

BY EMAIL AND RESS

September 12, 2022

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, ON M4P 1E4

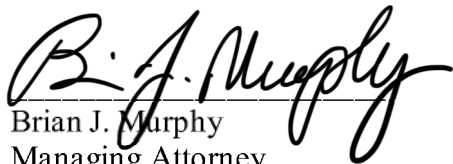
Dear Ms. Long:

**Re: EB-2022-0243 – NextBridge Infrastructure, LP - Application for 2023  
Transmission Revenue Requirement**

Consistent with the Board’s June 17, 2021 Order and Decision in EB-2020-0150, Upper Canada Transmission, Inc., operating as NextBridge Infrastructure, LP submits its 2023 rate adjustment under the Custom Incentive Rate-setting plan (“Application”) and pre-filed evidence in support of the Application.

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

Sincerely,



Brian J. Murphy  
Managing Attorney  
NextEra Energy Resources, LLC

## EXHIBIT LIST

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A				<b>ADMINISTRATION</b>
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A	4	1		Application Summary

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## 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 Upper Canada Transmission, Inc. (“UCT”), operating as NextBridge Infrastructure, LP (“NextBridge”) 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, 2023.

1. The applicant (“Applicant”), UCT was designated by the Ontario Energy Board's (“the Board” or “the OEB”) Decision and Order dated August 7, 2013 (EB-2011-0140) as the transmitter for the development of new electricity transmission facilities running between outside Thunder Bay to Wawa, Ontario, commonly referred to as the “East-West Tie line”.
2. As required by the Board's June 17, 2021 Decision and Order in EB-2020-0150 (p. 46) approving a Custom Incentive Rate-setting (“Custom IR”) for the years 2023-2027, NextBridge submits this transmission revenue requirements Application for 2023.
3. This is an Application for NextBridge's 2023 transmission revenue requirement to be determined formulaically, using the Custom IR methodology approved in EB-2020-0150.
4. NextBridge hereby applies to the OEB for an Order approving a total rates revenue requirement of \$54,003,549 for 2023, to be effective on January 1, 2023, along with an amendment to the 2023 Uniform Transmission Rates to allow for recovery of this amount.
5. NextBridge is not requesting approval to disburse any deferral and variance account balances in this Application.
6. The total bill impact for a typical Hydro One medium density Residential (R1) customer consuming 750 kWh monthly is an increase of 0.005% or \$0.006 per month. A typical Hydro One General Service Energy less than 50 kilowatt (“kW”) (GSe < 50 kW) customer consuming 2,000 kilowatt-hour (“kWh”) monthly will see a total bill increase of 0.003% or \$0.013 per month. More information regarding the monthly bill impacts may be found in Exhibit A-4-1.
7. In preparing this Application, NextBridge has been guided by the OEB's *Filing Requirements for Electricity Transmission Rate Applications*.
8. The written evidence filed with the OEB may be amended from time-to-time prior to the OEB's final decision on the Application

1 **NOTICE AND FORM OF HEARING REQUESTED**

2  
3 9. The application may be viewed on the Internet at the following address: [www.nextbridge.ca](http://www.nextbridge.ca)

4  
5 10. The persons affected by this Application are all persons affected by Ontario's Uniform  
6 Transmission Rates. It is impractical to set out their names and addresses because they are too  
7 numerous.

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

13  
14 **PROPOSED EFFECTIVE DATE**

15  
16 12. NextBridge requests that the OEB's rate order be effective January 1, 2023. In order to address  
17 the possibility that the requested rate order cannot be made effective by that time, NextBridge  
18 requests an interim rate order making its current transmission revenue requirement and charges  
19 effective on an interim basis as of January 1, 2023 and continuing the NextBridge Forgone  
20 Transmission Revenue Deferral Account to recover any differences between the interim rates and  
21 final rates effective January 1, 2023, based on the OEB's Decision and Order herein.

