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BY EMAIL AND RESS

June 26, 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-2025-0158 – Hydro One Sault Ste. Marie Limited Partnership – Application for 2026 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision and Order in EB-2018-0218, enclosed is Hydro One Sault Ste. Marie Limited Partnership (HOSSM)'s annual Revenue Cap IR Application (the Application) in support of its request for transmission revenue requirement effective January 1, 2026.

An electronic copy of the Application has been submitted, by Hydro One Networks Inc. on behalf of HOSSM, using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke".

Kathleen Burke

1

EXHIBIT LIST

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APPLICATION

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O.1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Hydro One Sault
Ste. Marie Limited Partnership, for an Order or Orders made
pursuant to section 78 of the *Ontario Energy Board Act, 1998*
approving rates and other charges for the transmission of
electricity to be effective January 1, 2026.

1. The applicant, Hydro One Sault Ste. Marie Limited Partnership (HOSSM), is an Ontario limited partnership with its head office in Toronto, Ontario. HOSSM is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2007-0649, to transmit electricity and carry on the business of owning and operating transmission facilities in Ontario.
2. In the OEB's Decision and Order in EB-2016-0050, the OEB approved the acquisition of HOSSM¹ by Hydro One Inc. as well as a ten-year deferral period for rebasing. In the same decision, the OEB determined that HOSSM would continue with its 2016 revenue requirement and could bring forward a separate rate application, proposing a revenue cap index for the deferral period.
3. In its decision in EB-2018-0218, the OEB approved HOSSM's proposed revenue cap index (RCI) methodology and determined that this methodology would be used to determine HOSSM's base transmission revenue requirement for the years 2019 to 2026 inclusive.

¹ HOSSM was named Great Lakes Power Transmission LP at the time of the acquisition; a name change took place on January 16, 2017.

- 1 4. This is an Application for HOSSM's 2026 transmission revenue requirement
2 determined formulaically, using the RCI methodology approved in EB-2018-0218.
3
- 4 5. HOSSM hereby applies to the OEB for an Order approving a total rates revenue
5 requirement of \$44,410,118 for 2026, to be effective on January 1, 2026, and
6 inclusion of HOSSM's approved rates revenue requirement in the OEB's
7 determination of the 2026 Uniform Transmission Rates (UTRs).
8
- 9 6. HOSSM is not requesting approval to dispose of any deferral and variance account
10 balances in this Application, with the exception of the 2024 Earnings Sharing
11 Mechanism (ESM) account balance which will be subtracted from the 2026 base
12 revenue requirement such that 2024 excess earnings are shared with ratepayers as
13 approved by the OEB in EB-2016-0050. Detailed calculations of the ESM amount
14 are provided at Exhibit A-04-01, Section 3.0.
15
- 16 7. Approval of HOSSM's 2026 rates revenue requirement results in an increase in the
17 total bill of 0.003% or \$0.004 per month for a typical Hydro One Distribution medium
18 density residential (R1) customer consuming 750 kWh monthly and an increase in
19 total bill of 0.002% or \$0.010 per month for a typical Hydro One Distribution General
20 Service Energy less than 50 kW (GS<50kW) customer consuming 2,000 kWh
21 monthly. More information regarding the monthly bill impacts may be found in
22 Exhibit A-04-01, Section 4.3.
23
- 24 8. In preparing this Application, HOSSM has been guided by the OEB's *Filing*
25 *Requirements for Electricity Transmission Applications*.
26
- 27 9. The written evidence filed with the OEB may be amended from time to time prior to
28 the OEB's final decision on the Application.

NOTICE AND FORM OF HEARING REQUESTED

10. The Application may be viewed on the Internet at the following address:

<https://www.hydroone.com/about/regulatory/hydro-one-sault-ste-marie>

11. The persons affected by this Application are all persons affected by Ontario's UTRs.

It is impractical to set out their names and addresses because they are too numerous.

PROPOSED EFFECTIVE DATE

12. HOSSM requests that the OEB's Rate Order be effective January 1, 2026. In order to address the possibility that the requested Rate Order cannot be made effective by that time, HOSSM requests an interim rate order making its current transmission revenue requirement and charges effective on an interim basis as of January 1, 2026, and approval to recover any differences between the interim rates and final rates effective January 1, 2026 in the OEB's decision and order establishing uniform transmission rates for the following year, based on the OEB's Decision and Order herein.

CONTACT INFORMATION

13. HOSSM requests that a copy of all documents filed with the OEB by each party to this Application be served on the Applicant and the Applicant's counsel, as follows:

a) The Applicant:

Ms. Eryn Mackinnon
Regulatory Advisor
Hydro One Networks Inc.

Mailing Address:	7 th Floor, South Tower 483 Bay Street Toronto, Ontario M5G 2P5
Telephone:	(437) 318-3700
Email:	Regulatory@HydroOne.com

b) The Applicant's Counsel:

Ms. Raman Dhillon
Senior Legal Counsel
Hydro One Networks Inc.

Mailing Address: 8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5

Telephone: (416) 859-0942

Fax: (416) 345-6972

Email: Raman.Dhillon@HydroOne.com

DATED at Toronto, Ontario, this 26th day of June 2025.

By its counsel,



Raman Dhillon

CERTIFICATION OF EVIDENCE

TO: ONTARIO ENERGY BOARD

Pursuant to Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Applications*, I, Kathleen Burke, Vice-President Regulatory Affairs at Hydro One Networks Inc., certify that:

1. Hydro One Sault Ste. Marie Inc., on behalf of HOSSM, engaged Hydro One Networks Inc. to prepare and submit this Application;
2. To the best of my knowledge, the Application evidence is accurate, consistent and complete, and does not contain any personal information (as defined in the *Freedom of Information and Protection of Privacy Act*) that is not redacted in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

DATED this 26th day of June 2025.



KATHLEEN BURKE

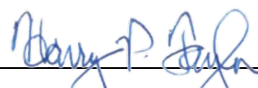
**CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT
BALANCES**

TO: ONTARIO ENERGY BOARD

The undersigned, Harry Taylor, being Hydro One Networks Inc.'s (Hydro One) Executive Vice President, Chief Financial and Regulatory Officer, hereby certifies for and on behalf of Hydro One, Hydro One Sault Ste. Marie Limited Partnership, Hydro One Remote Communities Inc., B2M Limited Partnership, Niagara Reinforcement Limited Partnership and Chatham x Lakeshore Limited Partnership, that:

1. This certificate is provided pursuant to, or to be consistent with, Chapter 1 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*; and
2. Hydro One has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts.

DATED this 6th day of June, 2025.


HARRY TAYLOR

1 **SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH PRIOR**
2 **OEB DECISIONS**

3
4 There are no OEB directives or undertakings from HOSSM's previous proceedings in
5 respect of this Application.

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APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes HOSSM's 2026 transmission rates revenue requirement application (the Application).

The 2026 transmission base revenue requirement of \$49,246,640 has been determined formulaically, using the RCI methodology approved in EB-2018-0218. Inclusion of the 2024 Earnings Sharing Mechanism (ESM) account balance results in a proposed 2026 rates revenue requirement of \$44,410,118 as outlined in Table 1 below, and a detailed breakdown by rate pool is provided in Section 4.0.

Table 1 - Total Rates Revenue Requirement

	Total	Section Reference
Base Revenue Requirement	\$49,246,640	Section 2.0
Disposition of 2024 ESM balance	-\$4,836,522	Section 3.0
Total Rates Revenue Requirement	\$44,410,118	

HOSSM is requesting that the OEB approve the 2026 rates revenue requirement to be effective on January 1, 2026.

Approval of HOSSM's 2026 rates revenue requirement results in an increase in the total bill of 0.003% or \$0.004 per month for a typical Hydro One Distribution medium density residential (R1) customer consuming 750 kWh monthly and an increase in total bill of 0.002% or \$0.010 per month for a typical Hydro One Distribution General Service Energy less than 50 kW (GS< 50kW) customer consuming 2,000 kWh monthly. More information regarding the monthly bill impacts may be found in Section 4.3.

