

Hydro One Networks Inc.

483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Kathleen Burke

VP, Regulatory Affairs
T 416-770-0592
Kathleen.Burke@HydroOne.com

BY EMAIL AND RESS

July 19, 2024

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

Dear Ms. Marconi,

EB-2024-0218 – Hydro One Sault Ste. Marie Limited Partnership – Application for 2025 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision and Order in EB-2018-0218, enclosed is Hydro One Sault Ste. Marie Limited Partnership (HOSSM)'s annual Revenue Cap IR Application (the Application) in support of its request for transmission revenue requirement effective January 1, 2025.

An electronic copy of the Application has been submitted, by Hydro One Networks Inc. on behalf of HOSSM, using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke".

Kathleen Burke

EXHIBIT LIST

Ex	Tab	Sch	Att	Contents
A	1	1		Exhibit List
A	2	1		Application
A	2	1	1	Certification of Evidence
A	2	1	2	Certification of Deferral and Variance Account Balances
A	3	1		Summary of OEB Directives and Compliance with Prior OEB Decisions
A	4	1		Application Summary
A	4	1	1	Earnings Sharing Mechanism Account Continuity Schedule

Filed: 2024-07-19
EB-2024-0218
Exhibit A
Tab 1
Schedule 1
Page 2 of 2

This page has been left blank intentionally.

APPLICATION

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 One Sault
Ste. Marie Limited Partnership, for an Order or Orders made
pursuant to section 78 of the *Ontario Energy Board Act, 1998*
approving rates and other charges for the transmission of
electricity to be effective January 1, 2025.

1. The applicant, Hydro One Sault Ste. Marie Limited Partnership (HOSSM), is an Ontario limited partnership with its head office in Toronto, Ontario. HOSSM is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2007-0649, to transmit electricity and carry on the business of owning and operating transmission facilities in Ontario.
2. In the OEB's Decision and Order in EB-2016-0050, the OEB approved the acquisition of HOSSM¹ by Hydro One Inc. as well as a ten-year deferral period for rebasing. In the same decision, the OEB determined that HOSSM would continue with its 2016 revenue requirement and could bring forward a separate rate application, proposing a revenue cap index for the deferral period.
3. In its decision in EB-2018-0218, the OEB approved HOSSM's proposed revenue cap index (RCI) methodology and determined that this methodology would be used to determine HOSSM's base transmission revenue requirement for the years 2019 to 2026 inclusive.

¹ HOSSM was named Great Lakes Power Transmission LP at the time of the acquisition; a name change took place on January 16, 2017.

- 1 4. This is an Application for HOSSM's 2025 transmission revenue requirement
2 determined formulaically, using the RCI methodology approved in EB-2018-0218.
3
- 4 5. HOSSM hereby applies to the OEB for an Order approving a total rates revenue
5 requirement of \$43,369,547 for 2025, to be effective on January 1, 2025, and
6 inclusion of HOSSM's approved rates revenue requirement in the OEB's
7 determination of the 2025 Uniform Transmission Rates (UTRs).
8
- 9 6. HOSSM is not requesting approval to dispose of any deferral and variance account
10 balances in this Application, with the exception of the 2023 Earnings Sharing
11 Mechanism (ESM) account balance which will be subtracted from the 2025 base
12 revenue requirement such that 2023 excess earnings are shared with ratepayers as
13 approved by the OEB in EB-2016-0050. Detailed calculations of the ESM amount
14 are provided at Exhibit A-04-01, Section 3.
15
- 16 7. Approval of HOSSM's 2025 rates revenue requirement results in a decrease in the
17 total bill of 0.003% or \$0.004 per month for a typical Hydro One Distribution medium
18 density residential (R1) customer consuming 750 kWh monthly and a decrease in
19 total bill of 0.002% or \$0.009 per month for a typical Hydro One Distribution General
20 Service Energy less than 50 kW (GS<50kW) customer consuming 2,000 kWh
21 monthly. More information regarding the monthly bill impacts may be found in
22 Exhibit A-04-01, Section 4.3.
23
- 24 8. In preparing this Application, HOSSM has been guided by the OEB's *Filing*
25 *Requirements for Electricity Transmission Applications*.
26
- 27 9. The written evidence filed with the OEB may be amended from time to time prior to
28 the OEB's final decision on the Application.

1 **NOTICE AND FORM OF HEARING REQUESTED**

2 10. The Application may be viewed on the Internet at the following address:

3 <https://www.hydroone.com/about/regulatory/hydro-one-sault-ste-marie>

4
5 11. The persons affected by this Application are all persons affected by Ontario's UTRs.

6 It is impractical to set out their names and addresses because they are too
7 numerous.

8
9 12. HOSSM requests, in accordance with sections 6(4) and 21(4)(b) of the *Ontario*
10 *Energy Board Act, 1998*, that this Application be disposed of without a hearing, and
11 hereby provides its consent to same. HOSSM submits that in accordance with the
12 requirements of section 21(4)(b) of the *Ontario Energy Board Act, 1998*, no person
13 will be adversely affected in a material way by the outcome of this proceeding.

14
15 **PROPOSED EFFECTIVE DATE**

16 13. HOSSM requests that the OEB's Rate Order be effective January 1, 2025. In order
17 to address the possibility that the requested Rate Order cannot be made effective
18 by that time, HOSSM requests an interim rate order making its current transmission
19 revenue requirement and charges effective on an interim basis as of January 1,
20 2025, and approval to recover any differences between the interim rates and final
21 rates effective January 1, 2025 in the OEB's decision and order establishing uniform
22 transmission rates for the following year, based on the OEB's Decision and Order
23 herein.

24
25 **CONTACT INFORMATION**

26 14. HOSSM requests that a copy of all documents filed with the OEB by each party to
27 this Application be served on the Applicant and the Applicant's counsel, as follows:

a) The Applicant:

Eryn Mackinnon
Regulatory Advisor
Hydro One Networks Inc.

Mailing Address: 7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
Telephone: (416) 345-4479
Email: Regulatory@HydroOne.com

b) The Applicant's Counsel:

Ms. Raman Dhillon
Senior Legal Counsel
Hydro One Networks Inc.

Mailing Address: 8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
Telephone: (416) 859-0942
Fax: (416) 345-6972
Email: Raman.Dhillon@HydroOne.com

DATED at Toronto, Ontario, this 19th day of July 2024.

By its counsel,



Raman Dhillon

CERTIFICATION OF EVIDENCE

TO: ONTARIO ENERGY BOARD

The undersigned, Kathleen Burke, being Hydro One's Vice-President, Regulatory Affairs, hereby certifies for and on behalf of Hydro One that:

1. I am a senior officer of Hydro One;
2. This certificate is given pursuant to Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Rate Applications*;
3. The evidence submitted herein is accurate, consistent, and complete to the best of my knowledge; and
4. The evidence submitted does not contain any personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), that is not otherwise redacted in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

DATED this 19th day of July 2024.



KATHLEEN BURKE

**CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT
BALANCES**

TO: ONTARIO ENERGY BOARD

The undersigned, Harry Taylor, being Hydro One's EVP, Chief Financial and Regulatory Officer, hereby certifies for and on behalf of HOSSM that:

1. This certificate is provided to be consistent with Chapter 1 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*; and
2. Hydro One has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts.

DATED this 18th day of July, 2024.



HARRY TAYLOR

1 **SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH PRIOR**
2 **OEB DECISIONS**

3

4 There are no OEB directives or undertakings from HOSSM's previous proceedings in
5 respect of this Application.

Filed: 2024-07-19
EB-2024-0218
Exhibit A
Tab 3
Schedule 1
Page 2 of 2

1

This page has been left blank intentionally.

APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes HOSSM's 2025 transmission rates revenue requirement application (the Application).

The 2025 transmission base revenue requirement of \$47,719,612 has been determined formulaically, using the RCI methodology approved in EB-2018-0218. Inclusion of the 2023 Earnings Sharing Mechanism (ESM) account balance results in a proposed 2025 rates revenue requirement of \$43,369,547 as outlined in Table 1 below, and a detailed breakdown is provided in Section 2.0.

Table 1 - Total Rates Revenue Requirement

	Total	Section Reference
Base Revenue Requirement	\$47,719,612	Section 2.0
Disposition of 2023 ESM balance	-\$4,350,064	Section 3.0
Total Rates Revenue Requirement	\$43,369,547	

HOSSM is requesting that the OEB approve the 2025 rates revenue requirement to be effective on January 1, 2025.