22  
23 **CONTACT INFORMATION**

24  
25 13. NextBridge requests that a copy of all documents filed with the Board by each party to this  
26 application be served on the Applicant and the Applicant's counsel, as follows:

27  
28 **The Applicant:**

29 Mr. Brian J. Murphy  
30 Managing Attorney, NextEra Energy Resources, LLC  
31 Address for personal service:  
32 NextEra Energy Resources, LLC  
33 JB/LAW  
34 Juno Beach, Florida 33408  
35 Telephone: (561) 694-3814  
36 Fax: (561) 691-7135  
37 Electronic access: [brian.j.murphy@nexteraenergy.com](mailto:brian.j.murphy@nexteraenergy.com)

38  
39  
40 **The Applicant's Counsel:**

41 Mr. George Vegh  
42 McCarthy Tétrault LLP

Filed: 2022-09-12

EB-2022-0243

Exhibit A

Tab 2

Schedule 1

Page **3** of **3**

1 66 Wellington Street West  
2 Suite 5300, P.O. Box 48  
3 Toronto, ON M5K 1E6  
4 Telephone: (416) 362-1812  
5 Fax: (416) 868-0673  
6 Electronic access: [gvegh@mccarthy.ca](mailto:gvegh@mccarthy.ca)  
7

8 **DATED** at Toronto, Ontario, this 12<sup>th</sup> day of September 2022.  
9

10 By its counsel,  
11

12   
13

14 \_\_\_\_\_  
George Vegh

**CERTIFICATION OF EVIDENCE**

Upper Canada Transmission Inc.,

Doing business as NextBridge Infrastructure, LP

TO: ONTARIO ENERGY BOARD

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The undersigned, Carly Weinstein, Director, Business Management for NextEra Energy Transmission, LLC hereby certifies for and on behalf of NextBridge that:

1. NextBridge prepared and submitted this Application on its behalf;
2. This certificate is given pursuant to Chapter 1 of the Ontario Energy Board's *Filing Requirements for Electricity Transmission Applications* (last revised on February 11, 2016);
3. The evidence submitted in support of NextBridge Infrastructure, LP's 2023 transmission revenue requirement application (EB-2022-0243) is accurate, consistent, and complete to the best of my knowledge; and
4. The evidence submitted does not contain any personal information filed herein (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 12<sup>th</sup> day of September 2022.



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CARLY WEINSTEIN

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## SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH PRIOR OEB DECISIONS

This exhibit provides a summary of directives and undertakings from the prior OEB proceedings and provides a status update or explains the steps that NextBridge has taken to address the OEB’s direction as part of this Application.

### 1. EB-2020-0150 ORDER AND DECISION APPROVING CUSTOM IR FOR 2023 TO 2027

On June 17, 2021, the Board issued an Order and Decision in EB-2020-0150, approving a Custom IR for the years 2023 through 2027, applying the OEB-approved Revenue Cap Index (“RCI”) formula. In that Order and Decision, the Board issued the following directives:

**Table 1 – Directives from EB-2020-0150**

Directive	Status
Filing of confirmation that the design of the East-West Tie line meets the minimum technical standards set out in the designation proceeding by the OEB before, or in conjunction with, the filing of documentation to demonstrate the asset is ready to be placed in service.	Completed, and filed on March 15, 2022.
Filing of documentation with the OEB to demonstrate when the East West Tie Line is ready to be placed in service including a third-party independent engineering study.	Completed, and filed on March 15, 2022.
Filing of Quarterly Construction Updates.	All quarterly construction updates have been filed, with the next update due in October 2022.
Filing of Final Hydro One/Supercom Service Level Agreement.	To be filed when completed, which is anticipated to be prior to the end of 2022.
Filing of Customer Connection Cost Recovery Agreement.	Completed, and filed on February 1, 2022.
Filing of NextEra Energy Transmission LLC Service Level Agreement.	Completed, and filed on February 4, 2022.
Filing of Connection Facilities Agreement between NextBridge and Hydro One Networks.	Completed, and filed on April 21, 2022.

1 **2. EB-2020-0084 – 2022 UNIFORM TRANSMISSION (“UTR”) RATES UPDATE**

2

3 On March 15, 2022, NextBridge provided the documentation required to demonstrate that the East-West  
4 Tie line was ready for service, and the East-West Tie line was placed in-service on March 31, 2022.

