



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

FINAL RATE ORDER

EB-2023-0195

TORONTO HYDRO-ELECTRIC SYSTEM LTD.

Application for electricity distribution rates beginning
January 1, 2025

BEFORE: **Michael Janigan**
Presiding Commissioner

Allison Duff
Commissioner

Anthony Zlahtic
Commissioner

December 12, 2024

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1 APPROVAL OF FINAL RATE ORDER

Toronto Hydro filed an application with the OEB on November 17, 2023, under section 78 of the *Ontario Energy Board Act, 1998*.

In accordance with Procedural Order No. 1, a settlement conference commenced on May 27, 2024. On August 16, 2024, Toronto Hydro filed a settlement proposal that covers all issues necessary to set electricity distribution rates effective January 1, 2025.

The OEB issued a Partial Decision and Order on November 12, 2024, approving the settlement proposal. In accordance with that order, Toronto Hydro filed a draft rate order with draft accounting orders for the newly approved variance accounts on November 26, 2024. OEB staff and BOMA filed comments on December 3, 2024, indicating they found no errors in the draft rate order. Both OEB staff and BOMA submitted that it is their view that Toronto Hydro appropriately implemented the OEB's direction set out in the Partial Decision and Order.

The OEB has updated the draft tariff of rates and charges filed by Toronto Hydro to increase the Rural or Remote Electricity Rate Protection Plan Charge from \$0.0014/kWh to \$0.0015/kWh as approved by the OEB on December 10, 2024.¹ The approved Tariff of Rates and Charges is included as Schedule A to this Final Rate Order and effective January 1, 2025, to be implemented January 1, 2025. The OEB approves the draft accounting orders as filed, included as Schedule B.

The rates for each year 2026 to 2029 shall be established on the basis of the OEB-approved Custom Revenue Cap Index framework for Toronto Hydro.

¹ EB-2024-0282, Decision and Order, December 10, 2024

2 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Schedule A of this Final Rate Order is approved effective January 1, 2025, and is to be implemented effective January 1, 2025. The Tariff of Rates and Charges will apply to electricity consumed, or estimated to have been consumed, on and after January 1, 2025. Toronto Hydro shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
2. The Accounting Orders set out in Schedule B of this Final Rate Order are approved.

DATED at Toronto **December 12, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
FINAL RATE ORDER
TORONTO HYDRO-ELECTRIC SYSTEM LTD.
TARIFF OF RATES AND CHARGES
EB-2023-0195
DECEMBER 12, 2024

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	49.24	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$	(0.09)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$	(0.65)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$	(1.79)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.41)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.34)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$	0.20	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00230	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01400	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00959	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	40.39	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$	(0.07)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$	(0.51)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$	(1.40)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.10)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.27)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$	0.16	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00199	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01400	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00959	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.04535	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kWh	(0.00012)	
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kWh	(0.00083)	
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kWh	(0.00226)	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00179)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00043)	
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kWh	0.00026	
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00249	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01363	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00858	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025
 This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	61.86	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.1254	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0197)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1395)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3805)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.3006)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0726)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0433	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.7909	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non-Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2399	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0655	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.6087	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.1008	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025
 This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	8.3928	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0169)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1191)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3251)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2568)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0621)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0370	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8949	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non -Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2718	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0835	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.4529	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.0976	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.0793	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0173)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1225)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3342)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2639)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0638)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0380	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8737	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non -Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2610	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0645	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	5.0760	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4415	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025
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 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	7.73	(per 30 days)
Connection Charge (per connection)	\$	0.80	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.09736	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kWh	(0.00020)	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kWh	(0.00138)	
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kWh	(0.00378)	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00298)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00072)	
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kWh	0.00043	
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00255	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00847	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00606	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

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EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.00	(per 30 days)
Distribution Volumetric Rate	\$/kVA	44.6863	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0988)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.6977)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(1.9038)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(1.5037)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.3634)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.2164	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8180	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0569	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.0993	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.6971	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0015	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

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EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.93 (per 30 days)
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Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

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EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Account history	\$	25.00	
Duplicate invoices for previous billing	\$	25.00	
Request for other billing or system information	\$	25.00	
Easement letter	\$	25.00	
Income tax letter	\$	25.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00	
Returned cheque (plus bank charges)	\$	25.00	
Special meter reads	\$	55.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00	

Non-Payment of Account

Late payment - per month			
(effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50	
Reconnection charge - at meter - during regular hours	\$	120.00	
Reconnection charge - at meter - after regular hours	\$	400.00	
Reconnection charge - at pole - during regular hours	\$	300.00	
Reconnection charge - at pole - after regular hours	\$	820.00	

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00	
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00	
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00	
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00	
Temporary service install & remove - overhead - no transformer	\$	2,040.00	
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	39.14	

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

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EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	121.23
Monthly Fixed Charge, per retailer	\$	48.50
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.20
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.71
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.71)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.61
Processing fee, per request, applied to the requesting party	\$	1.20
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.85

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

SCHEDULE B
FINAL RATE ORDER
TORONTO HYDRO-ELECTRIC SYSTEM LTD.
ACCOUNTING ORDERS
EB-2023-0195
DECEMBER 12, 2024

DRAFT ACCOUNTING ORDERS

Revenue Variance Account (“RVA”) – Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Revenue Variance Account) to record the asymmetrical revenue variances between forecasted and actual distribution revenue based on weather-normalized billing determinants.

To establish annual credit entries to the RVA, Toronto Hydro will compare the forecast billing determinants with actual weather-normalized billing determinants for each rate class to calculate the distribution revenue variance for each rate class, and determine the total net distribution revenue variance for the year in question. Where the total net distribution revenue variance is positive, this amount will be entered as a credit to the RVA (i.e. refund to ratepayers). Where the total net distribution revenue variance is negative, no entry will be made to the RVA.

For disposition purposes, the balance in the RVA will be allocated to each rate class on the basis of each rate class’ portion of the prior year’s actual weather-normalized total distribution revenue. Rate riders will be derived on the basis of the balance allocated to each rate class and the forecast billing determinants for each rate class for the year of disposition.

The Parties agree that Toronto Hydro will seek disposition of balances annually (on an interim basis) based on the share of prior year of weather normalized distribution revenue, so that accumulated credit balances in this asymmetrical account can be returned to customers expeditiously. Toronto Hydro will seek final disposition at its next rebasing application for any amounts disposed of on an interim basis.

The amounts in Table 6 of the Settlement Proposal against which variances will be calculated each year will be adjusted by applying the OEB inflation factor for the year in question. This account will be disposed on an interim basis through the 2027-2029 annual rate update application process.

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount Revenue Variance Account
- Account 1508, Other Regulatory Assets, Subaccount Revenue Variance Account Carrying Charges

The sample accounting entries for the variance accounts are provided below:

- A. To record the asymmetrical difference (in favor of ratepayers) between the forecasted distribution revenue and the actual distribution revenue collected based on weather-normalized billing determinants each year:
- DR 4080 Distribution Services Revenue
 - CR 1508 Other Regulatory Assets, Subaccount Revenue Variance Account
- B. To record the carrying charges in subaccount Revenue Variance Account:
- DR 6035 Other Interest Expense
 - CR 1508 Other Regulatory Assets, Subaccount Revenue Variance Account Carrying Charges

Demand-Related Capital Variance Account (“DRCVA”) – Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Demand-Related Capital Variance Account) to record the symmetrical capital-related revenue requirement variances (including PILs) arising from differences between the forecast and actual expenditures related to the following eligible programs over the 2025-2029 rate period: Customer Connections (Exhibit 2B, Section E5.1), Stations Expansion (Exhibit 2B, Section E7.4), Non-Wires Solutions (Exhibit 2B, Section E7.2), Generation Protection Monitoring and Control (Exhibit 2B, Section E5.5) and Externally-Initiated Plant Relocations & Expansions (Exhibit 2B, Section E5.2). The calculation of the variances tracked in this account will be subject to a 15 percent cumulative symmetrical dead band calculated based on the total capital-related revenue requirement in rates associated with the eligible programs as shown in the table below. For the purposes of settlement, and reflecting the unique circumstances of this account, the agreed upon stretch factor and incremental stretch factor on capital will not be applied to the revenue requirement baseline for this account.

The amounts in Table 2 against which variances will be calculated each year will be adjusted by applying the OEB inflation factor for the year in question. Toronto Hydro shall apply to clear the balances in this account in the next rebasing application.

Table 2: Capital-Related Revenue Associated with Eligible DRCVA Programs (\$ Millions)

Ref	Revenue Requirement	2025	2026	2027	2028	2029	Total
	Return on Equity	1.4	5.3	9.1	12.7	16.3	44.8
	Deemed Interest Expense	0.9	3.4	5.8	8.0	10.3	28.4
	Depreciation and Amortization	10.2	13.5	17.0	20.7	24.2	85.6
	Payment-in-Lieu of Taxes (PILs)	1.2	0.8	0.7	2.3	2.0	7.1
A	DRCVA Capital-Related Revenue Requirement	13.8	23.0	32.7	43.7	52.8	166.0
B	Less: 2% compounded annual inflation	-	(0.5)	(1.3)	(2.5)	(4.0)	(8.3)
C	DRCVA Capital-Related Revenue Requirement inflation adjusted in 2025 nominal dollars (C = A-B)	13.8	22.5	31.4	41.2	48.8	157.8
D	DRCVA Dead Band based on 15% of CRRR inflation adjusted in 2025 nominal dollars (D = C * 15%)	2.1	3.4	4.7	6.2	7.3	23.7

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount Demand-Related Capital Expenditure Variance Account
- Account 1508, Other Regulatory Assets, Subaccount Demand-Related Capital Expenditure Variance Account Carrying Charges

