



Hydro One Networks Inc.

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

Kathleen Burke

Director, Applications Delivery
T 416-770-0592
Kathleen.Burke@HydroOne.com

BY EMAIL AND RESS

August 5, 2022

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

Dear Ms. Marconi,

EB-2022-0190 – B2M Limited Partnership (B2M LP) – Application for 2023 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision in EB-2019-0178, Hydro One Networks Inc., on behalf of B2M Limited Partnership (B2M LP), is submitting B2M LP's 2023 transmission rates revenue requirement application.

An electronic copy of the application and evidence 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

Ex	Tab	Sch	Att	Contents
A	1	1		Exhibit List
A	2	1		Application
A	2	1	1	Certification of Evidence
A	3	1		Summary of OEB Directives and Compliance with Previous Proceedings
A	4	1		Application Summary

Filed: 2022-08-05
EB-2022-0190
Exhibit A
Tab 1
Schedule 1
Page 2 of 2

This page has been left blank intentionally.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

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 B2M Limited Partnership by its general partner, Hydro One Indigenous Partnerships Inc. (HOIP), for an Order or Orders 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, 2022.

1. The applicant, B2M Limited Partnership (B2M LP), is a limited partnership with a general partner and two limited partners. The partnership interests are held as follows:
 - a. Hydro One Indigenous Partnerships Inc. (HOIP) holds a 0.1% interest in B2M LP. HOIP also serves as the general partner;
 - b. Hydro One Networks Inc. (HONI) holds a 65.7% interest in B2M LP as a limited partner. HOIP and HONI are affiliates of Hydro One Inc. (HOI); and,
 - c. Saugeen Ojibway Nation Finance Corporation (SONFC) holds a 34.2% interest as a limited partner. SONFC is a corporation owned equally by, and the Nominee of, the Chippewas of Saugeen First Nation and Chippewas of Nawash First Nation.
2. B2M LP has its head office in Woodstock, Ontario. B2M LP is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2013-0078, to transmit electricity and carry on the business of owning and operating transmission facilities in southwestern Ontario. Specifically, B2M LP is licensed to own and operate circuits B560V, terminating near Bruce A TS and Milton SS, and B561M terminating near Bruce B SS and Milton SS.

- 1 3. In the OEB's Decision and Order for B2M LP's Revenue Cap incentive rate-
2 setting (IR) application (EB-2019-0178), the OEB approved the proposed
3 Revenue Cap IR methodology and determined that this framework would be
4 used to determine B2M LP's revenue requirement for the years 2021 through
5 2024.¹
6
- 7 4. This is an Application for B2M LP's 2023 transmission revenue requirement
8 determined formulaically, using the Revenue Cap Index methodology approved
9 in EB-2019-0178.
10
- 11 5. B2M LP hereby applies to the Board for an Order approving a total rates revenue
12 requirement of \$34,291,472 for 2023, to be effective on January 1, 2023, along
13 with an amendment to the 2023 Uniform Transmission Rates to allow for
14 recovery of this amount.
15
- 16 6. B2M LP is not requesting approval to disburse any deferral and variance account
17 balances in this Application.
18
- 19 7. Approval of the 2023 rates revenue requirement does not materially impact the
20 total bill for a typical Hydro One medium density residential (R1) customer
21 consuming 750 kWh monthly, and for a typical Hydro One General Service
22 Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh
23 monthly. More information regarding the monthly bill impacts may be found in
24 Exhibit A-4-1.
25
- 26 8. In preparing this Application, B2M LP has been guided by the OEB's *Filing*
27 *Requirements for Electricity Transmission Rate Applications*.

¹ EB-2019-0178, Decision and Order, B2M Limited Partnership, Application for approval of electricity transmission revenue requirements for the period commencing January 1, 2020, and for each following year through to December 31, 2024, January 16, 2020, pp.20-21

1 9. The written evidence filed with the OEB may be amended from time to time prior
2 to the OEB's final decision on the Application.

3
4 **NOTICE AND FORM OF HEARING REQUESTED**

5
6 10. The Application materials may be viewed on the internet at the following address:
7 <https://b2mlp.ca/regulatory/>.

8
9 11. The persons affected by this Application are all persons affected by Ontario's
10 Uniform Transmission Rates. It is impractical to set out their names and
11 addresses because they are too numerous.

12
13 12. B2M LP requests, in accordance with sections 6(4) and 21(4)(b) of the *Ontario*
14 *Energy Board Act, 1998*, that this Application be disposed of without a hearing,
15 and hereby provides its consent to same. B2M LP submits that in accordance
16 with the requirements of section 21(4)(b), no person will be adversely affected in
17 a material way by the outcome of this proceeding.

18
19 **PROPOSED EFFECTIVE DATE**

20
21 13. B2M LP requests that the OEB's rate order be effective January 1, 2023. In order
22 to address the possibility that the requested rate order cannot be made effective
23 by that time, B2M LP requests an interim order making its current transmission
24 revenue requirement and charges effective on an interim basis as of January 1,
25 2023, and approval of a Foregone Revenue Deferral Account to recover any
26 differences between the interim rates and the final rates effective January 1,
27 2023, based on the OEB's Decision and Order herein.

1 **CONTACT INFORMATION**

2

3 14. B2M LP requests that a copy of all documents filed with the Board by each party
4 to this Application be served on the Applicant and the Applicant's counsel, as
5 follows:

6

7 **For the Applicant:**

8

Ms. Carla Molina

9

Senior Regulatory Coordinator – Regulatory Affairs

10

Hydro One Networks Inc.

11

12

Mailing Address: 7th Floor, South Tower

13

483 Bay Street

14

Toronto, Ontario M5G 2P5

15

16

Telephone: (416) 345-5317

17

Fax: (416) 345-5866

18

Email: regulatory@HydroOne.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

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 5th day of August, 2022.

By its counsel,



Raman Dhillon

This page has been left blank intentionally.

1 **CERTIFICATION OF EVIDENCE**

2
3 TO: ONTARIO ENERGY BOARD
4

5
6 The undersigned, Frank D'Andrea, being Hydro One Network Inc.'s (HONI) Vice-
7 President Reliability Standards and Chief Regulatory Officer, hereby certifies for and on
8 behalf of B2M LP that:

- 9
- 10 1. Hydro One Indigenous Partnerships Inc. (HOIP), on behalf of B2M LP, has
11 engaged HONI to prepare and submit this Application;
 - 12
 - 13 2. I am a senior officer of HONI;
 - 14
 - 15 3. This certificate is given pursuant to Chapter 1 of the Ontario Energy Board's
16 *Filing Requirements for Electricity Transmission Applications*;
 - 17
 - 18 4. The evidence submitted herein is accurate, consistent and complete to the best
19 of my knowledge; and
 - 20
 - 21 5. The evidence submitted does not contain any personal information (as that
22 phrase is defined in the *Freedom of Information and Protection of Privacy Act*)
23 that is not otherwise redacted in accordance with rule 9A of the OEB's *Rules of*
24 *Practice and Procedure*.

25
26
27 DATED this 5th day of August, 2022.

28 

29
30 _____
31 FRANK D'ANDREA

This page has been left blank intentionally.

Filed: 2022-08-05
EB-2022-0190
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 B2M LP's 2023 transmission revenue requirement application (the "Application").

B2M LP has formulaically determined the 2023 transmission base revenue requirement of \$34,291,472 using the Revenue Cap IR methodology approved in EB-2019-0178.

The proposed 2023 rates revenue requirement is the same as the proposed 2023 base revenue requirement (see Section 4.1.). B2M LP is requesting that the OEB approve the 2023 rates revenue requirement to be effective on January 1, 2023.

Approval of the 2023 rates revenue requirement results in an immaterial increase in the total bill for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly, and 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 may be found below in Section 4.2.

2.0 REVENUE CAP INDEX ADJUSTMENT

In the OEB's Decision for B2M LP's Revenue Cap IR Application (EB-2019-0178), the OEB accepted the Revenue Cap IR methodology approach for adjusting B2M LP's transmission revenue requirement for the years 2021 to 2024.

The approved formula for the Revenue Cap IR 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:

1
$$RCI = I - X - SCAF$$

2 Where:

3 "I" is the Inflation Factor, based on Hydro One Networks Inc.'s custom weighted
4 two-factor input price index;

5 "X" is the Productivity Factor, which includes a Stretch Factor; and

6 "SCAF" is the Settlement Capital Adjustment Factor, which was approved by the
7 OEB to be equal to 0.6%.

8
9 Only the 2023 Inflation Factor (I) will be updated based on the approved custom
10 weighted two-factor input price index for Hydro One Networks Inc. At the time of filing
11 this Application, the OEB has not released the inflation factor for revenue requirement
12 applications beginning January 1, 2023. The Application adopts the OEB's current
13 inflation factor of 2.5% for electricity transmission utilities as a placeholder.¹ B2M LP will
14 update the 2023 revenue requirement calculation once the OEB releases the inflation
15 factor for 2023 applications.

16
17 Consistent with the Decision in EB-2019-0178, the Settlement Capital Adjustment Factor
18 (SCAF) and Productivity Factor (X) for 2021 to 2024 will not be updated annually.² In EB-
19 2019-0178, the OEB accepted a Productivity Factor (X) of 0.0% for the 2021 to 2024
20 period and accepted a Settlement Capital Adjustment Factor (SCAF) of 0.6% for the
21 2021 to 2024 period.

22
23 Table 1 below summarizes the components of the RCI for 2023:

¹ EB-2021-0212, Decision and Order, November 18, 2021, p1.

² EB-2019-0178, Decision and Order, January 16, 2020, p3, and Schedule A (Exhibit J-01-01 Settlement Agreement, p6-7).

Table 1 - 2023 Custom Revenue Cap Index (RCI) by Component (%)

Custom Revenue Cap Index by Component (%)	2023
Inflation Factor (I)	2.50
Productivity Factor (X)	0.00
Settlement Capital Adjustment Factor (SCAF)	0.60
RCI = I – X – SCAF	1.90

The 2023 transmission base revenue requirement is calculated as shown in Table 2 below.

Table 2 - 2023 Base Revenue Requirement

Year	Formula	Base Revenue Requirement
2022	OEB-Approved B2M LP Base Revenue Requirement	\$33,652,083 ³
2023	2022 Base Revenue Requirement x 2023 RCI*	\$34,291,472

* RCI from Table 1 above.

3.0 DEFERRAL AND VARIANCE ACCOUNTS

B2M LP is not requesting approval to disburse any additional deferral and variance account balances in this Application.

³ EB-2022-0084, Decision and Rate Order for 2022 Uniform Transmission Rates Update, April 7, 2022.

4.0 RATES

4.1 RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY RATE POOL

As indicated in Section 3.0, B2M LP is not requesting approval to disburse any deferral and variance account balances. Therefore, the proposed 2023 rates revenue requirement for B2M LP is the same as the proposed 2023 base revenue requirement as shown in Table 3 below.

B2M LP does not have charge determinants for setting Uniform Transmission Rates (UTRs) as it does not have any customer delivery points supplied directly from its assets. Therefore, the B2M LP revenue requirement is allocated to the provincial Network rate pool only, as all of its assets serve the transmission network with no transformation or individual customer services.

Table 3 - 2023 Rates Revenue Requirement by Rate Pool

	Network	Line Connection	Transformation Connection	UTR Revenue Requirement
2023 Base Revenue Requirement¹	\$34,291,472	-	-	\$34,291,472
2023 Deferral & Variance Accounts Disposition²	-	-	-	-
2023 Rates Revenue Requirement	\$34,291,472	-	-	\$34,291,472

¹ As per Table 2

² As per Section 3

4.2 BILL IMPACTS

An update to the estimated average transmission cost as a percentage of the total bill for a transmission and a distribution-connected customer is presented in Table 4.

1 **Table 4 - Estimated Transmission Cost as a Percentage of Total Electricity Market**
 2 **Costs**

	Cost Component	¢/kWh	Source*
A	Commodity	10.11	IESO Monthly Market Report December 2021 (YTD Weighted Average Rate)
B	Wholesale Market Service Charges	0.44	IESO Monthly Market Report December 2021
C	Wholesale Transmission Charges	1.28	IESO Monthly Market Report December 2021
D	Distribution Service Charges	3.04	2020 Yearbook of Electricity Distributors
E	Total Monthly Cost for Tx-connected customers	11.83	E=A+B+C
F	Total Monthly Cost for Dx-connected customers	14.87	F=A+B+C+D
G	<i>Transmission as % of Total Cost for Tx-connected customers</i>	10.8%	G=C/E
H	<i>Transmission as % of Total Cost for Dx-connected customers</i>	8.6%	H=C/F

* 2021 Yearbook of Electricity Distributors is not yet available

3

4 B2M LP's proposed 2023 rates revenue requirement represents a 1.9% increase from
 5 the approved 2022 rates revenue requirement. B2M LP's proposed 2023 rates revenue
 6 requirement results in a net impact of 0.03% on average transmission rates. A summary
 7 of the average bill impact as a result of the proposed 2023 rates revenue requirement
 8 relative to the approved 2022 rates revenue requirement is presented in Table 5.

