



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

FINAL ORDER

EB-2024-0216

CHATHAM X LAKESHORE LIMITED PARTNERSHIP

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

BEFORE: Fred Cass
Presiding Commissioner

Patrick Moran
Commissioner

Anthony Zlahtic
Commissioner

February 6, 2025

INTRODUCTION AND SUMMARY

This is a Final Order of the Ontario Energy Board (OEB) on an application filed by Chatham x Lakeshore Limited Partnership (CLLP), under section 78 of the *Ontario Energy Board Act, 1998*, for approval of its electricity transmission revenue requirement, effective January 1, 2025.

The OEB issued a Decision and Order on December 17, 2024 (the Decision), approving the Settlement Proposal as filed. The OEB also approved the following Accounting Orders, effective as of January 1, 2025:

- Forgone Revenue Deferral Accounting Order
- ESM Deferral Accounting Order
- CxL Transmission Line Revenue Requirement Variance Accounting Order

The OEB also ordered CLLP to file a draft Accounting Order for the Tax Rate and Rule Changes Variance Account, as approved in the Decision.

Hydro One Networks Inc. (Hydro One), on behalf of CLLP, filed a draft Accounting Order with the OEB on January 9, 2025. OEB staff submitted comments on the draft Accounting Order on January 15, 2025. Hydro One filed a reply submission, including a revised draft Accounting Order (Revised Draft Accounting Order), on January 21, 2025.

The OEB approves the Revised Draft Accounting Order, for the reasons set out below.

TAX RATE AND RULE CHANGES ACCOUNTING ORDER

Hydro One on behalf of CLLP, filed a Draft Accounting Order with the OEB on January 9, 2025. OEB staff submitted that CLLP's Draft Accounting Order for Account 1592, sub-account CCA Changes, differs from previously approved accounting orders for similar Hydro One transmission partnerships, particularly regarding impacted accounts, journal entries, and the absence of the revenue requirement impact of CCA changes. OEB staff submitted that given the regulatory and operational similarities, CLLP should revise its Draft Accounting Order to align with the accounting orders approved for Niagara Reinforcement Limited Partnership (NRLP)¹ and B2M LP (B2M).²

Hydro One filed CLLP's reply submission on January 21, 2025 with the Revised Draft Accounting Order that corresponds with the accounting order approved for NRLP for the same account.³ Hydro One noted that the accounting order approved for NRLP did not specifically reference the CCA changes sub-account established by the OEB in its letter issued on July 25, 2019, and added a reference to the sub-account in the Revised Draft Accounting Order. Hydro One also noted its intention to update both the NRLP and B2M LP accounting orders for Account 1592 in their 2026 one-time update application to align with the revised CLLP Draft Accounting Order.

Findings

The OEB approves the Revised Draft Accounting Order, to be effective as of January 1, 2025. The Revised Draft Accounting Order conforms with the provisions of the Decision and with the previously approved Accounting Order for a similar Hydro One transmission partnership, NRLP. When Hydro One updates the NRLP and B2M Accounting Orders for Account 1592, as it has indicated that it intends to do, the CLLP, NRLP and B2M Accounting Orders for Account 1592 will be appropriately aligned.

¹ EB-2018-0275

² EB-2015-0026

³ EB-2018-0275

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Transmission Accounting Order entitled Tax Rate and Rule Changes Variance Account is approved and attached as Appendix A, and shall be effective as of January 1, 2025.

DATED at Toronto February 6, 2025

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

Final Order

Tax Rate and Rule Changes Accounting Order

OEB File No: EB-2024-0216

DATED: February 6, 2025

Transmission Accounting Order – Tax Rate and Rule Changes Variance Account

CLLP proposes the establishment of a new “Tax Rate and Rule Changes Variance Account” to track the revenue requirement impact of legislative or regulatory changes to tax rates or rules compared to costs approved by the OEB in CLLP’s 2025 to 2029 transmission rates.

The account will be established as Account 1592, PILS and Tax Variances for 2006 and Subsequent Years effective January 1, 2025. CLLP will record interest on any balance in the sub-account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

Variances specific to the impact of changes in CCA rules will be reflected in a sub-account of this account, 1592 – PILs and Tax Variances – CCA Changes.

The following outlines the proposed accounting entries for this variance account.

| USofA # | Account Description |
|----------------|--|
| DR: 1592 | PILS and Tax Variances for 2006 and Subsequent Years |
| CR: 4000 | Transmission Services Revenue |

Initial entry to record the revenue requirement impact of legislative or regulatory changes to tax rates or rules compared to costs approved by the OEB.

| USofA # | Account Description |
|----------------|--|
| DR: 1592 | PILS and Tax Variances for 2006 and Subsequent Years |
| CR: 6035 | Other Interest Expense |

To record interest improvement on the principal balance of the tax rate and rule changes variance account.