



**Hydro One Networks Inc.**

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**Kathleen Burke**

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**BY EMAIL AND RESS**

July 17, 2023

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

Dear Ms. Marconi,

**EB-2023-0127 – Hydro One Networks Inc. – Application for 2024 Transmission Revenue Requirement**

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants (the Decision and Order) in EB-2021-0110, enclosed is Hydro One Transmission's Custom IR Application (the Application) in support of its request for transmission revenue requirement effective January 1, 2024.

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

Sincerely,

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

Kathleen Burke

## EXHIBIT LIST

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1 **APPLICATION**

2  
3 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
4 S.O.1998, c.15 (Schedule B);

5  
6 **AND IN THE MATTER OF** an Application by Hydro One  
7 Networks Inc., for an Order or Orders made pursuant to section  
8 78 of the *Ontario Energy Board Act, 1998* approving rates and  
9 other charges for the transmission of electricity to be effective  
10 January 1, 2024.

- 11
- 12 1. The Applicant, Hydro One Networks Inc. (Hydro One), is an Ontario corporation with  
13 its head office in Toronto, Ontario. Hydro One is licensed by the Ontario Energy  
14 Board (the OEB or the Board), under licence number ET-2003-0035, to transmit  
15 electricity and carry on the business of owning and operating transmission facilities in  
16 Ontario. The transmission business of Hydro One is referred to as “Hydro One  
17 Transmission” in this Application.
  - 18
  - 19 2. In the OEB's Decision on Settlement Proposal and Order on Rates, Revenue  
20 Requirement and Charge Determinants (Decision and Order) for Hydro One's  
21 Custom Incentive Rate-setting (IR) Application (EB-2021-0110), the OEB approved  
22 the proposed Custom IR methodology and determined that this framework would be  
23 used to determine Hydro One's transmission revenue requirement for the years 2024  
24 through to 2027 inclusive.<sup>1</sup>
  - 25
  - 26 3. This is an Application for Hydro One's 2024 transmission revenue requirement  
27 determined formulaically using the Custom IR methodology approved in EB-2021-  
28 0110.

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<sup>1</sup> Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

- 1 4. Hydro One hereby applies to the OEB for an Order approving a rates revenue  
2 requirement of \$2,024.3M for 2024, to be effective on January 1, 2024, along with an  
3 amendment to the 2024 Uniform Transmission Rates (UTRs) to allow for recovery of  
4 this amount; and other items or amounts that may be requested by Hydro One in the  
5 course of this proceeding, and as may be granted by the OEB.  
6
- 7 5. Hydro One is not requesting approval to dispose of any deferral and variance  
8 account balances in this Application.  
9
- 10 6. Approval of the Hydro One's 2024 rates revenue requirement results in an increase  
11 in the total bill of 0.7% or \$1.00 per month for a typical Hydro One medium density  
12 residential (R1) customer consuming 750 kWh monthly and an increase in total bill of  
13 0.5% or \$2.21 per month for a typical Hydro One General Service Energy less than  
14 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly. More information  
15 regarding the monthly bill impacts are found in Exhibit A-04-01, Section 4.6.  
16
- 17 7. In preparing this Application, Hydro One has been guided by the OEB's *Filing*  
18 *Requirements for Electricity Transmission Applications* dated February 11, 2016.  
19
- 20 8. The written evidence filed with the OEB may be amended from time to time prior to  
21 the OEB's final decision on the Application.  
22

#### 23 **NOTICE AND FORM OF HEARING REQUESTED**

- 24 9. The Application may be viewed on the internet at the following address:  
25 <https://www.hydroone.com/abouthydroone/RegulatoryInformation/txrates>  
26
- 27 10. The persons affected by this Application are all persons affected by Ontario's UTRs.  
28 It is therefore impractical to set out their names and addresses because they are too  
29 numerous.

1 11. Hydro One requests, in accordance with sections 6(4) and 21(4)(b) of the *Ontario*  
2 *Energy Board Act, 1998*, that this Application be disposed of without a hearing, and  
3 hereby provides its consent to same. Hydro One submits that in accordance with the  
4 requirements of section 21(4)(b) of the *Ontario Energy Board Act, 1998*, no person  
5 will be adversely affected in a material way by the outcome of this proceeding.  
6

#### 7 **PROPOSED EFFECTIVE DATE**

8 12. Hydro One requests that the OEB's Rate Order be effective January 1, 2024. In  
9 order to address the possibility that the requested Rate Order cannot be made  
10 effective by that time, Hydro One requests an interim Rate Order making its current  
11 transmission revenue requirement and charges effective on an interim basis as of  
12 January 1, 2024, and approval of a Transmission Foregone Revenue Deferral  
13 Account to recover any differences between the interim rates and final rates effective  
14 January 1, 2024, based on the OEB's Decision and Order herein.  
15

#### 16 **CONTACT INFORMATION**

17 13. Hydro One requests that a copy of all documents filed with the OEB by each party to  
18 this Application be served on the Applicant and the Applicant's counsel, as follows:  
19

##### 20 **a) The Applicant:**

21 Ms. Carla Molina  
22 Senior Regulatory Coordinator – Regulatory Affairs  
23 Hydro One Networks Inc.  
24

25 Mailing Address: 7<sup>th</sup> Floor, South Tower  
26 483 Bay Street  
27 Toronto, Ontario M5G 2P5

28 Telephone: (416) 345-5317

29 Fax: (416) 345-5866

30 Email: [Regulatory@HydroOne.com](mailto:Regulatory@HydroOne.com)

1           **b) The Applicant's Counsel:**

2           Ms. Raman Dhillon  
3           Senior Legal Counsel  
4           Hydro One Networks Inc.

5  
6           Mailing Address:                 8<sup>th</sup> Floor, South Tower  
7   483 Bay Street  
8   Toronto, Ontario M5G 2P5

9           Telephone:                         (416) 859-0942

10          Fax:                                 (416) 345-6972

11          Email:                             [Raman.Dhillon@HydroOne.com](mailto:Raman.Dhillon@HydroOne.com)

12

13         **DATED** at Toronto, Ontario, this 17th day of July, 2023.

14

15         By its counsel,

16

17

18



19         \_\_\_\_\_  
Raman Dhillon





Filed: 2023-07-17  
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Exhibit A-2-1  
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Filed: 2023-07-17  
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Exhibit A-2-1  
Attachment 2  
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## APPLICATION SUMMARY

### 1.0 INTRODUCTION

This Exhibit describes Hydro One's 2024 transmission revenue requirement application (the Application).

The 2024 transmission total revenue requirement of \$2,079.8M has been determined formulaically, using the Custom IR methodology approved in EB-2021-0110. After deducting for other revenues (external revenue, wholesale meter service revenue and export transmission service revenue) and including the low voltage switchgear credit, it results in a proposed 2024 rates revenue requirement of \$2,024.3M as outlined in Table 1 below. A detailed breakdown is provided in Section 4.1.

**Table 1 - Total Rates Revenue Requirement (\$M)**

	<b>2024</b>	<b>Section Reference</b>
<b>Total Revenue Requirement</b>	<b>2,079.8</b>	Section 2.0
Deduct: External Revenue	(36.9)	Section 4.2
Deduct: Wholesale Meter Service (WMS) Revenue	(0.0)	Section 4.3
Deduct: Export Transmission Service (ETS) Revenue	(37.1)	Section 4.4
Add: Low Voltage Switchgear (LVSG) Credit	18.6	Section 4.5
<b>Rates Revenue Requirement</b>	<b>2,024.3</b>	

Hydro One is requesting that the OEB approve the 2024 rates revenue requirement to be effective on January 1, 2024.

Approval of the 2024 rates revenue requirement results in an increase in the total bill of 0.7% or \$1.00 per month for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly and an increase in total bill of 0.5% or \$2.21 per month for a typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly. More information regarding the monthly bill impacts is found in Section 4.6.