The sample accounting entries for the variance accounts are provided below:

- A. To record the five-year cumulative variances between forecasted and actual capital-related revenue associated with eligible Demand-Related capital programs over the 2025-2029 period:
 - DR/CR 4080 Distribution Services Revenue
 - CR/DR 1508 Other Regulatory Assets, Subaccount Demand-Related Expenditure Variance Account
- B. To record the carrying charges in subaccount Demand-Related Expenditure Variance Account:
 - DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Demand Related Expenditure Variance Account Carrying Charges

Non-Wires Solutions Operational Expenditures Variance Account – Draft Accounting Order

Toronto Hydro shall establish a symmetrical variance account (Account 1508 – Non-Wires Solutions Operational Expenditures Variance Account) to record the variances between the amount recovered in rates over the 2025-2029 rate period associated with the non-wires solutions initiative as part of the Asset and Program Management Program (Exhibit 4, Tab 2, Schedule 9) and actual operational expenditures associated with non-wires solutions over the 2025-2029 rate period. The account will also record an offsetting entry for revenue requirement impacts of avoided or deferred capital expenditures that were explicitly included in the 2025-2029 capital expenditure plan.

The amount against which variances will be calculated each year will be adjusted by applying OEB inflation factor for the year in question to the amounts identified in Table 3, Row C below.

Table 3: Non-Wires Solutions Operational Expenditures Variance Account Baseline (\$ Millions)

Ref		2025	2026	2027	2028	2029
A	Non-Wires Solutions	0.20	-	-	-	-
B	Less: 5.69% cut on Test Year	(0.01)	N/A	N/A	N/A	N/A
C	Baseline: 2025 Test Year indexed at 0.41% annual growth rate for 2026-2029	0.19	0.19	0.19	0.19	0.19

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508 - Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account
- Account 1508 - Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account Carrying Charges

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

The sample accounting entries for the variance accounts are provided below:

- To record annually the symmetrical difference between the actual costs associated with non-wires solutions operational expenditures and the amounts recovered through base rates (on a revenue requirement basis) over the 2025-2029 custom rate period:
 - DR/CR 4080 Distribution Services Revenue
 - CR/DR 1508 Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account

- B. To record the offsetting entry for revenue requirement impacts of avoided or deferred capital expenditures that were explicitly included in the 2025-2029 capital expenditure plan.
- DR 4080 Distribution Services Revenue
 - CR 1508 Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account
- C. To record the carrying charges in subaccount Non-Wires Solutions Operational Expenditures Variance Account:
- DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Non-Wires Solutions Operational Expenditures Variance Account Carrying Charges

Cloud Computing Transitional Variance Account - Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Cloud Computing Transitional Variance Account) to record variances between the cloud computing solutions operational expenditure amounts recovered through base rates and actual cloud computing solutions operational expenditures over the 2026-2029 rate period. For clarity, this is a utility specific account and is not the same as the OEB Deferral Account to record Incremental Cloud Computing Implementation Costs (Accounting Order 003-2023).

This account will capture the incremental operating costs beyond the amounts recovered in rates associated with 2026-2029 cloud computing solutions investment. The account is subject to a maximum amount that is based on the 2026-2029 forecast associated with cloud computing solutions operating costs less a 5.69% reduction as shown in Table 4, Row B. The maximum amount against which variances will be calculated each year will be adjusted by applying OEB inflation factor for the year in question to the amounts identified in Table 4, Row C & D below.

Table 4: Cloud Computing Transitional Variance Account Maximum Recordable Incremental Operating Costs (\$ Millions)

Ref		2025	2026	2027	2028	2029
A	Forecast	5.0	5.5	6.0	6.5	7.0
B	Less: 5.69% per annum reduction	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
C	Less: 2% compounded annual inflation	-	(0.1)	(0.2)	(0.4)	(0.5)
D	Ceiling: Inflation adjusted in 2025 nominal dollars (D = A-B-C)	4.7	5.1	5.4	5.8	6.1
E	Floor: 2025 Test Year indexed at 0.41% annual growth rate for 2026-2029	4.7	4.7	4.8	4.8	4.8
F	Maximum Recordable Amount in 2025 nominal dollars (F = D-E)	-	0.4	0.7	1.0	1.3

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508 - Other Regulatory Assets, Sub-Account Cloud Computing Transitional Variance Account
- Account 1508 - Other Regulatory Assets, Sub-Account Cloud Computing Transitional Variance Account Carrying Charges

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

The sample accounting entries for the variance accounts are provided below:

- A. To record the symmetrical difference between the cumulative Cloud Computing Transitional amounts included in rates and the actual cloud amounts funded in rates over the CIR 2025-2029 period:
- DR/CR 5XXX Various OM&A Accounts
 - CR/DR 1508 Other Regulatory Assets, Subaccount Cloud Computing Transitional Variance Account
- B. To record the carrying charges in subaccount Cloud Computing Transitional Variance Account:
- DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Cloud Computing Transitional Account Carrying Charges