



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

**BY EMAIL**

September 6, 2024

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Hydro One Networks Inc.  
Application for 2025 Transmission Revenue Requirement  
Ontario Energy Board (OEB) Staff Interrogatories  
OEB File Number: EB-2024-0217**

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Hydro One Networks Inc. and to all other registered parties to this proceeding.

Hydro One Networks Inc. is reminded that its responses to interrogatories are due by **September 20, 2024**. Responses to interrogatories, including supporting documentation, must not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Yours truly,

Abla Nur  
Analyst, Generation & Transmission

Encl.

**OEB Staff Interrogatories  
Hydro One Networks Inc.  
EB-2024-0217**

**Staff – 1**

**Ref (1):** Exhibit A, Tab 4, Schedule 1, p. 1

Preamble:

Table 1 at Reference 1 above shows the total rates revenue requirement for 2025, as seen below:

**Table 1 - Total Rates Revenue Requirement (\$M)**

	<b>2025</b>	<b>Section Reference</b>
<b>Total Revenue Requirement</b>	<b>2,174.5</b>	Section 3.0
Deduct: External Revenue	(37.1)	Section 5.3
Deduct: Wholesale Meter Service (WMS) Revenue	(0.0)	Section 5.4
Deduct: Export Transmission Service (ETS) Revenue	(37.3)	Section 5.5
Add: Low Voltage Switchgear (LVSG) Credit	19.6	Section 5.6
Add: Disposition of Deferral and Variance Accounts	15.8	Section 5.2
<b>Rates Revenue Requirement</b>	<b>2,135.6</b>	

Question(s):

- a) Please provide the exact values of all values shown in Table 1 above.

**Staff – 2**

**Ref (1):** Exhibit A, Tab 4, Schedule 1, Attachment 1, p. 1-7

**Ref (2):** EB-2019-0082, Decision and Order, p. 179

**Preamble:**

At Reference 1 above, the continuity schedule of the Excess Export Service Revenue Account is provided.

**Questions:**

- a) Please provide a detailed calculation showing how the “Projected Interest from Jan 1, 2024 to December 31, 2024 on Dec 31-23 balance adjusted for disposition during 2024” amount of \$788,248.22 was calculated.
- b) Provide additional details on how the following amounts were calculated:
  - a. Transactions Debit / (Credit) during 2021 - \$3,888,586.63
  - b. Transactions Debit / (Credit) during 2022 - \$3,263,973.56
  - c. Transactions Debit / (Credit) during 2023 - \$7,205,330.93
- c) What were the forecast versus actual export service revenues from 2021 to 2023?
- d) Please confirm the methodology used to derive the forecast revenue volumes. If it is not a 3-year rolling average, as used in previous applications including EB-2019-0082, please describe the methodology and why it is being used.
- e) Please categorize, describe and associate a \$ value with the major drivers that contributed to the variances.
- f) Does Hydro One anticipate any significant fluctuations in transmission export revenues beyond 2025? Please explain.

**Staff – 3**

**Ref (1):** Exhibit A, Tab 4, Schedule 1, p. 5

**Ref (2):** Exhibit A, Tab 4, Schedule 1, Attachment 1, p. 1-7

**Preamble:**

Hydro One states that, with respect to the Excess Export Service Revenue Variance Account, the account was last disposed of December 31, 2020 on a final basis in the 2023 to 2027 Custom IR proceeding (EB-2023-0110). However, in the continuity schedule provided at Reference 2 above, “Board-Approved Disposition” amounts are listed for 2021, 2022, and 2023.

**Question(s):**

- a) Please explain why amounts were approved for disposal as stated at Reference 2 but according to Reference 1, were not disposed of.

**Staff – 4**

**Ref (1):** Exhibit A, Tab 4, Schedule 1, p. 4, Table 3

**Preamble:**

Table 3 below sets out the calculation of the updated C-Factor within the RCI calculation, where “E” represents the increase in Capital Related Revenue Requirement.

**Table 3 - 2025 Capital Factor <sup>4</sup> (\$M)**

	<b>Calculation</b>	<b>2024</b>	<b>2025</b>
Total Capital Related Revenue Requirement (including working capital adjustment and productivity adjustment)	<i>A</i>	1,623.2	1,701.8
OM&A	<i>B</i>	456.5	472.7 <sup>[1]</sup>
Total Revenue Requirement	<i>D = A + B</i>	2,079.8	2,174.5 <sup>[2]</sup>
Increase in Capital Related Revenue Requirement	<i>E = A<sub>2025</sub> - A<sub>2024</sub></i>	104.5	78.6
Increase in Capital Related Revenue Requirement relative to Previous Year's Total Revenue Requirement	<i>F = E / D<sub>2024</sub></i>	5.35%	3.78%
Less Capital Related Revenue Requirement in I-X	<i>G = <math>\frac{A_{2024}}{D_{2024}} \times (I - X)</math></i>	4.08%	2.77% <sup>[3]</sup>
<b>Capital Factor (C)</b>	<i>C = F - G</i>	<b>1.27%</b>	<b>1.01%</b>

**Question(s):**

- a) Provide additional details on the calculation of “E”. Please provide any excel spreadsheets behind this calculation.