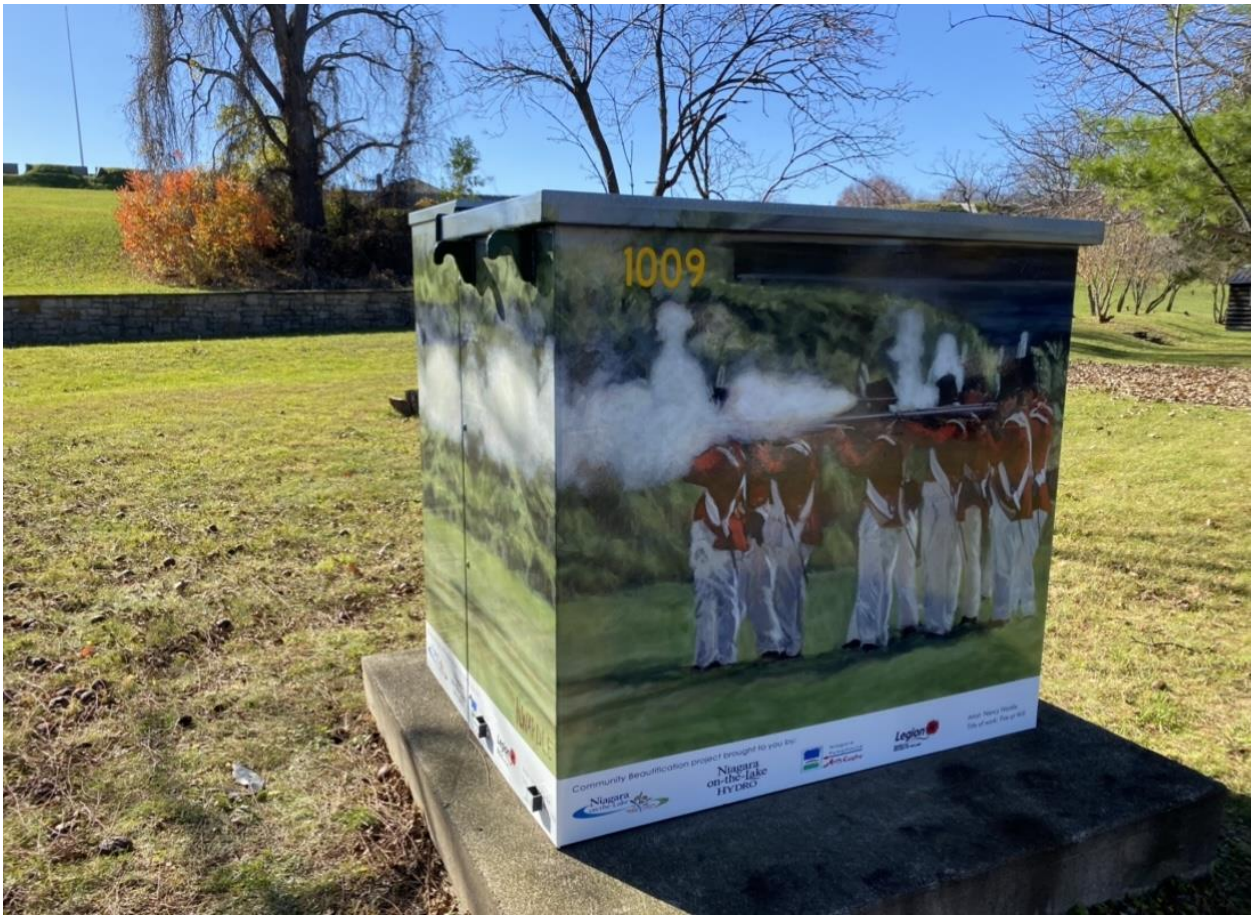

2025 IRM

Manager's Summary

Table of Contents

3.1 Introduction

Niagara-on-the-Lake Hydro Inc. ("NOTL Hydro", "NOTLH") is pleased to present its Incentive Rate-Setting Mechanism (IRM) application for rates effective January 1, 2025. The filing deadline for this application is August 15, 2024. This application consists of the following documents and associated appendices.

- Manager's Summary
- 2025 IRM Checklist (Appendix 1)
- 2025 IRM Rate Generator (Appendix 2)
- GA Analysis Workform (Appendix 3)
- NOTL Hydro Current Tariff Sheet (Appendix 4)
- Relevant Past Decisions and Supporting Documents (Appendix 5)

All documents have been submitted to the Ontario Energy Board ("OEB") via their website.

There are no materials that are being filed on a confidential basis in this application.

Table 1 below contains the proposed distribution rates effective January 1, 2025, in comparison to NOTL Hydro's approved rates for 2024. NOTL Hydro was approved to implement the rate increase from it's 2024 Cost of Service application EB-2023-0041 (Appendix 5) over 2 years. The 2025 Base Rates were also approved as part of that application. For the purposes of the 2025 IRM Generator Model, the difference between the January 1, 2024, rates and the 2025 base rates were included in Tab 17 in cell C17, C21, and cells E18:E22.

Table 1: Proposed Distribution Rates

Distribution Charges (Fixed Service Charge + Volumetric Rate)							
Rate Class	Rate Type	2024 OEB Approved Rates	Approved Increase to Calculate 2025 Base Rates	2025 Base Rates (EB-2023-0041)	2025 Proposed Rates (3.45% increase to 2025 Base)	Variance (2025 vs. 2024)	Variance % (2025 vs. 2024)
Residential	Fixed Rate	$33.13	$1.15	$34.28	**$35.46**	$2.33	7.04%
	Variable Rate ($/kWh)	$0.0000	$0.0000	$0.0000	**$0.0000**	$0.00	0.00%
GS<50kW	Fixed Rate	$43.56	$0.00	$43.56	**$45.06**	$1.50	3.45%
	Variable Rate ($/kWh)	$0.0140	$0.0011	$0.0151	**$0.0156**	$0.00	11.58%
GS>50kW	Fixed Rate	$311.31	$0.00	$311.31	**$322.05**	$10.74	3.45%
	Variable Rate ($/kW)	$2.7766	$0.1710	$2.9476	**$3.0493**	$0.27	9.82%
Large Use	Fixed Rate	$4,080.99	$0.00	$4,080.99	**$4,221.78**	$140.79	3.45%
	Variable Rate ($/kW)	$2.7091	$0.1034	$2.8125	**$2.9095**	$0.20	7.40%
Unmetered	Fixed Rate	$24.18	$0.74	$24.92	**$25.78**	$1.60	6.62%
	Variable Rate ($/kWh)	$0.0064	$0.0004	$0.0068	**$0.0070**	$0.00	9.92%
Streetlights	Fixed Rate (per connection)	$7.95	$0.00	$7.95	**$8.22**	$0.27	3.45%
	Variable Rate ($/kW)	$6.9263	$5.0119	$11.9382	**$12.3501**	$5.42	78.31%

Table 2: IRM Tab 17 Adjustments to Current Rates

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	33.13	1.1500		0.0000	3.45%	35.46	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	43.56	0.0000	0.014	0.0011	3.45%	45.06	0.0156
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	311.31	0.0000	2.7766	0.1710	3.45%	322.05	3.0493
LARGE USE SERVICE CLASSIFICATION	4080.99	0.0000	2.7091	0.1034	3.45%	4,221.78	2.9095
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	24.18	0.7400	0.0064	0.0004	3.45%	25.78	0.0070
STREET LIGHTING SERVICE CLASSIFICATION	7.95	0.0000	6.9263	5.0119	3.45%	8.22	12.3501
STANDBY POWER SERVICE CLASSIFICATION	0	0.0000			3.45%	0.00	0.0000
microFIT SERVICE CLASSIFICATION	10					10	

3.1.1 Grouping for Filings

NOTL Hydro is included in tranche 1 as per the OEB letter Tranche Assignments and Filing Due Dates for 2025 Incentive Rate-setting Mechanism (IRM) Electricity Rate Applications (Appendix 5) issued June 18, 2024.

3.1.2 Components of the Application Filing

3.1.2.1 Manager's Summary

This application includes a manager's summary thoroughly documenting and explaining all requested rate adjustments.

3.1.2.2 Contact Information

Application contact information is as follows:

Applicants Name:	Niagara-on-the-Lake Hydro Inc.
Applicants Address:	PO Box 460
	8 Henegan Road
	Niagara-on-the-Lake, ON
	L0S 1T0
Applicants Contacts:	Jeff Klassen
	Vice President, Finance
	Email: jklassen@notlhydro.com
	Phone: 905-468-4235 ext. 380

3.1.2.3 Rate Generator Model

This application consists of the following documents. OEB models have been submitted in Excel format.

