

**BY EMAIL AND RESS**

July 31, 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-2024-0116 – B2M Limited Partnership – 2025-2029 Transmission Revenue Requirement – Amended as-filed evidence**

Hydro One Networks Inc., on behalf of B2M Limited Partnership (B2M LP), is submitting an amendment to B2M LP's as-filed evidence to reflect a correction to the depreciation expense and subsequent changes to the components of the revenue requirement requested for approval in this Application.

B2M LP is also using this opportunity to file an updated DVA Continuity Schedule to align the adjustments affecting the ESM balance to the year it relates. There is no impact to the ESM balance requested for disposition.

A summary of the key changes to the evidence is as follows:

Revised exhibit	Description of change	Key numerical impacts	How change is indicated in evidence
Exhibit A-01-01	To indicate updated exhibits in the amended application and filing of a custom depreciation study in Exhibit F-05-01, Attachment 3	N/A	N/A
Exhibit A-02-02	To reflect updated materiality threshold	Updated from \$189k to \$193k	Side-bar
Exhibit A-03-01	To reflect updated revenue requirement, rate base and return on capital tables in Executive Summary	Updates to Tables 2, 4, 7 and 9	Side-bar
Exhibit C-01-01	To reflect updated rate base tables in the exhibit	Updated from \$455.1-429.2M to \$454.7-425.5M (2025-29)	Side-bar
Exhibit C-01-01, Attachments 2 to 5 (excel)	To reflect updated accumulated depreciation, fixed asset continuities and average rate base	Various updates from 2025-29	Cells are highlighted in yellow <sup>1</sup>

<sup>1</sup> Hydro One has only highlighted changes if a number has changed when rounded to one decimal place.

Exhibit E-01-01	To reflect updated revenue requirement tables over the test period	Updated from \$37-37.7M to \$38-37.7M (2025-29)	Side-bar
Exhibit E-01-01, Attachment 1 (excel)	To re-file revenue requirement tables based on updated depreciation, tax and cost of capital	Various updates from 2025-29	Cells are highlighted in yellow
Exhibit F-01-01	To reflect updates to certain tables related to depreciation and tax	Updates to Table 1	Side-bar
Exhibit F-05-01	To reflect updated methodology to calculate depreciation expense, due to use of B2M LP specific depreciation rates	Updated from \$6.5M to \$7.3M (2025-29)	Side-bar
Exhibit F-05-01, Attachments 1 and 2 (excel)	To re-file depreciation tables based on revised depreciation rates by asset class, as supported by the depreciation study filed in Exhibit F-05-01, Attachment 3	Various updates from 2025-29	Cells are highlighted in yellow
Exhibit F-06-01, Attachment 1 (excel)	To re-file tax calculations due to changes to depreciation expense	Various updates from 2025-29	Cells are highlighted in yellow
Exhibit G-01-02 (excel)	To re-file updated cost of long-term debt due to changes in rate base	Various updates from 2025-29	Cells are highlighted in yellow
Exhibit G-01-03 (excel)	To re-file updated cost of capital parameters due to changes in rate base	Various updates from 2025-29	Cells are highlighted in yellow
Exhibit H-01-01, Attachment 1	To re-file B2M LP's DVA continuity Schedule to reflect 2022 year-end principal adjustment in 2022 ESM balance to apply adjustments to the applicable year it relates	There is no impact on the ESM total requested for disposition, as this adjustment was previously included under the 2023 principal adjustment	Cells are highlighted in grey
Exhibit I-01-01	To reflect updated 2025-29 rates revenue requirement for the purposes of setting UTRs	Updated from \$36.99-36.98M to \$37.97-37.75M (2025-29)	Side-bar
Exhibit I-02-01	To reflect updated impacts on the current total bill for average transmission-connected customers and distribution-customer customers	Updated Tables 2 and 3	Side-bar
Exhibit I-04-01	Cover page to reflect updated Attachment 2 (proposed 2025 UTRs and revenue disbursement allocators)	N/A	Side-bar

Exhibit I-04-01, Attachment 2	To reflect updated impacts on B2M LP's and total Network revenue requirement and Network revenue disbursement allocators for all transmitters	Various updates as indicated in UTR schedule	Side-bar
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An electronic copy of the amended as-filed evidence has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,



Kathleen Burke

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## EXHIBIT LIST

Exhibit	Tab	Schedule	Attachment	Contents
<b><u>A</u></b>				<b>Administration</b>
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A	2	1	1	Certification of Evidence
A	2	1	2	Certification of Deferral and Variance Account Balances
A	2	2		Compliance with Applicable Filing Requirements (UPDATED)
A	2	2	1	Filing Requirement Checklist
A	2	3		Summary of OEB Directives and Undertakings from Previous Proceedings
A	3	1		Executive Summary (UPDATED)
A	4	1		Revenue Requirement Framework Summary
A	5	1		Description of the Partnership
A	6	1		Financial Information
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A	6	1	3	B2M LP EB-2019-0178 Accounting Order for Earning Sharing Mechanism (ESM) Deferral Account
A	6	2		B2M LP Financial Statements - Historical Years
A	6	2	1	2023 B2M LP Audited Financials
A	6	2	2	2022 B2M LP Audited Financials
A	6	3		Reconciliation of Regulatory Financial Results with Audited Financial Statements (2023)
A	7	1		Draft Issues List
<b><u>B</u></b>				<b>Transmission System Plan</b>
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<b><u>C</u></b>				<b>Rate Base</b>
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C	1	1	3	Fixed Asset Continuity Schedules: Dx Chapter 2 Appendix 2-BA (2020 – 2025) (UPDATED)
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<b><u>D</u></b>				<b>Service Quality and Reliability Performance and Reporting</b>
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E	1	1	1	Calculation of Revenue Requirement (2025 - 2029) (UPDATED)
<b><u>F</u></b>				<b>Operating Costs</b>
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F	2	1		Summary of OM&A Expenditures
F	3	1		Affiliate Service Agreements
F	3	1	1	Attachment 1: Agreement for Operations Services and Management Services
F	4	1		Common Corporate Costs, Cost Allocation Methodology
F	5	1		Depreciation Expenses (UPDATED)
F	5	1	1	Depreciation and Amortization Expenses (2020 – 2025) (UPDATED)
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<b><u>G</u></b>				<b>Cost of Capital and Capital Structure</b>
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<b><u>I</u></b>				<b>Cost Allocation and Rate Design</b>
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I	3	1		Current Ontario Transmission Rate Schedules
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I	3	1	2	Attachment 2: 2024 Uniform Transmission Rates and Revenue Disbursement Allocators
I	4	1		Proposed Ontario Transmission Rate Schedules (UPDATED)
I	4	1	1	Attachment 1: Proposed 2025 Ontario Uniform Transmission Rate Schedules
I	4	1	2	Attachment 2: Proposed 2025 Uniform Transmission Rates and Revenue Disbursement Allocators (UPDATED)



## COMPLIANCE WITH APPLICABLE FILING REQUIREMENTS

### 1.0 INTRODUCTION

B2M LP has prepared this Application in accordance with the OEB's guidance in its *Filing Requirements for Electricity Transmission Rate applications* (February 11, 2016) (Transmission Filing Requirements). B2M LP has presented the content to align with Chapter 2 of the Transmission Filing Requirements (Chapter 2). To assist the OEB in its review of the Application, B2M LP has prepared a checklist of the Transmission Filing Requirements including the relevant evidentiary references for each item. This checklist is provided as Attachment 1 to this Exhibit.

### 2.0 NON-APPLICABLE FILING REQUIREMENTS

Given that B2M LP is a single transmission line asset and has a limited role in the transmission of electricity in the province, the following Transmission Filing Requirements are not applicable. These include:

#### 1. Customer Engagement

- B2M LP does not have any direct customers, and therefore has not performed any customer engagement activities and analysis.

#### 2. Transmission System Plan

- B2M LP has prepared an abridged Transmission System Plan (TSP) given that it is not proposing capital expenditures during the rate period.
- Section 2.4 of Chapter 2 states that transmitters may wish to refer to Chapter 5 of the OEB's Filing Requirements for Electricity Distributors, Consolidated Distribution System Plan Filing Requirements (DSP Requirements) for further guidance on the content and structure of a TSP. B2M LP has referred to the DSP Requirements to guide the preparation of its abridged TSP.



### 3. Working Capital Allowance

- As established in B2M LP's 2015 transmission rates application (EB-2015-0026), there is no need for a working capital allowance.

### 4. Capitalization of Overheads

- B2M LP does not have any capital projects under construction. There is no interest or overhead to be capitalized.

### 5. Economic Overview / Load Forecast

- B2M LP's asset base consists of one 500 kV transmission line comprised of two circuits with no delivery points. As a result, B2M LP has no discrete, incremental load determinants to include in the UTR forecast.
- The only rate pool applicable for B2M LP assets is the "Network" pool consistent with the cost allocation methodology approved by the OEB in proceeding EB-2015-0026 for B2M LP's transmission rates. Therefore, no further cost allocation methodology is presented in this Application.

### 6. Other Revenue

- B2M LP has no external revenue sources. The only revenue applicable to B2M LP is the revenue requirement from owning and maintaining its 500 kV transmission line.

### 7. Employee Compensation

- B2M LP has no employees. Operations and management services are provided by HONI via a service level agreement as outlined in Exhibit F-03-01.

### 3.0 MATERIALITY THRESHOLD

In terms of the materiality used by B2M LP, 0.5% of the average of 5 years' revenue requirement in the revenue requirement period of \$193k is applicable.

**4.0 DEVIATIONS FROM THE FILING REQUIREMENTS**

B2M LP has complied with the OEB's policies and guidelines as set out in the Transmission Filing Requirements.

**5.0 CHANGES TO METHODOLOGIES USED IN PREVIOUS APPLICATIONS**

B2M LP includes a list of changes to its methodology compared to previous rebasing applications:

1. Change to methodology proposed to set revenue requirement as further described in Exhibit A-04-01; and
2. Adoption of the new depreciation methodology for its assets consistent with the new depreciation methodology approved for HONI in EB-2023-0110 for 2023-27 distribution and transmission rates, as further described in Exhibit F-05-01.



## EXECUTIVE SUMMARY

This exhibit describes the key aspects of B2M Limited Partnership (B2M LP)'s application (the Application) in respect of its proposed transmission revenue requirement for 2025 to 2029.

### 1.0 B2M LIMITED PARTNERSHIP

B2M LP is a limited partnership between Hydro One Indigenous Partnerships Inc. (HOIP) and Hydro One Networks Inc. (HONI), both of which are affiliates of Hydro One Inc. (HOI), and Saugeen Ojibway Nation Finance Corporation (SON FC), a corporation owned by, and the Nominee of, the Chippewas of Saugeen First Nation and Chippewas of Nawash First Nation.

B2M LP owns a 176 km 500kV dual circuit high-voltage transmission line that connects the Bruce Nuclear Generating Station to HONI's Milton Switching Station.

### 2.0 APPROVALS REQUESTED

In this Application for 2025 to 2029 transmission revenue requirement, B2M LP is requesting the Ontario Energy Board's (OEB) approval for:<sup>1</sup>

- i. Revenue requirement for the 2025-2029 period;
- ii. Inclusion of B2M LP's approved rates revenue requirement in the OEB's determination of the 2025 to 2029 Network pool of the Uniform Transmission Rates (UTRs);
- iii. The continuation of B2M LP's current regulatory accounts;
- iv. Disposition of the Earnings Sharing Mechanism (ESM) balance as part of its revenue requirement over a one-year period commencing January 1, 2025;
- v. An effective date of January 1, 2025; and
- vi. Other items that may be requested by B2M LP in the course of this proceeding, and as may be granted by the OEB.

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<sup>1</sup> As described in Exhibit A-02-01.

1 A number of internal and external challenges will need to be managed over the test period.

2 They include:

- 3 a) Rising income tax expense as B2M LP's capital cost allowance (CCA) declines  
4 and its Ontario corporate minimum tax (OCMT) credits are fully depleted;
- 5 b) Increased maintenance costs related to repair of spacer dampers which was  
6 initiated in 2020 and will be completed in 2029; and
- 7 c) Managing B2M LP's Right-of-Way vegetation maintenance program, taking into  
8 consideration the six-year vegetation cycle and the expected increase in forestry  
9 expenses during certain test years with greater work volumes, similar to historical  
10 trend.

11  
12 B2M LP's Application will mitigate these challenges and ensure that B2M LP's assets are  
13 managed efficiently and effectively.

14  
15 The change in B2M LP's rates revenue requirement will not affect the 2025 Network UTR  
16 relative to the current 2024 rate.<sup>2</sup> The Line Connection and Transformation Connection  
17 UTRs are unaffected by B2M LP, as described in Section 5.9 below.

18  
19 The 2025 change in rates revenue requirement will result in an average impact on  
20 transmission rates of 0.074% and a total bill impact of 0.01% (1 cent per month) for a  
21 typical Hydro One Residential (R1) customer consuming 750 kW per month and, similarly,  
22 a total bill impact of 0.01% (2 cents per month) for a typical Hydro One energy-billed  
23 General Service (GS<50kW) customer consuming 2,000 kWh per month. The annual  
24 changes from 2026 to 2029 revenue requirement will also not materially impact the  
25 average transmission rates, or the total bills for Hydro One's typical R1 and GS<50kW  
26 customers. A summary is provided in Table 9, below and further details are provided in  
27 Exhibit I-02-01.

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<sup>2</sup> EB-2023-0222, Decision and Rate Order on 2024 Uniform Transmission Rates, January 18, 2024.

### 3.0 REVENUE REQUIREMENT FRAMEWORK

B2M LP proposes to set its revenue requirement for a five-year period using a forecast of OM&A and capital costs for each of the five years. Customer protection mechanisms such as earnings sharing mechanism (ESM) and off-ramps are proposed. Consistent with the OEB's *Handbook for Utility Rate Applications* (the Handbook), cost of capital is proposed to be fixed at 2025 levels subject only to one update to the cost of long-term debt.<sup>3</sup>

B2M LP understands that the OEB's Renewed Regulatory Framework (RRF), as most recently set out in the Handbook, provides that electricity transmitters are to choose either Custom IR or a Revenue Cap IR.<sup>4</sup> However, the RRF was not conceived for a single-asset utility such as B2M LP. Single-asset utilities typically have few, if any, capital expenditures in the years following the in-service of the new asset and their rate base declines over time. As a result, a revenue cap index framework, whereby the revenue requirement is updated each year by a factor based on inflation minus a productivity factor may result in overearning for a single-asset utility. B2M LP believes that its proposed approach will provide greater transparency to ratepayers in respect of its costs over the 2025-2029 period and will allow for its revenue requirement to be directly tied to its forecast costs over the entire period.

The approach has a number of benefits as described below in Sections 3.1, 3.2 and 3.3.

#### 3.1 THE APPROACH DOES NOT DISCOURAGE PRODUCTIVITY

B2M LP has few, if any opportunities to unilaterally achieve productivity improvements, regardless of the revenue requirement framework under which it is operating at any given time.

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<sup>3</sup> As detailed in Exhibit G-01-01.

<sup>4</sup> Handbook page 24.

Specifically:

- B2M LP owns and operates a single 500kV transmission line that is about 15 years old and has an expected service life of over 80 years. As these assets are new, they require lower OM&A in comparison to other transmitters, and no capital expenditures are forecasted during the rate period;
- Given that there are no forecast capital expenditures, B2M LP's main controllable costs are maintenance and a small amount of administration. These costs are a small fraction of total costs and are significantly less than the non-controllable portions of B2M LP's costs (Cost of Capital, Depreciation, Income Tax, Operations, Corporate Allocation). As a result, it is only in respect of a modest portion of OM&A costs that productivity can be achieved. Even in respect of the controllable portion of maintenance and administration costs:
  - B2M LP's management and work programs are provided by a service level agreement, resulting in minimal overhead as well as qualified and flexible resources when needed, allowing B2M LP to remain cost efficient; and
  - B2M LP's service level agreement integrates HONI's productivity improvements into B2M LP's maintenance operations.

As a result of the above, B2M LP receives the benefit of HONI's productivity improvements in B2M LP's maintenance operations, regardless of the regulatory framework under which B2M LP operates.

### **3.2 PROTECTIONS FOR RATEPAYERS**

The approach proposed has a number of protections for ratepayers, including an ESM, a Z-factor mechanism, an off-ramp mechanism and performance metrics.

#### ***EARNINGS SHARING MECHANISM (ESM)***

Although significant overearning is not expected, B2M LP proposes to share, with customers, 50% of any earnings that exceed the OEB-allowed regulatory return on equity (ROE) by more than 100 basis points in any year of the five-year term.

1 **Z-FACTOR**

2 B2M LP is proposing, consistent with the Handbook, that the OEB's Z-factor mechanism  
3 be available over the term of this five-year Application. The criteria that would apply to the  
4 use of the Z-factor mechanism are detailed in exhibit A-4-1.

5  
6 **OFF-RAMPS**

7 B2M LP proposes to apply the OEB's existing off-ramp mechanism, a trigger mechanism  
8 with an annual return on equity dead band of plus or minus 300 basis points,<sup>5</sup> at which  
9 point a regulatory review of the revenue requirement arising from B2M LP's five-year  
10 Application may be initiated.

11  
12 **PERFORMANCE METRICS**

13 As detailed in Exhibit D-1-1, B2M LP is proposing several performance measures which  
14 align with RRF outcomes. These measures protect customers by providing transparency  
15 in respect of the performance of B2M LP's assets. They allow for verification that the  
16 assets are operated within the expected parameters and continue to serve the electricity  
17 consumers of Ontario effectively.

18  
19 **3.3 ANNUAL UPDATE APPLICATIONS WILL NOT BE REQUIRED**

20 As a result of B2M LP's proposed approach, annual updates to set the revenue  
21 requirements for 2026-2029 will not be required. Only one update is proposed to the cost  
22 of long-term debt in 2025 as detailed in Exhibit G-01-01 of this Application. Once the 2025  
23 update for cost of long-term debt is complete (impacting 2026-2029 revenue  
24 requirements), B2M LP's 2026, 2027, 2028 and 2029 revenue requirements will be final.  
25 As a result, the OEB can use these final revenue requirements approved to set 2026,  
26 2027, 2028 and 2029 UTRs. B2M LP believes its proposal helps advance regulatory  
27 efficiency by eliminating the need for annual updates.

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<sup>5</sup> See Chapter 3 of Filing Requirements for Electricity Distribution Rate Applications, section 3.2.10.



#### **4.0 B2M LP'S STRATEGIC PLAN**

B2M LP's plan on which this Application is based was informed by its values and strategic objectives described in the section below.

B2M LP is sensitive to and has considered the needs of provincial ratepayers that have expressed a desire for low rates and high reliability. B2M LP's plan supports these general customer objectives by proposing no planned capital spending and a modest OM&A budget required to maintain B2M LP's transmission reliability.

B2M LP's asset management process, as well as capital expenditure and operation and maintenance expenses for 2025-2029 are further explained in Attachment 1 to Exhibit B-01-03.

#### **4.1 B2M LP'S VALUES AND STRATEGIC OBJECTIVES**

B2M LP, as part of the Hydro One family of companies, is driven primarily by the values of health and safety, and stewardship. B2M LP's strategy and business values must operate with revenue that can balance the financing of investment in infrastructure while maintaining affordable and reliable service.

B2M LP is 34% owned by a partnership of First Nations over whose traditional territory the transmission line crosses. Respect for Indigenous peoples and their traditions is another key value of the partnership.

The five-year vision associated with B2M LP's strategic objectives is shown in Table 1. In managing its transmission assets, B2M LP is committed to meeting the OEB's Renewed Regulatory Framework (RRF) outcomes as demonstrated by the alignment of B2M LP's strategic objectives to the RRF outcomes.

1

**Table 1 - B2M LP Strategic Objectives**

<b>RRF Outcomes</b>	<b>Strategic Objectives</b>	<b>Five-Year Vision</b>
Customer Focus	Reliable Transmission	Maintain top-tier transmission reliability performance and improve long-term system reliability.
Operational Effectiveness	Foster Indigenous Relationships	To foster positive relationships with the Indigenous communities of the partners.
Operational Effectiveness	Injury-Free	Ensure B2M LP operations and management services agreement is executed in accordance with good utility practice for employee and public safety.
Public Policy Responsiveness	Cost Control	Secure a reasonable service agreement with Hydro One Networks Inc. that minimizes cost.
Public Policy Responsiveness	Public Policy Responsiveness	Support government objectives by delivering on obligations mandated by government through legislation and regulatory requirements.
	Protecting the Environment	Sustainably manage B2M LP's environmental footprint.
Financial Performance	Owner's Value	Achieve the Regulated Return on Equity allowed by the Ontario Energy Board.
	Ratepayer Value	Plan and strategically execute responsible investment in rate base assets to ensure the safety and reliability of the grid while ensuring manageable and stable rate impacts over the course of the planning period.

## 5.0 KEY ELEMENTS OF THE APPLICATION

### 5.1 REVENUE REQUIREMENT

B2M LP's 2025-29 proposed revenue requirements are shown in Table 2.

**Table 2 - Revenue Requirement (\$M)\***

Components	2025	2026	2027	2028	2029
OM&A	3.1	2.7	3.9	4.1	2.8
Depreciation	7.3	7.3	7.3	7.3	7.3
Income Taxes	2.6	2.8	3.1	3.2	3.3
Return on Capital	25.7	25.6	25.2	24.7	24.3
Total Revenue Requirement	<b>38.7</b>	<b>38.4</b>	<b>39.5</b>	<b>39.4</b>	<b>37.7</b>
Deduct External Revenues and Other <sup>6</sup>	(0.8)	0.0	0.0	0.0	0.0
Rates Revenue Requirement	<b>38.0</b>	<b>38.4</b>	<b>39.5</b>	<b>39.4</b>	<b>37.7</b>

\*Exhibit Reference: E-01-01, Table 1.

The drivers of the increase in the 2025 base revenue requirement compared to the 2020 OEB-approved test year is predominantly driven by higher costs of OM&A, debt and taxes, as further explained in Exhibit F-02-01, Exhibit G-01-01, and Exhibit F-06-01, respectively.

### 5.2 BUDGETING ASSUMPTIONS

B2M LP is proposing no future capital expenditures. B2M LP has assumed generally 2% inflation in its OM&A budgets.

### 5.3 LOAD FORECAST

B2M LP has included no load forecast, as it has no distinct metering points or delivery points. All power transported using B2M LP's assets are delivered to the final customer by another transmitter and thus is included in another transmitter's load forecast. The revenue requirement is allocated to the provincial Network rate pool, as all assets serve the Network with no Transformation or individual customer services. Once the revenue

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<sup>6</sup> This comprises of the disposition of Earnings Sharing Mechanism (ESM) regulatory account.

1 requirement by rate pool has been established, rates are determined by applying the  
2 Provincial charge determinants for each pool to the total revenue for each pool.

## 3 4 **5.4 TRANSMISSION SYSTEM PLAN (TSP)**

5 This section summarizes the major drivers and elements of B2M LP's five-year TSP  
6 (Exhibit B-01-03, Attachment 1). B2M LP has aligned its TSP in accordance with Chapter  
7 2 of the Ontario Energy Board's (OEB) *Filing Requirements for Electricity Transmission*  
8 *Applications* published on February 11, 2016, with further guidance from Chapters 3 and  
9 5 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications (Incentive*  
10 *Rate-Setting Applications and Distribution System Plan)*, revised on June 15, 2023 and  
11 December 15, 2022, respectively (together, the "Filing Requirements").

### 12 13 **5.4.1 ASSET MANAGEMENT PROCESS**

14 B2M LP continues to retain HONI under a service level agreement (SLA) to plan, organize,  
15 and execute the operation and maintenance of the assets and provide certain corporate  
16 and administrative support services. B2M LP relies upon HONI's asset management  
17 process to develop its Plan. HONI has continued to implement several refinements in its  
18 asset strategies and investment assessment to improve upon its asset management  
19 process, as documented in Section 2.2 of Exhibit B-02-01 of OEB proceeding EB-2021-  
20 0110. Given the lack of required capital spending, those changes are not meaningful in  
21 this application but will potentially benefit B2M LP in a future period.

### 22 23 **5.4.2 INVESTMENT PLANNING PROCESS**

24 B2M LP's operational needs are assessed by HONI on an annual basis and are  
25 incorporated into HONI's investment planning process to establish a plan that addresses  
26 those operational needs while minimizing rate impacts. This planning process ultimately  
27 forms part of the overall asset management process, which is aimed at identifying and  
28 scoping the optimal timing of capital investments and asset maintenance throughout the  
29 life cycle of assets.

### 5.4.3 CAPITAL EXPENDITURES

B2M LP's transmission system is limited to the components of a 500kV double circuit transmission line. Given the relatively new vintage of this line, no planned capital spending is required to meet the Applicant's business objectives over the 2025 to 2029 planning period. The absence of capital spending will result in no in-service additions to grow its rate base during the planning period. Table 3 below summarizes B2M LP's historical actuals and planned in-service additions by category over the TSP planning period.

**Table 3 - Overall Plan (\$M)**

OEB Category	Historical Actuals				Bridge	Forecast				
	2020	2021	2022	2023	2024 Forecast	2025	2026	2027	2028	2029
System Access	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Renewal	1.7	0.8	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Plant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Capital</b>	<b>1.7</b>	<b>0.8</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Roughly 90% of B2M LP's assets were placed into service in 2012. Therefore, little degradation has occurred, and these assets are considered to be in good condition. The remaining 10% of the assets were pre-existing HONI-owned assets that were originally in-serviced in 1980 and sold to B2M LP. In 2019 insulator strings were identified on the older section of line that B2M LP owned as having an elevated risk of failure. These were replaced between 2020 and 2022 resulting in total in-service additions of \$2.7M. For 2025 – 2029, no capital expenditures are planned.

## 5.5 RATE BASE

The requested rate base over the test period is provided in Table 4 below. Details are provided in Exhibit C-01-01. The 2025 rate base represents a \$7.1M (1.5%) decrease over 2024 rate base.

**Table 4 - Transmission Rate Base (\$M)\***

Description	2025	2026	2027	2028	2029
Mid-Year Gross Plant	550.4	550.4	550.4	550.4	550.4
Mid-Year Accumulated Depreciation	(95.7)	(103.0)	(110.3)	(117.6)	(124.8)
<b>Mid-Year Net Plant</b>	454.7	447.4	440.1	432.8	425.5
Cash Working Capital	0.0	0.0	0.0	0.0	0.0
Materials and Supply Inventory	0.0	0.0	0.0	0.0	0.0
<b>Transmission Rate Base</b>	454.7	447.4	440.1	432.8	425.5

\*Exhibit Reference: C-01-01, Table 3

## 5.6 PERFORMANCE AND REPORTING

B2M LP is proposing to continue to track its performance by utilizing most of the measures approved by the OEB in proceeding EB-2015-0026, and the Settlement Agreement in EB-2019-0178.

Given the nature of B2M LP's assets, the performance of the equipment does not lend itself to applying the typical measures that might be in place for other transmitters. B2M LP's assets consist solely of a single 500kV double circuit transmission line (circuits B560V and B561M) between the Bruce Nuclear Generating Station and the Milton Switching Station but does not include any terminal breakers or other operable assets. The demarcation point of each of the circuits is at a tower outside of the stations, as noted in Exhibit B-01-01. B2M LP does not directly supply any customer delivery points (or meter assets), which are the basis of interruption-based reliability performance measures like SAIDI and SAIFI. However, HONI SAIDI and/or SAIFI values can be impacted by outages caused by B2M LP assets. As a result, as stated in the settlement agreement from EB-2019-0178, B2M LP will report SAIDI and SAIFI contribution caused by B2M assets (T-SAIDI B2MLP Contribution and T-SAIFI B2MLP Contribution). Since B2M LP has no customers, no Customer Focus measures have been proposed. The performance measures, along with their associated RRF performance outcomes, are shown in Table 5.

**Table 5 - B2M LP's Performance Measures**

<b>RRF Outcomes</b>	<b>Performance Measure</b>
Operational Excellence	Average System Availability (%)
Operational Excellence	T-SAIDI B2MLP Contribution
Operational Excellence	T-SAIFI B2MLP Contribution
Operational Excellence	O&M Cost (\$K) per circuit kilometer <sup>7</sup>
Public Policy Responsiveness	NERC Vegetation Compliance

Further details on the methods and measures as well as the historical performance and forecast targets are documented in Exhibit D-01-01.

## **5.7 OPERATIONS, MAINTENANCE AND ADMINISTRATION (OM&A) EXPENSE**

B2M LP is managed by its general partner, HOIP, which retains HONI under a SLA, to plan, organize, and execute the operation and maintenance of the assets and provide certain corporate and administrative support services as outlined in Exhibit F-03-01.

OM&A expenses are derived based upon the various work programs and functions performed by or on behalf of the Partnership. As outlined in Table 8 below, the average OM&A annualized forecast for the 2025 to 2029 period is \$3.3M. The 2020 Test Year OM&A approved in EB-2019-0178 rate filing was \$1.2M. This represents a \$2.1M increase over the 2020 test year. The average annualized forecast OM&A spend for the 2020 to 2024 period is \$2.4M which is also higher than 2020 Test Year approved OM&A of \$1.2M. OM&A costs, have on-average been \$1.2M over plan for the 2020 – 2024 period. Three key factors are contributing to high OM&A costs for 2025 to 2029: (i) continuation of the Spacer Damper Repair Program, (ii) planned cyclic vegetation management activities for 2025 to 2029; and (iii) inclusion of shared asset cost allocation.

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<sup>7</sup> Circuit kms refer to total route kms multiplied by number of circuits per km. For B2M LP, this is 176 kms x 2 circuits = 352 kms.

1 As outlined in Exhibit F-02-01, Section 2.1.1, defective spacer dampers were identified in  
2 2019 during detailed helicopter inspections. Mitigation was initiated in 2020 and is  
3 anticipated to continue until 2029. OM&A costs are anticipated to reduce by about \$1M  
4 annually after 2029 once the Spacer Damper Repair Program has been completed.

5  
6 Higher OM&A forecasts for the 2025 to 2029 period are also due to large portions of B2M  
7 LP's Right of Way undergoing major vegetation maintenance in 2025, 2027, and 2028. As  
8 outlined in Exhibit B-01-03, Attachment 1, Section 3.3.1 Routine Operation and  
9 Maintenance, Line Clearing and Brush Control are cyclic vegetation maintenance activities  
10 that are scheduled for Right of Ways every six years. These activities have significantly  
11 higher unit costs compared to other vegetation management and patrol activities.

12  
13 Starting in 2023, B2M LP is also charged transfer pricing by HONI for the use of certain  
14 shared assets. The shared asset costs allocated to B2M LP include those for major fixed  
15 assets and intangible assets, as well as minor fixed assets. Shared Asset Allocation is  
16 forecast to be \$0.3M annually for the 2025 to 2029 period, and mainly relates to HONI's  
17 SAP system, an enterprise-wide system that integrates work management, finance,  
18 supply chain and other enterprise software. Use of these systems is required for HONI to  
19 coordinate and execute its asset management process and subsequent maintenance  
20 activities for B2M LP.

21  
22 Other Incremental Expenses include components that are directly incurred by B2M LP  
23 and are outside of the SLA with HONI. These include components such as insurance,  
24 regulatory expenses, Managing Director costs, and other administrative expenses such  
25 as external fees, statutory remittances, and auditor costs. These expenses have been  
26 adjusted for inflation for the 2025 to 2029 forecast period.

27  
28 Further details are presented in Exhibit F-02-01.



1

**Table 6 - Summary of OM&A (\$M)\***

	Historical												Bridge		Forecast				
	2020			2021			2022			2023			2024		2025	2026	2027	2028	2029
	Plan*	Act	Var	Plan*	Act	Var	Plan*	Act	Var	Plan*	Act	Var	Plan*	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst
SLA Costs	0.7	2.4	1.7	0.7	1.6	0.9	0.8	1.3	0.5	0.8	2	1.3	0.8	2.5	2.6	2.2	3.3	3.5	2.1
Incremental Expenses	0.4	0.4	0	0.4	0.3	(0.1)	0.4	0.4	(0.1)	0.5	0.4	(0.0)	0.4	0.6	0.6	0.6	0.6	0.6	0.7
<b>Total OM&amp;A</b>	<b>1.2</b>	<b>2.8</b>	<b>1.6</b>	<b>1.2</b>	<b>2.0</b>	<b>0.8</b>	<b>1.2</b>	<b>1.6</b>	<b>0.4</b>	<b>1.2</b>	<b>2.5</b>	<b>1.2</b>	<b>1.3</b>	<b>3.1</b>	<b>3.1</b>	<b>2.7</b>	<b>3.9</b>	<b>4.1</b>	<b>2.8</b>

\*The Plan values reflect the test year values (2020) approved by the OEB as part of the previous revenue requirement application, EB-2019-0178, as escalated by approved Revenue Cap Index values.

## 5.8 COST OF CAPITAL

Details of the cost of capital summary for each year are provided in Exhibit G-01-03. Table 7 below summarizes the return on capital for the 2025-2029 test period.

**Table 7 - 2025-2029 Return on Capital**

	Return on Capital (\$M)				
	2025	2026	2027	2028	2029
Long term debt	7.8	8.0	7.8	7.7	7.6
Short-term debt	1.1	1.1	1.1	1.1	1.1
Common Equity	16.8	16.5	16.2	15.9	15.7
<b>Total</b>	<b>25.7</b>	<b>25.6</b>	<b>25.2</b>	<b>24.7</b>	<b>24.3</b>

B2M LP's deemed capital structure for rate-making purposes is 60% debt and 40% common equity of utility rate base, as affirmed by the OEB's Decision in B2M LP's 2020 to 2024 transmission rate application (EB-2019-0178). The 60% debt component is comprised of 4% deemed short-term debt and 56% long-term debt.<sup>8</sup>

At the time of the Draft Rate Order (DRO) in this proceeding, B2M LP intends to update the 2025 to 2029 revenue requirements based on the OEB's release of its 2025 cost of capital parameters to reflect: (a) the OEB-prescribed 2025 return on equity (ROE) and short-term debt rates; and (b) a long-term debt rate based on B2M LP's forecast debt refinancing in 2025, using the September 2024 Consensus Forecast. The ROE and short-term debt rate parameters will remain fixed over the five-year rate term.

For the 2026 revenue requirement year, B2M LP proposes a one-time update to the cost of long-term debt to reflect the actual market rate achieved on the long-term debt it will issue in 2025. This will allow actual debt issuances made to refinance maturing debt in

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<sup>8</sup> Consistent with the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (EB-2009-0084) and its subsequent Review of the Existing Methodology of the Cost of Capital for Ontario's Regulated Utilities, dated January 14, 2016.

2025 to be reflected in the 2026 revenue requirement and through to the end of the rate term.

Further details regarding the cost of capital can be found in Exhibit G-01-01.

## **5.9 COST ALLOCATION AND RATE DESIGN**

All assets associated with B2M LP are classified as Network assets, consistent with the cost allocation methodology approved by the OEB for B2M LP in previous OEB proceedings, most recently in EB-2019-0178. Accordingly, the total rates revenue requirement associated with B2M LP's transmission assets will be allocated to the Network pool. Further details regarding the cost allocation and rate design are provided in Exhibit I-01-01.

## **5.10 DEFERRAL AND VARIANCE ACCOUNTS**

B2M LP is requesting to dispose of its regulatory balances in the ESM deferral account that accumulated between 2022 and 2023. B2M LP is requesting to dispose of the ESM deferral account balance as part of its revenue requirement over a one-year period commencing January 1, 2025.

B2M LP's regulatory account balances are summarized in Table 8 below:

**Table 8 - Summary of Regulatory Account Balances (\$)**

Description	Principal Balance as at Dec. 31, 2023	Projected Interest up to Dec. 31, 2024	Total Balance
Tax Rate and Rule Changes Variance Account	0	0	0
Forgone Revenue Deferral Account	0	0	0
ESM Deferral Account	(732,119)	(44,208)	(776,327)
<b>Total Group 2 Balances</b>	<b>(732,119)</b>	<b>(44,208)</b>	<b>(776,327)</b>

B2M LP is requesting approval to continue all existing accounts, as detailed in Exhibit H-01-01.

#### 5.11 BILL IMPACTS

A summary of the estimated impacts of this Application on average transmission rates and total bills for transmission and distribution-connected customers is provided in Table 9. Detailed calculations are provided in Exhibit I-02-01.

The total bill impact for a typical Hydro One residential (R1) customer consuming 750 kWh, and for a typical Hydro One General Service (GS<50kW) customer consuming 2,000 kWh is determined based on the forecast increase in the customer's Network Retail Transmission Service Rates (RTSR-N).

**Table 9 - Summary of Impacts on Average Transmission Rates and Transmission and Distribution-Connected Customers**

	2024	2025	2026	2027	2028	2029
B2M LP's Rates Revenue Requirement (\$M)	36.396	37.972	38.393	39.456	39.359	37.747
Net Impact on Average Transmission Rates		0.074%	0.019%	0.047%	-0.004%	-0.070%
Average Transmission Customer Total Bill Impact		0.009%	0.002%	0.006%	-0.001%	-0.009%
Typical Hydro One Distribution R1 Customer Total Bill Impact (750 kWh)		\$ 0.011	\$ 0.003	\$ 0.007	\$ (0.001)	\$ (0.010)
		0.008%	0.002%	0.005%	0.000%	-0.007%
Typical Hydro One Distribution GS<50kW Customer Total Bill Impact (2000 kWh)		\$ 0.023	\$ 0.006	\$ 0.015	\$ (0.001)	\$ (0.022)
		0.005%	0.001%	0.003%	0.000%	-0.005%

Note: B2M LP's rates revenue requirement impacts reflect its share of the transmission rates revenue requirement in UTRs.

**6.0 CONCLUSION**

B2M LP's Application balances the needs of its system and assets and allows it to operate and maintain these assets in accordance with reliability standards and satisfy regulatory, environmental, and legal requirements.

B2M LP operates under unique circumstances when considering its corporate structure, asset holdings, and operating and management arrangements. Over the five-year term, this Application, as proposed, will mitigate the company's challenges and ensure that B2M LP's assets are managed effectively to benefit electricity customers across Ontario.

## RATE BASE

### 1.0 INTRODUCTION

This exhibit outlines B2M LP's rate base for the test years of 2025-2029, provides a description of each rate base component, and includes a comparison between the OEB approved 2020 rate base and historical actual figures.

The rate base underlying the revenue requirement for the test year includes a forecast of net utility plant, calculated on a mid-year average basis. No working capital has been requested, as discussed in section 4 below.

### 2.0 COMPARISON OF OEB APPROVED VS. ACTUAL RATE BASE

Table 1 below compares actual 2020 amounts to the 2020 rate base approved by the OEB in its Decision on B2M LP's 2020 revenue requirement application in EB-2019-0178.

**Table 1 - 2020 OEB-approved versus 2020 Historic Year Rate Base (\$ M)**

Rate Base Component	2020 Actual	2020 OEB-approved	Variance
Mid-Year Gross Plant	548.5	549.2	(0.7)
Less: Mid-Year Accumulated Depreciation	(61.0)	(60.8)	(0.2)
<b>Mid-Year Net Utility Plant</b>	<b>487.5</b>	<b>488.4</b>	<b>(0.9)</b>
Cash Working Capital	0.0	0.0	0.0
Materials & Supply Inventory	0.0	0.0	0.0
<b>Total Rate Base</b>	<b>487.5</b>	<b>488.4</b>	<b>(0.9)</b>

Actual rate base in 2020 is in line with the OEB-approved rate base, as it is within 0.2% of the OEB-approved amount.

### 3.0 UTILITY RATE BASE FORECAST

B2M LP's utility rate base calculations for the test years are filed at Exhibit C-01-01, Attachment 5.

B2M LP's approved rate base for the 2020 historical year is compared to the 2025 test year, as shown in Table 2. B2M LP's most recent historical year, the 2024 bridge year and the 2025 to 2029 forecast years are shown in Table 3. The mid-year gross plant balance reflects the forecast capital expenditure programs and in-service additions.

**Table 2 - Transmission Rate Base (\$ M)**

Description	2020 OEB- approved	Test 2025
Mid-Year Gross Plant	549.2	550.4
Mid-Year Accumulated Depreciation	(60.8)	(95.7)
<b>Mid-Year Net Plant</b>	<b>488.4</b>	<b>454.7</b>
Cash Working Capital	0.0	0.0
Materials and Supply Inventory	0.0	0.0
<b>Transmission Rate Base</b>	<b>488.4</b>	<b>454.7</b>
<i>% Change</i>		(6.9%)

**Table 3 - Transmission Rate Base (\$ M)**

Description	Actual	Bridge	Test				
	2023	2024	2025	2026	2027	2028	2029
Mid-Year Gross Plant	550.4	550.4	550.4	550.4	550.4	550.4	550.4
Mid-Year Accumulated Depreciation	(81.7)	(88.6)	(95.7)	(103.0)	(110.3)	(117.6)	(124.8)
<b>Mid-Year Net Plant</b>	<b>468.6</b>	<b>461.8</b>	<b>454.7</b>	<b>447.4</b>	<b>440.1</b>	<b>432.8</b>	<b>425.5</b>
Cash Working Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Supply Inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Transmission Rate Base</b>	<b>468.6</b>	<b>461.8</b>	<b>454.7</b>	<b>447.4</b>	<b>440.1</b>	<b>432.8</b>	<b>425.5</b>
<b>Year over year % change</b>		<b>(1.5%)</b>	<b>(1.5%)</b>	<b>(1.6%)</b>	<b>(1.6%)</b>	<b>(1.7%)</b>	<b>(1.7%)</b>

Table 4 provides historical and bridge year continuity of total fixed assets. Further details in gross plant are discussed in Exhibit B-01-03, Attachment 1 from Sections 3.2 through 4.3. The in-service forecast is outlined in Section 5 of this exhibit.

**Table 4 - Continuity of Fixed Assets Summary (\$ M)**

Description	OEB- Approved	Historic Years				Bridge	Test
	2020	2020	2021	2022	2023	2024	2025
Opening Gross Asset Balance	547.7	547.7	549.4	550.2	550.4	550.4	550.4
In-Service Additions	3.0	1.7	0.8	0.2	0.0	0.0	0.0
Retirements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers / Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Closing Gross Asset Balance</b>	<b>550.7</b>	<b>549.4</b>	<b>550.2</b>	<b>550.4</b>	<b>550.4</b>	<b>550.4</b>	<b>550.4</b>

Table 5 includes a continuity of 2025 to 2029 forecast in-service additions, as follows:

**Table 5 - Continuity of Fixed Assets Summary (\$ M)**

Description	Test				
	2025	2026	2027	2028	2029
Opening Gross Asset Balance	550.4	550.4	550.4	550.4	550.4
In-Service Additions	0.0	0.0	0.0	0.0	0.0
Retirements	0.0	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0
Transfers / Other	0.0	0.0	0.0	0.0	0.0
<b>Closing Gross Asset Balance</b>	<b>550.4</b>	<b>550.4</b>	<b>550.4</b>	<b>550.4</b>	<b>550.4</b>

#### 4.0 CASH WORKING CAPITAL

In 2013, B2M LP retained Navigant Consulting Inc. (now Guidehouse) to undertake a lead-lag study on its working capital requirements. The study found that the flows of revenue and expenses substantially offset each other, resulting in an approximately zero requirement for cash working capital. Further details on the working capital study are filed in B2M LP's 2015-2019 transmission rate application (EB-2015-0026). B2M LP's



1 expenses and revenues continue to be generally synchronized, and no working capital is  
2 requested in this application.

3  
4 **5.0 IN-SERVICE ADDITIONS**

5 In-service additions represent increases to rate base as a result of capital work being  
6 declared in-service and ready for use.

7  
8 Table 5 provides an overview of B2M LP's in-service additions over the historical 2020 to  
9 2023 period, the 2024 bridge year, and the 2025 to 2029 forecast years. B2M LP has no  
10 planned capital expenditures or associated in-service additions forecasted in gross plant  
11 for the rate period.

1 **Table 6 - In-Service Capital Additions (2020 – 2029) (\$ M)**

	Historical												Bridge			Forecast
	2020			2021			2022			2023			2024			2025 - 2029
	Actual	Plan	Var*	Actual	Plan	Var*	Actual	Plan	Var*	Actual	Plan	Var*	Actual	Plan	Var*	Plan
System Access	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Renewal	1.7	3.0	(1.3)	0.8	0.0	0.8	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Plant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.7	3.0	(1.3)	0.8	0.0	0.8	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

\* "Var" stands for variance

1 In 2020, B2M LP received approval for \$3.0M in capital expenditures to address defective  
2 insulators on the older section of its transmission line. From 2020 to 2022, B2M LP  
3 incurred \$2.7M in capital expenditures for these new assets, which were placed in-service  
4 under the System Renewal category. Further information regarding this capital  
5 expenditure is found in Exhibit B-01-03, Attachment 1, Section 4.2 of the TSP.

<b>B2M LP</b> Continuity of Property, Plant and Equipment - Accumulated Depreciation Historical (2020-2023), Bridge (2024) & Test (2025 - 2029) Years Year Ending December 31 Total - Gross Balances (\$ Millions)								
Line No.	Year	Opening Balance (a)	Additions (b)	Retirements (c)	Sales (d)	Transfers In/Out and Other (e)	Closing Balance (f)	Average (g)
<u>Historic</u>								
1	2020	57.4	7.2	0.0	0.0	0.0	64.6	61.0
2	2021	64.6	6.9	0.0	0.0	0.0	71.4	68.0
3	2022	71.4	6.9	0.0	0.0	0.0	78.3	74.9
4	2023	78.3	6.9	0.0	0.0	0.0	85.2	81.7
<u>Bridge</u>								
5	2024	85.2	6.9	0.0	0.0	0.0	92.0	88.6
<u>Test</u>								
6	2025	92.0	7.3	0.0	0.0	0.0	99.3	95.7
7	2026	99.3	7.3	0.0	0.0	0.0	106.6	103.0
8	2027	106.6	7.3	0.0	0.0	0.0	113.9	110.3
9	2028	113.9	7.3	0.0	0.0	0.0	121.2	117.6
10	2029	121.2	7.3	0.0	0.0	0.0	128.5	124.8

**Appendix 2-BA**  
**Fixed Asset Continuity Schedule <sup>1</sup>**

Accounting Standard USGAAP  
Year 2025

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>4</sup>	Closing Balance	Net Book Value
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 15.4	\$ 1.0		\$ 16.4	\$ 83.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 36.8	\$ 4.1		\$ 40.8	\$ 240.5
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 36.1	\$ 2.1		\$ 38.2	\$ 107.6
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 3.7	\$ 0.2		\$ 3.9	\$ 7.7
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue5	\$ -			\$ -	\$ -			\$ -	\$ -
		<b>Sub-Total</b>	<b>\$ 550.4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 550.4</b>	<b>\$ 92.0</b>	<b>\$ 7.3</b>	<b>\$ -</b>	<b>\$ 99.3</b>	<b>\$ 451.0</b>
		<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -				\$ -	\$ -
		<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>	\$ -			\$ -	\$ -			\$ -	\$ -
		<b>Total PP&amp;E</b>	<b>\$ 550.4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 550.4</b>	<b>\$ 92.0</b>	<b>\$ 7.3</b>	<b>\$ -</b>	<b>\$ 99.3</b>	<b>\$ 451.0</b>
		<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable6</b>									
		<b>Total</b>					<b>\$ 7.3</b>				

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ 7.3

**Notes:**

- 1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- 3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- 4 The additions in column (E) must not include construction work in progress (CWIP).
- 5 Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- 6 The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

Appendix 2-BA

Fixed Asset Continuity Schedule <sup>1</sup>

Accounting StandardUSGAAP

Year2025

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	Net Book Value
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 15.4	\$ 1.0		\$ 16.4	\$ 83.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 36.8	\$ 4.1		\$ 40.8	\$ 240.5
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 36.1	\$ 2.1		\$ 38.2	\$ 107.6
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 3.7	\$ 0.2		\$ 3.9	\$ 7.7
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 92.0	\$ 7.3	\$ -	\$ 99.3	\$ 451.0
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$ -			\$ -	\$ -			\$ -	\$ -
		Total PP&E	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 92.0	\$ 7.3	\$ -	\$ 99.3	\$ 451.0
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total						\$ 7.3			

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	\$ 7.3

Notes:

1

Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

2

The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).

3

The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.

4

The additions in column (E) must not include construction work in progress (CWIP).

5

Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.

6

The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard USGAAP  
Year 2026

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 16.4	\$ 1.0		\$ 17.4	\$ 82.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 40.8	\$ 4.1		\$ 44.9	\$ 236.4
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 38.2	\$ 2.1		\$ 40.2	\$ 105.5
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 3.9	\$ 0.2		\$ 4.1	\$ 7.5
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 99.3	\$ 7.3	\$ -	\$ 106.6	\$ 443.7
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$ -			\$ -	\$ -			\$ -	\$ -
		Total PP&E	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 99.3	\$ 7.3	\$ -	\$ 106.6	\$ 443.7
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total					\$ 7.3				

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	\$ 7.3

Notes:

- 1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- 3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- 4 The additions in column (E) must not include construction work in progress (CWIP).
- 5 Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- 6 The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard USGAAP  
Year 2027

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 17.4	\$ 1.0		\$ 18.4	\$ 81.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 44.9	\$ 4.1		\$ 49.0	\$ 232.4
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 40.2	\$ 2.1		\$ 42.3	\$ 103.5
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 4.1	\$ 0.2		\$ 4.3	\$ 7.3
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 106.6	\$ 7.3	\$ -	\$ 113.9	\$ 436.5
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$ -			\$ -	\$ -			\$ -	\$ -
		Total PP&E	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 106.6	\$ 7.3	\$ -	\$ 113.9	\$ 436.5
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total					\$ 7.3				

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	\$ 7.3

Notes:

- 1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- 3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- 4 The additions in column (E) must not include construction work in progress (CWIP).
- 5 Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- 6 The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.



Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard USGAAP  
Year 2028

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 18.4	\$ 1.0		\$ 19.4	\$ 80.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 49.0	\$ 4.1		\$ 53.0	\$ 228.3
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 42.3	\$ 2.1		\$ 44.4	\$ 101.4
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 4.3	\$ 0.2		\$ 4.5	\$ 7.1
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 113.9	\$ 7.3	\$ -	\$ 121.2	\$ 429.2
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$ -			\$ -	\$ -			\$ -	\$ -
		Total PP&E	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 113.9	\$ 7.3	\$ -	\$ 121.2	\$ 429.2
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total					\$ 7.3				

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	\$ 7.3

Notes:

- 1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- 3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- 4 The additions in column (E) must not include construction work in progress (CWIP).
- 5 Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- 6 The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

Appendix 2-BA  
Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard USGAAP  
Year 2029

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions <sup>4</sup>	Disposals <sup>6</sup>	Closing Balance	Opening Balance	Additions	Disposals <sup>6</sup>	Closing Balance	
12	1610	Intangibles	\$ -			\$ -	\$ -			\$ -	\$ -
12	1611	Computer Software (Formally known as Account 1925)	\$ -			\$ -	\$ -			\$ -	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
	1665	Fuel holders, producers and acc.	\$ -			\$ -	\$ -			\$ -	\$ -
	1675	Generators	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1615	Land	\$ -			\$ -	\$ -			\$ -	\$ -
1	1620	Buildings and fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1705	Land	\$ 12.2			\$ 12.2	\$ -	\$ -		\$ -	\$ 12.2
14.1	1706	Land rights	\$ 99.5			\$ 99.5	\$ 19.4	\$ 1.0		\$ 20.3	\$ 79.1
1	1708	Buildings and fixtures	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
47	1715	Station equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1720	Towers and fixtures	\$ 281.3			\$ 281.3	\$ 53.0	\$ 4.1		\$ 57.1	\$ 224.3
47	1730	Overhead conductors and devices	\$ 145.8			\$ 145.8	\$ 44.4	\$ 2.1		\$ 46.4	\$ 99.4
47	1735	Underground conduit	\$ -			\$ -	\$ -			\$ -	\$ -
47	1740	Underground conductors and devices	\$ -			\$ -	\$ -			\$ -	\$ -
17	1745	Roads and trails	\$ 11.6			\$ 11.6	\$ 4.5	\$ 0.2		\$ 4.7	\$ 6.9
N/A	1905	Land	\$ -			\$ -	\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ -			\$ -	\$ -			\$ -	\$ -
13	1910	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ -			\$ -	\$ -			\$ -	\$ -
	1925	Computer software	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1935	Stores Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1945	Measurement & Testing Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 0.0			\$ 0.0	\$ 0.0	\$ 0.0		\$ 0.0	\$ 0.0
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue <sup>5</sup>	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub-Total	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 121.2	\$ 7.3	\$ -	\$ 128.5	\$ 421.9
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$ -			\$ -	\$ -			\$ -	\$ -
		Total PP&E	\$ 550.4	\$ -	\$ -	\$ 550.4	\$ 121.2	\$ 7.3	\$ -	\$ 128.5	\$ 421.9
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total					\$ 7.3				

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	
Stores Equipment	
Net Depreciation	\$ 7.3

Notes:

- 1
- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3).
- 3
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- 4
- The additions in column (E) must not include construction work in progress (CWIP).
- 5
- Effective on the date of IFRS adoption, customer contributions will no longer be recorded in Account 1995 Contributions & Grants, but will be recorded in Account 2440, Deferred Revenues.
- 6
- The applicant must ensure that all asset disposals have been clearly identified in the Chapter 2 Appendices for all historic, bridge and test years. Where a distributor for general financial reporting purposes under IFRS has accounted for the amount of gain or loss on the retirement of assets in a pool of like assets as a charge or credit to income, for reporting and rate application filings, the distributor shall reclassify such gains and losses as depreciation expense, and disclose the amount separately.

**B2M LP**  
Statement of Average Rate Base  
Bridge Year (2024) and Test Years (2025-2029)  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2024	2025	2026	2027	2028	2029
	<u>Electric Utility Plant</u>						
1	Gross plant at cost	\$ 550.4	550.4	550.4	550.4	550.4	550.4
2	Less: accumulated depreciation	92.0	99.3	106.6	113.9	121.2	128.5
3	Net plant for rate base	458.3	451.0	443.7	436.5	429.2	421.9
4	Average net plant for rate base	461.8	454.7	447.4	440.1	432.8	425.5
5	Construction work in progress	0.0	0.0	0.0	0.0	0.0	0.0
6	Average net utility plant	\$ 461.8	454.7	447.4	440.1	432.8	425.5
	<u>Working Capital</u>						
7	Cash working capital	0.0	0.0	0.0	0.0	0.0	0.0
8	Materials and Supplies Inventory	0.0	0.0	0.0	0.0	0.0	0.0
9	Total working capital	0.0	0.0	0.0	0.0	0.0	0.0
10	Total rate base	\$ 461.8	454.7	447.4	440.1	432.8	425.5

**B2M LP**  
Calculation of Revenue Requirement (2025 to 2029)  
Year Ending December 31  
(\$ Millions)

Line		Test	Test	Test	Test	Test
No.	Particulars	2025	2026	2027	2028	2029
		(a)	(a)	(a)	(a)	(a)
	Cost of Service					
1	Operating, maintenance & administrative	\$ 3.1	2.7	3.9	4.1	2.8
2	Depreciation	7.3	7.3	7.3	7.3	7.3
3	Income taxes	2.6	2.8	3.1	3.2	3.3
4	Cost of service excluding return on capital	\$ 13.0	12.8	14.3	14.6	13.4
5	Return on capital	25.7	25.6	25.2	24.7	24.3
6	Total revenue requirement	\$ 38.7	38.4	39.5	39.4	37.7

## OPERATING COSTS SUMMARY

### 1.0 INTRODUCTION

This exhibit presents an overview of B2M LP's operating costs and includes the following elements, for which the overall costs are shown in Table 1 below:

- Operation, Maintenance and Administrative (OM&A),
- Depreciation and Amortization, and
- Income Taxes.

**Table 1 - Operating Costs (\$M)**

Description	Historical Years				Bridge Year	Forecast				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
OM&A	2.8	2.0	1.6	2.5	3.1	3.1	2.7	3.9	4.1	2.8
Depreciation and Amortization	7.4	6.9	6.9	6.9	6.9	7.3	7.3	7.3	7.3	7.3
Income Taxes	0.6	1.2	1.5	1.8	2.0	2.6	2.8	3.1	3.2	3.3
<b>Total Operating Costs</b>	<b>10.8</b>	<b>10.1</b>	<b>10.0</b>	<b>11.1</b>	<b>12.0</b>	<b>13.0</b>	<b>12.8</b>	<b>14.3</b>	<b>14.6</b>	<b>13.4</b>

The annual average of the proposed operating costs for the 2025 – 2029 is forecast to be \$13.6M, an increase of \$3.1M compared to historical average within 2020 - 2024. This increase is primarily due to higher OM&A as a result of higher work program needs to ensure reliability, the inclusion of shared asset allocation from HONI, as well as higher insurance costs. This is further outlined in Exhibit F-02-01. The increase in operating costs during the test year is also driven in part by higher depreciation expense arising from a depreciation study completed by Alliance Consulting Group (see Exhibit F-05-01) and higher income tax arising from lower tax deductions from capital cost allowance and loss carryforwards that were fully utilized during the historical period. Further details can be found in exhibit F-06-01.

## **2.0 KEY ELEMENTS OF OPERATING COSTS**

B2M LP's operating costs forecast has been developed to sustain the safe and reliable operation of its transmission assets.

### **2.1 OPERATION, MAINTENANCE AND ADMINISTRATIVE (OM&A)**

B2M LP is managed by its general partner, HOIP, which retains HONI under a Service Level Agreement, to plan and organize the operation and maintenance of the assets and provide certain corporate and administrative support as outlined in Exhibit F-03-01.

OM&A expenses are derived from the various work programs and functions performed by or on behalf of the Partnership. Further details on the OM&A costs are provided in Exhibit F-02-01.

### **2.2 DEPRECIATION AND AMORTIZATION**

The depreciation expense for B2M LP in this Application is supported by a depreciation study by Alliance Consulting Group which leverages the service life parameters approved for Hydro One Transmission in support of its 2023 to 2027 Rate Application (EB-2021-0110) while adjusting for B2M LP's depreciation reserves to calculate B2M LP's depreciation rate and depreciation expense. Further details are provided in Exhibit F-05-01.

### **2.3 INCOME TAXES**

Under the *Income Tax Act*, a partnership is not taxable but is required to compute its taxable income, which is then allocated to its partners. Details of the calculation of the Income Tax expense are shown in Exhibit F-06-01.

## DEPRECIATION EXPENSES

### 1.0 INTRODUCTION

The purpose of this exhibit is to summarize the method and amount of B2M LP's depreciation and amortization expense for the 2025 to 2029 test years.

### 2.0 DEPRECIATION METHODOLOGY

The depreciation and amortization expense included in B2M LP's application transmission revenue requirement for the historical 2020 to 2024 period (EB-2019-0178) was supported by an independent depreciation study conducted by Foster Associates Inc. (Foster) for HONI's 2020-2022 Transmission Revenue Requirement application (EB-2019-0082). The OEB accepted the Foster depreciation study for the purposes of determining B2M LP's depreciation rates and depreciation expense for the 2020 to 2024 rate period.

For its 2023 to 2027 Custom IR application (EB-2021-0110), HONI engaged Alliance Consulting Group (Alliance) to perform a new depreciation study covering HONI's transmission, distribution and common assets as the basis for HONI's Transmission and Distribution depreciation and amortization expenses from 2023 to 2027. The OEB approved those expenses and the basis for their calculation. For a summary of the changes in the depreciation methodology between the Foster depreciation study and the Alliance depreciation study approved in HONI's 2023 to 2027 Custom IR rebasing application, please refer to Exhibit E-08-01 of EB-2021-0110.<sup>1</sup>

Consistent with the approach taken in B2M LP's 2020-2024 revenue requirement application in EB-2019-0178, B2M LP adopted HONI Transmission's depreciation rates when this Application was originally filed. B2M LP sought to confirm this approach with Alliance and engaged Alliance to perform a depreciation study, which leveraged the service life parameters from HONI's Alliance depreciation study. As a single asset

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<sup>1</sup> EB-2021-0110, Exhibit E-08-01, section 1.3; and Exhibit E-08-01, Attachment 1

transmission utility, B2M LP's assets are similar in nature to HONI's transmission assets and are expected to perform in the same manner as assets on which HONI's depreciation study was based. The plant account service life parameters from HONI transmission assets were then adjusted for B2M LP's depreciation reserves to form B2M LP's updated depreciation rate and depreciation expense for the 2025 to 2029 period. See Exhibit F-05-01, Attachment 3.

### 3.0 DEPRECIATION EXPENSE

As discussed above, B2M LP's depreciation study was used to determine the depreciation expense for the test years. Historical and forecast depreciation expense from 2020 to 2029 are summarized in Table 1. There are no forecasted asset removal costs from 2024 to 2029 as no replacement projects or asset retirements have been projected during this period.

**Table 1 - B2M LP Depreciation Expense (\$M)**

Description	Historical				Bridge	Test				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Depreciation On Fixed Assets	7.2	6.9	6.9	6.9	6.9	7.3	7.3	7.3	7.3	7.3
Less Capitalized Depreciation	-	-	-	-	-	-	-	-	-	-
Asset Removal Costs	0.2	0.0 <sup>3</sup>	0.0 <sup>4</sup>	-	-	-	-	-	-	-
Losses/(Gains) On Asset Disposition	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7.4</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>

Detailed depreciation schedules are filed at Exhibit F-05-01, Attachments 1 and 2.

<sup>3</sup> Actual asset removal cost incurred in 2021 was \$42,097.14.

<sup>4</sup> Actual asset removal cost incurred in 2022 was \$14,192.15.



**Depreciation and Amortization Expenses**

B2M LP

Depreciation & Amortization Expenses  
2020-2023 Historical, 2024 Bridge, 2025 Test  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2020		2021		2022		2023		2024		2025	
		Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)
		(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
	<u>Depreciation Expenses</u>												
1	Major Fixed Assets												
2	Towers, Fixtures & Poles	1.33%	3.74	1.28%	3.60	1.28%	3.60	1.28%	3.60	1.28%	3.60	1.44%	4.05
3	OH Conductors & Devices	1.54%	2.22	1.44%	2.09	1.44%	2.10	1.44%	2.10	1.44%	2.10	1.41%	2.06
4	Land Rights	1.00%	0.99	0.96%	0.95	0.96%	0.95	0.96%	0.95	0.96%	0.95	1.00%	0.99
5	Roads & Trails	1.99%	0.23	1.81%	0.21	1.81%	0.21	1.81%	0.21	1.81%	0.21	1.62%	0.19
6	Buildings and Fixtures	1.70%	0.00	1.81%	0.00	1.81%	0.00	1.81%	0.00	1.81%	0.00	1.63%	0.00
7	Communication Equipment	4.48%	0.00	4.16%	0.00	4.16%	0.00	4.16%	0.00	4.16%	0.00	5.05%	0.00
8	Depreciation on Fixed Assets	<b>1.37%</b>	<b>7.18</b>	<b>1.30%</b>	<b>6.86</b>	<b>1.30%</b>	<b>6.86</b>	<b>1.30%</b>	<b>6.87</b>	<b>1.30%</b>	<b>6.87</b>	<b>1.38%</b>	<b>7.29</b>
9	Less Capitalized Depreciation		-		-		-		-		-		-
10	Asset Removal Costs		0.20		0.04		0.01		-		-		-
11	Total Depreciation Expenses		<b>7.39</b>		<b>6.90</b>		<b>6.88</b>		<b>6.87</b>		<b>6.87</b>		<b>7.29</b>
	<u>Amortization Expenses</u>												
12	Other Amortization		-		-		-		-		-		-
13	Total Amortization Expenses		-		-		-		-		-		-
14	Total Depreciation & Amortization Expenses		<b>7.39</b>		<b>6.90</b>		<b>6.88</b>		<b>6.87</b>		<b>6.87</b>		<b>7.29</b>
15	Depreciation & Amortization for recovery		<b>7.39</b>		<b>6.90</b>		<b>6.88</b>		<b>6.87</b>		<b>6.87</b>		<b>7.29</b>

**Depreciation and Amortization Expenses**

B2M LP  
Depreciation & Amortization Expenses  
2025 - 2029 Test Year  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2025		2026		2027		2028		2029	
		Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)	Deprn Rate	Provision (\$M)
		(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
	<u>Depreciation Expenses</u>										
1	Major Fixed Assets										
2	Towers, Fixtures & Poles	1.44%	4.05	1.44%	4.05	1.44%	4.05	1.44%	4.05	1.44%	4.05
3	OH Conductors & Devices	1.41%	2.06	1.41%	2.06	1.41%	2.06	1.41%	2.06	1.41%	2.06
4	Land Rights	1.00%	0.99	1.00%	0.99	1.00%	0.99	1.00%	0.99	1.00%	0.99
5	Roads & Trails	1.62%	0.19	1.62%	0.19	1.62%	0.19	1.62%	0.19	1.62%	0.19
6	Buildings and Fixtures	1.63%	0.00	1.63%	0.00	1.63%	0.00	1.63%	0.00	1.63%	0.00
7	Communication Equipment	5.05%	0.00	5.05%	0.00	5.05%	0.00	5.05%	0.00	5.05%	0.00
8	Depreciation on Fixed Assets	<b>1.38%</b>	<b>7.29</b>	<b>1.38%</b>	<b>7.29</b>	<b>1.38%</b>	<b>7.29</b>	<b>1.38%</b>	<b>7.29</b>	<b>1.38%</b>	<b>7.29</b>
9	Less Capitalized Depreciation	-	-	-	-	-	-	-	-	-	-
10	Asset Removal Costs	-	-	-	-	-	-	-	-	-	-
11	Total Depreciation Expenses		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>
	<u>Amortization Expenses</u>										
12	Other Amortization	-	-	-	-	-	-	-	-	-	-
13	Total Amortization Expenses	-	-	-	-	-	-	-	-	-	-
14	Total Depreciation & Amortization Expenses		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>
15	Depreciation & Amortization for recovery		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>		<b>7.29</b>



July 23, 2024

Mr. Jonathan Myers  
Torys LLP  
79 Wellington St. W. 30<sup>th</sup> Floor.  
Box 270, TD South Tower  
Toronto, Ontario, M5K 1N2, Canada

Re: Proposed Depreciation Rates B2M Limited Partnership

Jonathan:

Alliance Consulting Group is pleased to present our findings on the depreciation rates for B2M Limited Partnership (B2M).