1 **Table 5 - Average Bill Impacts on Transmission and Distribution - Connected**
 2 **Customers**

	2022*	2023**
Rates Revenue Requirement	\$ 33,652,083	\$ 34,291,472
% Change in Rates Revenue Requirement over prior year		1.9%
% Impact of load forecast change		0.0%
Net Impact on Average Transmission Rates***		0.03%
Transmission as a % of Tx-connected customer's Total Bill		10.8%
Estimated Average Transmission Customer Bill impact		0.003%
Transmission as a % of Dx-connected customer's Total Bill		8.6%
Estimated Average Distribution Customer Bill impact		0.003%

* 2022 Rates Revenue Requirement per Decision EB-2021-0187 dated December 16, 2021

** 2023 Rates Revenue Requirement per Table 3

*** The calculation of net impact on transmission rates accounts for B2M LP's 2023 rates revenue requirement as 1.6% of the total rates revenue requirement across all transmitters (1.6% x 1.9% = 0.03%) based on EB-2022-0084 2022 UTR Order, Schedule A dated on April 7, 2022.

3 As discussed in Section 4.1, B2M LP's rates revenue requirement is wholly allocated to
 4 the Network rate pool. Therefore, the total bill impact for a typical Hydro One medium
 5 density residential (R1) customer consuming 750 kWh monthly, and for a typical Hydro
 6 One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming
 7 2,000 kWh monthly is determined based on the forecast change in the customer's
 8 Network Retail Transmission Service Rates (RTSR-N), which reflects the changes in
 9 UTRs⁴, as detailed in Table 6 below.

10
 11 Approval of the 2023 rates revenue requirement results in an immaterial increase to the
 12 total bill for a typical Hydro One medium density residential (R1) customer (0.003% or

⁴ Hydro One's current 2022 RTSRs are based on the 2021 UTRs per EB-2021-0176, Decision and Rate Order effective July 1, 2021.

1 \$0.00 per month), and for a typical Hydro One General Service Energy less than 50 kW
 2 (GSe < 50 kW) (0.002% or \$0.01 per month).

3
 4

Table 6 - 2023 Total Bill Impacts for Distribution-Connected Customers

	Typical Medium Density (HONI R1) Residential Customer Consuming 750 kWh per Month	Typical General Service Energy less than 50 kW (HONI GSe < 50kW) Customer Consuming 2,000 kWh per Month
Total Bill as of Jul 1, 2022 ¹	\$134.22	\$424.56
RTSR included in 2022 R1 Customer's Bill (Based on July 1, 2021 UTR)	\$14.45	\$30.69
Estimated 2022 Monthly RTSR ²	\$14.44	\$30.67
Estimated 2023 Monthly RTSR ³	\$14.44	\$30.68
2023 increase in Monthly Bill	\$0.00	\$0.01
2023 increase as a % of total bill	0.003%	0.002%

¹Total bill including HST, based on time-of-use commodity prices effective November 1, 2021 and distribution rates effective January 1, 2022 approved per Distribution Rate Order EB-2021-0032, dated December 14, 2021, with 17% Ontario Energy Rebate (effective November 1, 2021), \$0.43 Smart Meter Entity Charge (effective May 1, 2022) and Distribution Rate Protection cap of \$38.08 (effective July 1, 2022).

²The estimated 2022 RTSR is based on the 2022 Uniform Transmission Rate Schedules EB-2022-0084, issued on April 7, 2022.

³The impact on RTSR-N is assumed to be the net impact on average transmission rates, adjusted for B2M LP's 2022 Network rate pool revenue disbursement allocator (2.577%) per 2022 Uniform Transmission Rates (UTRs) Schedule A EB-2022-0084, effective April 1, 2022.

This page has been left blank intentionally.