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BY EMAIL AND RESS

August 21, 2025

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

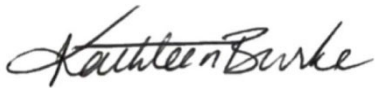
Dear Ms. Marconi,

EB-2025-0157 – Chatham x Lakeshore Limited Partnership (CLLP) – Application for 2026, 2027, 2028, and 2029 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-2024-0216, enclosed is CLLP's one-time update application (the Application) in support of its request for 2026 - 2029 transmission revenue requirement effective January 1 each year.

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

Sincerely,

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

Kathleen Burke

EXHIBIT LIST

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Filed: 2025-08-21
EB-2025-0157
Exhibit A
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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 Chatham x Lakeshore
Limited Partnership by its general partner, Hydro One Indigenous
Partnerships Inc., 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, Chatham x Lakeshore Limited Partnership (CLLP), is an Ontario limited partnership with a general partner and up to five First Nation partners. The partnership interests are held by:
 - a. Chatham x Lakeshore General Partnership Inc., that serves as the general partner, and holds a 0.01% interest in CLLP;
 - b. Hydro One Networks Inc. (HONI), a limited partner that holds a 49.995% interest in CLLP; and
 - c. Up to five First Nation partners from the area in which CLLP's assets are located. The communities that choose to participate will collectively hold a 49.995% interest.
2. CLLP has its head office in Woodstock, Ontario. CLLP is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2024-0147, to transmit electricity and carry on the business of owning and operating transmission facilities related to the Chatham x Lakeshore Project in southwestern Ontario, specifically a 230 kV double-circuit transmission line, C87H and C88H, that terminates just southwest of Chatham SS, and just northeast of Lakeshore TS.

- 1 3. In the OEB's Decision on the Settlement Proposal and Order regarding CLLP's 2025
2 - 2029 Revenue Requirement Application (EB-2024-0216), the OEB approved the
3 revenue requirement framework.¹ The revenue requirement framework includes a
4 one-time update application in 2025 to update the cost of long-term debt based on
5 actual issuances in 2025, update to the rate base in 2025 to reflect actual project
6 expenditures, and update the revenue requirement for each of 2026, 2027, 2028 and
7 2029.²
8
- 9 4. This is the one-time update application (the Application) to update the cost of long-
10 term debt based on actual issuances in 2025, update the rate base in 2025 to reflect
11 actual project expenditures, and update the revenue requirement for each of 2026,
12 2027, 2028 and 2029.
13
- 14 5. CLLP hereby applies to the OEB for an Order approving the 2026, 2027, 2028 and
15 2029 revenue requirements, as follows:
16 • 2026: \$17,366,539 to be effective January 1, 2026, and inclusion of this
17 amount in the 2026 Uniform Transmission Rates (UTR);
18 • 2027: \$16,834,164 to be effective January 1, 2027, and inclusion of this
19 amount in the 2027 UTR;
20 • 2028: \$16,666,632 to be effective January 1, 2028, and inclusion of this
21 amount in the 2028 UTR; and
22 • 2029: \$16,523,438 to be effective January 1, 2029, and inclusion of this
23 amount in the 2029 UTR.
24
- 25 6. CLLP is requesting approval to dispose of the balance in the CxL Transmission Line
26 Revenue Requirement Variance Account (CLLPVA) in this Application. CLLP
27 established the CLLPVA to record the difference between the revenue requirement
28 associated with the actual rate base and approved rate base for 2025. The estimated

¹ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.5.

² *ibid.*

1 CLLPVA balance is \$423,089 however the final amount for disposition for the 2026
2 rates will be updated during the proceeding, in early October, once the trailing costs
3 are finalized, as discussed in Exhibit A-04-01 Section 4.0.

4
5 7. Approval of CLLP's 2026 rates revenue requirement results in a decrease in the total
6 bill of 0.006% or \$0.008 per month for a typical Hydro One medium density residential
7 (R1) customer consuming 750 kWh monthly, and a decrease in total bill of 0.004% or
8 \$0.017 per month for a typical Hydro One General Service Energy less than 50 kW
9 (GSe < 50 kW) customer consuming 2,000 kWh monthly. More information regarding
10 the monthly bill impacts for 2026 to 2029 may be found in Exhibit A-04-01.

11
12 8. In preparing this Application, CLLP has been guided by the OEB's Filing
13 Requirements for Electricity Transmission Applications dated February 11, 2016.

14
15 9. The written evidence filed with the OEB may be amended from time to time prior to
16 the OEB's final decision on the Application.

17
18 **NOTICE AND FORM OF HEARING REQUESTED**

19 10. The Application may be viewed on the internet at the following address:
20 <https://www.hydroone.com/about/regulatory/hydro-one-indigenous-partnerships>

21
22 11. The persons affected by this Application are all persons affected by Ontario's UTRs.
23 It is impractical to set out their names and addresses because they are too numerous.

24
25 **PROPOSED EFFECTIVE DATE**

26 12. CLLP requests the effective dates set out in paragraph 5, above.

27
28 13. In order to address the possibility that the Rate Order for 2026 cannot be made
29 effective by January 1, 2026, CLLP requests an interim Rate Order making its
30 proposed transmission revenue requirement and charges effective on an interim
31 basis as of January 1, 2026, and approval of a Transmission Foregone Revenue

1 Deferral Account to recover any differences between the interim rates and final rates
2 effective January 1, 2026, based on the OEB's Decision and Order herein.

3

4 **CONTACT INFORMATION**

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

1 **a) For the Applicant:**

2 Ms. Eryn MacKinnon
3 Regulatory Advisor – Regulatory Affairs
4 Hydro One Networks Inc.

5
6 Mailing Address: 7th Floor, South Tower
7 483 Bay Street
8 Toronto, Ontario M5G 2P5
9 Telephone: (437) 318-3700
10 Email: Regulatory@HydroOne.com;

11
12 **b) The Applicant's Counsel:**

13 Ms. Raman Dhillon
14 Senior Legal Counsel
15 Hydro One Networks Inc.

16
17 Mailing Address: 8th Floor, South Tower
18 483 Bay Street
19 Toronto, Ontario M5G 2P5
20 Telephone: (416) 859-0942
21 Fax: (416) 345-6972
22 Email: Raman.Dhillon@HydroOne.com

23
24 **DATED** at Toronto, Ontario, this 21st day of August, 2025.

25
26 By its counsel,

27
28 
29 _____

30 Raman Dhillon

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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 Indigenous Partnerships Inc. (HOIP), on behalf of Chatham x Lakeshore Limited Partnership (CLLP), 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 21st day of August, 2025.



KATHLEEN BURKE

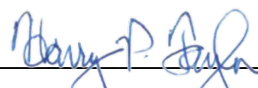
**CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT
BALANCES**

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

**SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH
PREVIOUS OEB DECISIONS**

In the Decision and Order of EB-2024-0216,¹ the OEB noted that there will be no requirement for CLLP to file annual update applications with the OEB, but a one-time update will be filed in 2025 to include: (i) an update to rate base to reflect actual project expenditures; (ii) an update to the cost of long term debt for actual debt issuances in 2025; (iii) disposition of the CLLPVA; and (iv) an update to set revenue requirements from 2026 to 2029. More information is provided in Exhibit A-04-01.

¹ Decision and Order, EB 2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p 6.

APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes CLLP's one-time update application (the Application) to the 2026 – 2029 revenue requirement. CLLP has updated the 2026 – 2029 revenue requirement approved in EB-2024-0216 using the cost of long-term debt based on actual issuances in 2025 and has updated the rate base to reflect actual project expenditures and the latest estimate for trailing costs.

Section 2.0 below details the calculations of the updated 2026 – 2029 revenue requirements. Section 3.0 below describes the updated rate base and 2025 trailing costs associated with the completion of the Chatham x Lakeshore Transmission Line. Section 4.0 describes the impact to the CxL Transmission Line Revenue Requirement Variance Account (CLLPVA) balance. Section 5.0 below sets out the bill impacts.

The annual change in revenue requirement from 2026 to 2029 will not materially impact the estimated average transmission customer bill, or the total bills for Hydro One's typical R1 and GS<50kW customers. More information regarding the monthly bill impacts is provided in Section 5.2.

2.0 UPDATE TO 2026 – 2029 REVENUE REQUIREMENT

As approved in EB-2024-0216, CLLP is updating its 2026 – 2029 revenue requirement to reflect the cost of long-term debt based on actual issuances in 2025 and update to the rate base in 2025 to reflect actual project expenditures. There will be no further updates to the revenue requirements in this rate period following this Application. Table 1 summarizes the updated 2026 – 2029 revenue requirements.

The 2026 weighted average long-term debt rate assumed in the draft rate order was 4.58%¹. As a result of actual long-term debt issuances in February 2025, the updated

¹ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.55.