Approval of HOSSM's 2025 rates revenue requirement results in a decrease in the total bill of 0.003% or \$0.004 per month for a typical Hydro One Distribution medium density residential (R1) customer consuming 750 kWh monthly and a decrease in total bill of 0.002% or \$0.009 per month for a typical Hydro One Distribution General Service Energy less than 50 kW (GS< 50kW) customer consuming 2,000 kWh monthly. More information regarding the monthly bill impacts may be found in Section 4.3.

2.0 REVENUE CAP INDEX ADJUSTMENT

In the OEB's Decision for HOSSM's RCI application (EB-2018-0218), the OEB approved the RCI methodology for adjusting HOSSM's transmission revenue requirement for the years 2019 to 2026, inclusive.¹

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

$$RCI = I - X$$

Where:

"I" is the Inflation Factor, based on a transmission industry specific weighted two-factor input price index;

"X" is the Productivity Factor, which includes a Stretch Factor.

In accordance with the OEB's Decision and Order in EB-2018-0218, only the Inflation Factor will be updated annually.

On June 20, 2024, the OEB released the Inflation Factor to be used by electricity transmitters for 2025 rate applications beginning January 1, 2025. This Application reflects the 3.7% Inflation Factor calculated by the OEB for electricity transmitters.²

In the OEB's Decision and Order in EB-2018-0218, the OEB approved a productivity factor of 0.3% (which includes a stretch factor of 0.3%).³ Table 2 summarizes the approved components of the RCI for 2025.

¹ Decision and Order, EB-2018-0218, Hydro One Sault Ste. Marie Revenue Cap Index application, June 20, 2019, p. 14.

² OEB Letter, 2025 Inflation Parameters, June 20, 2024.

³ Decision and Order, EB-2018-0218, Hydro One Sault Ste. Marie Revenue Cap Index application, June 20, 2019, p. 20.

Table 2 - 2025 Revenue Cap Index (RCI) by Component (%)

Inflation Factor (I)	3.7%
Productivity Factor (X)	0.3%
Total Revenue Cap Index (RCI = I – X)	3.4%

The 2025 base revenue requirement is calculated as shown in Table 3 below.

Table 3 - 2025 Base Revenue Requirement

Year	Formula	Base Revenue Requirement
2024	OEB-approved HOSSM 2024 base revenue requirement ^[1]	\$46,150,495
2025	2025 base revenue requirement = 2024 base revenue requirement x 2025 RCI ^[2]	\$47,719,612

^[1] As per Decision and Rate Order, EB-2023-0130, Application for electricity transmission revenue requirement to be effective January 1, 2024, October 24, 2023.

^[2] 2025 RCI as per Table 2 above.

3.0 DEFERRAL AND VARIANCE ACCOUNTS

HOSSM is not requesting approval to dispose deferral and variance account balances in this Application, with the exception of the 2023 ESM account balance which will be subtracted from the 2025 revenue requirement, as approved by the OEB in EB-2016-0050. The calculation of the ESM amount is based on HOSSM's audited financial statements. The mid-year rate base used in the calculation ties directly to what HOSSM submitted pursuant to the OEB's RRR reporting.

In EB-2016-0050, the OEB approved an ESM⁴ that would take effect during the last five years of the rebasing deferral period (2022 to 2026) where HOSSM's revenue requirement is to be adjusted so that prior year excess earnings are shared with ratepayers on a 50:50 basis for all earnings that exceed 300 basis points.⁵ HOSSM's audited financial statements

⁴ Decision and Order, EB-2016-0050, October 13, 2016, p. 24

⁵ See description of ESM at page 12 of the EB-2016-0050 Decision and Order. Please note that the description refers to the use of the ROE approved by the Board for 2018 in HOSSM's 2017-2018 rate application – however, the OEB did not allow the 2017-2018 rebasing application (see pages 17-19 of the EB-2016-0050 Decision and Order). As a result, the allowed ROE is the ROE approved for HOSSM's 2016 revenue requirement (see EB-2015-0337 Decision and Order dated January 14, 2016, pages 3-4).

1 are to be used to calculate any earning sharing amounts.⁶ A continuity schedule for the
2 ESM account is provided at Exhibit A-04-01-01.