The scope of our depreciation study process included:

- Collection of plant and reserve data
- Reconciliation of assembled database to Company records
- Discussion with B2M plant accounting and operations personnel regarding asset characteristics
- Evaluate asset characteristics and dispersion patterns in relation to approved lives for Hydro One Networks
- Analysis of recorded plant amounts and depreciation reserves, and
- Development of recommended depreciation rates for each category of plant account.

After review and discussions, we confirmed that the life parameters currently in use from the 2019 Depreciation Study for Hydro One Networks, Inc. (Hydro One) are representative of the assets in B2M.

In the case of B2M as with Hydro One, no net salvage is included in the accrual rate computations. Proposed annual depreciation expense amounts for all accounts were calculated by the straight-line, remaining life procedure used by Hydro One in its Joint Rate Application (EB-2021-0110).

To compute the proposed annual accrual rate, various computations are necessary. Attachment 1 shows the currently approved Hydro One parameters, which are the recommended depreciation parameters that underlie the proposed rate computations. Attachment 2 shows the development of the composite remaining life for each plant account. Those computations are determined by the formula shown below.

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} \times \text{Vintage Remaining Life}}{\sum \text{Original Cost}}$$

The next step in computing the proposed depreciation accrual rates was to determine the proposed annual accrual by taking the difference between the surviving investment, and the allocated book depreciation reserve divided by the composite remaining life to yield the annual depreciation expense. That computation is shown in the formula below.

$$\text{Proposed Annual Depreciation Expense} = \frac{\text{Original Cost} - \text{Book Reserve}}{\text{Composite Remaining Life}}$$

The final step to compute the proposed depreciation accrual rates was to divide the proposed annual depreciation expense by the original cost of the asset. That is shown in Attachment 3 and the formula below.

$$\text{Proposed Annual Depreciation Rate} = \frac{\text{Proposed Annual Depreciation Expense}}{\text{Original Cost}}$$


The proposed rates are based on B2M plant and accumulated depreciation investment computed at December 31, 2023 using the same straight line, broad-group, remaining life depreciation system used in the Hydro One depreciation study. A comparison of these rates is shown in the table below.

Account	Description	Current Rate	Proposed Rate
1705	Fee Land	0.00%	0.00%
1706	Land Rights	0.92%	1.00%
1708	Buildings and Fixtures	1.81%	1.63%
1720	Towers and Fixtures	1.24%	1.44%
1730	Overhead Conductors and Devices	1.30%	1.41%
1745	Roads and Trails	1.50%	1.62%
1955	Communication Equipment	4.10%	5.05%

The last Attachment (Attachment 4) shows an expense comparison between the current and proposed depreciation rates.

We wish to express our appreciation for this opportunity to be of service to B2M and for the assistance provided to us. We would be pleased to discuss our results and review with you or others at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Dane A. Watson".

Dane A. Watson – Engagement Partner – Alliance Consulting Group

**Attachment 1 - Depreciation Parameters used for Current and Proposed Depreciation Accrual Rates**

**Attachment 2 - Computation of Proposed Composite Remaining Life by Account**

**Attachment 3 - Computation of Proposed Depreciation Accrual Rate by Account**

**Attachment 4 - Comparison of Current and Proposed Accrual Rates and Proposed Depreciation Expense**

**B2M Limited Partnership**  
**Comparison of Current and Proposed Depreciation Parameters**  
**AS OF DECEMBER 31, 2023**

Account Description	<u>Hydro One Current</u>		<u>B2M Proposed</u>	
	Life	Curve	Life	Curve
1705 Non Depreciable Land	NA	NA	NA	NA
1706 Land Rights	100	R4	100	R4
1708 Buildings and Fixtures	50	S6	50	S6
1715 Station Equipment	48	R2.5	48	R2.5
1720 Towers and Fixtures	75	R3	75	R3
1730 Overhead Conductors and Devices	70	R4	70	R4
1735 Underground Conduit	60	R2	60	R2
1740 Underground Conductors and Devices	55	R2	55	R2
1745 Roads and Trails	60	R4	60	R4
1955 Communication Equip	20	R2.5	20	R2.5

**B2M Limited Partnership**  
**Computation of Proposed Composite Remaining Life**  
**AS OF DECEMBER 31, 2023**

**Attachment 2**

Account	Vintage Year	Age	Plant Amount	Proposed Average Service Life	Proposed Vintage Remaining Life	Plant x Vintage Remaining Life	Proposed Composite Remaining Life
	1705	2012	11.5	10,960,216.00			
	1705	1979	44.5	1,018,677.30			
	1705	1978	45.5	26,343.58			
	1705	1975	48.5	155,288.16			
<b>1705 Total</b>			12,160,525.04			-	Non-Depreciable
	1706	2012	11.5	98,652,364.27	100.00	88.52	8,732,784,234.02
	1706	1985	38.5	517.13	100.00	61.97	32,048.60
	1706	1979	44.5	784,984.21	100.00	56.29	44,184,555.38
	1706	1978	45.5	85.76	100.00	55.35	4,747.04
	1706	1975	48.5	30,537.56	100.00	52.58	1,605,520.77
<b>1706 Total</b>			99,468,488.93			8,778,611,105.81	88.26
	1708	1985	38.5	11,405.85	50.00	11.51	131,298.90
<b>1708 Total</b>			11,405.85			131,298.90	11.51
	1720	2012	11.5	255,413,385.94	75.00	63.80	16,295,912,945.22
	1720	2007	16.5	59.70	75.00	59.05	3,525.11
	1720	2006	17.5	4,014.48	75.00	58.11	233,271.28
	1720	2003	20.5	239.06	75.00	55.31	13,222.96
	1720	1997	26.5	2.20	75.00	49.85	109.66
	1720	1997	26.5	1,006.99	75.00	49.85	50,195.52
	1720	1996	27.5	222,070.64	75.00	48.95	10,871,270.54
	1720	1989	34.5	716.54	75.00	42.86	30,712.93
	1720	1985	38.5	57,656.79	75.00	39.52	2,278,506.97
	1720	1981	42.5	855,277.00	75.00	36.28	31,029,586.40
	1720	1980	43.5	95.02	75.00	35.49	3,372.01
	1720	1979	44.5	3,532,549.31	75.00	34.70	122,590,058.70
<b>1720 Total</b>			260,087,073.67			16,463,016,777.30	63.30
	1730	2022	1.5	168,874.16	70.00	68.50	11,568,107.94
	1730	2021	2.5	671,412.67	70.00	67.50	45,322,033.76
	1730	2020	3.5	1,825,245.73	70.00	66.50	121,385,904.75
	1730	2012	11.5	5,906,057.80	70.00	58.53	345,682,685.18
	1730	2012	11.5	55,333,407.15	70.00	58.53	3,238,674,833.84
	1730	2012	11.5	77,892,877.26	70.00	58.53	4,559,084,905.67
	1730	2011	12.5	10,092.58	70.00	57.54	580,691.73
	1730	2009	14.5	79,493.12	70.00	55.55	4,416,035.19
	1730	2007	16.5	7,443.22	70.00	53.57	398,759.94
	1730	2006	17.5	281,715.09	70.00	52.59	14,814,382.41
	1730	2004	19.5	47,844.55	70.00	50.62	2,421,797.82
	1730	2001	22.5	1,112.00	70.00	47.68	53,023.50
	1730	1996	27.5	22,565.89	70.00	42.86	967,073.40
	1730	1985	38.5	3,674.36	70.00	32.70	120,144.44
	1730	1985	38.5	79,845.07	70.00	32.70	2,610,778.89
	1730	1981	42.5	34,594.00	70.00	29.23	1,011,340.02
	1730	1981	42.5	258,200.62	70.00	29.23	7,548,378.94
	1730	1981	42.5	582,138.00	70.00	29.23	17,018,542.47
	1730	1979	44.5	96,856.15	70.00	27.56	2,669,334.19
	1730	1979	44.5	286,284.32	70.00	27.56	7,889,932.88
	1730	1979	44.5	2,166,454.59	70.00	27.56	59,707,011.88
<b>1730 Total</b>			145,756,188.33			8,443,945,698.83	57.93
	1745	2012	11.5	11,066,674.50	60.00	48.54	537,143,622.87
	1745	2000	23.5	56,391.17	60.00	36.80	2,075,281.90
	1745	1996	27.5	6,609.65	60.00	33.03	218,284.62
	1745	1985	38.5	13,048.36	60.00	23.33	304,389.40
	1745	1981	42.5	204,761.31	60.00	20.13	4,122,572.07
	1745	1980	43.5	6,052.79	60.00	19.37	117,222.69
	1745	1979	44.5	251,566.49	60.00	18.61	4,682,095.14
	1745	1978	45.5	5,772.12	60.00	17.87	103,146.17
	1745	1976	47.5	895.12	60.00	16.42	14,700.25
	1745	1975	48.5	6,556.27	60.00	15.72	103,045.09
<b>1745 Total</b>			11,618,327.78			548,884,360.20	47.24
	1955	2014	9.5	11,914.96	20.00	11.61	138,319.34
<b>1955 Total</b>			11,914.96			138,319.34	11.61
<b>Grand Total</b>			529,113,924.56			34,234,727,560.39	

**B2M Limited Partnership**  
**CALCULATION OF PROPOSED ANNUAL DEPRECIATION ACCRUAL RATES**  
**USING SL- BROAD GROUP REMAINING LIFE RATES**  
**AS OF DECEMBER 31, 2023**

<b>Account</b>	<b>Description</b>	<b>Plant Balance Total at 12/31/2023</b>	<b>Book Reserve 12/31/2023</b>	<b>Unaccrued Balance</b>	<b>Proposed Composite Remaining Life</b>	<b>Proposed Annual Accrual</b>	<b>Proposed Annual Accrual Rate</b>
1705	Fee Land	12,160,525.04					
1706	Land Rights	99,468,488.93	11,612,595.70	87,855,893.23	88.26	995,475.58	1.00%
1708	Buildings and Fixtures	11,405.85	9,268.85	2,137.00	11.51	185.64	1.63%
1720	Towers and Fixtures	260,087,073.67	22,582,083.13	237,504,990.54	63.30	3,752,166.37	1.44%
1730	Overhead Conductors and Devices	145,756,188.33	26,674,541.57	119,081,646.76	57.93	2,055,542.23	1.41%
1745	Roads and Trails	11,618,327.78	2,751,098.13	8,867,229.65	47.24	187,694.14	1.62%
1955	Communication Equipment	11,914.96	4,933.98	6,980.98	11.61	601.35	5.05%
		<b>529,113,924.56</b>	<b>63,634,521.36</b>	<b>453,318,878.16</b>		<b>6,991,665.31</b>	



**B2M Limited Partnership**  
**Comparison of Current and Proposed Depreciation Rates and Expense**  
**AS OF DECEMBER 31, 2023**

Account	Description	Plant Balance Total at 12/31/2023	Hydro One Current Rates		Proposed		Difference Annual Accrual
			Annual Accrual Rate	Annual Accrual	Annual Accrual Rate	Annual Accrual	
1705	Fee Land	12,160,525.04				-	
1706	Land Rights	99,468,488.93	0.92%	915,110.10	1.00%	995,475.58	80,365.48
1708	Buildings and Fixtures	11,405.85	1.81%	206.45	1.63%	185.64	(20.81)
1720	Towers and Fixtures	260,087,073.67	1.24%	3,225,079.71	1.44%	3,752,166.37	527,086.66
1730	Overhead Conductors and Devices	145,756,188.33	1.30%	1,894,830.45	1.41%	2,055,542.23	160,711.78
1745	Roads and Trails	11,618,327.78	1.50%	174,274.92	1.62%	187,694.14	13,419.23
1955	Communication Equipment	11,914.96	4.10%	488.51	5.05%	601.35	112.83
		<u>529,113,924.56</u>		<u>6,209,990.14</u>		<u>6,991,665.31</u>	<u>781,675.17</u>



**Hydro One Networks Inc. (HONI)**

Line No.	Particulars	2024 (a)	2025 (a)	2026 (b)	2027 (c )	2028 (d)	2029 (e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income from B2M LP	7.59	9.86	10.53	11.63	12.10	12.52
2	Loss Carryforward	0.00	0.00	0.00	0.00	0.00	0.00
3	Taxable Income after loss carryforward	7.59	9.86	10.53	11.63	12.10	12.52
4	Tax Rate	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %
5	<b>Income Tax Expense</b>	<b>\$ 2.01</b>	<b>\$ 2.61</b>	<b>\$ 2.79</b>	<b>\$ 3.08</b>	<b>\$ 3.21</b>	<b>\$ 3.32</b>

**Hydro One Indigenous Partnerships Inc. (HOIP)**

Line No.	Particulars	2024 (a)	2025 (a)	2026 (b)	2027 (c )	2028 (d)	2029 (e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income from B2M LP	0.01	0.02	0.02	0.02	0.02	0.02
2	Loss Carryforward	0.0	0.0	0.0	0.0	0.0	0.0
3	Taxable Income after loss carryforward	0.01	0.02	0.02	0.02	0.02	0.02
4	Tax Rate	26.50 %	26.50 %	26.50 %	26.50 %	26.50 %	26.50 %
7	<b>Income Tax Expense</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