2026 weighted average long-term debt rate is 4.31%. This rate will remain fixed for the remainder of the rate period.

CLLP's updated long-term debt rate is provided in Exhibit A-04-01 Attachment 1 and the updated cost of capital summary reflecting the updated long-term debt rate is provided in Exhibit A-04-01 Attachment 2. CLLP's updated 2024 – 2029 Continuity of Property, Plant and Equipment, and 2024 – 2029 Continuity of Accumulated Depreciation for the updated rate base to reflect actual project expenditures and the latest estimate for trailing costs are provided as Exhibit A-04-01 Attachment 3 and Exhibit A-04-01 Attachment 4 respectively.

Tables 1 below provide the updates to revenue requirement.

Table 1 – Updated 2026 - 2029 Base and Rates Revenue Requirement

	EB-2024-0216 Settlement ²				Change to Capital Costs and LT Debt				Updated				Reference
(\$ in millions)	2026	2027	2028	2029	2026	2027	2028	2029	2026	2027	2028	2029	
OM&A	1.08	1.14	1.13	1.15	-	-	-	-	1.08	1.14	1.13	1.15	No Change
Depreciation	2.54	2.54	2.54	2.54	0.02	0.02	0.02	0.02	2.56	2.56	2.56	2.56	A-04-01 Att 4
Return on Debt	5.57	5.50	5.43	5.36	(0.11)	(0.10)	(0.10)	(0.10)	5.46	5.39	5.33	5.26	A-04-01 Att 2
Return on Equity	7.44	7.35	7.25	7.16	0.29	0.29	0.28	0.28	7.73	7.63	7.54	7.44	A-04-01 Att 2
Income Tax	0.10	0.10	0.10	0.10	0.00 ³	0.00 ³	0.00 ³	0.00 ³	0.11	0.11	0.10	0.10	A-04-01 Att 5
Base Revenue Requirement	16.74	16.63	16.46	16.31	0.20	0.20	0.21	0.21	16.94	16.83	16.67	16.52	
Add: DVA Disposition	-	-	-	-	0.42	-	-	-	0.42	-	-	-	Table 3 below
Rates Revenue Requirement	16.74	16.63	16.46	16.31	0.62	0.20	0.21	0.21	17.37	16.83	16.67	16.52	

3.0 RATE BASE

In EB-2024-0216, CLLP included a rate base estimate of \$200.21M in 2024, and trailing cost of \$4.89M to be incurred in 2025.⁴ The Settlement Agreement included two mechanisms to address project cost variances:

² Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.50.

³ The change in Income Tax is less than \$50,000. When rounded to the nearest \$M, the value is presented as \$0.00.

⁴ Application and Evidence, EB-2024-0216, Chatham x Lakeshore Limited Partnership, July 12, 2024, p. 84.

- 1 • Issue 10: “the Parties further agree, as part of the one-time update application in
2 2025 for 2026 - 2029 revenue requirement, CLLP will update the rate base to
3 reflect actual project expenditures.”⁵
- 4 • Issue 15: “The CLLPVA will record the difference between the revenue
5 requirement associated with the actual rate base and approved rate base for 2025.
6 The balance in the CLLPVA will be disposed of at the one-time update application
7 in 2025.”⁶

8 The CLLP transmission line was placed into service on December 17, 2024, for \$202.9M.
9 Additional other trailing costs of \$0.76M were incurred in 2024 bringing the total in-
10 serviced amount in 2024 to \$203.66M. This is materially below the approved section 92
11 estimate but slightly above the EB-2024-0216 estimate for 2024 (\$200.21M). The variance
12 was primarily caused by the additional costs to perform Alternating Current mitigation that
13 was discovered in late 2024 (\$1.9M), early completion of most of the biodiversity scope
14 (\$0.8M) to meet EA requirements, and the above-mentioned other trailing costs.

15
16 In accordance with the Decision and Order⁷, CLLP has updated the rate base to reflect
17 actual project expenditures at the date of being placed in-service and included an estimate
18 for 2025 trailing costs. Table 2 below presents a breakdown of the trailing costs estimate.

⁵ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.32.

⁶ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.37.

⁷ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.5

Table 2 – Breakdown of Estimated Trailing Cost

Description	EB-2024-0216 ⁸ (\$M)	August 2025 Forecast (\$M)
Remediation and Claims	\$2.70M	\$8.90M*
Biodiversity to meet EA requirements	\$1.10M	\$0.30M
Road Removal	\$1.00M	\$0.60M*
Overhead @ 2% ECI – EPC Rate	\$0.09M	\$0.20M*
2024 Other Trailing Costs ⁹		(\$0.76M)
Total	\$4.89M	\$9.24M

*to be updated by October 2025 during the proceeding.

The Remediation and Claims as well as the Road Removal expenditures still have a high degree of variability, in the range of \$3.3M to \$10.8M.

The final Trailing Cost amount will be provided during the proceeding, in early October, once the following activities are completed:

- a partial road condition assessment is expected to be completed within this construction season to determine the extent of CLLP's obligation to repair roads damaged by construction activities,
- costs for 3rd party Alternating Current mitigation that CLLP is cost accountable for, and
- costs to remove temporary access roads within this construction season.

The current estimate for the project is \$212.9M (\$203.66M + \$9.24M) with a range between \$206.9M to \$214.4M. This updated estimate represents a savings of \$22.3M compared to the approved section 92 estimate of \$235.2M (EB-2022-0140 Exhibit B-07-01).

Accordingly, CLLP has updated the 2024 – 2029 Continuity of Property, Plant and Equipment, and 2024 – 2029 Continuity of Accumulated Depreciation for the updated rate base to reflect actual project expenditures and the latest estimate for trailing costs is

⁸ EB-2024-0216, September 27, 2024, Interrogatory I-01-16, part b).

⁹ Of the \$10M estimated in total trailing costs, \$0.76M has already incurred in 2024. The remaining \$9.24M is the estimated amount to be incurred in 2025.

provided at Exhibit A-04-01 Attachment 3 and Exhibit A-04-01 Attachment 4 respectively. The associated income tax impact of the updated rate base is provided at Exhibit A-04-01 Attachment 5.

4.0 DEFERRAL AND VARIANCE ACCOUNTS

CLLP is requesting approval to dispose of variance account balances in the CLLPVA. The CLLPVA balance reflects the difference in the 2025 revenue requirement associated with actual rate base based on the project cost at year-end 2024 (\$203.66M) and the latest estimate for 2025 trailing costs (\$9.24M), versus the rate base arising from the gross plant balances outlined in Table 2 above. The resulting impact to 2025 revenue requirement is \$423,089, which is currently recorded in Table 3 below. The final amount for disposition for the 2026 rates will be updated during the proceeding, in early October, as discussed in Section 3.0.

Table 3: Estimate of 2025 Revenue Requirement Change in CLLPVA (\$M)

	As filed in EB-2024-0216 ¹⁰	Updated	CLLPVA Entry
	2025	2025	2025
OM&A	1.06	1.06	-
Depreciation	2.51	2.56	0.06
Return on Debt	5.63	5.79	0.16
Return on Equity	7.44	7.65	0.21
Income Tax	0.10	0.11	0.00
Base Revenue Requirement	16.74	17.16	0.42

¹⁰ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.50.

1 **5.0 RATES**

2 **5.1 RATES REVENUE REQUIREMENT BY RATE POOL**

3 As indicated in Section 4.0 above, CLLP is requesting approval to dispose of the balance
4 in the CLLPVA. The 2026 – 2029 rates revenue requirement for CLLP has been updated
5 accordingly.

6
7 CLLP does not have charge determinants for setting Uniform Transmission Rates (UTRs)
8 as it does not have any customer delivery points supplied directly from its assets.
9 Therefore, as previously approved by the OEB,¹¹ the CLLP rates revenue requirement is
10 allocated entirely to the Network rate pool, as all the assets owned by CLLP serve the
11 transmission network with no transformation or individual customer services. Table 4
12 below presents the rates revenue requirement by rate pool for the years 2026 to 2029.

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

1 **Table 4 – 2026 - 2029 Rates Revenue Requirement by Rate Pool**

	Network	Line Connection	Transformation Connection	UTR Revenue Requirement
2026 Rates Revenue Requirement¹	\$17,366,539	-	-	\$17,366,539
2027 Rates Revenue Requirement¹	\$16,834,164	-	-	\$16,834,164
2028 Rates Revenue Requirement¹	\$16,666,632	-	-	\$16,666,632
2029 Rates Revenue Requirement¹	\$16,523,438	-	-	\$16,523,438

¹ As per Section 2.0, Table 1

2 **5.2 BILL IMPACTS**

3 Estimated average transmission cost as a percentage of the total bill for a transmission-
4 connected customer is presented in Table 5 below.