- Manager's Summary
- 2025 IRM Checklist (Appendix 1)
- 2025 IRM Rate Generator (Appendix 2)
- GA Analysis Workform (Appendix 3)
- NOTL Hydro Current Tariff Sheet (Appendix 4)
- Relevant Past Decisions and Supporting Documents (Appendix 5)

3.1.2.4 Tariff Sheet

A PDF copy of the current NOTL Hydro Tariff sheet (EB-2023-0041 issued November 21, 2023) at the time of this filing is attached as Appendix 4.

3.1.2.5 Supporting Documentation

Links to the supporting documents referenced throughout this application are included in Appendix 5.

3.1.2.6 Customers Affected by this Application

All NOTL Hydro's customers will be affected by this application.

3.1.2.7 Internet Address

A copy of this application and related documents is available on the NOTL Hydro website. The Applicant's website address is www.notlhydro.com.

3.1.2.8 Billing Determinants

NOTL Hydro confirms that the billing determinants for pre-populated models are accurate and consistent with its RRR filings.

Table 3: 2025 IRM Rate Generator Billing Determinants (Tab 4)

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2025 Filers

Data on this worksheet has been populated using your most recent RRR filing.
If you have identified any issues, please contact the OEB.
Have you confirmed the accuracy of the data below? Yes

If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, it must exclude these customers from the allocation of the GA balance and the calculation of the resulting rate riders. These rate classes are not to be charged/refunded the general GA rate rider as they did not contribute to the GA balance.

Please contact the OEB to make adjustments to the IRM rate generator for this situation.

Rate Class	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non-RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption *(if applicable)*	Total Metered kW less WMP consumption *(if applicable)*	Account 1509 Allocation ($ distribution revenue from last COS)	1595 Recovery Proportion (2019) [1]	1595 Recovery Proportion (2020) [1]	1568 LRAM Variance Account Class Allocation ($ amounts)	Number of Customers for Residential and GS<50 classes[2]
RESIDENTIAL SERVICE CLASSIFICATION	kWh	75,197,151	0	704,749	0	0	0	75,197,151	0		64%	10%		8,433
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	44,452,363	0	4,684,338	0	0	0	44,452,363	0		44%	10%		1,485
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	87,200,974	231,213	83,135,644	141,002	0	0	87,200,974	231,213		-40%	56%		130
LARGE USE SERVICE CLASSIFICATION	kW	55,314,603	93,106	55,314,603	93,106	0	0	55,314,603	93,106		60%	23%		1
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	341,850	0	129,132	0	0	0	341,850	0		0%	0%		67
STREET LIGHTING SERVICE CLASSIFICATION	kW	572,726	1,598	501,813	1,400	0	0	572,726	1,598		-29%	1%		2,305
STANDBY POWER SERVICE CLASSIFICATION	kW	0	0	0	0	0	0	0	0					
	Total	263,079,667	325,917	144,470,278	235,508	0	0	263,079,667	325,917	0	100%	100%	0	12,421

3.1.2.9 Format

All documents submitted are in text-searchable Adobe PDF format, other than those filed in Excel format.

3.1.2.10 Checklist

A completed copy of the 2025 IRM Checklist is attached as Appendix 1.

3.1.2.11 Certifications

Further to Page 2 of Chapter 1 of the Filing Requirements, I, Jeff Klassen, certify that the evidence filed is accurate, consistent, and complete to the best of my knowledge and that NOTL Hydro has processes and internal controls in place for the preparation, review, verification and oversight of account balances being disposed. NOTL Hydro also confirms that this application does not include any personal information (as that phrase is defined in the Freedom of Information and Protection of Privacy Act), that is not otherwise redacted in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

3.1.3 Applications and Electronic Models

This application consists of the following documents. OEB models are submitted separately in Excel format.

- Manager's Summary
- 2025 IRM Checklist (Appendix 1)
- 2025 IRM Rate Generator (Appendix 2)
- GA Analysis Workform (Appendix 3)
- NOTL Hydro Current Tariff Sheet (Appendix 4)
- Relevant Past Decisions and Supporting Documents (Appendix 5)

NOTL Hydro is not requesting an ICM/ACM, LRAMVA, or revenue-to-cost ratio adjustment in this application.

3.2.1 Annual Adjustment Mechanism

NOTL Hydro has used the 2025 rate setting parameters of 3.6% as per the OEB letter 2025 Inflation Parameters issued on June 20, 2024 (Appendix 5). NOTL Hydro was included in Group 2 in the most recent PEG report 2023 Benchmarking Update (Appendix 5) issued in July 2024, with an associated stretch factor of 0.15%.

3.2.1.1 Application of Annual Adjustment Mechanism

The annual adjustment mechanism applies to fixed and variable distribution rates uniformly across all customer rate classes. The annual adjustment mechanism is 3.45% (3.6% inflation factor less 0.15% stretch factor). NOTL Hydro has not applied the annual adjustment factor to any other component of delivery rates.

3.2.2 Revenue-to-Cost Ratio Adjustments

NOTL Hydro is not requesting any changes to the revenue-to-cost ratios in this application.

3.2.3 Rate Design for Residential Electricity Consumers

NOTL Hydro completed its transition to a fully fixed monthly distribution service charge for residential customers in 2019. NOTL Hydro confirms that total bill increases do not exceed 10% for any customer class.

3.2.4 Electricity Distribution Retail Transmission Service Rates

NOTL Hydro's application to adjust RTSRs is based on the proposed rates calculated utilizing the 2025 IRM Rate Generator Model ("IRM model") provided by the OEB.

Historical Network and Connection Costs

NOTL Hydro's historical costs (2023) consist of Independent Electricity System Operator ("IESO") invoiced costs for network and line connection. NOTL Hydro owns its own transformer stations and consequently has no IESO invoiced transformation costs. In addition, NOTL Hydro does not have Hydro One invoiced transmission costs.

As originally approved in NOTL Hydro's 2024 Cost of Service Application EB-2023-0041 (Appendix 5), the Large Use customer RTSRs are proposed to be the current Uniform Transmission Rates. Therefore, for this calculation, the 2023 billed kW attributable to the Large Use class was removed form the inputs on Tab 12. The table below shows the 2023 actual demand less the adjustments for the Large Use customer.

Table 4: RTSR Revenue Requirement Adjustment of Large Use Customer

	Line 650 Network				Line 651 Connection			
	NOTL Station	York Station	Remove Large Use	Total	NOTL Station	York Station	Remove Large Use	Total
Jan-23	16,913	13,870	-	30,783	17,396	13,870	-	31,266
Feb-23	18,725	14,992	-	33,717	18,725	15,004	-	33,729
Mar-23	14,323	14,462	(5,576)	23,209	16,077	17,014	(6,560)	26,531
Apr-23	12,947	12,850	(6,083)	19,714	16,561	15,118	(7,157)	24,522
May-23	41,405	36	(6,955)	34,486	41,764	36	(6,854)	34,946
Jun-23	22,797	22,125	(6,226)	38,696	22,797	23,971	(9,340)	37,428
Jul-23	26,164	23,048	(8,175)	41,037	26,422	27,115	(9,618)	43,919
Aug-23	23,981	21,999	(8,061)	37,919	23,981	25,881	(9,484)	40,378
Sep-23	26,415	21,537	(7,747)	40,205	27,226	25,380	(8,484)	44,122
Oct-23	19,906	21,780	(8,261)	33,425	19,995	25,624	(9,719)	35,900
Nov-23	17,199	25,775	(11,239)	31,735	17,199	25,775	(11,239)	31,735
Dec-23	16,851	23,572	(11,298)	29,125	16,851	25,056	(11,180)	30,727

Table 5, from tab 12 of the IRM model, contains the historical network and line connection costs for 2023, adjusted for Large Use.

Table 5: Historical Network and Connection Costs (2023) – Large Use Adjusted

IESO	Network			Line Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	30,783	5.60	$ 172,385	31,266	0.92	$ 28,765
February	33,717	$5.60	$ 188,815	33,729	$0.92	$ 31,031
March	23,209	$5.60	$ 129,968	26,531	$0.92	$ 24,408
April	19,714	$5.60	$ 110,397	24,522	$0.92	$ 22,560
May	34,486	$5.60	$ 193,120	34,946	$0.92	$ 32,150
June	38,696	$5.60	$ 216,695	37,428	$0.92	$ 34,434
July	41,037	$5.60	$ 229,806	43,919	$0.92	$ 40,405
August	37,919	$5.37	$ 203,625	40,378	$0.88	$ 35,533
September	40,205	$5.37	$ 215,901	44,122	$0.88	$ 38,827
October	33,425	$5.37	$ 179,492	35,900	$0.88	$ 31,592
November	31,735	$5.37	$ 170,416	31,735	$0.88	$ 27,927
December	29,125	$5.37	$ 156,401	30,727	$0.88	$ 27,039
Total	394,049	$ 5.50	$ 2,167,022	415,203	$ 0.90	$ 374,672

Forecast Costs with new Uniform Transmission Rates ("UTRs")

NOTL Hydro updated the 2025 Network Service Rate (cell L22 on tab 11) from $5.78 to $6.12 to reflect the most recent OEB decision, EB-2024-0183 2024 Uniform Transmission Rates Update issued June 27, 2024 (Appendix 5). Forecast network and connection costs from tab 14 of the IRM model are contained in Table 6. These are calculated by applying the 2025 UTRs from tab 11 of the IRM model against the 2023 units billed.

Table 6: Forecast Network and Connection Costs

IESO	Network			Line Connection		
Month	**Units Billed**	**Rate**	**Amount**	**Units Billed**	**Rate**	**Amount**
January	30,783	$ 6.1200	$ 188,392	31,266	$ 0.9500	$ 29,703
February	33,717	$ 6.1200	$ 206,348	33,729	$ 0.9500	$ 32,043
March	23,209	$ 6.1200	$ 142,037	26,531	$ 0.9500	$ 25,204
April	19,714	$ 6.1200	$ 120,648	24,522	$ 0.9500	$ 23,296
May	34,486	$ 6.1200	$ 211,053	34,946	$ 0.9500	$ 33,198
June	38,696	$ 6.1200	$ 236,817	37,428	$ 0.9500	$ 35,557
July	41,037	$ 6.1200	$ 251,145	43,919	$ 0.9500	$ 41,723
August	37,919	$ 6.1200	$ 232,064	40,378	$ 0.9500	$ 38,359
September	40,205	$ 6.1200	$ 246,055	44,122	$ 0.9500	$ 41,916
October	33,425	$ 6.1200	$ 204,561	35,900	$ 0.9500	$ 34,105
November	31,735	$ 6.1200	$ 194,217	31,735	$ 0.9500	$ 30,148
December	29,125	$ 6.1200	$ 178,245	30,727	$ 0.9500	$ 29,190
Total	394,049	$ 6.12	$ 2,411,582	415,203	$ 0.95	$ 394,443

Billing Determinants for RTSRs

The billing determinants for all rate classes used to calculate the required revenue are based on 2024 actual data as reported in RRR 2.1.5 in April 2024. Large Use determinants were removed. As approved in NOTL Hydro's 2024 Cost of Service Application EB-2023-0042, the Large Use customer RTSRs are proposed to be the current Uniform Transmission Rates.

Table 7: RTSR Billing Determinants (IRM Generator tab 10)

Rate Class	Rate Description	Unit	Rate	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Loss Adjusted Billed kWh
Residential Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0109	75,197,151	0	1.0374	78,009,524
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0014	75,197,151	0	1.0374	78,009,524
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0099	44,452,363	0	1.0374	46,114,882
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0014	44,452,363	0	1.0374	46,114,882
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate - Interval Metered	$/kW	4.3814	87,200,974	231,213		
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Meter	$/kW	1.0613	87,200,974	224,271		
Large Use Service Classification	Retail Transmission Rate - Network Service Rate - Interval Metered	$/kW	5.7600	0	0		
Large Use Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Meter	$/kW	0.9500	0	0		
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0099	341,850	0	1.0374	354,635
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0014	341,850	0	1.0374	354,635
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	3.0569	572,726	1,598		
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	0.3411	572,726	1,598		

Proposed RTSR Rates

Table 8 contains the proposed rates to recover forecast network and connection costs based on the billing determinants from Table 6 and is taken from tab 15 of the IRM model with the exception of the Large Use Service Calculation. Those rates are based on the most recent transmission rates approved by the OEB:

Table 8: Proposed RTSR Rates

Rate Class	Rate Description	Unit	Proposed RTSR-Network
Residential Service Classification	Network Service Rate	$/kWh	**0.0113**
General Service Less Than 50 kW Service Classification	Network Service Rate	$/kWh	**0.0103**
General Service 50 To 4,999 kW Service Classification	Network Service Rate - Interval Metered	$/kW	**4.5382**
Large Use Service Classification	Network Service Rate - Interval Metered	$/kW	**6.1200**
Unmetered Scattered Load Service Classification	Network Service Rate	$/kWh	**0.0103**
Street Lighting Service Classification	Network Service Rate	$/kW	**3.1663**
Rate Class	**Rate Description**	**Unit**	**Proposed RTSR-Connection**
Residential Service Classification	Line and Transformation Connection Service Rate	$/kWh	**0.0013**
General Service Less Than 50 kW Service Classification	Line and Transformation Connection Service Rate	$/kWh	**0.0013**
General Service 50 To 4,999 kW Service Classification	Line and Transformation Connection Service Rate - Interval Metered	$/kW	**1.0140**
Large Use Service Classification	Line and Transformation Connection Service Rate - Interval Metered	$/kW	**0.9500**
Unmetered Scattered Load Service Classification	Line and Transformation Connection Service Rate	$/kWh	**0.0013**
Street Lighting Service Classification	Line and Transformation Connection Service Rate	$/kW	**0.3259**

NOTL Hydro utilized the July 1, 2024 Uniform Transmission rates to forecast the proposed rates. NOTL Hydro understands that the OEB will adjust each applicant's model to reflect any UTR changes on January 1, 2025 when they are determined. The IRM Model incorporating the RTSR calculations is being submitted separately in Excel format (Appendix 2).

Table 9 below shows the bill impact for the Network and Connection rates by rate class. The proposed Network rates result in a bill impact increase between 3.58% and 6.25%. The proposed Connection rates result in a bill impact between 0% and a decrease of 7.14%.

The increase in Network rates is primarily the result of the increase in Uniform Transmission Rates in 2025 partially offset by a decrease in the wholesale units billed excluding Large Use. The Network rate used to calculate the 2024 wholesale amount was $5.76/KW, while the rate used to calculate the 2025 wholesale amount is $6.12/KW, an increase of $0.36 or 6.3%. The units billed forecast excluding Large Use used to calculate the 2024 rates 405,628 kW while the units billed forecast excluding Large Use used to calculate the 2025 rates is 394,049, a decrease of 11,579 kW or 2.9%.

The decrease in the Connection rate is due to the units billed forecast. The wholesale rate used to calculate the 2024 and 2025 wholesale amount was unchanged at $0.95/ KW. The units billed forecast excluding Large Use used to calculate the 2024 rates 453,113 kW while the units billed forecast excluding Large Use used to calculate the 2025 rates is 415,203, a decrease of 37,910 kW or 8.4%.

Table 9: Bill Impact RTSR Rates

RTSR Network	Units	Consumption (includes losses)	Current Rate	Current Charge	Proposed Rate	Proposed Charge	$ Impact	% Impact
Residentatial	kWh	778	0.0109	8.48	0.0113	8.79	0.31	3.67%
GS<50 kW	kWh	2,075	0.0099	20.54	0.0103	21.37	0.83	4.04%
GS >50 and < 4.9999 kW	kW	135	4.3814	591.49	4.5382	612.66	21.17	3.58%
Large Use	kW	5,000	5.7600	28,800.00	6.12	30,600.00	1,800.00	6.25%
Unmetered	kWh	830	0.0099	8.22	0.0103	8.55	0.33	4.04%
Street Lighting	kW	29	3.0569	88.65	3.1663	91.82	3.17	3.58%
RTSR - Connection	**Units**	**Consumption (includes losses)**	**Current Rate**	**Current Charge**	**Proposed Rate**	**Proposed Charge**	**$ Impact**	**% Impact**
Residentatial	kWh	778	0.0014	1.09	0.0013	1.01	(0.08)	(7.14%)
GS<50 kW	kWh	2,075	0.0014	2.90	0.0013	2.70	(0.21)	(7.14%)
GS >50 and < 4.9999 kW	kW	135	1.0613	143.28	1.014	136.89	(6.39)	(4.46%)
Large Use	kW	5,000	0.9500	4,750.00	0.95	4,750.00	0.00	0.00%
Unmetered	kWh	830	0.0014	1.16	0.0013	1.08	(0.08)	(7.14%)
Street Lighting	kW	29	0.3411	9.89	0.3259	9.45	(0.44)	(4.46%)

3.2.5 Low Voltage Service Rates.

NOTL Hydro does not have Low Voltage Service Rates.

3.2.6 Review and Disposition of Group 1 Deferral and Variance Account Balances.

On November 21, 2023, the OEB's Decision and Rate Order EB-2023-0041 (Appendix 5) approved a one-year disposition for NOTL Hydro's December 31, 2022, Group 1 and Group 2 deferral and variance accounts.

Table 10 contains the principal and interest amounts approved for disposition in NOTL Hydro's 2024 Cost of Service application.

Table 10: Approved Dispositions

Account		Claimed for Disposition (Y/N)	Principal Claim	Interest Claim	Total Claim
1551	Smart Metering Entity Charge Variance Account	Y	(27,321)	(1,646)	(28,967)
1580	RSVA - Wholesale Market Service Charge	Y	427,715	27,834	455,549
1580	Variance WMS – Sub-account CBR Class B	Y	(20,096)	(1,493)	(21,588)
1584	RSVA - Retail Transmission Network Charge	Y	307,628	19,482	327,110
1586	RSVA - Retail Transmission Connection Charge	Y	35,576	1,891	37,467
1588	RSVA - Power (excluding Global Adjustment)	Y	21,314	1,301	22,614
1589	RSVA - Global Adjustment	Y	29,683	1,930	31,614
Total Group 1			**774,499**	**49,300**	**823,799**
1568	**LRAM Variance Account**	**Y**	**-**	**-**	**-**
1508	Pole Attachment Variance Account	Y	5,650	(930)	4,720
1508	Specific Customer Variance Account	Y	123,713	7,287	131,000
1518	Retail Cost Variance Account - Retail	Y	8,590	1,030	9,620
1522	Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	Y	-	(8,950)	(8,950)
1548	Retail Cost Variance Account - STR	Y	9,596	1,155	10,750
1576	Accounting Changes Under CGAAP Balance + Return Component	Y	145,840	-	145,840
Total Group 2			**293,389**	**(408)**	**292,981**
Total Claim			**1,067,888**	**48,892**	**1,116,781**

In 2024, the approved balances were transferred to a sub-account of 1595 in accordance with the Decision and Order. The corresponding rate riders for the refund/recovery of the approved balances are effective until December 31, 2024.

The disposed amounts for Group 1 accounts are entered in Columns BM and BN of tab 3 of the IRM model.

NOTL Hydro confirms that it has not made any adjustments to DVA balances that were previously approved by the OEB on a final basis.

Table 11: IRM Model Approved Dispositions (tab 3)

Account Descriptions	Account Number	2024 Principal Disposition during 2024 - instructed by OEB	2024 Interest Disposition during 2024 - instructed by OEB	2024 Closing Principal Balances as of Dec 31, 2022 Adjusted for Disposition during 2024	2024 Closing Interest Balances as of Dec 31, 2022 Adjusted for Disposition during 2024
Group 1 Accounts					
LV Variance Account	1550	0	0	0	0
Smart Metering Entity Charge Variance Account	1551	(27,321)	(1,646)	(19,404)	(469)
RSVA - Wholesale Market Service Charge[5]	1580	427,715	27,834	(291,243)	(3,815)
Variance WMS – Sub-account CBR Class A[5]	1580	0	0	0	0
Variance WMS – Sub-account CBR Class B[5]	1580	(20,096)	(1,492)	37,117	(233)
RSVA - Retail Transmission Network Charge	1584	307,628	19,482	73,119	2,390
RSVA - Retail Transmission Connection Charge	1586	35,576	1,891	(5,436)	(246)
RSVA - Power[4]	1588	21,314	1,301	(18,205)	(2,011)
RSVA - Global Adjustment[4]	1589	29,683	1,930	38,874	1,891
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]	1595	0	0	0	12,713
Disposition and Recovery/Refund of Regulatory Balances (2020)[3]	1595	0	0	36,024	18,384
Disposition and Recovery/Refund of Regulatory Balances (2021)[3]	1595	0	0	8,857	447
Disposition and Recovery/Refund of Regulatory Balances (2022)[3]	1595	0	0	(0)	(1,627)
Disposition and Recovery/Refund of Regulatory Balances (2023)[3]	1595	0	0	(11,991)	0
Disposition and Recovery/Refund of Regulatory Balances (2024)[3] *Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.*	1595			0	0
RSVA - Global Adjustment requested for disposition	**1589**	29,683	1,930	38,874	1,891
Total Group 1 Balance excluding Account 1589 - Global Adjustment requested for disposition		744,816	47,370	(191,163)	25,533
Total Group 1 Balance requested for disposition		774,499	49,300	(152,289)	27,424
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**			0	0
Impacts Arising from the COVID-19 Emergency, Sub-account Forgone Revenues from Postponing Rate Implementation[6]	**1509**			0	0
Total Group 1 balance including Account 1568 and Account 1509 requested for disposition		774,499	49,300	(152,289)	27,424

2025 IRM CLAIM – GROUP 1 ACCOUNTS

This section sets out the 2025 IRM Claims for the Group 1 Accounts.

Please note that in the continuity schedule in tab 3 of the IRM model, the starting point for all non-1595 account entries are the date for which approval was received in the 2024 Cost of Service, i.e., December 31, 2022. The starting point for 1595 accounts has been completed starting at December 31, 2019 as this is the earliest vintage year where there is a balance in account 1595.

Interest Rates

The interest rates used to calculate actual and forecasted carrying charges are shown in Table 12 and are in accordance with the methodology approved by the OEB in EB-2006-0117 on November 28, 2006.

Table 12: Interest Rates Applied to Deferral and Variance Accounts (%)

Quarter by Year	Prescribed interest Rate
2019 - Q1	2.45%
2019 - Q2	2.18%
2019 - Q3	2.18%
2019 - Q4	2.18%
2020 - Q1	2.18%
2020 - Q2	2.18%
2020 - Q3	0.57%
2020 - Q4	0.57%
2021 - Q1	0.57%
2021 - Q2	0.57%
2021 - Q3	0.57%
2021 - Q4	0.57%
2022 - Q1	0.57%
2022 - Q2	1.02%
2022 - Q3	2.20%
2022 - Q4	3.87%
2023 - Q1	4.73%
2023 - Q2	4.98%
2023 - Q3	4.98%
2023 - Q4	5.49%
2024 - Q1	5.49%
2024 - Q2	5.49%
2024 - Q3	5.20%
2024 - Q4*	5.20%
* forecast based on 2024 Q3 prescribed rate.	

Claimed Amounts

The total Group 1 Accounts claim is a credit amount of $128,522 as per cell BT48 of tab 3 of the 2025 IRM model as summarized in Table 13 below.

Table 13: Summary of Claims

Account Descriptions	Account Number	2024 BO: Closing Principal Balances as of Dec 31, 2022 Adjusted for Disposition during 2024	2024 BP: Closing Interest Balances as of Dec 31, 2022 Adjusted for Disposition during 2024	Projected Interest on Dec-31-2024 Balances BQ: Projected Interest from Jan 1, 2024 to Dec 31, 2024 on Dec 31, 2023 balance adjusted for disposition during 2024 [2]	Projected Interest on Dec-31-2024 Balances BR: Projected Interest from Jan 1, 2025 to Apr 30, 2025 on Dec 31, 2023 balance adjusted for disposition during 2024 [3]	BS: Total Interest	BT: Total Claim	BU: Account Disposition: Yes/No?	2.1.7 RRR[5] BV: As of Dec 31, 2023	BW: Variance RRR vs. 2023 Balance (Principal + Interest)
Group 1 Accounts										
LV Variance Account	1550	0	0	0		0	0		0	0
Smart Metering Entity Charge Variance Account	1551	(19,404)	(469)	(1,037)		(1,506)	(20,910)		(48,839)	0
RSVA - Wholesale Market Service Charge[5]	1580	(291,243)	(3,815)	(15,567)		(19,382)	(310,625)		175,787	15,296
Variance WMS – Sub-account CBR Class A[5]	1580	0	0	0		0	0		0	0
Variance WMS – Sub-account CBR Class B[5]	1580	37,117	(233)	1,984		1,751	38,868		0	(15,296)
RSVA - Retail Transmission Network Charge	1584	73,119	2,390	3,908		6,298	79,417		402,619	0
RSVA - Retail Transmission Connection Charge	1586	(5,436)	(246)	(291)		(536)	(5,973)		31,785	0
RSVA - Power[4]	1588	(18,205)	(2,011)	(973)		(2,984)	(21,189)		2,399	0
RSVA - Global Adjustment[4]	1589	38,874	1,891	2,078		3,969	42,843		72,379	0
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]	1595	0	12,713	0		12,713	12,713	Yes	12,713	0
Disposition and Recovery/Refund of Regulatory Balances (2020)[3]	1595	36,024	18,384	1,925		20,310	56,333	Yes	54,408	0
Disposition and Recovery/Refund of Regulatory Balances (2021)[3]	1595	8,857	447	473		920	0	No	9,304	0
Disposition and Recovery/Refund of Regulatory Balances (2022)[3]	1595	(0)	(1,627)	0		(1,627)	0	No	(1,627)	0
Disposition and Recovery/Refund of Regulatory Balances (2023)[3]	1595	(11,991)	0	(641)		(641)	0	No	(11,991)	0
Disposition and Recovery/Refund of Regulatory Balances (2024)[3] *Not to be disposed of until two years after rate rider has expired and that balance has been audited. Refer to the Filing Requirements for disposition eligibility.*	1595	1,067,888	48,893	57,079		105,971	0	No		0
RSVA - Global Adjustment requested for disposition	**1589**	38,874	1,891	2,078	0	3,969	42,843		72,379	0
Total Group 1 Balance excluding Account 1589 - Global Adjustment requested for disposition		876,725	74,426	46,861	0	121,287	(171,365)		626,556	0
Total Group 1 Balance requested for disposition		915,599	76,317	48,939	0	125,255	(128,522)		698,934	0
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**	0	0			0	0		0	0
Impacts Arising from the COVID-19 Emergency, Sub-account Forgone Revenues from Postponing Rate Implementation[6]	**1509**	0	0			0	0			0
Total Group 1 balance including Account 1568 and Account 1509 requested for disposition		915,599	76,317	48,939	0	125,255	(128,522)		698,934	0

The balance for account 1580 RSVA – Wholesale Market Service Charge differs from the account balances in the trial balance reported through RRR. The variance of $15,296 as calculated in cell BW23 on tab 3 of the IRM model is a result of the RRR value recorded in cell BV23 including the amounts for account 1580 – Variance WMS – Sub-account CDR Class B for $15,296.

1550 Retail Settlement Variance Account – Low Voltage Variance Account

NOTL Hydro has not had any transactions and a zero balance in this account since disposition of the account in NOTL Hydro's 2009 Cost of Service application, EB-2008-0237. NOTL Hydro is not an Embedded Distributor.

1551 Smart Metering Entity Charge Variance Account

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of ($19,404) adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($469) adjusted for dispositions during 2024, plus
- the forecasted interest of ($1,037) for 2024

The total claim for this account is a credit balance of ($20,910).

1580 Retail Settlement Variance Account - Wholesale Market Service Charges (exc. CBR – Class B & CBR – Class A)

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of ($291,243) adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($3,815) adjusted for dispositions during 2024, plus
- the forecasted interest of ($15,567) for 2024

The total claim for this account is a credit balance of ($310,625).

1580 Retail Settlement Variance Account - Wholesale Market Service Charges (sub-account CBR – Class A)

This account has a zero balance and therefore NOTL Hydro is not requesting disposition of this account in 2025.

1580 Retail Settlement Variance Account - Wholesale Market Service Charges (sub-account CBR – Class B)

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of $37,117 adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($233) adjusted for dispositions during 2024, plus
- the forecasted interest of $1,984 for 2024

The total claim for this account is a debit balance of $38,868.

1584 Retail Settlement Variance Account - Retail Transmission Network Charges

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission network services, and the amount billed to customers using the OEB approved Retail Transmission Network Charge. NOTL Hydro uses the accrual method.

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of $73,119 adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of $2,390 adjusted for dispositions during 2024, plus
- the forecasted interest of $3,908 for 2024

The total claim for this account is a debit balance of $79,417.

1586 Retail Settlement Variance Account - Retail Transmission Connection Charges

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services, and the amount billed to customers using the OEB approved Transmission Connection Charge. NOTL Hydro uses the accrual method.

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of ($5,436) adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($246) adjusted for dispositions during 2024, plus
- the forecasted interest of ($291) for 2024

The total claim for this account is a credit balance of ($5,973).

1588 Retail Settlement Variance Account – Power

This account is used to recover the net difference between the energy amount billed to customers and the energy charge to NOTL Hydro using the settlement invoices from the IESO. NOTL Hydro uses the accrual method.

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of ($18,205) adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($2,011) adjusted for dispositions during 2024, plus
- the forecasted interest of ($973) for 2024

The total claim for this account is a credit balance of ($21,189).

1589 Retail Settlement Variance Account - Global Adjustment ("GA")

This account is used to recover the net difference between the GA amount billed to non-RPP Class B customers and the GA charge to NOTL Hydro for non-RPP Class B customers using the settlement invoices from the IESO. NOTL Hydro uses the accrual method.

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of $38,874 adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of $1,891 adjusted for dispositions during 2024, plus
- the forecasted interest of $2,078 for 2024

The total claim for this account is a debit balance of $42,843.

1595 Disposition and Recovery of Regulatory Balances

These accounts include the regulatory asset or liability balances authorized by the OEB for recovery in rates or payments/credits made to customers. Separate sub-accounts are maintained for approved principal/recoveries, approved interest and interest on net principal for each OEB approved recovery.

NOTL Hydro is claiming the disposition of its 2019 and 2020 1595 regulatory balances in this application. NOTL Hydro has previously disposed of its 1595 regulatory balances up to and including 2018.

1595 – Disposition and Recovery / Refund of Regulatory Balances (2019)

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of $0, plus
- a closing interest balance at December 31, 2023 of $12,713, plus

- the forecasted interest of $0 for 2024

The total claim for this account is a debit balance of $12,713.

Table 14: Account 1595-2019 Residual Balances

Step 1
Year in which this worksheet relates to: 2019

Components of the 1595 Account Balances:	Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition	Rate Rider Amounts Collected / (Returned)	Residual Balances Pertaining to Principal and Carrying Charges Approved for Disposition	Carrying Charges Recorded on Net Principal Account Balances	Total Residual Balances	Collections / Returns Variance (%)
Total Group 1 and Group 2 Balances excluding Account 1589 - Global Adjustment	$279,188	$23,591	$302,779	$290,821	$11,958	$3,728	**$15,686**	**3.9%**
Account 1589 - Global Adjustment	($198,392)	($3,693)	($202,085)	($199,112)	($2,973)	$0	**($2,973)**	**1.5%**
Total Group 1 and Group 2 Balances	$80,796	$19,898	$100,694	$91,709	$8,985	$3,728	**$12,713**	**8.9%**
				Total residual balance per continuity schedule:			**$12,713**	
				Difference (any variance should be explained):			**($0)**	

The main reason for the under-recovery of Group 1 and 2 balances excluding Account 1589 Global Adjustment was largely due to the LRAM and Group 2 rate riders which were approved for disposition over 2 years. Consumption, particularly during the second year of the rate riders (May 2020 – April 2021) was impacted by the COVID-19 pandemic resulting in lower usage. This was partially offset by higher usage from the Large Use rate class. The over-recovery of the Account 1598 – Global Adjustment rate rider was due to higher-than-expected Large Use demand partially offset by lower consumption/demand in the other rate classes.

1595 – Disposition and Recovery / Refund of Regulatory Balances (2020)

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of $36,024, plus
- a closing interest balance at December 31, 2023 of $18,384, plus
- the forecasted interest of $1,925 for 2024

The total claim for this account is a debit balance of $56,333.

The over recovery for 1595 2020 was related to the account 1589 balances approved for disposition.

Table 15: Account 1595-2020 Residual Balances

Step 1
Year in which this worksheet relates to: 2020

Components of the 1595 Account Balances:	Principal Balance Approved for Disposition	Carrying Charges Balance Approved for Disposition	Total Balances Approved for Disposition	Rate Rider Amounts Collected / (Returned)	Residual Balances Pertaining to Principal and Carrying Charges Approved for Disposition	Carrying Charges Recorded on Net Principal Account Balances	Total Residual Balances	Collections / Returns Variance (%)
Total Group 1 Balances excluding Account 1589 - Global Adjustment	$71,035	$11,010	$82,045	$84,248	($2,204)	$3,229	**$1,025**	**(2.7%)**
Account 1589 - Global Adjustment	$214,451	$4,145	$218,596	$165,214	$53,383	$0	**$53,383**	**24.4%**
Total Group 1 Balances	$285,485	$15,155	$300,641	$249,462	$51,179	$3,229	**$54,408**	**17.0%**
					Total residual balance per continuity schedule:		**$54,408**	
					Difference (any variance should be explained):		**$0**	

Most of the under-recovery was due to the Large Use Rate Class.

Table 16: Account 1595-2020 Residual Balances

Rate Class	Approved	Billed	Variance
RESIDENTIAL	$ 3,786	$ 2,282	$ 1,504
GENERAL SERVICE LESS THAN 50 KW	$ 12,561	$ 9,888	$ 2,673
GENERAL SERVICE 50 TO 4,999 KW	$ 145,659	$ 145,864	$ (206)
LARGE USER	$ 54,672	$ 5,371	$ 49,301
UNMETERED	$ 143	$ 271	$ (128)
STREET LIGHTING	$ 1,775	$ 1,538	$ 237
Total	$218,596	$ 165,214	$ 53,383

In the 2020 IRM model EB-2019-0056 (Appendix 5), $54,672 of account 1589 was allocated to the Large Use Rate Class.

Table 17: 2020 IRM Tab 6.1 – Allocation of GA Rate Rider

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

The purpose of this tab is to calculate the GA rate riders for all current Class B customers who did not transition between Class A and B in the period since the Account 1589 GA was last disposed. Calculations in this tab will be modified upon completion of tab 6.1a, which allocates a portion of the GA balance to transition customers, if applicable.
Effective January 2017, the billing determinant and all rate riders for the disposition of GA balances will be calculated on an energy basis (kWhs) regardless of the billing determinant used for distribution rates for the particular class (see Chapter 3, Filing Requirements, section 3.2.5.2)

Default Rate Rider Recovery Period (in months)	12
Proposed Rate Rider Recovery Period (in months)	12

Rate Rider Recovery to be used below

		Total Metered Non-RPP 2018 Consumption excluding WMP	Total Metered 2018 Consumption for Class A Customers that were Class A for the entire period GA balance accumulated	Total Metered 2018 Consumption for Customers that Transitioned Between Class A and B during the period GA balance accumulated	Non-RPP Metered Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption)	% of total kWh	Total GA $ allocated to Current Class B Customers	GA Rate Rider	
		kWh	kWh	kWh	kWh				
RESIDENTIAL SERVICE CLASSIFICATION	kWh	1,614,201	0	0	1,614,201	2.0%	$3,786	$0.0023	kWh
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	5,355,270	0	0	5,355,270	6.6%	$12,561	$0.0023	kWh
GENERAL SERVICE 50 to 4,999 KW SERVICE CLASSIFICATION	kWh	80,234,023	0	29,967,533	50,266,490	61.8%	$117,904	$0.0023	kWh
LARGE USE SERVICE CLASSIFICATION	kWh	23,308,825	0	0	23,308,825	28.6%	$54,672	$0.0023	kWh
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	61,128	0	0	61,128	0.1%	$143	$0.0023	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kWh	756,662	0	0	756,662	0.9%	$1,775	$0.0023	kWh
STANDBY POWER SERVICE CLASSIFICATION	kWh	0	0	0	0	0.0%	$0	$0.0000	
	Total	111,330,109	0	29,967,533	81,362,576	100.0%	$190,841		

The only customer in the Large Use Rate Class is 2020 was also a customer that transitioned from Class B to Class A. That customer was charged a flat rate for the GA rate rider per the instructions on tab 6.1 of the model that states that the general GA rate rider to non-RPP customers is not to be charged to the transition customers that are allocated amounts in the

table below. As a result, most of the amount allocated to the Large Use Service Classification in tab 6.1 above was not collected.

Table 18: 2020 IRM Tab 6.1a – Allocation of GA Balances to A/B Transition Customers

Allocation of GA Balances to Class A/B Transition Customers						
# of Class A/B Transition Customers		5				
Customer		Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2018	% of kWh	Customer Specific GA Allocation for the Period When They Were a Class B customer	Monthly Equal Payments
Customer 1		2,928,513	2,928,513	24.75%	$ 6,869	$ 572
Customer 2		1,560,442	1,560,442	13.19%	$ 3,660	$ 305
Customer 3		1,768,282	1,768,282	14.94%	$ 4,148	$ 346
Customer 4		3,285,729	3,285,729	27.77%	$ 7,707	$ 642
Customer 5		2,289,844	2,289,844	19.35%	$ 5,371	$ 448
Total		11,832,810	11,832,810	100.00%	$ 27,755	

1508 Specific Customer (Large Use) Variance Account

NOTL Hydro was approved to continue use of the 1508 sub account – Large Use Customer Revenue Variance in its 2024 Cost of Service EB-2023-0041 (Appendix 5). NOTL Hydro was approved for the use of variance account to track variances in variable distribution revenue from the 5,000 KW demand estimated in the application. Consistent with the draft accounting order, following the audit of each year's accounts, the amount is to be recovered/returned to customers.

For 2025, NOTL Hydro is requesting disposition of:

- a closing principal balance at December 31, 2023 of ($59,840) adjusted for dispositions during 2024, plus
- a closing interest balance at December 31, 2023 of ($19) adjusted for dispositions during 2024, plus
- the forecasted interest of ($3,198) for 2024

The total claim for this account is a credit balance of ($63,058).

Table 19: 1508 Large Use Deferral Account Continuity

	2023								2024				Projected Interest on Dec-31, 2023 Balances		
Account Number	Opening Principal Amounts as of Jan 1, 2023	Transactions Debit / (Credit) during 2023	OEB-Approved Disposition during 2023	Closing Principal Balance as of Dec 31, 2023	Opening Interest Amounts as of Jan 1, 2023	Interest Jan 1 to Dec 31, 2023	OEB-Approved Disposition during 2023	Closing Interest Amounts as of Dec 31, 2023	Principal Disposition during 2024 - instructed by OEB	Interest Disposition during 2024 - instructed by OEB	Closing Principal Balances as of Dec 31, 2023 Adjusted for Disposition during 2024	Closing Interest Balances as of Dec 31, 2023 Adjusted for Disposition during 2024	Projected Interest from Jan 1, 2024 to Dec 31, 2024 on Dec 31, 2023 balance adjusted for disposition during 2024	Total Interest	Total Claim
1508	110,021	(59,840)	13,692	63,873	867	6,065	337	7,268	(123,713)	(7,287)	(59,840)	(19)	(3,198)	(3,217)	(63,058)

The total claim of ($63,058) will be allocated to each rate class based on 2023 distribution revenue.

Table 20: Allocation of Large Use Variance Account

Rate Class	kWh	kW	Customers	Distribution Revenue	% of Distribution Revenue	Allocation	Rate Rider	
Residential	75,197,151	-	8,433	3,178,366	52.5%	(33,114)	(0.33)	per customer
GS<50	44,452,363	-	1,485	1,328,655	22.0%	(13,843)	(0.0003)	per kWh
GS>50	87,200,974	231,213	130	1,072,551	17.7%	(11,175)	(0.0483)	per KW
Large User	55,314,603	93,106	1	231,541	3.8%	(2,412)	(0.0259)	per KW
USL	341,850	-	67	20,023	0.3%	(209)	(0.0006)	per kWh
Street Lights	572,726	1,598	2,305	221,251	3.7%	(2,305)	(1.4426)	per KW
Total	263,079,667	325,917	12,421	6,052,387	100.0%	(63,058)		

Determinants

The billing determinants for all rate classes are based on 2023 actual data as reported in RRR 2.1.2 and 2.1.5 in April 2024. NOTL Hydro confirms the accuracy of the auto-populated data.

Disposition

All GA rate riders are calculated on a kWh basis.

Consistent with EDDVAR, NOTL Hydro proposes that the disposition period to dispose of the Group 1 account balances by means of a rate rider to be one year. NOTL Hydro also proposes that the disposition period for account 1508 Large Use Variance be one year.

Threshold Test

The Threshold Test referred to in Section 3.2.5 of the Filing Guidelines is not met based on the following calculations:

Total Claim for Threshold Test = $128,522

Total metered kWh = 263,079,669

Threshold test (total claim per kWh) = $128,522 / 263,079,669 = ($0.0005), which is below the threshold of a minimum of $0.001 / ($0.001) per kWh in magnitude.

NOTL Hydro is electing to the dispose of the Group 1 account balances even though they are below the threshold.

Rate Riders

The proposed rate riders for disposition of the 2025 claims are as shown below in Table 21, reflecting tab 19 in the IRM model, with a proposed recovery period of one year.

Table 21: Proposed Deferral/Variance Account Rate Riders

Rate Class	Unit	Group 1 Deferral / Variance Account Rate Rider	Class B CBR Rate Rider	Non-RPP Global Adjustment Rate Rider	Large Use Deferral / Variance Account Rate Rider
Residential	kWh	(0.0010)	0.0002	0.0006	
	$				(0.33)
General Service less than 50 kW	kWh	(0.0008)	0.0002	0.0006	(0.0003)
General Service 50 to 4,999 kW	kW	(0.2562)	0.0740		(0.0483)
	kWh			0.0006	
Large Use	kW	(0.3598)			(0.0259)
Unmetered Scattered Load	kWh	(0.0008)	0.0002	0.0006	(0.0006)
Street Lighting	kW	(2.3874)	0.0713		(1.4426)
	kWh			0.0006	

3.2.6.1 Commodity Accounts 1588 and 1589

New Accounting Guidance

NOTL Hydro confirms that it has fully implemented the OEB's February 21, 2019 guidance from January 1, 2019. NOTL Hydro subsequently implemented the changes associated with the introduction of the Ultra-Low Overnight price plan in 2023. NOTL Hydro does not have any pre-2023 balances that have yet to be disposed of on a final basis.

Certification of Evidence

I, Jeff Klassen, Vice President Finance for NOTL Hydro certify to the best of my knowledge that NOTL Hydro has robust processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed, consistent with the certification requirements in Chapter 1 of the filing requirements.

GA Analysis Workform

The GA Analysis Workform is attached as Appendix 3. NOTL Hydro has fully implemented the OEB's February 21, 2019 accounting guidance. NOTL Hydro does not have any previous 1589 balances that were approved on an interim basis.

NOTL Hydro bills non-RPP customers on the actual GA rate and unbilled revenue for 2023 was trued-up to the actual amount.

The expected GA amount for non-RPP Class B Customers for 2023 was $5,877,027.