**SON FC**

Line No.	Particulars	2024 (a)	2025 (a)	2026 (b)	2027 (c )	2028 (d)	2029 (e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income from B2M LP	2.90	3.77	4.03	4.45	4.63	4.79
2	Tax Rate	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
3	<b>Income Tax Expense</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
<u>Determination of Corporate Minimum Tax</u>							
4	Allocation of Accounting Income from B2M LP	5.38	5.73	5.64	5.54	5.45	5.36
5	Corporate Minimum Tax Rate	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
6	<b>Corporate Minimum Tax Payable</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
7	<b>Total Taxes Expense for SON FC</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

Bruce to Milton Partnership  
Cost of Long-Term Debt Capital  
Test Year (2025)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		1/1/2025 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2024 (\$Millions)	at 12/31/2025 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	30-Apr-20	1.780%	28-Feb-25	85.8	0.3	85.5	99.63	1.86%	85.8	0.0	13.2	0.2	
2	30-Apr-20	2.180%	28-Feb-30	100.4	0.4	100.0	99.58	2.23%	100.4	98.3	98.7	2.2	
3	30-Apr-20	2.730%	28-Feb-50	76.4	0.4	75.9	99.42	2.76%	76.4	76.4	76.4	2.1	
4	28-Feb-25	4.348%	28-Feb-35	85.8	0.4	85.4	99.50	4.41%	0.0	83.8	71.8	3.2	
5		<b>Subtotal</b>							262.5	258.5	260.0	7.7	
6		Treasury OM&A costs										0.1	
7		Other financing-related fees										0.2	
8		<b>Total</b>							262.5	258.5	260.0	8.0	3.07%

Note 1 - All debt is 3rd party issued debt with fixed rates

Bruce to Milton Partnership  
Cost of Long-Term Debt Capital  
Test Year (2026)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	<u>Net Capital Employed</u>		Effective Cost Rate	<u>Total Amount Outstanding</u>		Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2025 (\$Millions)	at 12/31/2026 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	30-Apr-20	2.180%	28-Feb-30	98.3	0.4	97.9	99.58	2.23%	98.3	98.3	98.3	2.2	
2	30-Apr-20	2.730%	28-Feb-50	76.4	0.4	75.9	99.42	2.76%	76.4	76.4	76.4	2.1	
3	28-Feb-25	4.348%	28-Feb-35	83.8	0.4	83.3	99.50	4.41%	83.8	79.7	81.9	3.6	
4		<b>Subtotal</b>							258.5	254.4	256.6	7.9	
5		Treasury OM&A costs										0.1	
6		Other financing-related fees										0.2	
7		<b>Total</b>							258.5	254.4	256.6	8.2	3.18%

Note 1 - All debt is 3rd party issued debt with fixed rates

**B2M LP**  
Summary of Cost of Capital  
Test Year 2025  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2025		Cost Rate (%) (c)	Return (\$M) (d)
		(\$M)	%		
		(a)	(b)		
I	Long-term debt	260.0	57.2%	3.07%	8.0
2	Short-term debt	18.2	4.0%	6.23%	1.1
3	Deemed long-term debt	(5.4)	(1.2%)	3.07%	(0.2)
4	Total debt	272.8	60.0%	3.28%	9.0
5	Common equity	181.9	40.0%	9.21%	16.8
6	Total rate base	454.7	100.0%	5.65%	25.7

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2024 Cost of Capital Parameters

Common Equity % based on OEB's 2024 Cost of Capital Parameters

Total rate base from C-01-01

**B2M LP**  
Summary of Cost of Capital  
Test Year 2026  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2026		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
I	Long-term debt	256.6	57.3%	3.18%	8.2
2	Short-term debt	17.9	4.0%	6.23%	1.1
3	Deemed long-term debt	(6.0)	(1.3%)	3.18%	(0.2)
4	Total debt	268.4	60.0%	3.39%	9.1
5	Common equity	179.0	40.0%	9.21%	16.5
6	Total rate base	447.4	100.0%	5.72%	25.6

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2024 Cost of Capital Parameters

Common Equity % based on OEB's 2024 Cost of Capital Parameters

Total rate base from C-01-01

**B2M LP**  
Summary of Cost of Capital  
Test Year 2027  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2027		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
I	Long-term debt	252.5	57.4%	3.18%	8.0
2	Short-term debt	17.6	4.0%	6.23%	1.1
3	Deemed long-term debt	(6.0)	(1.4%)	3.18%	(0.2)
4	Total debt	264.1	60.0%	3.39%	8.9
5	Common equity	176.0	40.0%	9.21%	16.2
6	Total rate base	440.1	100.0%	5.72%	25.2

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2024 Cost of Capital Parameters

Common Equity % based on OEB's 2024 Cost of Capital Parameters

Total rate base from C-01-01



**B2M LP**  
Summary of Cost of Capital  
Test Year 2028  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2028		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
I	Long-term debt	248.4	57.4%	3.18%	7.9
2	Short-term debt	17.3	4.0%	6.23%	1.1
3	Deemed long-term debt	(6.0)	(1.4%)	3.18%	(0.2)
4	Total debt	259.7	60.0%	3.39%	8.8
5	Common equity	173.1	40.0%	9.21%	15.9
6	Total rate base	432.8	100.0%	5.72%	24.7

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2024 Cost of Capital Parameters

Common Equity % based on OEB's 2024 Cost of Capital Parameters

Total rate base from C-01-01

**B2M LP**  
Summary of Cost of Capital  
Test Year 2029  
Utility Capital Structure  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2029		Cost Rate (%)	Return (\$M)
		(\$M)	%		
		(a)	(b)	(c)	(d)
I	Long-term debt	244.3	57.4%	3.18%	7.8
2	Short-term debt	17.0	4.0%	6.23%	1.1
3	Deemed long-term debt	(6.0)	(1.4%)	3.18%	(0.2)
4	Total debt	255.3	60.0%	3.39%	8.6
5	Common equity	170.2	40.0%	9.21%	15.7
6	Total rate base	425.5	100.0%	5.72%	24.3

Long term debt (\$M) based on Average Monthly Total Debt outstanding G-01-02

Long term debt % based on Projected Average Embedded Cost Rate G-01-02

Short term debt % based on OEB's 2024 Cost of Capital Parameters

Common Equity % based on OEB's 2024 Cost of Capital Parameters

Total rate base from C-01-01

		2020									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-20	Transactions Debit / (Credit) during 2020	Board-Approved Disposition during 2020	Principal Adjustments during 2021	Closing Principal Balances as of Dec 31-20	Opening Interest Amounts as of Jan-1-20	Interest Jan-1 to Dec-31-20	Interest Disposition during 2020-instructed by Board	Interest Adjustments during 2021	Closing Interest Balance as at Dec 31 -20 balance
Group 2 Accounts											
Foregone Revenue Deferral Account	1508				2,023,523	2,023,523				8,309	8,309
Tax Rate and Rule Changes Variance Account	1592										-
Earnings Sharing Mechanism (ESM) Deferral Account	2435										-
Total Regulatory Accounts Seeking Disposition – Group 2					2,023,523		-		-	8,309	8,309
Total Regulatory Accounts Not Seeking Disposition – Group 2											

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclusion of a small First Nations segment in the year-end ESM calculations.

		2021									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-21	Transactions Debit / (Credit) during 2021	Board-Approved Disposition during 2021	Principal Adjustments during 2022	Closing Principal Balances as of Dec 31-21	Opening Interest Amounts as of Jan-1-21	Interest Jan-1 to Dec-31-21	Interest Disposition during 2021- instructed by Board	Interest Adjustments during 2022	Closing Interest Balance as at Dec 31 -21 balance
Group 2 Accounts											
Foregone Revenue Deferral Account	1508	2,023,523		2,023,523		(0)	8,309	6,185	14,510		(16)
Tax Rate and Rule Changes Variance Account	1592					-					-
Earnings Sharing Mechanism (ESM) Deferral Account	2435					-					-
Total Regulatory Accounts Seeking Disposition – Group 2		2,023,523	-	2,023,523		(0)	8,309	6,185	14,510	-	(16)
Total Regulatory Accounts Not Seeking Disposition – Group 2											

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclus

		2022									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-22	Transactions Debit / (Credit) during 2022	Board-Approved Disposition during 2022	Principal Adjustments during 2023	Closing Principal Balances as of Dec 31-22	Opening Interest Amounts as of Jan-1-22	Interest Jan-1 to Dec-31-22	Interest Disposition during 2022- instructed by Board	Interest Adjustments during 2023	Closing Interest Balance as at Dec 31 -22 balance
Group 2 Accounts											
Foregone Revenue Deferral Account	1508	(0)				(0)	(16)	16			-
Tax Rate and Rule Changes Variance Account	1592					-					0
Earnings Sharing Mechanism (ESM) Deferral Account	2435	0	(95,489)		20,721	(74,768)	0	-			0
Total Regulatory Accounts Seeking Disposition – Group 2		(0)	(95,489)	-		(74,768)	(16)	16	-	-	-
Total Regulatory Accounts Not Seeking Disposition – Group 2											

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclus

		2023									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-23	Transactions Debit / (Credit) during 2023	Board-Approved Disposition during 2023	Principal Adjustments during 2024	Closing Principal Balances as of Dec 31-23	Opening Interest Amounts as of Jan-1-23	Interest Jan-1 to Dec-31-23	Interest Disposition during 2023- instructed by Board	Interest Adjustments during 2024	Interest Balance as at Dec 31 -23 balance
Group 2 Accounts											
Foregone Revenue Deferral Account	1508	(0)				(0)	-	(0)			(0)
Tax Rate and Rule Changes Variance Account	1592					-					-
Earnings Sharing Mechanism (ESM) Deferral Account	2435	(74,768)	(657,351)		-	(732,119)	-	(4,015)			(4,015)
Total Regulatory Accounts Seeking Disposition – Group 2		(74,768)	(657,351)	-	-	(732,119)	-	(4,015)	-	-	(4,015)
Total Regulatory Accounts Not Seeking Disposition – Group 2											

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclus

		2024							
Account Descriptions	Account Number	Principal Disposition during 2024 - instructed by OEB	Interest Disposition during 2024 - instructed by OEB	Principal Adjustments during 2024	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	Projected Interest from Jan 1, 2024 to December 31, 2024 on Dec 31 -23 balance adjusted for disposition during 2024	Total Interest	Total Claim
Group 2 Accounts									
Foregone Revenue Deferral Account	1508				(0)	(0)	(0)	(0)	(0)
Tax Rate and Rule Changes Variance Account	1592						-	-	-
Earnings Sharing Mechanism (ESM) Deferral Account	2435				(732,119)	(4,015)	(40,193)	(44,208)	(776,327)
Total Regulatory Accounts Seeking Disposition – Group 2					(732,119)	(4,015)	(40,193)	(44,208)	(776,327)
Total Regulatory Accounts Not Seeking Disposition – Group 2									

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclus

		2.1.7 RRR		
Account Descriptions	Account Number	Accounts To Dispose Yes/No	As of Dec 31-23	Variance RRR vs. 2023 Balance (Principal + Interest)
<b>Group 2 Accounts</b>				
Foregone Revenue Deferral Account	1508	No		
Tax Rate and Rule Changes Variance Account	1592	No		
Earnings Sharing Mechanism (ESM) Deferral Account	2435	Yes	(736,134)	(0)
<b>Total Regulatory Accounts Seeking Disposition – Group 2</b>				
<b>Total Regulatory Accounts Not Seeking Disposition – Group 2</b>				

Note: Adjustment in 2023 was a pencil adjustment reflecting activity in 2022 due to improper inclus



## COST ALLOCATION AND RATE DESIGN

### 1.0 COST ALLOCATION

All assets associated with B2M LP are classified as Network assets, consistent with the cost allocation methodology approved by the OEB for B2M LP in previous OEB proceedings, most recently in EB-2019-0178. A listing of the B2M LP assets by functional category is provided below in Table 1. Accordingly, the total rates revenue requirement associated with B2M LP's transmission assets will be allocated to the Network pool.

**Table 1 - B2M LP Assets by Functional Category**

Circuit	Section	From	To	Functional Category
B560V	1	Bruce A TS	Willow Creek JCT	Network
B560V	3	Willow Creek JCT	Milton SS	Network
B561M	1	Bruce B SS	Bruce JCT	Network
B561M	4	Bruce JCT	Bruce JCT	Network
B561M	2	Bruce JCT	Willow Creek JCT	Network
B561M	3	Willow Creek JCT	Milton SS	Network

The B2M LP Network rates revenue requirement<sup>1</sup> for the purpose of setting Uniform Transmission Rates (UTRs) effective for the 2025 test year is \$37.97M, \$38.39 M for 2026, \$39.46M for 2027, \$39.36M for 2028 and \$37.75M for 2029, as determined per Exhibit E-01-01.

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<sup>1</sup> Including the disposition of the ESM balance as part of its revenue requirement over a one-year period commencing January 1, 2025.

Updated: 2024-07-31

EB-2024-0116

Exhibit I

Tab 1

Schedule 1

Page 2 of 2

1    **2.0 CHARGE DETERMINANTS**

- 2    There are no customer delivery points supplied directly from the B2M LP assets, and as
- 3    such the B2M LP Network charge determinant for the purpose of setting UTRs is zero.

## OVERVIEW OF UNIFORM TRANSMISSION RATES

### 1.0 INTRODUCTION

Transmission rates in Ontario have been established on a uniform basis for all transmitters in Ontario since April 30, 2002, as per the OEB's Decision in RP-2001-0034/RP-2001-0035/RP-2001-0036/RP-1999-0044. The current Uniform Transmission Rates (UTR) Schedules, which were effective on January 1, 2024, as part of the OEB's Decision and Rate Order in EB-2023-0222 issued on January 18, 2024, are filed as Exhibit I-03-01, Attachment 1. Exhibit I-03-01, Attachment 2 shows the rates revenue requirement and charge determinant details used to derive the currently approved 2024 UTRs.