5

6 **Table 5 - Estimated Transmission Cost as a Percentage of Total Electricity Market Costs**

	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	<i>Transmission as % of Total Cost for Tx-Connected Customers</i>	<i>12.6%</i>	E=C/D

7 CLLP's proposed 2026 rates revenue requirement represents a 6.3%¹² decrease from the
8 approved 2025 rates revenue requirement.¹³ CLLP's rates revenue requirement

¹² (\$17,366,539 / \$18,535,124) - 1 = -6.3%.

¹³ Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates Update-Schedule A, January 21, 2025.

represents 0.8% of the total revenue requirement across all transmitters.¹⁴ As such, CLLP's proposed 2026 rates revenue requirement results in a net impact of -0.049% on average transmission rates and a decrease of 0.006% on a transmission customer's estimated bill. A summary of the average bill impacts, as a result of the proposed rates revenue requirement from 2026 to 2029, is presented in Table 6 for transmission-connected customers.

Table 6 - Average Bill Impacts on Transmission-Connected Customers

	2025	2026	2027	2028	2029
Rates Revenue Requirement ^[1]	\$18,535,124	\$17,366,539	\$16,834,164	\$16,666,632	\$16,523,438
% Change in Rates Revenue Requirement over prior year		-6.3%	-3.1%	-1.0%	-0.9%
% Impact of load forecast change		0.0%	0.0%	0.0%	0.0%
Net Impact on Average Transmission Rates^[2]		-0.049%	-0.024%	-0.008%	-0.007%
Transmission as a % of Tx-connected customer's Total Bill		12.6%	12.6%	12.6%	12.6%
Estimated Average Transmission Customer Bill Impact^[3]		-0.006%	-0.003%	-0.001%	-0.001%

^[1] 2025 rates revenue requirement per OEB Revenue Requirement and Charge Determinant Order EB-2024-0216 dated December 17, 2024, and 2026-2029 rates revenue requirement per Table 1.

^[2] The calculation of net impact on transmission rates for 2026 accounts CLLP's 2025 rates revenue requirement as 0.8% of the total rates revenue requirement across all transmitters (i.e. $0.8\% \times -6.3\% = -0.049\%$ in 2026) per Decision and Rate Order, EB-2024-0244 2025 Uniform Transmission Rates, Schedule A, January 21, 2025. The calculation for 2027-2029 follows the same logic.

^[3] The calculation of estimated average transmission customer bill impact is the net impact on average transmission rates on the transmission portion of a transmission connected customer's total bill (i.e. $-0.049\% \times 12.6\% = -0.006\%$ in 2026). The calculation for 2027-2029 follows the same logic.

As discussed in Section 5.1 above, CLLP's rates revenue requirement is allocated entirely to the Network rate pool. Subsequently, the total bill impact for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly, and for a typical

¹⁴ CLLP's rates revenue requirement divided by all transmitters' rates revenue requirement ($\$18,535,124 / \$2,375,215,616 = 0.8\%$) as per Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates, Schedule A, January 21, 2025.

1 Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming
2 2,000 kWh monthly is determined based on the forecast change in the customer's Network
3 Retail Transmission Service Rates (RTSR-N). In 2026, this reflects the change from the
4 Preliminary 2025 UTRs¹⁵ to the proposed 2026 rates revenue requirement.

5
6 The proposed 2026 rates revenue requirement results in a decrease in the total bill of
7 0.006% or \$0.008 per month for a typical Hydro One medium density residential (R1)
8 customer consuming 750 kWh monthly, and a decrease in the total bill of 0.004% or
9 \$0.017 per month for a typical Hydro One General Service Energy less than 50 kW (GSe
10 < 50 kW) customer consuming 2,000 kWh monthly. A summary of the average bill impacts,
11 as a result of the proposed rates revenue requirement from 2026 to 2029, is presented in
12 Table 7 for distribution-connected customers.

¹⁵ Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2025 UTRs, EB-2024-0244, November 1, 2024.