2.0 REVENUE CAP INDEX ADJUSTMENT

In the OEB's Decision for HOSSM's RCI application (EB-2018-0218), the OEB approved the RCI methodology for adjusting HOSSM's transmission revenue requirement for the years 2019 to 2026, inclusive.¹

The approved formula for the Revenue Cap Index for the test year t+1 is equal to the revenue in year t inflated by the Revenue Cap Index (RCI) set out below as:

$$RCI = I - X$$

Where:

"I" is the Inflation Factor, based on a transmission industry specific weighted two-factor input price index;

"X" is the Productivity Factor, which includes a Stretch Factor.

In accordance with the OEB's Decision and Order in EB-2018-0218, only the Inflation Factor will be updated annually.

On June 11, 2025, the OEB released the Inflation Factor to be used by electricity distributors and transmitters for 2026 rate applications beginning January 1, 2026. This Application reflects the 3.5% Inflation Factor calculated by the OEB for electricity transmitters.²

In the OEB's Decision and Order in EB-2018-0218, the OEB approved a productivity factor of 0.3% (which includes a stretch factor of 0.3%).³ Table 2 summarizes the approved components of the RCI for 2026.

¹ Decision and Order, EB-2018-0218, Hydro One Sault Ste. Marie Revenue Cap Index application, June 20, 2019, p. 14.

² OEB Letter, 2026 Inflation Parameters, June 11, 2025.

³ Decision and Order, EB-2018-0218, Hydro One Sault Ste. Marie Revenue Cap Index application, June 20, 2019, p. 20.

Table 2 - 2026 Revenue Cap Index (RCI) by Component (%)

Inflation Factor (I)	3.50%
Productivity Factor (X)	0.30%
Total Revenue Cap Index (RCI = I – X)	3.20%

The 2026 base revenue requirement is calculated as shown in Table 3 below.

Table 3 - 2026 Base Revenue Requirement

Year	Formula	Base Revenue Requirement
2025	OEB-approved HOSSM 2025 base revenue requirement ^[1]	\$47,719,612
2026	2026 base revenue requirement = 2025 base revenue requirement x 2026 RCI ^[2]	\$49,246,640

^[1] Decision and Rate Order, EB-2024-0218, Application for electricity transmission revenue requirement to be effective January 1, 2025, October 24, 2024.

^[2] 2026 RCI as per Table 2 above.

3.0 DEFERRAL AND VARIANCE ACCOUNTS

HOSSM is not requesting approval to dispose deferral and variance account balances in this Application, with the exception of the 2024 ESM account balance which will be subtracted from the 2026 revenue requirement, as approved by the OEB in EB-2016-0050.

In EB-2016-0050, the OEB approved an ESM⁴ that would take effect during the last five years of the rebasing deferral period (2022 to 2026) where HOSSM's revenue requirement is to be adjusted so that prior year excess earnings are shared with ratepayers on a 50:50 basis for all earnings that exceed 300 basis points.⁵ HOSSM's audited financial statements

⁴ Decision and Order, EB-2016-0050, October 13, 2016, p. 24

⁵ See description of ESM at page 12 of the EB-2016-0050 Decision and Order. Please note that the description refers to the use of the ROE approved by the Board for 2018 in HOSSM's 2017-2018 rate application – however, the OEB did not allow the 2017-2018 rebasing application (see pages 17-19 of the EB-2016-0050 Decision and Order). As a result, the allowed ROE is the ROE approved for HOSSM's 2016 revenue requirement (see EB-2015-0337 Decision and Order dated January 14, 2016, pages 3-4).

1 are to be used to calculate any earning sharing amounts.⁶ A continuity schedule for the
2 ESM account is provided at Exhibit A-04-01-01.

3
4 The calculation of the ROE uses the rate base as determined by the sum of the Average
5 regulated fixed assets and working capital allowance, as set out in the “Calculation of ROE
6 on a Deemed Basis” filed pursuant to the OEB’s RRR reporting.⁷ The ROE calculation is
7 normalized for revenue impacting items such as entries recorded in the year which relate
8 to prior years to normalize the in-year net income. However, there were no normalizing
9 adjustments made with respect to the 2024 ESM calculation. The ratepayers’ share of the
10 excess earnings are grossed up for the associated tax impact.

11
12 Included in the balance submitted for approval is interest forecast through to December
13 31, 2025 to reflect carrying charges anticipated through to the proposed effective date.
14 This will result in a forecast balance of (\$4,836,522) as at December 31, 2025.⁸

15
16 Table 4 below provides a summary of the calculations for the 2024 ESM:

⁶ HOSSM’s audited financial statements are to be used prior to amalgamation. See Decision and Order, EB-2016-0050, October 13, 2016, p. 12.