Table 22: Expected GA Amount

Note 4 **Analysis of Expected GA Amount**

Year 2023

Calendar Month	Non-RPP Class B Including Loss Factor Billed Consumption (kWh)	Deduct Previous Month Unbilled Loss Adjusted Consumption (kWh)	Add Current Month Unbilled Loss Adjusted Consumption (kWh)	Non-RPP Class B Including Loss Adjusted Consumption, Adjusted for Unbilled (kWh)	GA Rate Billed ($/kWh)	$ Consumption at GA Rate Billed	GA Actual Rate Paid ($/kWh)	$ Consumption at Actual Rate Paid	Expected GA Price Variance ($)
	F	G	H	I = F-G+H	J	K = I*J	L	M = I*L	N=M-K
January	6,331,225			6,331,225	0.05377	$ 375,918	0.05377	$ 375,918	$ -
February	6,230,151			6,230,151	0.08249	$ 513,325	0.08249	$ 513,325	$ -
March	6,664,217			6,664,217	0.08031	$ 535,203	0.08031	$ 535,203	$ -
April	5,813,637			5,813,637	0.09853	$ 572,824	0.09853	$ 572,824	$ -
May	6,151,110			6,151,110	0.09362	$ 612,774	0.09362	$ 612,774	$ -
June	7,030,010			7,030,010	0.08293	$ 582,999	0.08293	$ 582,999	$ -
July	7,733,595			7,733,595	0.04949	$ 382,736	0.04949	$ 382,736	$ -
August	7,436,168			7,436,168	0.07606	$ 570,159	0.07606	$ 570,159	$ -
September	6,796,724			6,796,724	0.05093	$ 346,157	0.05093	$ 346,157	$ -
October	6,255,745			6,255,745	0.08438	$ 531,613	0.08438	$ 531,613	$ -
November	6,065,335			6,065,335	0.07090	$ 430,032	0.07090	$ 430,032	$ -
December	6,383,077			6,383,077	0.06622	$ 422,687	0.06622	$ 422,687	$ -
Net Change in Expected GA Balance in the Year (i.e. Transactions in the Year)	**79,611,055**	-	-	**79,611,055**		**$ 5,877,027**		**$ 5,877,027**	**$ -**

The amounts reflected in cells C41:C52 in the GA 2023 tab in the GA Analysis Workform are the actual non-RPP kWhs consumed in each month including losses. NOTL Hydro utilized this data in place of billed amounts – previous month unbilled + current month unbilled.

All Class B non-RPP customers are billed at the actual GA rate, therefore, the expected GA price variance is zero. The net change in account 1589 for 2023 was $33,993 including OEB approved dispositions of ($4,881). Excluding the approved dispositions, the net change in principal balance for account 1589 for 2023 was $38,874. The table below provides the reconciling amounts and explanations.

Table 23: Reconciliation of Net Change in GA Amount (excluding OEB approved dispositions)

Note 5 **Reconciling Items**

	Item	Amount	Explanation	Principal Adjustments	
	Net Change in Principal Balance in the GL (i.e. Transactions in the Year)	$ 38,874		**Principal Adjustment on DVA Continuity Schedule**	**If "no", please provide an explanation**
1a	CT 148 True-up of GA Charges based on Actual Non-RPP Volumes - prior year				
1b	CT 148 True-up of GA Charges based on Actual Non-RPP Volumes - current year				
2a	Remove prior year end unbilled to actual revenue differences				
2b	Add current year end unbilled to actual revenue differences				
3a	Remove difference between prior year accrual/forecast to actual from long term load transfers				
3b	Add difference between current year accrual/forecast to actual from long term load transfers				
4	Remove GA balances pertaining to Class A customers				
5a	Significant prior period billing adjustments recorded in current year				
5b	Significant current period billing adjustments recorded in other year(s)				
6	Differences in GA IESO posted rate and rate charged on IESO invoice	$ (25,827)	From May - Dec, the per kWh GA rate charged on the invoice was different from the GA rate posted on the IESO website. The amounts posted on the OEB website is the amount NOTL Hydro utilizes for billing.	No	n/a
7					
8					
9					
10					

Note 6		
	Adjusted Net Change in Principal Balance in the GL	$ 13,047
	Net Change in Expected GA Balance in the Year Per Analysis	$ (17,583)
	Unresolved Difference	$ 30,630
	Unresolved Difference as % of Expected GA Payments to IESO	0.5%

Table 24 below shows the difference between the GA rate charged to NOTL Hydro on its monthly IESO invoices and the actual GA rate posted on the IESO website. NOTL Hydro utilizes the posted rate for billing customers. From May to December 2023, the invoiced amount

and the posted amount were different. This accounted for a variance of $66,941 of which $25,827 was attributable to non-RPP class B customers.

Table 24: Differences in GA IESO Posted Rate and Rate Charged on Invoice

Item	Formula	January	February	March	April	May	June	July	August	September	October	November	December	Total
IESO GA Charges	A	$ 949,864	$ 1,303,339	$ 1,351,108	$ 1,437,530	$ 1,520,528	$ 1,406,260	$ 1,048,606	$ 1,421,132	$ 952,668	$ 1,260,209	$ 1,097,475	$ 1,111,773	$14,860,491
Invoiced Class B kWh (AQEW + Generation - Class A)	B	17,664,348	15,799,141	16,824,624	14,590,118	15,193,085	17,044,130	20,950,761	18,465,690	16,937,476	15,437,240	15,472,937	16,808,394	201,187,944
Invoiced GA Rate	C = A / B	$ 0.05377	$ 0.08249	$ 0.08031	$ 0.09853	$ 0.10008	$ 0.08251	$ 0.05005	$ 0.07696	$ 0.05625	$ 0.08163	$ 0.07093	$ 0.06614	
IESO Final GA Posted Rate	D	$ 0.05377	$ 0.08249	$ 0.08031	$ 0.09853	$ 0.09962	$ 0.08293	$ 0.04949	$ 0.07606	$ 0.05093	$ 0.08498	$ 0.07090	$ 0.06622	
Difference (invoice vs. posted rate)	E = D - E	$ -	$ -	$ -	$ -	$ (0.00046)	$ 0.00042	$ (0.00056)	$ (0.00090)	$ (0.00532)	$ 0.00335	$ (0.00003)	$ 0.00008	
RPP Class B kWh Billed with losses	F	10,679,147	9,600,657	10,209,455	8,727,850	8,883,246	10,147,724	13,386,264	11,973,104	10,257,051	9,253,070	9,459,692	10,455,929	123,033,191
Non-RPP Class B kWh Billed with losses	G	6,991,225	6,230,151	6,664,217	5,813,697	6,151,110	7,030,010	7,733,595	7,496,168	6,796,724	6,255,745	6,065,335	6,383,077	79,611,055
Total Class B kWh Billed with losses	H = F + G	17,670,372	15,830,809	16,873,672	14,541,547	15,034,356	17,177,734	21,119,859	19,469,273	17,053,775	15,508,814	15,525,027	16,839,006	202,644,245
RPP Class B kWh Billed with losses	I = E X H	$ -	$ -	$ -	$ -	$ (4,086)	$ 4,262	$ (7,496)	$ (10,776)	$ (54,568)	$ 30,998	$ (284)	$ 836	$ (41,113)
Non-RPP Class B kWh Billed with losses	J = E x G	$ -	$ -	$ -	$ -	$ (2,830)	$ 2,953	$ (4,331)	$ (6,747)	$ (36,159)	$ 20,957	$ (182)	$ 511	$ (25,827)
Total Class B kWh Billed with losses	K = I + J	$ -	$ -	$ -	$ -	$ (6,916)	$ 7,215	$ (11,827)	$ (17,522)	$ (90,726)	$ 51,955	$ (466)	$ 1,347	$ (66,941)

NOTL Hydro performed the reasonability test for Account 1588 which is included in the GA Workform. The results of the reasonability test support the conclusion that GA charges have been appropriately allocated between customer classes.

Table 25: Account 1588 Reasonability

Ontario Energy Board

Account 1588 Reasonability

Note 7 **Account 1588 Reasonability Test**

Year	Account 1588 - RSVA Power: Transactions[1]	Account 1588 - RSVA Power: Principal Adjustments[1]	Account 1588 - RSVA Power: Total Activity in Calendar Year	Account 4705 - Power Purchased	Account 1588 as % of Account 4705
2023	18,205		18,205	15,805,948	0.1%
Cumulative	**18,205**	**-**	**18,205**	**15,805,948**	**0.1%**

NOTL Hydro settles GA costs with Class A customers on actual GA prices and no GA variance is allocated to these customers for the period that they were designated class A.

The calculation of Global Adjustment for Class B customers and allocation to Class A customers that transitioned during the period are shown below.

Table 26: Rate Rider Calculation for RSVA – Power – Global Adjustment (Tab 6.1)

		Total Metered Non-RPP 2023 Consumption excluding WMP	Total Metered 2023 Consumption for Class A Customers that were Class A for the entire period GA balance accumulated	Total Metered 2023 Consumption for Customers that Transitioned Between Class A and B during the period GA balance accumulated	Non-RPP Metered 2023 Consumption for Current Class B Customers (Non-RPP Consumption excluding WMP, Class A and Transition Customers' Consumption)	% of total kWh	Total GA $ allocated to Current Class B Customers	GA Rate Rider	
		kWh	kWh	kWh	kWh				
RESIDENTIAL SERVICE CLASSIFICATION	kWh	704,749	0	0	704,749	1.0%	$393	$0.0006	kWh
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	4,684,338	0	0	4,684,338	6.3%	$2,614	$0.0006	kWh
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	83,135,644	9,353,006	5,904,293	67,878,345	91.9%	$37,872	$0.0006	kWh
LARGE USE SERVICE CLASSIFICATION	kWh	55,314,603	55,314,603	0	0	0.0%	$0	$0.0000	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	129,132	0	0	129,132	0.2%	$72	$0.0006	kWh
STREET LIGHTING SERVICE CLASSIFICATION	kWh	501,813	0	0	501,813	0.7%	$280	$0.0006	kWh
STANDBY POWER SERVICE CLASSIFICATION	kWh	0	0	0	0	0.0%	$0	$0.0000	
	Total	144,470,278	64,667,608	5,904,293	73,898,377	100.0%	$41,231		

NOTL Hydro had one customer transition between Class A and Class B during the period when the Account 1589 RSVA Global Adjustment balance accumulated. The tables below show the allocation calculations which resulted in $1,612 of the variance allocated to the transition customer.

Table 27: Class A Transition Customers – Non-loss Adjusted Billing Determinants

Transition Customers - Non-loss Adjusted Billing Determinants by Customer				
			2023	
Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	3,015,592	2,888,700
		kW	6,631	6,001
		Class A/B	A	B

Table 28: Allocation of Total Consumption (kWh) between Class B and Class A/B Transition Customers

Allocation of total Non-RPP Consumption (kWh) between Current Class B and Class A/B Transition Customers			
		Total	2023
Non-RPP Consumption Less WMP Consumption	A	144,470,278	144,470,278
Less Class A Consumption for Partial Year Class A Customers	B	3,015,592	3,015,592
Less Consumption for Full Year Class A Customers	C	64,667,608	64,667,608
Total Class B Consumption for Years During Balance Accumulation	D = A-B-C	76,787,077	76,787,077
All Class B Consumption for Transition Customers	E	2,888,700	2,888,700
Transition Customers' Portion of Total Consumption	F = E/D	**3.76%**	

Table 29: Allocation of GA Balance to Transition Customers

Allocation of GA Balances to Class A/B Transition Customers						
# of Class A/B Transition Customers		1				
Customer		Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2023	% of kWh	Customer Specific GA Allocation for the Period When They Were Class B customers	Monthly Equal Payments
Customer 1		2,888,700	2,888,700	100.00%	$ 1,612	$ 134
Total		2,888,700	2,888,700	100.00%	$ 1,612	

3.2.6.2 Capacity Based Recover (CBR)

NOTL Hydro had four Class A customers during the entire period where the Account 1580, Sub-account CBR Class B balance accumulated and one customer that transitioned between class A and class B during the period. The tables below show the allocation calculations which resulted in $575 of the variance allocated to the transition customer.

Table 30: Class A Transition Customers – Non-loss Adjusted Billing Determinants

Transition Customers - Non-loss Adjusted Billing Determinants by Customer				
			2023	
Customer	Rate Class		July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	3,015,592	2,888,700
		kW	6,631	6,001
		Class A/B	A	B

Table 31: Allocation of Total Consumption (kWh) between Class B and Class A/B Transition Customers

Allocation of Total Consumption (kWh) between Current Class B and Class A/B Transition Customers			
		Total	2023
Total Consumption Less WMP Consumption	A	263,079,667	263,079,667
Less Class A Consumption for Partial Year Class A Customers	B	3,015,592	3,015,592
Less Consumption for Full Year Class A Customers	C	64,667,608	64,667,608
Total Class B Consumption for Years During Balance Accumulation	D = A-B-C	195,396,467	195,396,467
All Class B Consumption for Transition Customers	E	2,888,700	2,888,700
Transition Customers' Portion of Total Consumption	F = E/D	**1.48%**	

Table 32: Allocation of CBR Balance to Transition Customers

Allocation of CBR Class B Balances to Transition Customers						
# of Class A/B Transition Customers		1				
Customer		Total Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers in 2023	% of kWh	Customer Specific CBR Class B Allocation for the Period When They Were Class B Customers	Monthly Equal Payments
Customer 1		2,888,700	2,888,700	100.00%	$ 575	$ 48
Total		2,888,700	2,888,700	100.00%	$ 575	$ 48

3.2.6.3 Disposition of Account 1595

NOTL Hydro is claiming the disposition of its 2019 and 2020 1595 regulatory balances in this application and confirms that the residual balance in this account is being requested for disposition only once. NOTL Hydro has previously disposed of its regulatory balances up to and including 2018. The rate riders for account 1595 (2019) were approved for recovery/disposition over 2 years and the rate riders for account 1595 (2020) were approved for recovery/disposition over 1 year. As a result, both rate riders expired on April 30th, 2021.Consistent with the guidance in the filing requirements these accounts are now eligible for disposition. Further explanation of the residual balances for account 1595 2019 and 1595 2020 is provided above.

3.2.7 Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)

NOTL Hydro is not requesting the disposition of any LRAMVA amounts in this application.

3.2.7.1 Disposition of LRAMVA

NOTL Hydro was approved for disposition of its 2021 and 2022 LRAMVA amounts as well as prospective dispositions for its 2023 amounts EB-2022-0052 (Appendix 5). The balance in the LRAMVA following OEB approved dispositions in 2023 is zero, and no further entries will be made.

3.2.7.2 Continuing Use of the LRAMVA for New NWS Activities

Consistent with the decision in its 2023 IRM Application EB-2022-0052, NOTL Hydro requests that the LRAMVA not be discontinued in the event that NOTL Hydro requests the use of the LRAMVA for a CDM or NWS activity in a future application, which the OEB will consider on a case-by case basis.

3.2.8 Tax Changes

There were no legislative tax changes from NOTL Hydro's tax rates embedded in it OEB approved rate

3.2.9 Z-factor Claims

NOTL Hydro is not seeking a Z-factor claim in this application.

3.2.10 Off-ramps

NOTL Hydro's 2023 distributor earnings were within the 300 basis points dead band as per its 2024 RRR filing for 2.1.5.6.

3.3.1 Advanced Capital Module

NOTL Hydro is not submitting an Advance Capital Module in this application.

3.3.2 Incremental Capital Module

NOTL Hydro is not submitting an Incremental Capital Module in this application.

3.3.3 Treatment of Costs for 'eligible investments'

Not applicable. NOTL Hydro filed a Cost-of-Service application pursuant to Chapter 5 in 2023 for rates effective in 2024.

3.4 Specific Exclusions from IRM Applications

NOTL Hydro is not seeking relief for any specific or excluded issues in this application other than the disposition of Group 2 Account 1508 – Large Use Variance Account as described in section 3.2.6.

Appendices

Appendix 1 – NOTLH 2025 IRM Checklist

Filed separately in Excel format.

Appendix 2 – NOTLH 2025 IRM Rate Generator Model

Filed separately in Excel format.

Appendix 3 – NOTLH 2025 GA Analysis Workform

Filed separately in Excel format.

Appendix 4 – NOTLH Tariff Sheet – January 1, 2024

Filed separately in PDF format.

Appendix 5 – Relevant Past Decisions and Supporting Documents

NOTL Hydro 2024 Cost of Service EB-2023-0041

https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2023-0041&sortBy=recRegisteredOn-&pageLength=400

Tranche Assignments and Filing Due Dates for 2025 Incentive Rate-setting Mechanism (IRM) Electricity Rate Applications

https://www.oeb.ca/sites/default/files/OEBltr-2025-Tranche-Assignment-20240618_esigned.pdf

OEB letter 2025 Inflation Parameters

https://www.oeb.ca/sites/default/files/OEBltr_2025%20inflation_updates_20240620.pdf

PEG Report – 2023 Benchmarking Update

https://www.oeb.ca/sites/default/files/PEG%20Report%20to%20the%20Ontario%20Energy%20Board%202024.pdf

EB-2024-0183 2024 Uniform Transmission Rates Update

https://www.oeb.ca/applications/applications-oeb/electricity-transmission-rates

NOTL Hydro 2020 IRM EB-2019-0056

https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2019-0056&sortBy=recRegisteredOn-&pageLength=400

NOTL Hydro 2023 IRM EB-2022-0052

https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2022-0052&sortBy=recRegisteredOn-&pageLength=400

NOTL Hydro 2019 Cost of Service EB-2018-0056

https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2018-0056&sortBy=recRegisteredOn-&pageLength=400