1

Table 7 – 2026-2029 Total Bill Impacts for Distribution-Connected Customers

	Calculation ^[1]	2025	2026	2027	2028	2029
CLLP's Rates Revenue Requirement (\$M) ^[2]	A	18.535	17.367	16.834	16.667	16.523
CLLP's 2025 Rates Revenue Requirement as % of UTR Network Revenue Requirement ^[3]	B	1.238%				
Estimated Net Impact on RTSR-Network ^[4]	$C=(A/A_{PY}-1)*B_{2025}$		-0.078%	-0.038%	-0.012%	-0.011%
Typical Hydro One Distribution R1 Customer Consuming 750 kWh per Month						
		2025	2026	2027	2028	2029
RTSR Network Charge (\$) ^{[5],[6]}	$D=D_{PY}*(1+ C)$	10.330	10.322	10.318	10.316	10.315
RTSR Connection Charge (\$) ^{[5],[7],[8]}	E	7.424	7.424	7.424	7.424	7.424
Total RTSR Charge (\$)	$F=D+E$	17.754	17.746	17.742	17.741	17.740
Estimated Change in RTSR Network Charge (\$) ^[8]	$G=C*D_{PY}$		(0.008)	(0.004)	(0.001)	(0.001)
Total Bill (\$) ^[8]	$H=H_{PY}+D$	142.715	142.707	142.703	142.702	142.701
<i>Increase as a % of Total bill</i>	$I=G/H_{PY}$		-0.006%	-0.003%	-0.0009%	-0.001%
Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month						
		2025	2026	2027	2028	2029
RTSR Network Charge (\$) ^{[5],[6]}	$J=J_{PY}*(1+ C)$	22.139	22.122	22.114	22.111	22.108
RTSR Connection Charge (\$) ^{[5],[7],[8]}	K	17.098	17.098	17.098	17.098	17.098
Total RTSR Charge (\$)	$L=J+K$	39.237	39.220	39.211	39.208	39.206
Estimated Change in RTSR Network Charge (\$) ^[8]	$M=C*J_{PY}$		(0.017)	(0.008)	(0.003)	(0.002)
Total Bill (\$) ^[9]	$N=N_{PY}+M$	452.679	452.662	452.653	452.650	452.648
<i>Increase as a % of Total bill</i>	$O=M/N_{PY}$		-0.004%	-0.002%	-0.0006%	-0.001%

^[1] Inputs are current year (CY) unless otherwise denoted (e.g. PY refers to the value from the previous year). Calculations are for 2026-2029 values.

^[2] CLLP's 2025 rates revenue requirement per Decision and Rate Order, EB-2024-0216 dated December 17, 2024; 2026-2029 per Table 1.

^[3] CLLP's currently approved Network revenue disbursement allocator, as per OEB Decision and Rate Order, EB-2024-0244 2025 Uniform Transmission Rates, Schedule A, January 21, 2025.

^[4] The calculation of net impact on Hydro One Distribution's RTSR Network is CLLP's change in rates revenue requirement relative to its share of the total 2025 UTR Network revenue requirement.

^[5] Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2025 UTRs, EB-2024-0244, November 1, 2024.

^[6] 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.

^[7] 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.

^[8] CLLP's rates revenue requirement is wholly allocated to the Network rate pool. As a result, CLLP's rates revenue requirement impacts RTSR-N, and not RTSR-C.

^[9] 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).

CLLP
Cost of Long-Term Debt Capital
Test Year (2026)
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		1/1/2026 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2025 (\$Millions)	at 12/31/2026 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	28-Feb-25	3.958%	4-Jan-35	56.8	0.2	56.6	99.59	4.01%	56.8	56.8	56.8	2.3	
2	28-Feb-25	4.382%	27-Jan-53	56.8	0.3	56.5	99.52	4.41%	56.8	56.8	56.8	2.5	
3		Subtotal							113.6	113.6	113.6	4.8	
4		Treasury OM&A costs										0.03	
5		Other financing-related fees										0.08	
6		Total							113.6	113.6	113.6	4.9	4.31%

Note 1 - All debt is 3rd party issued debt with fixed rates

CLLP
Summary of Cost of Capital
Test Year 2026
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2026		Cost Rate (%) (c)	Return (\$M) (d)	
		(\$M)	%			
		(a)	(b)			
1	Long-term debt	113.6	54.4%	4.31%	4.9	
2	Short-term debt	8.4	4.0%	5.04%	0.4	
3	Deemed long-term debt	3.3	1.6%	4.31%	0.1	
4	Total debt	125.3	60.0%	4.36%	5.5	
5	Common equity	83.5	40.0%	9.25%	7.7	
6	Total rate base	208.9	100.0%	6.32%	13.2	Rate Base Check: -

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total Rate Base Obtained Using the Following Formula: Exhibit A-04-01-03 Cell I19 minus Exhibit A-04-01-04 Cell I16

CLLP
Summary of Cost of Capital
Test Year 2027
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2027		Cost Rate	Return
		(\$M)	%	(%)	(\$M)
		(a)	(b)	(c)	(d)
1	Long-term debt	113.6	55.1%	4.31%	4.9
2	Short-term debt	8.3	4.0%	5.04%	0.4
3	Deemed long-term debt	1.9	0.9%	4.31%	0.1
4	Total debt	123.8	60.0%	4.36%	5.4
5	Common equity	82.5	40.0%	9.25%	7.6
6	Total rate base	206.3	100.0%	6.32%	13.0

Rate Base Check: -

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total Rate Base Obtained Using the Following Formula: Exhibit A-04-01-03 Cell I21 **minus** Exhibit A-04-01-04 Cell I18

CLLP
Summary of Cost of Capital
Test Year 2028
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2028		Cost	Return
		(\$M)	%	Rate	(\$M)
		(a)	(b)	(c)	(d)
1	Long-term debt	113.6	55.8%	4.31%	4.9
2	Short-term debt	8.1	4.0%	5.04%	0.4
3	Deemed long-term debt	0.5	0.2%	4.31%	0.0
4	Total debt	122.2	60.0%	4.36%	5.3
5	Common equity	81.5	40.0%	9.25%	7.5
6	Total rate base	203.7	100.0%	6.32%	12.9

Rate Base Check: -

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total Rate Base Obtained Using the Following Formula: Exhibit A-04-01-03 Cell I23 **minus** Exhibit A-04-01-04 Cell I20

CLLP
Summary of Cost of Capital
Test Year 2029
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2029		Cost	Return
		(\$M)	%	Rate	(\$M)
		(a)	(b)	(c)	(d)
1	Long-term debt	113.0	56.2%	4.31%	4.9
2	Short-term debt	8.0	4.0%	5.04%	0.4
3	Deemed long-term debt	(0.4)	(0.2%)	4.31%	(0.0)
4	Total debt	120.7	60.0%	4.36%	5.3
5	Common equity	80.5	40.0%	9.25%	7.4
6	Total rate base	201.2	100.0%	6.32%	12.7

Rate Base Check: -

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total Rate Base Obtained Using the Following Formula: Exhibit A-04-01-03 Cell I25 **minus** Exhibit A-04-01-04 Cell I22

CLLP
Continuity of Property, Plant and Equipment
Bridge (2024), Test (2025-2029) Years
Year Ending December 31
Total - Gross Balances
(\$ Millions)

Line No.	Year	Opening Balance	Additions	Retirements	Sales	Transfers In/Out	Closing Balance	Average
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Bridge</u>								
1	2024	-	203.66	-	-	-	203.66	
<u>Test</u>								
2	2025	203.66	9.24	-	-	-	212.90	208.28
3	2026	212.90	-	-	-	-	212.90	212.90
4	2027	212.90	-	-	-	-	212.90	212.90
5	2028	212.90	-	-	-	-	212.90	212.90
6	2029	212.90	-	-	-	-	212.90	212.90

CLLP
Continuity of Property, Plant and Equipment - Accumulated Depreciation
Bridge (2024) Test (2025-2029) Years
Year Ending December 31
Total - Gross Balances
(\$ Millions)

Line No.	Year	Opening Balance	Additions	Retirements	Sales	Transfers In/Out and Other	Closing Balance	Average
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Bridge</u>								
1	2024	-	0.20	-	-	-	0.20	
<u>Test</u>								
2	2025	0.20	2.56	-	-	-	2.77	1.48
3	2026	2.77	2.56	-	-	-	5.33	4.05
4	2027	5.33	2.56	-	-	-	7.89	6.61
5	2028	7.89	2.56	-	-	-	10.45	9.17
6	2029	10.45	2.56	-	-	-	13.02	11.73

CLLP
Calculation of Utility Income Taxes
Bridge (2024) and Test Years (2025 to 2029)
Year Ending December 31
(\$ Millions)

SUMMARY OF TAX EXPENSE						
	2024	2025	2026	2027	2028	2029
Hydro One Networks Inc. (HONI)	0.0	0.1	0.1	0.1	0.1	0.1
Chatham X Lakeshore GP Inc	0.0	0.0	0.0	0.0	0.0	0.0
First Nations	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.1	0.1	0.1	0.1	0.1