⁷ See “Calculation of ROE on a Deemed Basis” filed pursuant to the OEB’s RRR reporting, “Total Rate Base” (item L in spreadsheet).

⁸ See Total Claim in the ESM DVA schedule.

1

Table 4 - ESM Calculation

		2024
Mid-Year Rate base	A	\$214.67
Capital Structure:		
Long-term debt	B	56%
Short-term debt	C	4%
Common equity	D	40%
Allowed Return:		
Long-term debt	E	6.87%
Short-term debt	F	1.65%
Allowed ROE	G	9.19%
Regulated Net Income (actual)	H	\$17.26
Achieved ROE	I = H / (A x D)	20.10%
Allowed ROE	J	9.19%
Over/(under) earning (%)	K = H - J	10.91%
OEB allowed earnings threshold	L	3%
Over/(under) earning to allowed threshold (%)	M = K-L	7.91%
Excess Earnings Pool	N = A x D x M	\$6.79
Sharing with ratepayers	O	50%
Sharing with ratepayers	P = N x O	\$3.39
Tax Grossed-Up Amount	Q = P / 0.735	\$4.62

2

3 **4.0 RATES**

4 **4.1 CHARGE DETERMINANTS**

5 HOSSM is currently under a deferred rebasing period, and as such the charge
6 determinants for 2026 will remain the same as those that were used for the approved
7 current 2025 UTRs as outlined in Table 5.⁹

⁹ Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates-Schedule A, January 21, 2025.

Table 5 - 2026 Charge Determinants by Rate Pool ^[1] (in MWs)

Network	Line Connection	Transformation Connection
3,498.236	2,734.624	635.252

^[1] Sum of the 12 monthly charge determinants as per OEB Decision and Rate Order, EB-2024-0218 dated October 24, 2024.

4.2 RATES REVENUE REQUIREMENT BY RATE POOL

UTRs are established by allocating the rates revenue requirement to the UTR Rate Pools: Network, Line Connection and Transformation Connection. As previously approved by the OEB, the rates revenue requirement allocation to the UTR rate pools for HOSSM uses the same allocation across the UTR rate pools as Hydro One Transmission, which is based on a cost allocation study conducted by Hydro One Transmission on a regular basis.¹⁰

HOSSM's 2026 rates revenue requirement allocation to the rate pools will be established during the 2026 UTR proceeding, using the OEB approved methodology as described above. An estimate of HOSSM's proposed 2026 rates revenue requirement by rate pool using the split of Hydro One Transmission's approved 2024 rates revenue requirement across the UTR rate pools¹¹ is provided in Table 6 below.

Table 6 - 2026 Rates Revenue Requirement by Rate Pool

Transmitter	Total Rates Revenue Requirement	Network	Line Connection	Transformation Connection
Hydro One Transmission ^[1]	\$2,135,522,760	\$1,280,063,491	\$221,993,543	\$633,465,726
Percentage Split by Rate Pool		59.9%	10.4%	29.7%
HOSSM ^[2]	\$44,410,118	\$26,620,073	\$4,616,556	\$13,173,490

^[1] Hydro One Transmission's Current UTR Rates Revenue Requirement by rate pool as per Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates-Schedule A, January 21, 2025.

^[2] HOSSM's 2026 UTR Rates Revenue Requirement as per Table 1.

¹⁰ This was most recently approved by the OEB in EB-2024-0244.

¹¹ Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates-Schedule A, January 21, 2025.

4.3 BILL IMPACTS

An update to the estimated average transmission cost as a percentage of the total bill for a transmission-connected customer is presented in Table 7 below.

