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BY EMAIL

December 5, 2024

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

Dear Nancy Marconi:

Re: Ontario Energy Board (OEB) Staff Submission on Draft Revenue Requirement and Charge Determinant Order and supporting schedules B2M Limited Partnership (B2M LP) 2025-2029 Electricity Transmission Revenue Requirement Application OEB File Number: EB-2024-0116

In accordance with the OEB's Decision and Order in the above referenced proceeding, please find attached OEB staff's comments on B2M LP's Draft Revenue Requirement and Charge Determinant Order and supporting schedules filed on November 28, 2024.

B2M LP and all registered intervenors have been copied on this filing.

Yours truly,

Tina Zhu
Senior Advisor, Generation & Transmission

Encl.

cc: All parties in EB-2024-0116



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION ON DRAFT REVENUE REQUIREMENT AND CHARGE DETERMINANT ORDER AND SUPPORTING SCHEDULES

B2M LIMITED PARTNERSHIP (B2M LP)

**2025-2029 ELECTRICITY TRANSMISSION REVENUE REQUIREMENT
APPLICATION**

EB-2024-0116

DECEMBER 5, 2024

INTRODUCTION

Hydro One Networks Inc. (HONI) filed an application on May 24, 2024, on behalf of B2M Limited Partnership (B2M LP), requesting approval of its 2025-2029 electricity transmission revenue requirement, pursuant to section 78 of the *Ontario Energy Board Act, 1998* (Act), with an effective date of January 1, 2025. The application also requested the continuation of B2M LP's current regulatory accounts, and disposition of the Earnings Sharing Mechanism (ESM) account balance as part of its offsetting revenue requirement over a one-year period commencing January 1, 2025.

A Settlement Proposal representing a complete settlement of all issues was filed with the OEB on October 21, 2024. The OEB issued its Decision and Order on November 21, 2024 accepting the Settlement Proposal as filed.

In accordance with the process set out in the Settlement Proposal, B2M LP was required to file a draft Revenue Requirement and Charge Determinant Order (Draft Order) by November 28, 2024 complete with detailed calculations and supporting material, including:

- An effective date of January 1, 2025
- 2025 cost of capital parameters¹ issued by the OEB on October 31, 2024
- Revised 2025 electricity transmission revenue requirement
- Total bill impacts to customers on average and for a typical residential customer consuming 750 kWh per month and a typical General Service (GS < 50 kW) customer consuming 2,000 kWh per month.

B2M LP filed its Draft Order on November 28, 2024, pursuant to the Decision and Order.

In summary, OEB staff does not have concerns with the detailed calculations and supporting material provided by B2M LP in the Draft Order. OEB staff's specific comments on the Draft Order follow.

1. Revised 2025 Electricity Transmission Revenue Requirement

In accordance with the OEB's Decision and Order, the Draft Order reflects the OEB's 2025 cost of capital parameters issued on October 31, 2024 as follows:

¹ [2025 Cost of Capital Parameters](#)

Table 1 - Settled 2025-2029 Rates Revenue Requirement (\$M)²

	2025	2026	2027	2028	2029
Proposed Revenue Requirement	38.75	38.39	39.46	39.36	37.75
Settlement Reduction	(0.09)	(0.09)	(0.13)	(0.14)	(0.10)
Settled Revenue Requirement	38.65	38.31	39.33	39.22	37.64
Settled Revenue Requirement – Updated with OEB’s 2025 cost of capital parameters	38.42	38.06	39.09	38.98	37.41
Add: DVA Disposition	(0.77)				
Settled Rates Revenue Requirement	37.65	38.06	39.09	38.98	37.41

Cost of Capital

The deemed short-term debt and return on equity included in the cost of capital in the Draft Order are based on the OEB’s 2025 cost of capital parameters. B2M LP’s forecasted 2025 cost of long-term debt reflects the September 2024 Consensus Forecast, consistent with the method set out in the approved Settlement Proposal.

Under the agreed-upon revenue requirement framework, there is no longer a requirement to file annual update applications with the OEB throughout the term; however, there will be a one-time update application in 2025 to update the cost of long-term debt based on actual issuances in 2025. This will update and set the revenue requirements, effective on January 1 each year, for the remaining term from 2026 through 2029.

OEB staff submits that B2M LP’s 2025 cost of capital has been updated as required by the approved Settlement Proposal in this proceeding.

Cost Allocation

The updated cost of capital in the Draft Order for B2M LP’s 2025-2029 revenue requirement is allocated to the Uniform Transmission Rates (UTR) network pool based on the same methodology as in the approved Settlement Proposal.

OEB staff submits that B2M LP’s 2025-2029 revenue requirement and allocation to the UTR network pool as shown in the Draft Order and supporting material filed on

² [Settlement Proposal](#), pg. 8

November 28, 2024 are consistent with the approved Settlement Proposal and with the OEB's Decision and Order in this proceeding.

2. Bill Impacts

The Draft Order presents updated bill impacts on residential and general service customers.

OEB staff has no concerns with the updated bill impact calculations provided B2M LP.

~All of which is respectfully submitted~