Chatham x Lakeshore LP

Line No.	Particulars	2024	2025	2026	2027	2028	2029
		(a)	(b)	(c)	(d)	(e)	(f)
<u>Determination of Taxable Income</u>							
1	Regulatory Net Income (before	0.6	7.8	7.8	7.7	7.6	7.5
2	Book to Tax Adjustments:						
3	Depreciation and amortization	0.2	2.6	2.6	2.6	2.6	2.6
4	Capital Cost Allowance	-9.95	-14.09	-12.97	-12.04	-11.18	-10.38
5	Other	0.5	0.0	0.0	0.0	0.0	0.0
6	Total Adjustments	-9.3	-11.5	-10.4	-9.5	-8.6	-7.8
	Regulatory Taxable						
	Income/(Loss) before Loss	\$ -8.7	\$ -3.8	\$ -2.6	\$ -1.7	\$ -1.0	\$ -0.3
7	Carry Forward						
<u>Allocation of Taxable Income</u>							
8	Hydro One Networks Inc (HONI	-4.3	-1.9	-1.3	-0.9	-0.5	-0.1
9	Catham X Lakeshore GP Inc	0.0	0.0	0.0	0.0	0.0	0.0
10	First Nations	-4.3	-1.9	-1.3	-0.9	-0.5	-0.1
11	Total	\$ -8.7	\$ -3.8	\$ -2.6	\$ -1.7	\$ -1.0	\$ -0.3
<u>Tax Rates</u>							
12	Federal Tax	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %
13	Provincial Tax	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
14	Total Tax Rate	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %

Hydro One Networks Inc. (HONI)

Line No.	Particulars	2024	2025	2026	2027	2028	2029
		(a)	(a)	(b)	(c)	(d)	(e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income fron	-4.3	-1.9	-1.3	-0.9	-0.5	-0.1
2	Loss Carryforward	4.3	1.9	1.3	0.9	0.5	0.1
3	Taxable Income after loss carryfo	0.0	0.0	0.0	0.0	0.0	0.0
4	Tax Rate	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %
5	Income Tax Expense	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<u>Loss Continuity Schedule</u>							
	Opening Losses Carryforward	0.0	-4.3	-6.2	-7.5	-8.4	-8.9
	Losses (Incurred)/Utilized during	-4.3	-1.9	-1.3	-0.9	-0.5	-0.1
	Closing Losses Carryforward	-4.3	-6.2	-7.5	-8.4	-8.9	-9.0
<u>Determination of Corporate Minimum Tax*</u>							
	Allocation of Accounting Income f	0.3	3.9	4.0	3.9	3.9	3.8
	Corporate Minimum Tax Rate	2.7 %	2.7 %	2.7 %	2.7 %	2.7 %	2.7 %
	Corporate Minimum Tax Potentia	0.0	0.1	0.1	0.1	0.1	0.1
	Ontario Income Tax	0.0	0.0	0.0	0.0	0.0	0.0
	Corporate Minimum Tax Paya	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Opening CMT Credit Carryforwar	0.0	0.0	0.1	0.2	0.3	0.4
	CMT Credit Incurred/(utilized)	0.0	0.1	0.1	0.1	0.1	0.1
	Closing CMT Credit Carryforward	0.0	0.1	0.2	0.3	0.4	0.5
	Total Tax Expense	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Includes the corporate minimum tax for HONI and Chatham X Lakeshore GP Inc

Chatham X Lakeshore GP Inc

Line No.	Particulars	2024	2025	2026	2027	2028	2029
		(a)	(a)	(b)	(c)	(d)	(e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income fron	0.0	0.0	0.0	0.0	0.0	0.0
2	Loss Carryforward	0.0	0.0	0.0	0.0	0.0	0.0
3	Taxable Income after loss carryfo	0.0	0.0	0.0	0.0	0.0	0.0
4	Tax Rate	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %	26.5 %
5	Sub Total	0.0	0.0	0.0	0.0	0.0	0.0
6	Additional Taxes due to Negative	0.0	0.0	0.0	0.0	0.0	0.0
7	Income Tax Expense	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

First Nations

Line No.	Particulars	2024	2025	2026	2027	2028	2029
		(a)	(a)	(b)	(c)	(d)	(e)
<u>Determination of Income Taxes</u>							
1	Allocation of Taxable Income fron	-4.3	-1.9	-1.3	-0.9	-0.5	-0.1
2	Tax Rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
3	Income Tax Expense	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<u>Determination of Corporate Minimum Tax</u>							
4	Allocation of Accounting Incon	0.3	3.8	3.9	3.8	3.8	3.7
5	Corporate Minimum Tax Rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
6	Corporate Minimum Tax Paya	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
7	Total Tax Expense	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0