1 **2.0 CUSTOM REVENUE CAP INDEX ADJUSTMENT**

2 In the OEB’s Decision and Order for Hydro One’s Custom Application (EB-2021-0110),  
3 the OEB approved the Custom IR methodology for adjusting Hydro One’s transmission  
4 revenue requirement for the years 2024 to 2027, inclusive.<sup>1</sup>

5  
6 The approved formula for the Custom IR for the test year t+1 is equal to the revenue in  
7 year t inflated by the Revenue Cap Index (RCI) set out below as:

8  
9 
$$RCI = I - X + C$$

10 Where:

11 “I” is the Inflation Factor, based on the transmission industry specific weighted two-  
12 factor input price index;

13 “X” is the Productivity Factor, which includes a Stretch Factor; and

14 “C” is the Custom Capital Factor, based on the incremental revenue necessary to  
15 support Hydro One’s Transmission System Plan, beyond the amount of revenue  
16 recovered in rates. The calculation for the Custom Capital Factor is set out in Table 2  
17 below.

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<sup>1</sup> Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

1

**Table 2 - 2024 Capital Factor <sup>2</sup> (\$M)**

	<b>Calculation</b>	<b>2023</b>	<b>2024</b>
Total Capital Related Revenue Requirement (excluding working capital and productivity)	<i>A</i>	1,518.7	1,623.2
OM&A	<i>B</i>	433.7	456.5 <sup>[1]</sup>
Total Revenue Requirement	<i>D = A + B</i>	1,952.5	2,079.8 <sup>[2]</sup>
Increase in Capital Related Revenue Requirement	$E = A_{2024} - A_{2023}$		104.5
Increase in Capital Related Revenue Requirement relative to Previous Year's Total Revenue Requirement	$F = E / D_{2023}$		5.35%
Less Capital Related Revenue Requirement in I-X	$G = \frac{A_{2023}}{D_{2023}} \times (I - X)$		4.08% <sup>[3]</sup>
<b>Capital Factor (C)</b>	$C = F - G$		<b>1.27%</b>

[1] 2024 OM&A = 2023 OM&A \* [1+(I-X)]

[2] 2024 Total Revenue Requirement as per Table 4

[3] The percent increase equals Previous Year's Capital Related Revenue Requirement multiplied by I-X; and divided by Previous Year's Total Revenue Requirement, as follows:

$$G = \frac{\$1,518.7M}{\$1,952.5M} \times (5.4\% - 0.15\%)$$

2

3 In accordance with the OEB's Decision and Order in EB-2021-0110, the Inflation Factor  
 4 and the Custom Capital Factor will be updated annually. On June 29, 2023, the OEB  
 5 released the Inflation Factor to be used by electricity transmitters for 2024 rate  
 6 applications beginning January 1, 2024. This Application reflects the 5.4% Inflation  
 7 Factor calculated by the OEB for electricity transmitters.<sup>3</sup>

<sup>2</sup> The numbers in the table below correspond to the Decision and Order, EB-2021-0110, Schedule A, Table 15, except where otherwise specified.

<sup>3</sup> OEB Letter, 2024 Inflation Parameters, June 29, 2023.



1 Consistent with the OEB’s Decision and Order in EB-2021-0110, the Productivity Factor  
 2 of 0.15% will not be updated over the 2024 to 2027 period.<sup>4</sup> Table 3 summarizes the  
 3 approved components of the RCI for 2024.

4  
 5

**Table 3 - 2024 Custom Revenue Cap Index (RCI) by Component (%)**

<b>Custom Revenue Cap Index by Component (%)</b>	<b>2024</b>
Inflation Factor (I)	5.40
Productivity Factor (X)	0.15
Custom Capital Factor (C)	1.27 <sup>[1]</sup>
<b>Total Revenue Cap Index (RCI = I – X + C)</b>	<b>6.52</b>

[1] As per Table 2. Includes an approved supplemental stretch on capital of 0.20% as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A. The supplemental stretch on capital is included in the 2024 approved Total Capital Related Revenue requirement as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Table 15, line 9.

6  
 7  
 8

The 2024 total revenue requirement is calculated as shown in Table 4 below.

9

**Table 4 - 2024 Total Revenue Requirement (\$M)**

<b>Year</b>	<b>Formula</b>	<b>Total Revenue Requirement</b>
<b>2023</b>	OEB-approved Hydro One 2023 Total revenue requirement <sup>[1]</sup>	1,952.5
<b>2024</b>	2024 Total revenue requirement = 2023 Total revenue requirement x 2024 RCI <sup>[2]</sup> = \$1,952.5M x 1.0652	2,079.8

[1] As per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Table 15, line 14

[2] 2024 RCI as per Table 3

10

**3.0 DEFERRAL AND VARIANCE ACCOUNTS**

11 Hydro One is not requesting approval to disburse any deferral and variance account  
 12 balances in this Application.  
 13

---

<sup>4</sup> Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

1 **4.0 RATES**

2  
3 **4.1 RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY**  
4 **RATE POOL**

5 The 2024 OEB-approved charge determinants for the Network, Line Connection and  
6 Transformation Connection rate pools are outlined in Table 5.

7  
8 **Table 5 - 2024 Charge Determinants by Rate Pool <sup>[1]</sup> (in MWs)**

Network	Line Connection	Transformation Connection
233,393	266,543	192,711

<sup>[1]</sup> Sum of the 12 monthly charge determinants as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.1, Table 1b

9 **Table 6 - 2024 Rates Revenue Requirement by Rate Pool (\$M)**

	Network	Line Connection	Transformation Connection	Total
2023 Total Revenue Requirement <sup>[1]</sup>	\$1,189.0	\$202.8	\$560.7	\$1,952.5
Percentage Split by Rate Pool	61%	10%	29%	100%
	Network	Line Connection	Transformation Connection	Total
<b>2024 Total Revenue Requirement <sup>[2]</sup></b>	\$1,266.5	\$216.0	\$597.3	\$2,079.8
Deferral & Variance Accounts Disposition <sup>[3]</sup>	-	-	-	-
External Revenue <sup>[4]</sup>	-\$22.5	-\$3.8	-\$10.6	-\$36.9
WMS Revenue <sup>[5]</sup>	\$0.00	\$0.00	-\$0.02	-\$0.02
ETS Revenue <sup>[6]</sup>	-\$37.1	\$0.0	\$0.0	-\$37.1
LVSG Credit <sup>[7]</sup>	\$0.0	\$0.0	\$18.6	\$18.6
<b>2024 Rates Revenue Requirement</b>	\$1,206.9	\$212.2	\$605.3	\$2,024.3

<sup>[1]</sup> See Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 1

<sup>[2]</sup> As per Table 4.

<sup>[3]</sup> As per Section 3.0.

<sup>[4]</sup> As per Section 4.2.

<sup>[5]</sup> As per Section 4.3.

<sup>[6]</sup> As per Section 4.4.

<sup>[7]</sup> As per Section 4.5.

1 **4.2 EXTERNAL REVENUE**

2 The OEB approved External Revenues of \$36.9M for 2024 in EB-2021-0110.<sup>5</sup> The  
3 allocation of External Revenue to rate pools is shown in Table 6 above.

4  
5 **4.3 WHOLESALE METER SERVICE REVENUE**

6 The OEB approved Wholesale Meter Service (WMS) revenues of \$0.02M for 2024 in  
7 EB-2021-0110.<sup>6</sup> The WMS revenue is allocated entirely to the Transformation  
8 Connection rate pool. The Wholesale Meter Service and Exit Fee Schedule may be  
9 found at Attachment 1.

10  
11 **4.4 EXPORT TRANSMISSION SERVICE REVENUE**

12 The OEB approved the Export Transmission Service (ETS) Revenue to remain at its  
13 existing level of \$1.85 per MWh pending the outcome of the generic hearing in EB-2021-  
14 0243, which resulted in the approval of ETS revenue of \$37.1M in 2024.<sup>7</sup> This amount is  
15 included in Hydro One's rates revenue requirement as shown in Table 6 above and is  
16 allocated entirely to the Network rate pool.

17  
18 Subsequent to the approval of the Hydro One's settlement proposal, the OEB's Decision  
19 in Phase I of the Generic Proceeding on Uniform Transmission Rates issued on  
20 November 24, 2022 (the EB-2021-0243 Decision) set the ETS rate at \$1.78 per MWh for  
21 2023 and 2024.<sup>8</sup> As noted by the OEB in the EB-2021-0243 Decision, the ETS rate of  
22 \$1.78 per MWh will result in differences between forecast revenue and actual revenue.  
23 As such, Hydro One is recording the differences in the Excess Export Service Revenue  
24 Variance Account (Account 2405) in accordance with the EB-2021-0243 Decision and

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<sup>5</sup> Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 3.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Decision and Order, EB-2021-0243, Generic Hearing on UTR-related Issues and the ETS Rate, November 24, 2022, p.1. Effective January 1, 2025, the ETS rate will escalate annually based on the Revenue Cap Index (RCI) for Hydro One's transmission business.

1 will dispose of the balance in this variance account on an annual basis, commencing  
 2 when the audited balance for 2023 is final until the effective date of the next rebasing.<sup>9</sup>

3  
 4 **4.5 LOW VOLTAGE SWITCHGEAR CREDIT**

5 The OEB approved the methodology to determine the Low Voltage Switchgear (LVSG)  
 6 Credit in EB-2021-0110. The derivation of the 2024 LVSG amount of \$18.6M is provided  
 7 in Table 7. This amount is included in Hydro One’s rates revenue requirement as shown  
 8 in Table 6 above and is allocated entirely to the Transformation Connection rate pool.

9  
 10 **Table 7 - 2024 Low Voltage Switchgear Credit Calculation**<sup>10</sup>

Charge Determinant (MW)	Transformation Pool Revenue Requirement Before LVSG Credit (\$M)	Rate Before LVSG Credit (\$/kW)	Total Annual NCP Demand for Toronto Hydro and Hydro Ottawa (MW)	LVSG Proportion (%)	Final Annual LVSG Credit (\$M)
A	B	C = B/A	D	E	F = C x D x E
192,711	586.7 <sup>[1]</sup>	3.04	32,167	19.0	18.6

[1] Equals Total Revenue Requirement for Transformation Connection Pool less Non-Rate Revenues allocated to Transformation Connection Pool, as per information in Table 6.

<sup>9</sup> Decision and Order, EB-2021-0243, Generic Hearing on UTR-related Issues and the ETS Rate, November 24, 2022, p. 39.

<sup>10</sup> The numbers in the table correspond to the Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.5, except where otherwise specified.

**4.6 BILL IMPACTS**

An update to the estimated average transmission cost as a percentage of the total bill for a transmission-connected customer is presented in Table 8.

**Table 8 - Estimated Transmission Cost as a Percentage of Total Electricity Market Costs**

	<b>Cost Component</b>	<b>¢/kWh</b>	<b>Source</b>
A	Commodity	9.99	IESO Monthly Market Report December 2022
B	Wholesale Market Service Charges	0.59	IESO Monthly Market Report December 2022
C	Wholesale Transmission Charges	1.42	IESO Monthly Market Report December 2022
<b>D</b>	<b>Total Monthly Cost for Tx-connected customers</b>	<b>12.00</b>	D=A+B+C
E	<i>Transmission as % of Total Cost for Tx-connected customers</i>	11.8%	E=C/D

Hydro One’s proposed 2024 rates revenue requirement represents a 8.3% increase from the currently approved 2023 rates revenue requirement<sup>11</sup>, and -0.3% change in load forecast. Hydro One’s rates revenue requirement represents 91.1% of the total revenue requirement across all transmitters.<sup>12</sup> As such, Hydro One’s proposed 2024 rates revenue requirement results in a net impact of 7.3% on average transmission rates. A summary of the average bill impact as a result of the proposed 2024 rates revenue requirement relative to the approved 2023 rates revenue requirement is presented in Table 9.

<sup>11</sup> Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates, July 1, 2023 for 2023 rates revenue requirement.

<sup>12</sup> Hydro One’s rates revenue requirement divided by all transmitters’ rates revenue requirement (\$1,869.0M / \$2,052M = 91.1%) per Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates, Schedule A, July 1, 2023.

1 **Table 9 - Average Bill Impacts on Transmission - Connected Customers**

	<b>2023</b> <sup>[1]</sup>	<b>2024</b> <sup>[2]</sup>
Rates Revenue Requirement	\$1,869.0M	\$2,024.3M
% Change in Rates Revenue Requirement		8.3%
% Impact of load forecast change		-0.3%
<b>Net Impact on Average Transmission Rates</b> <sup>[3]</sup>		<b>7.3%</b>
Transmission as a % of Tx-connected customer's Total Bill		11.8%
<b>Estimated Average Transmission Customer Bill impact</b>		<b>0.9%</b>

<sup>[1]</sup>The 2023 rates revenue requirement as per Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates, July 1, 2023.

<sup>[2]</sup>The 2024 rates revenue requirement as per Table 6.

<sup>[3]</sup>The calculation of net impact on transmission rates accounts for Hydro One's 2023 total rates revenue requirement is 91% of the total rates revenue requirement across all transmitters (91% x [8.3%-0.3%] = 7.3%) based on Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates Update, Schedule A, July 1, 2023.

2

3 The total bill impact for a typical Hydro One medium density residential (R1) customer  
 4 consuming 750 kWh monthly, and for a typical Hydro One General Service Energy less  
 5 than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly is determined  
 6 based on the forecast change in the customer's Retail Transmission Service Rates  
 7 (RTSRs), which reflects the proposed changes to the current UTRs<sup>13</sup>, as detailed in  
 8 Table 10 below.<sup>14</sup>

9

10 The proposed 2024 rates revenue requirement results in less than a 1% increase in the  
 11 total bill for a typical Hydro One medium density residential (R1) customer consuming  
 12 750 kWh monthly (0.7% or \$1.00 per month) and for a typical Hydro One General  
 13 Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh  
 14 monthly (0.5% or \$2.21 per month).

<sup>13</sup> Hydro One's current 2023 RTSRs are based on the 2022 UTRs per Decision and Rate Order, EB-2022-0084, effective April 1, 2022.

<sup>14</sup> Table 10 is structured to provide the additional supporting calculations requested by the OEB in NRLP's application for 2023 transmission revenue requirement (EB-2022-0191, Exhibit I-1-3, Table 3).

1 **Table 10 - 2024 Total Bill Impacts for Distribution-Connected Customers**  
2

	Calculation	2022	2023	2023 (UTR Update)	2024
Hydro One's Transmission Rates Revenue Requirement (\$M) <sup>[1]</sup>	A	\$1,883.5M	\$1,956.0M	\$1,869.0M	\$2,024.3M
% Change in Hydro One's Transmission Rates Revenue Requirement for Impact on RTSRs <sup>[2]</sup>	$B=A_{2024}/A_{2022}-1$				7%
% Impact of load forecast change <sup>[3]</sup>	C				-0.3%
Hydro One Transmission's Rates Revenue Requirement as % of Total UTR Revenue Requirement <sup>[4]</sup>	D				91.1%
Hydro One's Net Impact on 2024 RTSRs	$E=(B+C)*D$				6.6%
		<b>Typical Medium Density (HONI R1) Residential Customer Consuming 750 kWh/ Month</b>		<b>Typical General Service Energy less than 50 kW (HONI GSe &lt; 50kW) Customer Consuming 2,000 kWh/Month</b>	
Total bill as of Jul 1, 2023 <sup>[5]</sup>	F	\$136.13		\$424.76	
2023 RTSR Network Charge <sup>[6]</sup>	G	\$8.958		\$19.290	
2023 RTSR Connection Charge <sup>[7]</sup>	H	\$6.214		\$14.248	
2023 Total RTSR Charge (\$)	$I=G+H$	\$15.172		\$33.538	
2024 Estimated Change in RTSR Charge (\$)	$J=E*I$	\$0.998		\$2.206	
2024 Estimated Total RTSR Charges (\$)	$K=I+J$	\$16.169		\$35.744	
<b>2024 Change in RTSRs (%)</b>	<b><math>L=J/F</math></b>	<b>0.7%</b>		<b>0.5%</b>	

<sup>[1]</sup> UTRs effective April 1, 2022 as per Decision and Rate Order, EB-2022-0084, UTR Update, April 7, 2022; the 2023 rates revenue requirement as per Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates Update, June 1, 2023; and the 2024 rates revenue requirement as per Table 6 above.

<sup>[2]</sup> Net Impact on 2024 RTSRs represents the change in revenue requirement relative to 2022, as Hydro One Distribution's current (2023) RTSRs are based on the UTRs effective April 1, 2022, as per Decision and Rate Order, EB-2022-0084, 2022 UTR Update, April 7, 2022.

<sup>[3]</sup> Per Table 9 above.

<sup>[4]</sup> Represents Hydro One Transmission's current share of the total 2023 approved UTR rates revenue requirement across all transmitters based on total UTR Revenue Requirement of \$2,051,862,091 as per Decision and Rate Order, EB-2023-0101, 2023 Uniform Transmission Rates Update-Schedule A, June 1, 2023

<sup>[5]</sup> Total bill including HST, based on time-of-use commodity price effective November 1, 2022 and distribution rates effective July 1, 2023 approved per Hydro One Distribution's Rate Order EB-2021-0110, dated November 29, 2022, with 11.7% Ontario Energy Rebate (effective November 1, 2022), \$0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of \$39.49 (effective July 1, 2023).

<sup>[6]</sup> Represents the approved 2023 RTSR Network charge (\$/kWh) multiplied by the monthly consumption (i.e. 750 kWh/month HONI R1 or 2,000 kWh/month HONI GSe <50kW), multiplied by the 2023 approved loss factor; based on distribution rates effective January 1, 2023 approved per Decision and Rate Order, EB-2021-0110, November 29, 2022.

<sup>[7]</sup> Represents the approved 2023 RTSR Connection charge (\$/kWh) multiplied by the monthly consumption (i.e. 750kWh/month HONI R1 or 2,000 kWh/month HONI GSe <50kW), multiplied by the 2023 approved loss factor; based on distribution rates effective January 1, 2023 approved per Decision and Rate Order, EB-2021-0110, November 29, 2022.

**HYDRO ONE NETWORKS INC.  
WHOLESALE METER SERVICE  
AND EXIT FEE SCHEDULE**



	<b>HYDRO ONE NETWORKS - WHOLESALE METER SERVICE</b>
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***APPLICABILITY:***

This fee schedule is applicable to the *metered market participants*\* that are transmission customers of Hydro One Networks (“Networks”) and to *metered market participants* that are customers of a Local Distribution Company (“LDC”) that is connected to the transmission system owned by Networks.

\* The terms and acronyms that are italicized in this schedule have the meanings ascribed thereto in Chapter 11 of the Market Rules for the Ontario Electricity Market.

**a) Fee for Wholesale Meter Service**

The *metered market participant* in respect of a *load facility* (including customers of an LDC) shall be required to pay an annual fee of \$7,900 for each *meter point* that is under the transitional arrangement for a *metering installation* in accordance with Section 3.2 of Chapter 6 of the Market Rules for the Ontario Electricity Market.

This Wholesale Meter Service annual fee shall remain in place until all the remaining meter points exit the transitional arrangement.

**b) Fee for Exit from Transitional Arrangement**

The *metered market participant* in respect of a *load facility* (including customers of an LDC) or a *generation facility* may exit from the transitional arrangement for a *metering installation* upon payment of a one-time exit fee of \$ 5,200 per *meter point*.

<b>EFFECTIVE DATE:</b> January 1, 2024	<b>BOARD ORDER:</b> EB-2023-0127	<b>REPLACING BOARD ORDER:</b> EB-2021-0110	<b>Page 2 of 2</b> Wholesale Meter Service & Exit Fee Schedule for Hydro One Networks Inc.
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