3
4 The calculation of the ROE uses the rate base as determined by the sum of the Average
5 regulated fixed assets and working capital allowance, as set out in the “Calculation of ROE
6 on a Deemed Basis” filed pursuant to the OEB’s RRR reporting⁷. The ROE calculation is
7 normalized for revenue impacting items such as entries recorded in the year which relate
8 to prior years to normalize the in-year net income. The ratepayers’ share of the excess
9 earnings are grossed up for the associated tax impact.

10
11 Included in the balance submitted for approval is interest forecast through to December
12 31, 2024 to reflect carrying charges anticipated through to the proposed effective date.
13 This will result in a forecast balance of (\$4,350,064) as at December 31, 2024.⁸

14
15 Table 4 below provides a summary of the calculations for the 2023 ESM:

⁶ HOSSM’s audited financial statements are to be used prior to amalgamation. See Decision and Order, EB-2016-0050, October 13, 2016, p. 12.

⁷ See “Calculation of ROE on a Deemed Basis” filed pursuant to the OEB’s RRR reporting, “Total Rate Base” (item L in spreadsheet).

⁸ See Total Claim in the ESM DVA schedule.

Table 4 - ESM Calculation

		2022	2023
Mid-Year Rate base	A	\$204,933,223	\$204,772,427
Capital Structure:			
Long-term debt	B	56%	56%
Short-term debt	C	4%	4%
Common equity	D	40%	40%
Allowed Return:			
Long-term debt	E	6.87%	6.87%
Short-term debt	F	1.65%	1.65%
Allowed ROE	G	9.19%	9.19%
Regulated Net Income (actual)	H	\$14,381,035	\$15,929,409
Achieved ROE	I = H / (A x D)	17.54%	19.45%
Allowed ROE	J	9.19%	9.19%
Over/(Under) earning (%)	K = I - J	8.35%	10.26%
OEB allowed earnings threshold	L	3%	3%
Over/(Under) earning to allowed threshold (%)	M = K - L	5.35%	7.26%
Excess Earnings Pool	N = A x D x M	\$4,388,491	\$5,944,824
Sharing with ratepayers	O	50%	50%
Sharing with ratepayers	P = N x O	\$2,194,246	\$2,972,412
Tax Grossed-Up Amount	Q = P / 0.735	\$2,985,368	\$4,044,098

4.0 RATES

4.1 CHARGE DETERMINANTS

HOSSM is currently under a deferred rebasing period, and as such the charge determinants for 2025 will remain the same as those that were used for the approved current 2024 UTRs as outlined in Table 5.⁹

⁹ OEB Decision and Rate Order, EB-2023-0130, October 24, 2023.

Table 5 - 2025 Charge Determinants by Rate Pool ^[1] (in MWs)

Network	Line Connection	Transformation Connection
3,498.236	2,734.624	635.252

^[1] Sum of the 12 monthly charge determinants as per OEB Decision and Rate Order, EB-2023-0130, October 24, 2023.

4.2 RATES REVENUE REQUIREMENT BY RATE POOL

UTRs are established by allocating the rates revenue requirement to the UTR Rate Pools: Network, Line Connection and Transformation Connection. As previously approved by the OEB, the rates revenue requirement allocation to the UTR rate pools for HOSSM uses the same allocation across the UTR rate pools as Hydro One Transmission, which is based on a cost allocation study conducted by Hydro One Transmission on a regular basis.¹⁰

HOSSM's 2025 rates revenue requirement allocation to the rate pools will be established during the 2025 UTR proceeding, using the OEB approved methodology as described above. An estimate of HOSSM's proposed 2025 rates revenue requirement by rate pool using the split of Hydro One Transmission's approved 2024 rates revenue requirement across the UTR rate pools¹¹ is provided in Table 6 below.

Table 6 - 2025 Rates Revenue Requirement by Rate Pool

Transmitter	Total Rates Revenue Requirement	Network	Line Connection	Transformation Connection
Hydro One Transmission ^[1]	\$2,024,306,762	\$1,206,861,187	\$212,168,826	\$605,276,749
Percentage Split by Rate Pool		59.6%	10.5%	29.9%
HOSSM ^[2]	\$43,369,547	\$25,856,271	\$4,545,589	\$12,967,688

^[1] Hydro One Transmission's Current UTR Rates Revenue Requirement by rate pool as per Decision and Order, EB-2023-0222, 2024 Uniform Transmission Rates-Schedule A, January 18, 2024.

^[2] HOSSM's 2025 UTR Rates Revenue Requirement as per Table 1.

¹⁰ This was most recently approved by the OEB in EB-2023-0222.

¹¹ Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates-Schedule A, January 18, 2024.

4.3 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 7 below.

**Table 7 - Estimated Transmission Cost as a Percentage of
Total Electricity Market Costs**

Figure	Cost Component	¢/kWh	Source
A	Commodity	10.43	IESO Monthly Market Report December 2023
B	Wholesale Market Service Charges	0.48	IESO Monthly Market Report December 2023
C	Wholesale Transmission Charges	1.51	IESO Monthly Market Report December 2023
D	Total Monthly Cost for TX-Connected Customers	12.42	D=A+B+C
E	Transmission as % of Total Cost for TX-Connected Customers	12.2%	E=C/D

HOSSM's proposed 2025 rates revenue requirement represents a 0.8% increase from the approved 2024 rates revenue requirement. HOSSM's rates revenue requirement represents 1.9% of the total rates revenue requirement across all transmitters.¹² This percentage has been applied to HOSSM's change in rates revenue requirement to calculate the net impact on average transmission rates in 2025. Figure E (12.2%) from Table 7 above has been applied to the net impact on average transmission rates to estimate the bill impact on transmission-connected customers in 2025, as shown in Table 8 below.

¹² HOSSM's rates revenue requirement divided by all transmitters' rates revenue requirement (\$43,016,456 / \$2,213,426,797 = 1.9%) as per Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates-Schedule A, January 18, 2024.

1 **Table 8 - Average Bill Impacts on Transmission-Connected Customers**

	2024^[1]	2025^[2]
HOSSM's Rates Revenue Requirement	\$43,016,456	\$43,369,547
% Change in Rates Revenue Requirement over prior year		0.8%
% Impact of load forecast change		0.0%
Net Impact on Average Transmission Rates^[3]		0.02%
Transmission as a % of Tx-connected customer's Total Bill		12.2%
Estimated Average Transmission Customer Bill Impact		0.002%

^[1] 2024 rates revenue requirement per Decision and Rate Order, EB-2023-0130 dated October 24, 2023.

^[2] 2025 Rates Revenue Requirement per Table 1.

^[3] The calculation of net impact on transmission rates accounts for HOSSM's 2024 rates revenue requirement as 1.9% of the total rates revenue requirement across all transmitters ($1.9\% \times 0.8\% = 0.02\%$) as per Decision and Rate Order, EB-2023-0022, 2024 Uniform Transmission Rates, January 18, 2024.

2 The total bill impact for a distribution-connected customer is determined based on the
3 forecast change in the customer's Retail Transmission Service Rates (RTSRs). Hydro
4 One Distribution's current RTSRs are based on the Preliminary 2024 UTRs which include
5 HOSSM's approved 2023 rates revenue requirement.¹³ As HOSSM's approved 2023 rates
6 revenue requirement is higher than its 2025 rates revenue requirement, there is a
7 decrease in RTSRs. The inclusion of HOSSM's 2025 rates revenue requirement in the
8 2025 UTRs will result in a total bill impact of -0.003% (-\$0.004 per month) for a typical
9 Hydro One Distribution medium density residential (R1) customer consuming 750 kW per
10 month and similarly and a total bill impact of -0.002% (-\$0.009 per month) for a typical
11 Hydro One Distribution General Service Energy (GS<50kW) customer consuming 2,000
12 kWh per month.

¹³ Preliminary 2024 UTRs as per Decision and Order, EB-2023-0222, September 28, 2023 and HOSSM's 2023 Revenue Requirement and Charge Determinants included in Preliminary 2024 UTRs as per Decision and Order, EB-2022-0189, November 24, 2022.

1

Table 9 - 2025 Total Bill Impacts for Distribution-Connected Customers

	Calculation	2023	2024	2025
HOSSM's Rates Revenue Requirement ^[1]	A	\$43,911,032	\$43,016,456	\$43,369,547
HOSSM's 2024 Revenue Requirement as % of Total UTR Revenue Requirement ^[2]	B			1.9%
HOSSM's Net Impact on 2025 RTSRs ^[3,4]	$C=(A_{2025}/A_{2023}-1)*B$			-0.02%
			Typical Hydro One Distribution R1 Customer Consuming 750 kWh per Month	Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month
Total bill as of January 1, 2024 ^[5]	D		\$141.10	\$441.58
2024 RTSR Network Charge ^[6]	E		\$9.523	\$20.386
2024 RTSR Connection Charge ^[7]	F		\$7.021	\$16.221
2024 Total RTSR Charge	$G=E+F$		\$16.544	\$36.606
2025 Estimated Change in RTSR Charge	$H=G*C$		-\$0.004	-\$0.009
2025 Estimated Total RTSR Charge	$I=G+H$		\$16.540	\$36.598
2025 Increase as a % of Total bill	$J=H/D$		-0.003%	-0.002%