5

6 UTC, operating as NextBridge, was approved to begin recovery of its revenue through the UTR Network  
7 pool one day after the East-West Tie line was in-service (April 1, 2022).

8

9 NextBridge’s approved 2022 revenue requirement forms the basis for the calculation of the 2023 revenue  
10 requirement in this Application.

11

12



## APPLICATION SUMMARY

### 1.0 INTRODUCTION

This Schedule describes NextBridge's 2023 transmission revenue requirement Application.

The 2023 transmission base revenue requirement of \$54,003,549 has been determined formulaically, using the Custom IR methodology approved in EB-2020-0150.

NextBridge is requesting that the Board approve the total rates revenue requirement to be effective on January 1, 2023.

Approval of the 2023 rates revenue requirement results in a total bill increase for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly of 0.005% or \$0.006 per month. A typical Hydro One General Service Energy (GSe) customer consuming 2,000 kWh monthly will see a total bill increase of 0.003% or \$0.013 per month. More information regarding the monthly bill impacts may be found below in Section 3.3.

### 2.0 CUSTOM IR

In the Decision and Order in EB-2020-0150 (pp. 12-15, the Board approved a Custom IR methodology for adjusting NextBridge's transmission revenue requirement for the rate periods 2023 to 2027, with a RCI of 1.70%. As explained in the Decision and Order (p. 14), the Board approved,

... an RCI that includes an inflation rate of 2.0%, a productivity factor of 0.0% and a stretch factor of 0.3% for the approved Custom IR term. The RCI is expressed as:  $RCI = I - X$ , where: "I" is the inflation factor and "X" is the productivity factor and the stretch factor. The first application of the RCI formula will apply to NextBridge's 2023 rates.

The proposed inflation factor of 2.0% is equal to the current OEB-approved transmission-specific inflation factor for 2021 and is approved for the Custom IR term.

The proposed productivity factor of 0.0% is consistent with the productivity factor for Ontario transmitters and is approved for the Custom IR term

1 **Table 2 – 2023 Base Revenue Requirement based on Custom IR**  
 2

Year	Formula	Base Revenue Requirement
2022	OEB-approved revenue requirement (12-month cost of service)	\$53,100,835
2023	2023 Base Revenue Requirement x RCI = \$53,100,835 x 1.017	\$54,003,549

3  
 4 **3.0 DEFERRAL AND VARIANCE ACCOUNTS**  
 5

6 NextBridge is not requesting approval to dispose of any deferral and variance account balances in this  
 7 Application.  
 8

9 **a. RATES**  
 10

11 **b. RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY RATE POOL**  
 12

13 The proposed 2023 rates revenue requirement for NextBridge is \$54,003,549 as shown in Table 3 below.  
 14 NextBridge does not have charge determinants for setting UTRs as it does not have any customer delivery  
 15 points supplied directly from its assets. As previously approved by the OEB in EB-2020-0150, NextBridge's  
 16 revenue requirement is allocated to the provincial Network rate pool only, as all its assets serve the  
 17 Transmission Network, with no Transformation or individual customer services.  
 18

19 **Table 3 – 2021 Rates Revenue Requirement by Rate Pool**

	Network	Line Connection	Transformation Connection	UTR Revenue Requirement
<b>2023 Base Revenue Requirement</b>	\$54,003,549	-	-	\$54,003,549
<b>2023 Deferral &amp; Variance Accounts Disposition</b>	-	-	-	-
<b>2023 Rates Revenue Requirement</b>	\$54,003,549	-	-	\$54,003,549

20  
 21  
 22 **4.3 BILL IMPACTS**  
 23

24 An update to the estimated average transmission cost as a percentage of the total bill for a transmission  
 25 and a distribution-connected customer is presented in Table 4.  
 26

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

	<b>Cost Component</b>	<b>¢/kWh</b>	<b>Source*</b>
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
<b>E</b>	<b>Total Monthly Cost for Tx-connected customers</b>	11.83	E=A+B+C
<b>F</b>	<b>Total Monthly Cost for Dx-connected customers</b>	14.87	F=A+B+C+D
G	Transmission as % of Total Cost for Tx-connected customers	10.8%	G=C/E
H	Transmission as % of Total Cost for Dx-connected customers	8.6%	H=C/F

\* 2021 Yearbook of Electricity Distributors is not yet available

3  
 4 NextBridge’s proposed 2023 rates revenue requirement represents a 1.7% increase from the approved  
 5 2022 rates revenue requirement, which was a partial year revenue requirement starting on April 1, 2022.  
 6  
 7 NextBridge’s rates revenue requirement represents 2.62% of the total revenue requirement across all  
 8 transmitters<sup>1</sup>. As such, the proposed 2023 rates revenue requirement results in a net impact of 0.04% on  
 9 average transmission rates. A summary of the average bill impact as a result of the 2023 rates revenue  
 10 requirement relative to the approved 2022 rates revenue requirement is presented in Table 5.  
 11

12 **Table 5 – Average Bill Impacts on Transmission and Distribution - Connected Customers**

	<b>2022*</b>	<b>2023**</b>
Rates Revenue Requirement	\$53,100,835	\$54,003,549
% Change in Rates Revenue Requirement over prior		1.7%
% Impact of load forecast change		N/A
<b>Net Impact on Average Transmission Rates***</b>		0.04%
Transmission as a % of Tx-connected customer’s		10.8%
<b>Estimated Average Transmission Customer Bill</b>		0.005%
Transmission as a % of Dx-connected customer’s Total Bill		8.6%
<b>Estimated Average Distribution Customer Bill</b>		0.004%

<sup>1</sup> NextBridge’s 2023 UTR revenue requirement divided by all transmitters’ rates revenue requirement (\$54,003,549/ \$2,061,771,524=2.62%), per EB-2022-0084 2022 UTR Order, Schedule A dated on April 7, 2022.

\* 2022 Rates Revenue Requirement per Decision EB-2020-0150 dated August 19, 2021.  
 \*\* 2023 Rates Revenue Requirement per Table 3  
 \*\*\* The calculation of net impact on transmission rates is based on NextBridge's 2023 rates revenue requirement of 2.62% of the total rates revenue requirement across all transmitters multiplied by the NextBridge RCI (2.62% x 1.7% = 0.04).

As discussed in Section 4.1, NextBridge's rates revenue requirement is wholly allocated to the Network rate pool. Subsequently, the total bill impact for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly and a typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly is determined based on the forecast increase in the customer's Network Retail Transmission Service Rates ("RTSR-N"), which reflects the changes in UTRs since the current RTSRs were determined, as detailed in Table 6 below.

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

15

	<b>Typical Medium Density (HONI R1) Residential Customer Consuming 750 kWh per Month</b>	<b>Typical General Service Energy less than 50 kW (HONI GSe &lt; 50kW) Customer Consuming 2,000 kWh per Month</b>
Total Bill as of July 1, 2022 <sup>1</sup>	\$134.22	\$424.56
RTSR included in 2022 Bill	\$14.45	\$30.69
Adjusted Total Bill as of July 1, 2022 <sup>2</sup>	\$134.77	\$425.72
Adjusted 2022 Monthly RTSR	\$14.99	\$31.86
Estimated 2023 Monthly RTSR <sup>3</sup>	\$15.00	\$31.87
<b>2023 Change in Monthly Bill</b>	\$0.006	\$0.013
<b>2023 change as a % of total bill</b>	0.005%	0.003%

<sup>1</sup>Total bill including HST, based on time-of-use commodity prices effective November 1, 2021 and distribution rates effective January 1, 2022 approved 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).

<sup>2</sup>The Adjusted July 1, 2022 total bill is based on the approved 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), and, with RTSR-N scaled up to updated April 1, 2022 Uniform Transmission Rates EB-2022-0084 dated April 7, 2022 (6.555% = \$1,306,086,218 / \$1,225,681,567 - 1) and no adjustment to RTSR-L&T.

<sup>3</sup>The impact on RTSR is assumed to be the net impact on average transmission rates, as per Table 5, adjusted for NextBridge's total revenue disbursement allocator per 2021 Uniform Transmission Rates (UTRs), Schedule A, EB-2022-0084 effective April 1. Bill impacts in 2023 are relative to Estimated Total Bills as of July 1, 2022.