	9,679	22	3,602,631	9,679	17	3,801,806	10,214			
4	Unmetered Scattered Load	22	9,316	-	22	9,316	-	22	9,316	-			
5	Street Lighting	370	152,497	422	370	152,497	422	370	152,497	422			
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
	Total		19,428,226	10,102		19,428,226	10,102		20,408,849	10,637			

Notes:

⁽¹⁾ 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 ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾	%
From Sheet 10. Load Forecast			(7A)	
1 Residential	\$ 432,483	78.36%	\$ 670,806	82.84%
2 General Service < 50 kW	\$ 80,126	14.52%	\$ 89,270	11.02%
3 General Service > 50 to 4999 kW	\$ 29,797	5.40%	\$ 35,935	4.44%
4 Unmetered Scattered Load	\$ 9,030	1.64%	\$ 2,411	0.30%
5 Street Lighting	\$ 464	0.08%	\$ 11,375	1.40%
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 551,899	100.00%	\$ 809,797	100.00%
Service Revenue Requirement (from Sheet 9)			\$ 809,390.04	

- (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	LF X current	LF X Proposed Rates	Miscellaneous
	current approved rates	approved rates X		Revenues
	(7B)	(1+d) (7C)	(7D)	(7E)
1 Residential	\$ 511,243	\$ 606,617	\$ 612,741	\$ 30,767
2 General Service < 50 kW	\$ 88,520	\$ 105,033	\$ 101,913	\$ 5,244
3 General Service > 50 to 4999 kW	\$ 36,800	\$ 43,665	\$ 40,518	\$ 2,638
4 Unmetered Scattered Load	\$ 1,585	\$ 1,881	\$ 2,134	\$ 181
5 Street Lighting	\$ 10,340	\$ 12,269	\$ 12,158	\$ 1,502
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 648,487	\$ 769,465	\$ 769,464	\$ 40,332

- (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: 2020	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
		%	%	%	%
1	Residential	0.97	95.02%	95.93%	85 - 115
2	General Service < 50 kW	1.20	123.53%	120.04%	
3	General Service > 50 to 4999 kW	1.05	128.85%	120.10%	
4	Unmetered Scattered Load	0.97	85.50%	96.02%	
5	Street Lighting	1.20	121.07%	120.09%	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

- (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 ⁽¹¹⁾

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2025	2026	2027	
1	Residential	95.93%	95.93%	95.93%	85 - 115
2	General Service < 50 kW	120.04%	120.04%	120.04%	
3	General Service > 50 to 4999 kW	120.10%	120.10%	120.10%	
4	Unmetered Scattered Load	96.02%	96.02%	96.02%	
5	Street Lighting	120.09%	120.09%	120.09%	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

(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'.



Ontario Energy Board

Revenue Requirement (RRWF) for 2025

New Rate Design Policy For Residential C

Please complete the following tables.

A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Residential Class	
Customers	1,152
kWh	12,563,960

Proposed Residential Class Specific Revenue Requirement ¹	\$ 612,741.10
--	---------------

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	
Distribution Volumetric Rate (\$/kWh)	

B Current Fixed/Variable Split

	Base Rates	Billing Determinants
Fixed		1,152
Variable		12,563,960
TOTAL	-	-

C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years ²	
--	--

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split
Fixed		
Variable		
TOTAL		-

	New F/V Split	Revenue @ new F/V Split
--	----------------------	--------------------------------

Fixed		
Variable		
TOTAL	-	\$ -

Checks ³	
Change in Fixed Rate	
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	

Notes:

- ¹ The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, a used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).
- ² The distributor should enter the number of years remaining before the transition to fully fixed rates is complete and distributors should have either 0 or 1 year remaining. If the distributor has fully transitioned to fully fixed rates, put "0" in cell D40. If the distributor has proposed an additional transition year because the change in the residential rate design is more than \$4/year, put "1" in cell D40.
- ³ Change in fixed rate due to rate design policy should be less than \$4. The difference between the proposed and calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

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 ^{1,3}			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 ¹ (\$)	Monthly Service Charge ²		Volumetric Rate ³		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			
From sheet 10, Load Forecast																	
1 Residential	kWh	1,152	12,563,960	-	\$ 612,741	\$ 612,741	\$ -	100.00%	0.00%	\$44.31	2	\$0.0000	kWh	4	\$ 612,744.90	\$ -	\$ 612,744.90
2 General Service < 50 kW	kWh	138	3,881,270	-	\$ 101,913	\$ 50,525	\$ 51,388	49.58%	50.42%	\$30.50		\$0.0132	kWh		\$ 50,528.40	\$ 51,232,7648	\$ 101,761.16
3 General Service > 50 to 4999 kW	kWh	17	3,801,806	10,214	\$ 40,518	\$ 19,228	\$ 21,290	47.46%	52.54%	\$96.43		\$2.0843	kWh		\$ 19,227.85	\$ 21,289,7714	\$ 40,517.62
4 Unmetered Scattered Load	kWh	22	9,316	-	\$ 2,134	\$ 1,941	\$ 193	90.95%	9.05%	\$7.35		\$0.0207	kWh		\$ 1,940.40	\$ 192,8412	\$ 2,133.24
5 Street Lighting	kW	370	152,497	422	\$ 12,158	\$ 7,831	\$ 4,327	64.41%	35.59%	\$1.76		\$10.2443	kWh		\$ 7,814.40	\$ 4,327.1923	\$ 12,141.59
6															\$ -	\$ -	\$ -
7															\$ -	\$ -	\$ -
8															\$ -	\$ -	\$ -
9															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
#															\$ -	\$ -	\$ -
Total Transformer Ownership Allowance										\$	-						
										Rates recover revenue requirement			Total Distribution Revenues	\$	769,298.51		
													Base Revenue Requirement	\$	769,057.98		
													Difference	\$	240.53		
													% Difference		0.031%		

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))]

APPENDIX B
2025 Tariff Sheet

Hydro 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively by residential customers residing in detached, semi-detached or townhouse dwelling units. 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	\$	44.31
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2025) - effective until April 30, 2027	\$	1.32
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Low Voltage Service Rate	\$/kWh	0.0111
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2027	\$/kWh	0.0024
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0106
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0083

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 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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 a non residential account taking electricity at 750 volts or less whose average monthly average peak demand is less than, or is forecast to be less than, 50 kW. This section shall include small apartment buildings, stacked townhouses, and smaller commercial, industrial and institutional developments. 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	\$	30.50
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0132
Low Voltage Service Rate	\$/kWh	0.0107
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2027	\$/kWh	0.0025
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2025) - effective until April 30, 2027	\$/kWh	0.0014
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0096
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0079

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 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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 refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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	\$	96.43
Distribution Volumetric Rate	\$/kW	2.0843
Low Voltage Service Rate	\$/kW	3.8561
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2027	\$/kW	0.9534
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2025) - effective until April 30, 2027	\$/kW	0.5274
Rate Rider for Disposition of Global Adjustment Account (2025) - Applicable Only to Non-RPP Customers - effective until April 30, 2027	\$/kWh	0.0018

Hydro 2000 Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

Retail Transmission Rate - Network Service Rate	\$/kW	3.9465
---	-------	--------

Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.1105
--	-------	--------

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 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. 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 connection)	\$	1.76
Distribution Volumetric Rate	\$/kW	10.2443
Low Voltage Service Rate	\$/kW	2.9812
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2027	\$/kW	0.6890
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2025) - effective until April 30, 2027	\$/kW	0.5349
Rate Rider for Disposition of Global Adjustment Account (2025) - Applicable Only to Non-RPP Customers - effective until April 30, 2027	\$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	\$/kW	2.9761
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4048

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 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 connection)	\$	7.35
Distribution Volumetric Rate	\$/kWh	0.0207
Low Voltage Service Rate	\$/kWh	0.0107
Rate Rider for Disposition of Deferral/Variance Accounts - effective until April 30, 2027	\$/kWh	0.0155
Rate Rider for Disposition of Group 2 Deferral/Variance Accounts (2025) - effective until April 30, 2027	\$/kWh	0.0016
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0096
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0079

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 2000 Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date

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

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.

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.

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	\$	5.00
----------------	----	------

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

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 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.

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.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00

Hydro 2000 Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	15.00
Special meter reads	\$	30.00
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	\$	25.00
Reconnection at meter - after regular hours	\$	50.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

Other

Service call - customer owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - underground - no transformer	\$	300.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	39.14

RETAIL SERVICE CHARGES (if applicable)

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.

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.

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

Hydro 2000 Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

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
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	1.0832
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0732