



**Generic Hearing on Uniform Transmission Rates (UTRs) –
Phase 2**

DECISION ON ISSUE 3 IMPLEMENTATION

December 10, 2024

The Ontario Energy Board (OEB) is holding a public hearing on its own motion under sections 19, 21 and 78 of the *Ontario Energy Board Act, 1998* to consider various issues related to Ontario's Uniform Transmission Rates (UTR). This is the second phase of this proceeding.

A Notice of Hearing was issued on October 27, 2023. In the Notice of Hearing, the OEB identified the following six issues:

- 1) The timing of UTR decisions
- 2) Number of decimal places for UTRs
- 3) Prorating transmission charges for new connections to account for when the connection took place in the month
- 4) Charges caused by planned transmission outages
- 5) Basis for billing renewable, non-renewable, and energy storage facilities for transmission
- 6) Gross load billing thresholds for renewable and non-renewable generation

On May 9, 2024, the OEB issued its Decision on Issues 1, 2, and 3.¹ As part of the decision on Issue 3, the OEB found that the line and transformation connection components of the UTR charge will be prorated to account for the day of the month when a new connection is made, and for when a disconnection is made.²

The OEB found it inappropriate at this time to prorate the network charge component of the UTR. While a comprehensive examination of the network charge methodology may be warranted, the OEB notes that the inherent complexity of the current methodology requires careful consideration. Such an examination may be undertaken in the future, but is not part of this phase of the proceeding.

¹ [OEB Decision on Issues 1, 2, and 3](#), issued May 9, 2024

² OEB Decision on Issues 1, 2, and 3, p. 5

In that Decision, the OEB directed OEB staff to work with the Independent Electricity System Operator (IESO) and transmitters to coordinate the implementation of the proration of line and transformation connection charges, and to minimize any adverse revenue impacts to transmitters, with proration to begin effective January 1, 2025.

On November 28, 2024, OEB staff filed proposed revisions (Proposed Revisions) to the Provincial Transmission Service Rate Schedule (the UTR Schedule) to implement the proration of line and transformation connection charges. The Proposed Revisions were developed in collaboration with Hydro One Networks Inc. and the IESO. The Proposed Revisions included adding a note applicable to the line connection charge and the transformation connection charge to the UTR Schedule and adding several new defined terms, which are part of that note, to the UTR Schedule's Terms and Conditions.

The proposed note is as follows:

Upon a New Connection, Permanent Disconnection, or Change in Ownership, the total monthly charge for each of the Line Connection Service and the Transformation Connection Service will be prorated. The proration shall be based on the total monthly charge for each service and the applicable number of days of the month using the come-into-service date for a New Connection, the date of the Permanent Disconnection, or the date of the Change in Ownership of Customer Facilities as identified in an agreement where the transmitter consents to the assignment of the Transmission Connection Agreement by the transferor to the transferee, whichever is applicable.

The proposed definitions to be added to the Terms and Conditions are as follows:

(I) COME INTO SERVICE has the meaning given to that term in the Code.³

(J) CUSTOMER FACILITIES A Transmission Customer's equipment, elements, and facilities of any kind whatsoever that are relevant to a direct connection to the transmission system at a Transmission Delivery Point where the Transmission Customer uses transformation connection assets owned by a licensed transmission company and/or line connection assets owned by a licensed transmission company.

(K) CHANGE IN OWNERSHIP When an existing Transmission Customer (the transferor) transfers the title of a load facility to a new customer

³ The "Code" referred to in this definition is the OEB's *Transmission System Code*

(transferee), as provided in written notice to the applicable transmitter and the IESO, by the transferee.

(L) NEW CONNECTION Where new Customer Facilities will be directly connected to the transmission system at a Transmission Delivery Point and energized following commissioning.

(M) PERMANENT DISCONNECTION Where Customer Facilities are permanently disconnected from the transmission system in accordance with Section 20.1 or 20.3.1 and subject to Section 20.5 of the form of Connection Agreement applicable to the Transmission Customer in Appendix 1 to the Code.

OEB staff requested that the OEB approve the Proposed Revisions so that they could be incorporated into the OEB's Decision and Rate Order for the 2025 UTRs.

Findings

The OEB approves the Proposed Revisions for incorporation into the OEB's 2025 UTR Schedule and Terms and Conditions. The OEB expects that the Proposed Revisions will continue to be included in future UTR Schedules subject to any future revisions by the OEB.

The OEB acknowledges and appreciates the efforts of OEB staff, Hydro One Networks Inc., and IESO in collaborating to develop the Proposed Revisions to the UTR Schedule. This cooperation has been instrumental in addressing the implementation of the proration of line and transformation connection charges, as directed by the OEB, while minimizing potential adverse revenue impacts to transmitters.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The proposed revisions to the Provincial Transmission Service Rate Schedule set out in this Decision and Order shall be incorporated into the Provincial Transmission Service Rate Schedule and related Terms and Conditions for 2025 and future years, subject to any future revisions by the OEB.

DATED at Toronto, **December 10, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar