

December 9, 2024

RESS & EMAIL

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Nancy Marconi, Registrar

Dear Ms. Marconi:

Re: Wataynikaneyap Power LP - Application for Approval of 2025 Electricity Transmission Rates (EB-2024-0176) – Post-Settlement Update

We are legal counsel to Wataynikaneyap Power LP (“WPLP”), applicant in the above-referenced proceeding. WPLP participated in a settlement conference with OEB Staff and filed a Settlement Proposal reflecting a full settlement of all issues on November 7, 2024. We understand the OEB plans to issue its decision imminently. We are writing to advise of a recent development relevant to the proceeding and the steps WPLP has taken, and proposes to take, in response.

In its application (Exh. G-1-1), WPLP indicated that its partners plan to inject additional equity by mid-January 2025 to ensure that WPLP’s Owner Equity is consistent with the 40% equity level used to determine its 2025 revenue requirement. WPLP recently learned that its partners will not be in a position to inject the additional equity as planned. This is due to (i) the need for one of its partners to satisfy a precondition to its financing, which is needed for that partner to make its equity injection, and (ii) WPLP’s other partner delaying its equity injection so as to not dilute the first partner’s equity. While the timing is uncertain, WPLP’s best estimate is that this matter could be resolved such that the partners can inject their equity by the end of Q1 2025.

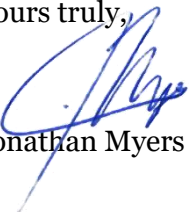
WPLP understands its obligation under Rule 11.02 of the OEB’s *Rules of Practice and Procedure*, to file new information when it becomes aware of new information that constitutes a material change to evidence before the OEB, before the decision or order is issued. As indicated in the application (Exh. A-3-1), WPLP’s materiality threshold is approximately \$895K. If WPLP’s partners are able to make their equity injections by the end of Q1 2025, or shortly thereafter, WPLP has calculated that the impact of this delay would be lower than the materiality threshold. Specifically, the impact was calculated by pro-rating the \$70M total equity injection for 9 of 12 months, thereby reducing equity and increasing long-term debt by \$17.5M, resulting in an overall decrease in the regulated return by approximately \$0.5M.

Based on its current expectation that the impact will not be material, WPLP proposes to take no further steps. If, however, WPLP’s expectations change such that the delay in the equity injections is likely to extend beyond this timeframe and the impact is therefore likely to be in excess of the

materiality threshold, WPLP's intention is to consult with OEB staff on a suitable path forward with a view to mitigating the impacts for ratepayers. WPLP has discussed this matter with OEB staff, including the current expected impact and the plan for dealing with a longer than expected delay in the equity injection, and OEB staff advised that it has no concerns.

If you have any questions, please do not hesitate to contact me at the number shown above.

Yours truly,



Jonathan Myers

cc: Ms. Margaret Kenequanash, WPLP
Mr. Duane Fecteau, WPLP
Mr. Charles Keizer, Torys LLP
All Parties