**Table 7 - Estimated Transmission Cost as a Percentage of
Total Electricity Market Costs**

Figure	Cost Component	¢/kWh	Source
A	Commodity	10.45	IESO Monthly Market Report December 2024
B	Wholesale Market Service Charges	0.48	IESO Monthly Market Report December 2024
C	Wholesale Transmission Charges	1.57	IESO Monthly Market Report December 2024
D	Total Monthly Cost for TX-Connected Customers	12.50	D=A+B+C
E	Transmission as % of Total Cost for TX-Connected Customers	12.6%	E=C/D

HOSSM's proposed 2026 rates revenue requirement represents a 2.4%¹² increase from the approved 2025 rates revenue requirement. HOSSM's rates revenue requirement represents 1.8% of the total rates revenue requirement across all transmitters.¹³ This percentage has been applied to HOSSM's change in rates revenue requirement to calculate the net impact on average transmission rates in 2026. Figure E (12.6%) from Table 7 above has been applied to the net impact on average transmission rates to estimate the bill impact on transmission-connected customers in 2026, as shown in Table 8 below.

¹² From Table 8: $(\$44,410,118 / \$43,388,649^*) - 1 = 2.4\%$

¹³ HOSSM's rates revenue requirement divided by all transmitters' rates revenue requirement $(\$43,388,649 / \$2,375,215,616 = 1.8\%)$ as per Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates-Schedule A, January 21, 2025.

1 **Table 8 - Average Bill Impacts on Transmission-Connected Customers**

	2025^[1]	2026^[2]
HOSSM's Rates Revenue Requirement	\$43,388,649	\$44,410,118
% Change in Rates Revenue Requirement over prior year		2.4%
% Impact of load forecast change		0.0%
Net Impact on Average Transmission Rates^[3]		0.04%
Transmission as a % of Tx-connected customer's Total Bill		12.6%
Estimated Average Transmission Customer Bill Impact		0.005%

^[1] 2025 rates revenue requirement per Decision and Rate Order, EB-2024-0218 dated October 24, 2024.

^[2] 2026 Rates Revenue Requirement per Table 1.

^[3] The calculation of net impact on transmission rates accounts for HOSSM's 2025 rates revenue requirement as 1.8% of the total rates revenue requirement across all transmitters ($1.8\% \times 2.4\% = 0.04\%$) as per Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates, January 21, 2025.

2 The total bill impact for a distribution-connected customer is determined based on the
3 forecast change in the customer's Retail Transmission Service Rates (RTSRs). Hydro
4 One Distribution's current RTSRs are based on the Preliminary 2025 UTRs which include
5 HOSSM's approved 2025 rates revenue requirement.¹⁴ As HOSSM's approved 2026 rates
6 revenue requirement is higher than its 2025 rates revenue requirement, there is an
7 increase in RTSRs. The inclusion of HOSSM's 2026 rates revenue requirement in the
8 2026 UTRs will result in a total bill impact of 0.003% (\$0.004 per month) for a typical Hydro
9 One Distribution medium density residential (R1) customer consuming 750 kW per month
10 and similarly and a total bill impact of 0.002% (\$0.010 per month) for a typical Hydro One
11 Distribution General Service Energy (GS<50kW) customer consuming 2,000 kWh per
12 month. A summary of the average bill impacts, as a result of the proposed 2026 rates
13 revenue requirement, is presented in Table 9 for distribution-connected customers.

¹⁴ Preliminary 2025 UTRs as per OEB letter, EB-2024-0244, November 1, 2024 and HOSSM's 2025 Revenue Requirement and Charge Determinants included in Preliminary 2025 UTRs as per Decision and Order, EB-2024-0218 dated October 24, 2024.

1

Table 9 - 2026 Total Bill Impacts for Distribution-Connected Customers

	Calculation	2025	2026
HOSSM's Rates Revenue Requirement ^[1]	A	\$43,388,649	\$44,410,118
HOSSM's 2025 Revenue Requirement as % of Total UTR Revenue Requirement ^[2]	B	1.8%	
HOSSM's Net Impact on 2026 RTSR-Network	$C=(A_{2026}/A_{2025}-1)*B$		0.04%
		Typical Hydro One Distribution R1 Customer Consuming 750 kWh per Month	Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month
Total bill as of January 1, 2025 ^[3]	D	\$142.715	\$452.679
2025 RTSR Network Charge ^[4]	E	\$10.330	\$22.139
2025 RTSR Connection Charge ^[5]	F	\$7.424	\$17.098
2025 Total RTSR Charge	$G=E+F$	\$17.754	\$39.237
2026 Estimated Change in RTSR Charge	$H=G*C$	\$0.004	\$0.010
2026 Estimated Total RTSR Charge	$I=G+H$	\$17.758	\$39.246
2026 Increase as a % of Total bill ^[6]	$J=H/D$	0.003%	0.002%

^[1] HOSSM's 2025 rates revenue requirement as per the Decision and Rate Order, EB-2024-0218 dated October 24, 2024; the 2026 rates revenue requirement as per Table 1.

^[2] Represents HOSSM's currently approved revenue disbursement allocator based on total UTR Revenue Requirement of \$2,375,215,616 as per OEB Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates-Schedule A, January 21, 2025.

^[3] Total 2025 bill including HST, based on time-of-use commodity price effective November 1, 2024 and distribution rates effective January 1, 2025 approved per Distribution Rate Order EB-2024-0032, dated December 19, 2024, with 13.1% Ontario Energy Rebate (effective November 1, 2024), \$0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of \$41.39 (effective July 1, 2024 for Hydro One Distribution R1).

^[4] Represents Hydro One Distribution's approved 2025 RTSR Network (\$/kWh) effective January 1, 2025 approved per the OEB Decision and Rate Order, EB-2024-0032, December 19, 2024, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[5] Represents Hydro One Distribution's approved 2025 RTSR Connection (\$/kWh) effective January 1, 2025 approved per the OEB Decision and Rate Order, EB-2024-0032, December 19, 2024, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[6] 2026 total bill change reflects the estimated change in RTSR and does not account for corresponding adjustments for HST and OER.

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[illegible]

		2023									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-23	Transactions Debit / (Credit) during 2023	OEB-Approved Disposition during 2023	Principal Adjustments during 2024	Closing Principal Balance as of Dec-31-23	Opening Interest Amounts as of Jan-1-23	Interest Jan-1 to Dec-31-23	OEB-Approved Disposition during 2023	Interest Adjustments during 2023	Closing Interest Amounts as of Dec-31-23
Earnings Sharing Mechanism (ESM)	2435	(2,985,368)	(4,896,076)		851,978	(7,029,466)	-	(150,669)			(150,669)
Total Regulatory Accounts Seeking Disposition											

		2024									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-24	Transactions Debit / (Credit) during 2024	OEB-Approved Disposition during 2024	Principal Adjustments during 2025	Closing Principal Balance as of Dec-31-24	Opening Interest Amounts as of Jan-1-24	Interest Jan-1 to Dec-31-24	OEB-Approved Disposition during 2024	Interest Adjustments during 2024	Closing Interest Amounts as of Dec-31-24
Earnings Sharing Mechanism (ESM)	2435	(7,029,466)	(5,645,463)	(2,985,368)	1,026,998	(8,662,563)	(150,669)	(293,416)	(148,671)		(295,413)
Total Regulatory Accounts Seeking Disposition											

		2025				Projected Interest on Dec-31-24 Balances				2.1.7 RRR	
Account Descriptions	Account Number	Principal Disposition during 2025 - instructed by OEB	Interest Disposition during 2025- instructed by OEB	Closing Principal Balances as of Dec 31-24 Adjusted for Dispositions during 2025	Closing Interest Balances as of Dec 31-24 Adjusted for Dispositions during 2025	Projected Interest from Jan 1, 2025 to December 31, 2025 on Dec 31-24 balance adjusted for disposition during 2025	Total Interest	Total Claim (inclusive of carrying charges)	Accounts To Dispose Yes/No	As of Dec 31-24	Variance RRR vs. 2024 Balance (Principal + Interest)
Earnings Sharing Mechanism (ESM)	2435	(4,044,098)	(286,865)	(4,618,465)	(8,548)	(209,508)	(218,056)	(4,836,521.50)	Yes	(9,984,974)	(1,026,998)
Total Regulatory Accounts Seeking Disposition				(4,618,465.12)	(8,548.17)	(209,508.22)	(218,056.38)	(4,836,521.50)			

Accounts that produced a variance on the continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2024 Balance (Principal + Interest)	Explanation
ESM	2435	(1,026,998)	The initial 2024 ESM calculation was performed and recorded using financial information presented in US GAAP. Following the preparation and audit of the HOSSM financial statements under IFRS, the ESM calculation was refined.