



Ontario | Commission
Energy | de l'énergie
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REVENUE REQUIREMENT AND CHARGE DETERMINANT ORDER

EB-2024-0117

NIAGARA REINFORCEMENT LIMITED PARTNERSHIP

**Application for electricity transmission revenue requirement from
January 1, 2025 to December 31, 2029**

BEFORE: Allison Duff
Presiding Commissioner

Anthony Zlahtic
Commissioner

December 17, 2024



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1 OVERVIEW

Hydro One Networks Inc. (HONI) on behalf of Niagara Reinforcement Limited Partnership (NRLP), filed an application with the Ontario Energy Board (OEB) on May 24, 2024, for approval of its 2025-2029 electricity transmission rates.

A settlement proposal representing a complete settlement of all issues was filed with the OEB on October 21, 2024 (Settlement Proposal). The OEB issued its Decision and Order on November 21, 2024 accepting the Settlement Proposal as filed. The Settlement Proposal required the 2025 revenue requirement to be updated with the OEB-approved 2025 cost of capital parameters and the 2025 cost of long-term debt to reflect the September 2024 Consensus Forecast.

The OEB has reviewed NRLP's draft Revenue Requirement and Charge Determinant Order (Draft Order) and is satisfied that it reflects the OEB's Decision and Order issued on November 21, 2024. The OEB approves NRLP's Draft Order proposed 2025 revenue requirement of \$8.31 million for the period from January 1, 2025 to December 31, 2025 to be recovered through the Uniform Transmission Rates (UTR) Network pool, effective January 1, 2025.

The OEB sets rates for rate-regulated electricity transmitters in Ontario by setting a revenue requirement for each transmitter. Transmitter revenue requirements, such as NRLP's, are incorporated into the UTRs and recovered from electricity distribution ratepayers.

The OEB accepts NRLP's presentation of the bill impacts. The 2025 total bill impact for a typical residential customer consuming 750 kWh per month is an average decrease of \$0.002 per month. The total bill impact for a typical General Service (GS < 50 kW) customer consuming 2,000 kWh per month is an average decrease of \$0.004 per month.

2 PROCESS

In the process set out in the Settlement Proposal, NRLP was required to file a Draft Order, complete with detailed calculations and supporting material, including:

- An effective date of January 1, 2025
- 2025 cost of capital parameters 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.

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

OEB staff submitted comments on the Draft Order on December 5, 2024. In summary, OEB staff did not have concerns with the detailed calculations and supporting material provided by NRLP in the Draft Order. The Association of Major Power Consumers in Ontario, the Consumers Council of Canada, and the School Energy Coalition were parties to the Settlement Proposal, yet did not submit any comments on the Draft Order.

HONI on behalf of NRLP filed a letter on December 6, 2024 advising that it has no concerns with OEB staff's comments on the Draft Order.

3 DECISION

NRLP filed its revised 2025 transmission revenue requirement and presented updated bill impacts on residential, general service and transmission-connected customers.

Table 1 summarizes NRLP's 2025-2029 revenue requirement.

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

	2025	2026	2027	2028	2029
Proposed Revenue Requirement	8.99	8.94	8.82	8.81	9.49
Settlement Reduction	(0.03)	(0.03)	(0.03)	(0.04)	(0.06)
Settled Revenue Requirement	8.96	8.91	8.79	8.77	9.43
Settled Revenue Requirement – Updated with OEB’s 2025 Cost of Capital Parameters and the September 2024 Consensus Forecast					
	8.90	8.85	8.73	8.71	9.37
Add: DVA Disposition	(0.58)				
Settled Rates Revenue Requirement	8.31	8.85	8.73	8.71	9.37

No parties took issue with the updated revenue requirement and bill impacts.

NRLP's requested revenue requirement is a contributor to the total revenue requirement to be collected from the provincial UTRs.

NRLP's revenue requirement is allocated to the provincial Network rate pool only, as all its assets serve the transmission network with no transformation or individual customer services. Table 2 summarizes NRLP's 2025 revenue requirement by transmission rate pool.

¹ [Settlement Proposal](#), pg. 8

Table 2: 2025 Revenue Requirement by Transmission Rate Pool (\$)

Network	Line Connection	Transformation Connection	Total
8,314,329	-	-	8,314,329

As it does not have any customer delivery points supplied directly from its assets, NRLP does not have charge determinants for setting UTRs.

Findings

The OEB approves the Draft Order as filed. The OEB finds that NRLP has accurately reflected the OEB's Decision and Order as summarized below:

- The OEB's 2025 cost of capital parameters were updated as required by the Settlement Proposal in this proceeding
- The 2025-2029 revenue requirement and allocation to the UTR network pool are consistent with the approved Settlement Proposal and with the OEB's Decision and Order
- The bill impacts on residential and general service customers were updated.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The 2025 rates revenue requirement of \$8,314,329 for NRLP is approved, with an effective date of January 1, 2025. NRLP's 2025 revenue requirement will be included in the OEB's determination of the 2025 UTRs for Ontario.
2. NRLP shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

DATED at Toronto December 17, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar