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BY EMAIL

November 28, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Generic Hearing on Uniform Transmission Rates (UTRs) – Phase 2
Implementation of Issue 3: Proration of Line and Transformation
Connection Charges
OEB File Number: EB-2022-0325**

In the decision issued May 9, 2024, the OEB ordered, among other things, the following in relation to Issue 3 of this proceeding:

The OEB directs OEB staff to work with the IESO and transmitters to coordinate the implementation of the proration of line connection and transformation connection charges, and to minimize any adverse revenue impacts to transmitters, with proration to begin effective January 1, 2025.

The purpose of this correspondence is to provide the OEB with proposed updates to the UTR schedule to facilitate the implementation of the above noted Order. The updates were developed in collaboration with Hydro One Networks Inc. (Hydro One) and the Independent Electricity System Operator (IESO).

First, OEB staff, Hydro One, and the IESO propose a new note to the Provincial Transmission Service Rate Schedule, which would apply to both the Line Connection and Transformation Connection Service Rates. 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 second update is to define five terms that are used in the new note. OEB staff, Hydro One, and the IESO propose that these terms be added to the Terms and Conditions section of the UTR Schedule as follows:

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

(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 (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.

For reference, a draft updated UTR schedule with the proposed updates is included as Schedule A. OEB staff, Hydro One, and the IESO request that the OEB approve the proposed updates so that they can be incorporated in the Decision and Order for the 2025 UTRs.

Yours truly,

Thomas Eminowicz
Senior Advisor – Generation and Transmission

Encl.

cc: All parties in EB-2022-0325

SCHEDULE A
GENERIC HEARING ON UNIFORM TRANSMISSION RATES
PHASE 2
EB-2022-0325
NOVEMBER 28, 2024

TRANSMISSION RATE SCHEDULES

202X ONTARIO UNIFORM TRANSMISSION RATE SCHEDULES

EB-XXXX-XXXX

The rates contained herein shall be implemented effective January 1, XXXX

Issued:

Ontario Energy Board

TRANSMISSION RATE SCHEDULES

TERMS AND CONDITIONS

(A) APPLICABILITY The rate schedules contained herein pertain to the transmission service applicable to: •The provision of Provincial Transmission Service (PTS) to the Transmission Customers who are defined as the entities that withdraw electricity directly from the transmission system in the province of Ontario. •The provision of Export Transmission Service (ETS) to electricity market participants that export electricity to points outside Ontario utilizing the transmission system in the province of Ontario. The Rate Schedule ETS applies to the wholesale market participants who utilize the Export Service in accordance with the Market Rules of the Ontario Electricity Market, referred to hereafter as Market Rules. These rate schedules do not apply to the distribution services provided by any distributors in Ontario, nor to the purchase of energy, hourly uplift, ancillary services or any other charges that may be applicable in electricity markets administered by the Independent Electricity System Operator (IESO) of Ontario.

(B) TRANSMISSION SYSTEM CODE The transmission service provided under these rate schedules is in accordance with the Transmission System Code (Code) issued by the Ontario Energy Board (OEB). The Code sets out the requirements, standards, terms and conditions of the transmitter's obligation to offer to connect to, and maintain the operation of, the transmission system. The Code also sets out the requirements, standards, terms and conditions under which a Transmission Customer may connect to, and remain connected to, the transmission system. The Code stipulates that a transmitter shall connect new customers, and continue to offer transmission services to existing customers, subject to a Connection Agreement between the customer and a transmitter.

(C) TRANSMISSION DELIVERY POINT The Transmission Delivery Point is defined as the transformation station, owned by a transmission company or by the Transmission Customer, which steps down the voltage from above 50 kV to below 50 kV and which connects the customer to the transmission system. The demand registered by two or more meters at any one delivery point shall be aggregated for the purpose of assessing transmission charges at that delivery point if the corresponding distribution feeders from that delivery point, or the plants taking power from that delivery point, are owned by the same entity within the meaning of

Ontario's *Business Corporations Act*. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV.

(D) TRANSMISSION SERVICE POOLS The transmission facilities owned by the licenced transmission companies are categorized into three functional pools. The transmission lines that are used for the common benefit of all customers are categorized as Network Lines and the corresponding terminating facilities are Network Stations. These facilities make up the Network Pool. The transformation station facilities that step down the voltage from above 50 kV to below 50 kV are categorized as the Transformation Connection Pool. Other electrical facilities (i.e. that are neither Network nor Transformation) are categorized as the Line Connection Pool. All PTS customers incur charges based on the Network Service Rate (PTS-N) of Rate Schedule PTS. The PTS customers that utilize transformation connection assets owned by a licenced transmission company also incur charges based on the Transformation Connection Service Rate (PTS-T). The customer demand supplied from a transmission delivery point will not incur transformation connection service charges if a customer fully owns all transformation connection assets associated with that transmission delivery point. The PTS customers that utilize lines owned by a licenced transmission company to connect to Network Station(s) also incur charges based on the Line Connection Service Rate (PTS-L). The customer demand supplied from a transmission delivery point will not incur line connection service charges if a customer fully owns all line connection assets connecting that delivery point to a Network Station. Similarly, the customer demand will not incur line connection service charges for demand at a transmission delivery point located at a Network Station.

(E) MARKET RULES The IESO will provide transmission service utilizing the facilities owned by the licenced transmission companies in Ontario in accordance with the Market Rules. The Market Rules and appropriate Market Manuals define the procedures and processes under which the transmission service is provided in real or operating time (on an hourly basis) as well as service billing and settlement processes for transmission service charges based on rate schedules contained herein.

TRANSMISSION RATE SCHEDULES

(F) METERING REQUIREMENTS In accordance with Market Rules and the Transmission System Code, the transmission service charges payable by Transmission Customers shall be collected by the IESO. The IESO will utilize Registered Wholesale Meters and a Metering Registry in order to calculate the monthly transmission service charges payable by the Transmission Customers. Every Transmission Customer shall ensure that each metering installation in respect of which the customer has an obligation to pay transmission service charges arising from the Rate Schedule PTS shall satisfy the Wholesale Metering requirements and associated obligations specified in Chapter 6 of the Market Rules, including the appendices therein, whether or not the subject meter installation is required for settlement purposes in the IESO-administered energy market. A meter installation required for the settlement of charges in the IESO-administered that energy market may be used for the settlement of transmission service charges. The Transmission Customer shall provide to the IESO data required to maintain the information for the Registered Wholesale Meters and the Metering Registry pertaining to the metering installations with respect to which the Transmission Customers have an obligation to pay transmission charges in accordance with Rate Schedule PTS. The Metering Registry for metering installations required for the calculation of transmission charges shall be maintained in accordance with Chapter 6 of the Market Rules. The Transmission Customers, or Transmission Customer Agents if designated by the Transmission Customers, associated with each Transmission Delivery Point will be identified as Metered Market Participants within the IESO's Metering Registry. The metering data recorded in the Metering Registry shall be used as the basis for the calculation of transmission charges on the settlement statement for the Transmission Customers identified as the Metered Market Participants for each Transmission Delivery Point. The Metering Registry for metering installations required for calculation of transmission charges shall also indicate whether or not the demand associated with specific Transmission Delivery Point(s) to which a Transmission Customer is connected attracts Line and/or Transformation Connection Service Charges. This information shall be consistent with the Connection Agreement between the Transmission Customer and the licenced Transmission Company that connects the customer to the IESO-Controlled Grid.

(G) EMBEDDED GENERATION The Transmission Customers shall ensure conformance of Registered Wholesale Meters in accordance with Chapter 6 of Market Rules, including Metering Registry obligations, with respect to metering installations for embedded generation that is located behind the metering installation that measures the net demand taken from the transmission system if (a) the required approvals for such generation are obtained after October 30, 1998; and (b) the generator unit rating is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation; and (c) the Transmission Delivery Point through which the generator is connected to the transmission system attracts Line or Transformation Connection Service charges. These terms and conditions also apply to the incremental capacity associated with any refurbishments approved after October 30, 1998, to a generator unit that was connected through an eligible Transmission Delivery Point on or prior to October 30, 1998, and the approved incremental capacity is 2 MW or higher for renewable generation and 1 MW or higher for non-renewable generation. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. Accordingly, the distributors that are Transmission Customers shall ensure that connection agreements between them and the generators, load customers, and embedded distributors connected to their distribution system have provisions requiring the Transmission Customer to satisfy the requirements for Registered Wholesale Meters and Metering Registry for such embedded generation even if the subject embedded generator(s) do not participate in the IESO-administered energy markets.

(H) EMBEDDED CONNECTION POINT In accordance with Chapter 6 of the Market Rules, the IESO may permit a Metered Market Participant, as defined in the Market Rules, to register a metering installation that is located at the embedded connection point for the purpose of recording transactions in the IESO-administered markets. (The Market Rules define an embedded connection point as a point of connection between load or generation facility and distribution system). In special situations, a metering installation at the embedded connection point that is used to settle energy market charges may also be used to settle transmission service charges, if there is no metering installation at the point of connection of a distribution feeder to the

TRANSMISSION RATE SCHEDULES

Transmission Delivery Point. In above situations:

•The Transmission Customer may utilize the metering installation at the embedded connection point, including all embedded generation and load connected to that point, to satisfy the requirements described in Section (F) above provided that the same metering installation is also used to satisfy the requirement for energy transactions in the IESO-administered market. •The Transmission Customer shall provide the Metering Registry information for the metering installation at the embedded connection point, including all embedded generation and load connected to that point, in accordance with the requirements described in Section (F) above so that the IESO can calculate the monthly transmission service charges payable by the Transmission Customer.

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

(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 (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.

TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (PTS)

PROVINCIAL TRANSMISSION RATES

APPLICABILITY:

The Provincial Transmission Service (PTS) is applicable to all Transmission Customers in Ontario who own facilities that are directly connected to the transmission system in Ontario and that withdraw electricity from this system.

Monthly Rate (\$ per kW)

Network Service Rate (PTS-N):

\$ Per kW of Network Billing Demand ^{1,2}

Line Connection Service Rate (PTS-L):

\$ Per kW of Line Connection Billing Demand ^{1,3,4}

Transformation Connection Service Rate (PTS-T):

\$ Per kW of Transformation Connection Billing Demand ^{1,3,4,5}

The rates quoted above shall be subject to adjustments with the approval of the Ontario Energy Board.

Notes:

1. The demand (MW) for the purpose of this rate schedule is measured as the energy consumed during the clock hour, on a "Per Transmission Delivery Point" basis. The billing demand supplied from the transmission system shall be adjusted for losses, as appropriate, to the Transmission Point of Settlement, which shall be the high voltage side of the transformer that steps down the voltage from above 50 kV to below 50 kV at the Transmission Delivery Point.

2. The Network Service Billing Demand is defined as the higher of (a) customer Coincident peak demand (MW) in the hour of the month when the total hourly demand of all PTS customers is highest for the month, and (b) 85 % of the customer peak demand in any hour during the peak period 7 AM to 7 PM (local time) on weekdays, excluding the holidays as defined by IESO. The peak period hours will be between 0700 hours to 1900 hours Eastern Standard Time during winter (i.e. during standard time) and 0600 hours to 1800 hours Eastern Standard Time during summer (i.e. during daylight savings time), in conformance with the meter time standard used by the IESO settlement systems.

3. The Billing Demand for Line and Transformation Connection Services is defined as the Non-Coincident Peak demand (MW) in any hour of the month. The customer demand in any hour is the sum of (a) the loss-adjusted demand supplied from the transmission system plus (b) the demand that is supplied by an embedded generator unit for which the required government approvals are obtained after October 30, 1998 and which have installed capacity of 2 MW or more for renewable generation and 1 MW or higher for non-renewable generation on the demand supplied by the incremental capacity associated with a refurbishment approved after October 30, 1998, to a generator unit that existed on or prior to October 30, 1998. The term renewable generation refers to a facility that generates electricity from the following sources: wind, solar, Biomass, Bio-oil, Bio-gas, landfill gas, or water. The demand supplied by embedded generation will not be adjusted for losses.

3-4. 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.

4-5. The Transformation Connection rate includes recovery for OEB approved Low Voltage Switchgear compensation for Toronto Hydro Electric System Limited and Hydro Ottawa Limited.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code, in particular the Connection Agreement as per Appendix 1 of the Transmission System Code, and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to services provided under this Rate Schedule.

EFFECTIVE DATE: BOARD ORDER: REPLACING BOARD ORDER:

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Ontario Uniform Transmission
Rate Schedule

TRANSMISSION RATE SCHEDULES

RATE SCHEDULE: (ETS)

EXPORT TRANSMISSION SERVICE

APPLICABILITY:

The Export Transmission Service is applicable for the use of the transmission system in Ontario to deliver electrical energy to locations external to the Province of Ontario, irrespective of whether this energy is supplied from generating sources within or outside Ontario.

Hourly Rate

Export Transmission Service Rate (ETS):

\$ / MWh

The ETS rate shall be applied to the export transactions in the Interchange Schedule Data as per the Market Rules for Ontario's Electricity Market. The ETS rate shall be subject to adjustments with the approval of the Ontario Energy Board.

TERMS AND CONDITIONS OF SERVICE:

The attached Terms and Conditions pertaining to the Transmission Rate Schedules, the relevant provisions of the Transmission System Code and the Market Rules for the Ontario Electricity Market shall apply, as contemplated therein, to service provided under this Rate Schedule.

EFFECTIVE DATE: BOARD ORDER: REPLACING BOARD
ORDER:

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Ontario Uniform Transmission
Rate Schedule