^[1] HOSSM's 2023 rates revenue requirement as per the Decision and Rate Order, EB-2022-0189 dated November 24, 2022; the 2024 rates revenue requirement as per the Decision and Rate Order, EB-2023-0130 dated October 24, 2023; and the 2025 rates revenue requirement as per Table 1.

^[2] Represents HOSSM's currently approved revenue disbursement allocator based on total UTR Revenue Requirement of \$2,213,426,797 as per OEB Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates-Schedule A, January 18, 2024.

^[3] Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2024 UTRs, EB-2023-0222, September 28, 2023. HOSSM's net impact on 2025 RTSRs represents the change in HOSSM's rates revenue requirement relative to its approved 2023 rates revenue requirement included in the Preliminary 2024 UTRs.

^[4] HOSSM's charge determinants remain unchanged in its deferred rebasing period, Decision and Order, EB-2022-0189 dated November 24, 2022.

^[5] Total 2024 bill including HST, based on time-of-use commodity price effective November 1, 2023 and distribution rates effective January 1, 2024 approved per Distribution Rate Order EB-2023-0030, dated December 14, 2023, with 19.3% Ontario Energy Rebate (effective November 1, 2023), \$0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of \$39.49 (effective July 1, 2023 for Hydro One Distribution R1).

^[6] Represents the approved 2024 RTSR Network (\$/kWh) effective January 1, 2024 per the OEB Decision and Rate Order, EB-2023-0030, December 14, 2023, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[7] Represents the approved 2024 RTSR Connection (\$/kWh) effective January 1, 2024 approved per the OEB Decision and Rate Order, EB-2023-0030, December 14, 2023, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

This page has been left blank intentionally.

[illegible]

		2023									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-23	Transactions Debit / (Credit) during 2023	OEB-Approved Disposition during 2023	Principal Adjustments during 2024	Closing Principal Balance as of Dec-31-23	Opening Interest Amounts as of Jan-1-23	Interest Jan-1 to Dec-31-23	OEB-Approved Disposition during 2023	Interest Adjustments during 2023	Closing Interest Amounts as of Dec-31-23
Earnings Sharing Mechanism (ESM)	2435	(2,985,368)	(4,896,076)		851,978	(7,029,466)	-	(150,669)			(150,669)
Total Regulatory Accounts Seeking Disposition											

		2024			
Account Descriptions	Account Number	Principal Disposition during 2024 - instructed by OEB	Interest Disposition during 2024- instructed by OEB	Closing Principal Balances as of Dec 31-23 Adjusted for Dispositions during 2024	Closing Interest Balances as of Dec 31-23 Adjusted for Dispositions during 2024
Earnings Sharing Mechanism (ESM)	2435	(2,985,368)	(148,671)	(4,044,098)	(1,997)
Total Regulatory Accounts Seeking Disposition				(4,044,097.79)	(1,997.32)

		Projected Interest on Dec-31-23 Balances				2.1.7 RRR	
Account Descriptions	Account Number	Projected Interest from Jan 1, 2024 to December 31, 2024 on Dec 31-23 balance adjusted for disposition during 2024	Total Interest	Total Claim (inclusive of carrying charges)	Accounts To Dispose Yes/No	As of Dec 31-23	Variance RRR vs. 2023 Balance (Principal + Interest)
Earnings Sharing Mechanism (ESM)	2435	(303,969)	(305,967)	(4,350,064)	Yes	(8,032,113)	(851,978)
Total Regulatory Accounts Seeking Disposition		(303,969.32)	(305,966.64)	(4,350,064.43)			

Accounts that produced a variance on the continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2023 Balance (Principal + Interest)	Explanation
ESM	2425	(851,978)	2023 year Adjustment booked in April 2024 due to updated infromation from the HOSSM audited Financials.