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**BY EMAIL AND RESS**

January 9, 2025

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**EB-2024-0216 – Chatham x Lakeshore Limited Partnership (CLLP) – 2025-2029 Transmission Revenue Requirement Application – Draft Accounting Oder**

In accordance with the Decision and Order issued on December 17, 2024, in the above-referenced proceeding, CLLP has prepared a draft Accounting Order for the Tax Rate and Rule Changes Deferral Account as approved in this Decision.

An electronic copy of these responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke". The signature is written in a cursive, flowing style.

Kathleen Burke

## **Transmission Accounting Order – Tax Rate and Rule Changes Variance Account**

CxL will establish a new tax variance account, “Tax Rate and Rule Changes Variance Account”. The account would track the impact of:

- Differences that result from a legislative or regulatory change to the tax rates or rules compared to costs approved by the Board as part of 2025 to 2029 Transmission Rates; and
- Differences that result from a change in, or a disclosure of, a new assessment or administrative policy that is published in the public tax administration or interpretation bulletins by relevant federal or provincial tax authorities.

The variance would be recorded in account 1592 – PILs and Tax Variances for 2006 and Subsequent Years. This is in accordance with the guidance provided in the Accounting Procedures Handbook.

CxL proposes to establish the new account effective January 1, 2025 for the test years 2025 - 2029.

CxL will record interest on any balance in the account using the interest rates set by the Board. Simple interest would be calculated on the opening monthly balance of the account until the balance is fully disposed.

### **Proposed Accounting Entries**

USofA # Account Description Tax Rate and Rule Changes Variance Account

Dr/Cr: 6110 Income Taxes

Dr/Cr: 2294 Accrual for Taxes, “Payment in Lieu of Taxes”, etc.

To record preliminary recognition of impact of Tax Rate and/or Rule Changes.

Dr/Cr: 6110 Income Taxes

Dr/Cr: 1592 PILs and Tax Variances for 2006 and Subsequent Years

To record the variance between Board-approved and actual Taxes. This entry reverses the impact of the Tax Rate/Rule Change booked in the entry above.

Dr/Cr: 1592 PILs and Tax Variances for 2006 and Subsequent Years

Dr/Cr: 6035 Other Interest Expense

To record interest improvement on the principal balance of the Tax Rate and Rule Changes Variance Account

Filed 2025-01-09  
EB-2025-0216  
Exhibit H-1-1  
Schedule 2  
Page 1 of 2

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