

April 11, 2025

BY RESS

Ms. Nancy Marconi
Ontario Energy Board
P.O. Box 2319
2300 Young Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**RE: Welland Hydro-Electric System Corp. ("WHESC")
Application for May 1, 2025 Electricity Distribution Rates
Ontario Energy Board ("OEB") File No. EB-2024-0058**

On March 27, 2025 the OEB issued its Decision and Order (the "Decision") on WHESC's Cost of Service Application. In its Decision, the OEB approved the Settlement Proposal and directed WHESC to file a draft rate order.

WHESC submitted the draft rate order on April 3, 2025, as instructed, incorporating updates to:

- 2025 Cost of Capital parameters (return on equity, deemed long-term debt rate and deemed short-term debt rate)
- 2025 Uniform Transmission Rates

Following the filing of the Draft Rate Order, the OEB filed OEB Staff Submission on April 9, 2025. In this submission, OEB Staff noted the following:

- In the Draft Rate Order, WHESC did not provide any updates to the "DVA Continuity Schedule", which was last updated and filed on February 18, 2025. OEB Staff noted that distribution revenue (Tab 4, Row 1 of the "DVA Continuity Schedule") is used to allocate certain Group 2 DVA balances to rate classes. Since the base revenue requirement has been updated in the DRO, the update should result in changes to the Group 2 DVA rate riders for certain rate classes. OEB staff submits that as part of its reply comment, WHESC should file updated "DVA Continuity Schedule" with corrected Group 2 DVA rate riders which are derived based on corrected distribution revenue.
- In OEB Staff Submission dated April 9, 2025, OEB staff also submitted that WHESC should refile the "Tariff Schedule and Bill Impact Model" to reflect the updated Group 2 DVA rate riders as well as recalculate the bill impacts as part of its reply comment.

WHESC is filing a Revised Draft Rate Order that reflects the updated Group 2 rate riders and Bill Impacts resulting from the correction to the distribution revenue included on Tab 4 of the DVA Continuity Schedule.

WHESC is also filing a revised DVA Continuity Schedule and Tariff Schedule and Bill Impact Model in live Excel format.

In preparing the Revised Draft Rate Order, it was also found that Section 2.3, Table "Base Revenue Allocation" in the Draft Rate Order filed on April 3, 2025, included incorrect allocation amounts for the Residential, Sentinel Lighting, Street Lighting,

and Unmetered Scattered Load classes. This has been corrected in the Revised Draft Rate Order. The Base Revenue amounts now match Tab 13 of the Revenue Requirement Workform filed with the Draft Rate Order on April 3, 2025.

The following table summarizes the change in Group 2 rate riders from the DRO filed on April 3, 2025 and the revised DRO filed on April 11, 2025:

Rate Class	DRO filed May 3, 2025		Revised DRO filed May 9, 2025		Change	
	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts	Allocated Group 2 Balance	Rate Rider for Group 2 Accounts
RESIDENTIAL	-\$ 862,768	-\$ 2.94	-\$ 862,732	-\$ 2.94	-\$ 36	-\$ 0.00
GENERAL SERVICE LESS THAN 50 KW	-\$ 159,674	-\$ 0.0028	-\$ 159,671	-\$ 0.0028	-\$ 3	-\$ 0.0000
GENERAL SERVICE 50 TO 4,999 KW	-\$ 288,889	-\$ 0.7543	-\$ 288,930	-\$ 0.7544	\$ 41	\$ 0.0001
UNMETERED SCATTERED LOAD	-\$ 3,379	-\$ 0.0043	-\$ 3,379	-\$ 0.0043	-\$ 0	-\$ 0.0000
SENTINEL LIGHTING	-\$ 3,019	-\$ 2.7795	-\$ 3,018	-\$ 2.7779	-\$ 2	-\$ 0.0016
STREET LIGHTING	-\$ 18,934	-\$ 4.5879	-\$ 18,934	-\$ 4.5878	-\$ 0	-\$ 0.0001
Total	-\$ 1,336,664		-\$ 1,336,664		\$ 0	

The following table provides the revised Bill Impacts being submitted in the Revised DRO on April 11, 2025:

RATE CLASS	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
Residential Service Classification - RPP	kwh	\$ (3.74)	-11.6%	\$ (6.59)	-17.3%	\$ (4.66)	-8.6%	-\$ 4.68	-3.5%
General Service Less Than 50 KW Service Classification - RPP	kwh	\$ (7.20)	-12.2%	\$ (15.01)	-20.1%	\$ (10.64)	-9.5%	-\$ 10.71	-3.3%
General Service 50 to 4,999 kW Service Classification - Non-RPP (Other)	kw	\$ (19.91)	-3.6%	\$ (97.30)	-15.9%	\$ (49.30)	-4.9%	-\$ 76.97	-1.6%
Unmetered Scattered Load Service Classification - RPP	kwh	\$ (0.98)	-7.2%	\$ (1.56)	-10.6%	\$ (1.23)	-7.1%	-\$ 1.24	-3.7%
Sentinel Lighting Service Classification - RPP	kw	\$ (0.21)	-2.8%	\$ (0.65)	-7.7%	\$ (0.43)	-4.3%	-\$ 0.44	-1.9%
Street Lighting Service Classification - Non-RPP (Other)	kw	\$ (0.17)	-21.6%	\$ (0.23)	-25.9%	\$ (0.20)	-17.5%	-\$ 0.23	-6.9%

The following table provides the Bill Impacts submitted in the DRO on April 3, 2025:

RATE CLASS	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
Residential Service Classification - RPP	kwh	\$ (3.74)	-11.6%	\$ (6.59)	-17.3%	\$ (4.66)	-8.6%	-\$ 4.68	-3.5%
General Service Less Than 50 KW Service Classification - RPP	kwh	\$ (7.20)	-12.2%	\$ (15.01)	-20.1%	\$ (10.64)	-9.5%	-\$ 10.71	-3.3%
General Service 50 to 4,999 kW Service Classification - Non-RPP (Other)	kw	\$ (19.90)	-3.6%	\$ (97.29)	-15.9%	\$ (49.30)	-4.9%	-\$ 76.96	-1.6%
Unmetered Scattered Load Service Classification - RPP	kwh	\$ (0.98)	-7.2%	\$ (1.56)	-10.6%	\$ (1.23)	-7.1%	-\$ 1.24	-3.7%
Sentinel Lighting Service Classification - RPP	kw	\$ (0.21)	-2.8%	\$ (0.65)	-7.7%	\$ (0.43)	-4.3%	-\$ 0.44	-1.9%
Street Lighting Service Classification - Non-RPP (Other)	kw	\$ (0.17)	-21.6%	\$ (0.23)	-25.9%	\$ (0.20)	-17.5%	-\$ 0.23	-6.9%

Enclosed is the Revised Draft Rate Order and updated excel models as requested in the OEB Staff Submission.

Yours very truly,



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