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July 31, 2025

RESS & Email

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ritchie Murray, Acting Registrar

Dear Mr. Murray:

Re: EB-2025-0149 Stakeholder Consultation on the Review of the OEB's Filing Requirements for Electricity Transmission Applications - Chapter 1 and Chapter 2

We are counsel to Upper Canada Transmission 2, Inc. ("UCT2"). Below are UCT2's comments on the Parties' Submissions regarding the OEB Filing Requirements.

Please contact the undersigned should you have any further questions or concerns.

Yours truly,

McCarthy Tétrault LLP

Gordon M. Nettleton
Partner | Associé

Comments on Parties' Submissions Regarding the Proposed Amendments to the Filing Requirements for Electricity Transmitters

Upper Canada Transmission 2 Inc.

EB-2025-0149

July 31, 2025

INTRODUCTION

Upper Canada Transmission 2, Inc. (“UCT2”) appreciates the opportunity to provide additional comments in response to parties’ submissions regarding the proposed amendments to the Ontario Energy Board’s (“OEB”) Filing Requirements for Electricity Transmission Applications – Chapters 1 and 2 (“Proposed Amendments”) published on June 5, 2025. UCT2 attended the stakeholder conference hosted by OEB Staff on June 25, 2025 (“Stakeholder Conference”) and provided its initial submission on July 17th, 2025 (“Initial Submission”). Following review of the comments provided by other parties to this proceeding, UCT2 maintains its positions regarding the Proposed Amendments as articulated in its Initial Submission and is further supportive of the recommendation made by Wataynikaneyap Power LP that parties be provided an opportunity to comment on any revised drafts of the Proposed Amendments before they are finalized given the materiality and impact of the changes proposed by the OEB to date.¹

Comments on Parties’ Submissions Regarding the Proposed Amendments to Section 2.0.3 of the Filing Requirements for Electricity Transmitters on Custom IR Guidance for Transmitters with Minimal Capital Expenditures

As stated in its Initial Submission, UCT2 opposes the Proposed Amendments’ changes to Section 2.0.3 of the Filing Requirements, which purport to prescribe a rate framework for transmitters categorized as operating a single-line transmission asset and having minimal capital expenditures. As UCT2 explained, the proposed framework is inflexible, ignores variations in applicants’ circumstances, and unfairly limit applicants’ abilities to propose solutions that fit their specific needs at the time of their application.² UCT2 also maintains that the Filing Requirements are an improper forum to consider the Proposed Amendments.

¹ WPLP Comments Tx Filing, page 6. In addition to WPLP, UCT2 reviewed the comments submitted by Pollution Probe, School Energy Coalition (“SEC”), the Association of Major Power Consumers in Ontario (“AMPCO”), the Society of United Professionals, Five Nations Energy Inc. (“FNEI”) the Consumers Council of Canada (“CCC”), and Hydro One Networks Inc. (“Hydro One”).

² EB-2025-0149, “Appendix A Stakeholder Consultation on the Review of the OEB’s Filing Requirements for Electricity Transmission Applications - Chapter 1 and Chapter 2”, June 5, 2025.

Regarding the positions advanced in other parties' comments, Wataynikaneyap Power, Five Nations Energy Inc., and Hydro One also oppose the proposed changes to Section 2.0.3 because they do not provide sufficient flexibility for applicants to propose frameworks that are responsive to their needs and circumstances at the time of their applications. Similar to UCT2's Initial Submission, these submissions explain how transmitters' particular assets, corporate structures, and partnerships impact their choice of rate framework.³

UCT2 disagrees with SEC's and AMPCO's statements that the Proposed Amendments reflect principles established in recent settlements with single-asset transmitters.⁴ UCT2 is aligned with Hydro One's position that these recent settlements do not provide a sufficient basis for the Proposed Amendments, and indeed, the outcome achieved in these three settlements would not be possible under the OEB's Proposed Amendments. As explained in UCT2's Initial Submission and Hydro One's comments, the settlements in question approved a five-year forecast of operating, maintenance, and administrative ("OM&A") costs, not a first year OM&A amount to be escalated annually by the formula "inflation factor minus productivity factor" ($I - X$) as proposed in the Amendments.⁵ In fact, the OEB's current Transmission Filing Requirements provided appropriate parameters for the parties in those applications to reach the settlements in question.

UCT2 is also aligned with Hydro One's position that the Filing Requirements are not the appropriate forum for designing a new revenue requirement framework. As stated in its Initial Submission, a proceeding to update administrative filing requirements is an improper forum for considering substantive ratemaking changes. Changes to the rate frameworks for transmitters must proceed through a proceeding properly initiated under the OEB's Renewed Regulatory Framework ("RRF"). For these reasons, UCT2 agrees with Hydro One's submission that new proposed revenue requirement frameworks should be based on the RRF, not implemented through the Proposed Amendments. Accordingly, Section 2.0.3 of the Proposed

³ WPLP Comments Tx Filing, page 4; FNEI Comments TxRF, page 3; HONI OEB 2024-2025 Transmission FR Submission, pages 3-4.

⁴ Niagara Reinforcement Limited Partnership, EB-2024-0117; B2M Limited Partnership, EB-2024-0116; Chatham X Lakeshore Limited Partnership, EB-2024-0216; SEC Comments TxFR, page 1; AMPCO Comments Tx Filing Requirements, page 2.

⁵ HONI OEB 2024-2025 Transmission FR Submission, pages 4, 6.

Amendments setting out the OEB’s proposed framework “Custom IR Guidance for Transmitters with Minimal Capital Expenditures” should be removed from the Filing Requirements in its entirety.⁶

UCT2 looks forward to reviewing other parties’ supplementary comments and welcomes an opportunity to provide additional submissions on a revised draft of the Filing Requirements before finalization.

⁶ HONI OEB 2024-2025 Transmission FR Submission, page 16.