Since rates are established on a uniform basis, B2M LP's requested rates revenue requirement is a contributor to the total rates revenue requirement to be collected from the provincial UTR. The rates revenue requirement for all the other transmitters in the province approved to participate in the UTR must be added to that of B2M LP in order to calculate the total transmission rates revenue requirement to be collected via the UTR.<sup>1</sup>

The total rates revenue requirement from all transmitters must be allocated to the Network, Line Connection and Transformation Connection rate pools in order to establish uniform rates by pool. The rates revenue requirement for B2M LP will be allocated to the Network rate pool, as discussed in Exhibit I-01-01. The rates revenue requirements by rate pool for the other transmitters are allocated to either the Network rate pool, or in proportion to Hydro One Transmission's rates revenue requirement across the three rate pools.

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<sup>1</sup> The other seven transmitters currently included in the UTRs are Hydro One Networks Inc. (Hydro One), Hydro One Networks Sault Ste. Marie LP (HOSSM), Five Nations Energy Inc. (FNEI), Canadian Niagara Power Inc. (CNPI), Wataynikaneyap Power LP (WPLP), Upper Canada Transmission 2, Inc., operating as East-West Tie Limited Partnership (EWTLP), and Niagara Reinforcement Limited Partnership (NRLP).

Once the total rates revenue requirement by rate pool has been established, rates are determined by applying the Provincial charge determinants for each rate pool to the total revenue for each rate pool. The Provincial charge determinants are the sum of all charge determinants, by rate pool, approved by the OEB for each of the transmitters participating in the UTR.

The 2025 UTR schedule is provided in Exhibit I-04-01, Attachment 1, and the rates revenue requirement and charge determinants details used to calculate the 2025 UTRs are provided in Exhibit I-04-01, Attachment 2. The 2025 UTR calculation includes the 2025 B2M LP rates revenue requirement and the currently approved values for the other transmitters.<sup>2</sup>

## 2.0 BILL IMPACTS

The impact of transmission rates on a customer's total bill varies between transmission-connected and distribution-connected customers. Table 1 shows the estimated average transmission cost as a percentage of the total bill for a transmission-connected customer.

**Table 1 - 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	<b>Total Monthly Cost for TX-Connected Customers</b>	<b>12.42</b>	<b>D=A+B+C</b>
E	Transmission as % of Total Cost for TX-Connected Customers	12.2%	E=C/D

The B2M LP 2025 rates revenue requirement represents approximately 1.7% of the total rates revenue requirement across all transmitters, which is approximated by adjusting

<sup>2</sup> See EB-2023-0222, Decision and Order on 2024 Uniform Transmission Rates, page 4, Table 1

the 2024 overall approved UTR revenue requirement to include the B2M LP 2025 rates revenue requirement.<sup>3</sup> This percentage has been applied to B2M LP's changes in rates revenue requirement in the calculation of the net impact on average transmission rates for each year in the test period, from 2025 to 2029. Figure E (12.2%) from Table 1 above has been applied to the net impact on average transmission rates to estimate the bill impacts on transmission-connected customers in the test period, as shown in Table 2.

7

8 **Table 2 - Average Bill Impacts on Transmission-Connected Customers**

	2024	2025	2026	2027	2028	2029
B2M LP's Rates Revenue Requirement [1][2]	\$36,395,939	\$37,972,298	\$38,393,414	\$39,455,988	\$39,359,000	\$37,746,726
% Change in Rates Revenue Requirement over prior year		4.3%	1.1%	2.8%	-0.2%	-4.1%
% Impact of load forecast change		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net Impact on Average Transmission Rates</b> [3]		<b>0.074%</b>	<b>0.019%</b>	<b>0.047%</b>	<b>-0.004%</b>	<b>-0.070%</b>
Transmission as a % of Tx-connected customer's Total Bill		12.2%	12.2%	12.2%	12.2%	12.2%
<b>Estimated Average Transmission Customer Bill Impact</b> [4]		<b>0.009%</b>	<b>0.002%</b>	<b>0.006%</b>	<b>-0.001%</b>	<b>-0.009%</b>

[1] 2024 rates revenue requirement per Decision and Rate Order, EB-2023-0129, Decision and Order, September 7, 2023.

[2] 2025-2029 rates revenue requirement per Exhibit E-01-01.

[3] The calculation of net impact on transmission rates accounts B2MLP's 2024 rates revenue requirement as 1.7% of the total rates revenue requirement across all transmitters (i.e.  $1.7\% \times 4.3\% = 0.074\%$  in 2025) per Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates Updater-Schedule A, January 18, 2024.

[4] The calculation of estimated average transmission customer bill impact is the net impact on average transmission rates on the transmission portion of a transmission connected customer's total bill (i.e.  $0.074\% \times 12.2\% = 0.009\%$  in 2025).

10

11 The annual total bill impacts for a typical medium density residential (Hydro One-Dx R1)  
12 customer consuming 750 kWh monthly and a typical General Service Energy less than  
13 50 kW (Hydro One-Dx GS<50kW) customer consuming 2,000 kWh monthly are  
14 determined based on the forecast change in the customer's Retail Transmission Service  
15 Rates (RTSRs) during the test period, as calculated in Table 3.

<sup>3</sup> Exhibit I-04-01, Attachment 1

1

**Table 3 - Bill Impacts for Typical Distribution-Connected Customers**

	Calculation <sup>[1]</sup>	2024	2025	2026	2027	2028	2029
B2M LP's Rates Revenue Requirement (\$M) <sup>[2]</sup>	A	36.396	37.972	38.393	39.456	39.359	37.747
B2M LP's 2024 Rates Revenue Requirement as % of UTR Network Revenue Requirement <sup>[3]</sup>	B	2.650%					
Estimated Net Impact on RTSR-Network <sup>[4]</sup>	$C=(A/A_{PY-1}) \times B_{2024}$		0.115%	0.029%	0.073%	-0.007%	-0.109%
<b>Typical Medium Density (HONI-Dx R1) Customer Consuming 750 kWh per Month</b>							
		2024	2025	2026	2027	2028	2029
RTSR Network Charge (\$) <sup>[5],[6]</sup>	$D=D_{PY} \times (1 + C)$	9.523	9.534	9.536	9.543	9.543	9.532
RTSR Connection Charge (\$) <sup>[5],[7],[8]</sup>	E	7.021	7.021	7.021	7.021	7.021	7.021
Total RTSR Charge (\$)	$F=D+E$	16.544	16.554	16.557	16.564	16.564	16.553
Estimated Change in RTSR Network Charge (\$) <sup>[8]</sup>	$G=C \times D_{PY}$		0.011	0.003	0.007	(0.001)	(0.010)
Total Bill (\$) <sup>[8]</sup>	$H=H_{PY}+D$	141.102	141.113	141.116	141.123	141.122	141.112
Increase as a % of Total bill	$I=G/H_{PY}$		0.008%	0.002%	0.005%	0.000%	-0.007%
<b>Typical General Service less than 50 kW (HONI-Dx GS&lt;50kW) Customer Consuming 2,000 kWh per Month</b>							
		2024	2025	2026	2027	2028	2029
RTSR Network Charge (\$) <sup>[5],[6]</sup>	$J=J_{PY} \times (1 + C)$	20.386	20.409	20.415	20.430	20.429	20.406
RTSR Connection Charge (\$) <sup>[5],[7],[8]</sup>	K	16.221	16.221	16.221	16.221	16.221	16.221
Total RTSR Charge (\$)	$L=J+K$	36.606	36.630	36.636	36.651	36.649	36.627
Estimated Change in RTSR Network Charge (\$) <sup>[8]</sup>	$M=C \times J_{PY}$		0.023	0.006	0.015	(0.001)	(0.022)
Total Bill (\$) <sup>[9]</sup>	$N=N_{PY}+M$	441.578	441.602	441.608	441.623	441.622	441.599
Increase as a % of Total bill	$O=M/N_{PY}$		0.005%	0.001%	0.003%	0.000%	-0.005%

<sup>[1]</sup> Inputs are current year (CY) unless otherwise denoted (e.g. PY refers to the value from the previous year). Calculations are for 2025-2029 values.

<sup>[2]</sup> B2M LP's 2024 rates revenue requirement per Decision and Rate Order, EB-2023-0129, Decision and Order, September 7, 2023, and the 2025-2029 rates revenue requirement as per Exhibit E-01-01.

<sup>[3]</sup> Represents B2M LP's currently approved revenue disbursement allocator based on the approved Total 2024 UTR Network Revenue Requirement of \$1,373,508,207 as per OEB Decision and Rate Order, EB-2023-0222, 2024 Uniform Transmission Rates Update-Schedule A, January 18, 2024.

<sup>[4]</sup> The calculation of net impact on HONI-Dx's RTSR Network is B2M LP's change in rates revenue requirement relative to its share of the total 2024 UTR Network revenue requirement.

<sup>[5]</sup> HONI-Dx's currently approved RTSRs are based on the Preliminary 2024 UTRs, EB-2023-0222, September 28, 2023.

<sup>[6]</sup> 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 HONI-Dx R1 or 2,000 kWh/month HONI-Dx GS<50kW), multiplied by the corresponding approved loss factor.

<sup>[7]</sup> 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 HONI-Dx R1 or 2,000 kWh/month HONI-Dx GS<50kW), multiplied by the corresponding approved loss factor.

<sup>[8]</sup> B2M LP's rates revenue requirement is wholly allocated to the Network rate pool. As a result, B2M LP's rates revenue requirement impacts RTSR-N, and not RTSR-C.

<sup>[9]</sup> 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 HONI-Dx R1). 2025-2029 total bills reflect the year over year estimated change in RTSR-N, and does not account for corresponding adjustments for HST and OER.

## PROPOSED ONTARIO TRANSMISSION RATE SCHEDULES

The current 2024 UTR Schedules and the total revenue requirement and charge determinants for all transmitters are updated with B2M LP's 2025 revenue requirement to establish the proposed UTR and revenue disbursement allocators which are included in the following attachments.

**Attachment 1:** Proposed 2025 Ontario Uniform Transmission Rate Schedules

**Attachment 2:** Proposed 2025 Uniform Transmission Rates and Revenue Disbursement Allocators (Updated)





**SCHEDULE A**  
**2025 REVENUE DISBURSEMENT ALLOCATOR**  
**DECISION AND RATE ORDER**  
**EB-2024-XXXX**  
**MONTH DD, YYYY**

## Uniform Transmission Rates and Revenue Disbursement Allocators

Effective January 1, 2025

Transmitter	Revenue Requirement (\$)			
	Network	Line Connection	Transformation Connection	Total
Hydro One	\$1,206,861,187	\$212,168,826	\$605,276,749	\$2,024,306,762
HOSSM	\$25,645,763	\$4,508,581	\$12,862,112	\$43,016,456
FNEI	\$4,762,380	\$837,237	\$2,388,475	\$7,988,092
CNPI	\$2,770,591	\$487,076	\$1,389,534	\$4,647,201
WPLP	\$33,585,573	\$0	\$0	\$33,585,573
EWTL P	\$54,921,609	\$0	\$0	\$54,921,609
B2M LP	\$37,972,298	\$0	\$0	\$37,972,298
NRLP	\$8,565,165	\$0	\$0	\$8,565,165
All Transmitters	\$1,375,084,566	\$218,001,720	\$621,916,870	\$2,215,003,156

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
Hydro One	233,393.428	226,543.453	192,711.042	
HOSSM	3,498.236	2,734.624	635.252	
FNEI	230.410	248.860	73.040	
CNPI	522.894	549.258	549.258	
WPLP	156.151	0.000	0.000	
EWTL P	0.000	0.000	0.000	
B2M LP	0.000	0.000	0.000	
NRLP	0.000	0.000	0.000	
All Transmitters	237,801.119	230,076.195	193,968.592	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW-Month)	5.78	0.95	3.21	
Hydro One Allocation Factor	0.87768	0.97325	0.97325	
HOSSM Allocation Factor	0.01865	0.02068	0.02068	
FNEI Allocation Factor	0.00346	0.00384	0.00384	
CNPI Allocation Factor	0.00201	0.00223	0.00223	
WPLP Allocation Factor	0.02442	0.00000	0.00000	
EWTL P Allocation Factor	0.03994	0.00000	0.00000	
B2M LP Allocation Factor	0.02761	0.00000	0.00000	
NRLP Allocation Factor	0.00623	0.00000	0.00000	
Total of Allocation Factors	1.00000	1.00000	1.00000	

\* The sum of 12 monthly charge determinants for the year.

Note 1: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0127 dated September 19, 2023.

Note 2: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0130 dated October 24, 2023.

Note 3: FNEI Revenue Requirement and Charge Determinants per OEB Revenue Requirement and Charge Determinant Order EB-2016-0231 dated January 18, 2018.

Note 4: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14, 2016.

Note 5: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2023-0168 dated November 30, 2023.

Note 6: EWTL P Revenue Requirement per OEB Decision and Order EB-2023-0298, Upper Canada Transmission 2, Inc. dated December 12, 2023

Note 7: B2M LP 2025 Revenue Requirement per E-01-01.

Note 8: NRLP Revenue Requirement per OEB Decision and Order EB-2023-0128 dated September 7, 2023.

Note 9: The revenue requirements of HOSSM, FNEI, and CNPI are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of WPLP, EWTL P, B2MLP and NRLP are allocated entirely to the Network rate pool. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.

Note 10: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.