Orangeville Hydro Limited

2026 Price Cap IR Application

EB-2025-0015

Submitted on: October 9, 2025

Orangeville Hydro Limited

400 C Line

Orangeville, ON

L9W 3Z8

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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 Orangeville Hydro Limited to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable distribution rates and other service charges to be effective May 1, 2026.

3.1 INTRODUCTION

Orangeville Hydro Limited (Orangeville Hydro) hereby applies to the Ontario Energy Board (the Board or OEB) for approval of its 2026 Distribution Rate Adjustments effective May 1, 2026. Orangeville Hydro applies for an Order or Orders approving the proposed distribution rates and other charges as set out in Appendix B of this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act.

Orangeville Hydro has followed Chapter 3 of the OEB's *Filing Requirements For Electricity Distribution Rate Applications* dated June 19, 2025 in order to prepare this Application. In accordance with the Board's directive, Orangeville Hydro is filing a Price Cap IR application.

In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1st, 2026, Orangeville Hydro requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2026 distribution rates. If the effective date does not coincide with the Board's decided implementation date for 2026 distribution rates and charges, Orangeville Hydro requests to be permitted to recover the incremental revenue from the effective date to the implementation date.

Orangeville Hydro requests that this application be disposed of by way of a written hearing.

Orangeville Hydro confirms that the billing determinants used in the Model are from the most recent reported RRR filings. Orangeville Hydro reviewed both the existing Tariff Sheets and billing determinants in the pre-populated worksheets and confirms that they were accurate. Orangeville Hydro also confirms that it has not revised any RRR data after it was incorporated in the models. Orangeville Hydro used the OEB's models and workforms for this application and confirms it has not made changes to the models or workforms to address special circumstances.

In the preparation of this application, Orangeville Hydro used the 2026 IRM Rate Generator Model most recently updated on July 17, 2025. The rates and other adjustments being applied for and as calculated using the above Model include a Price Cap IR Rate-Setting option to adjust for its 2026 rates. The Price Cap IR methodology provides for a mechanistic and formulaic adjustment to distribution rates and charges in the period between Cost of Service applications. The Model also adjusts Retail Transmission Service Rates and Low Voltage Rates in accordance with Board Guidelines.

Along with revisions to its distribution rates, Orangeville Hydro also seeks approval of the following:

1. Price Cap Adjustment: Orangeville Hydro is requesting a Price Cap Adjustment increase of 3.70% in accordance with Chapter 3 of the Ontario Energy Board Filing Requirements for Electricity Distribution Rate Applications, issued June 19, 2025.
2. RTSR Adjustments: Orangeville Hydro is requesting updated rates for Retail Transmission Service Rates.
3. Low Voltage Service Rate Adjustment: Orangeville Hydro is a fully embedded distributor and is requesting an updated Low Voltage Service Rate.
4. Deferral and Variance Accounts: Orangeville Hydro is requesting disposal of its Group 1 Deferral and Variance Accounts.
5. Accounts 1588 and 1589: Interim disposition of Account 1588 and 1589 balances for 2021 to 2024.
6. OEB order to grant an exception to the IESO two-year adjustment period for 2021 and 2022, relating to CT1142 claims.
7. Specific Service Charge and Loss Factors: Orangeville Hydro is requesting the continuance of the Specific Service Charges and Loss Factor as approved in the 2024 Cost of Service Application (EB-2023-0045).
8. Rate Riders and Adders: Orangeville Hydro is requesting the continuance of the Rate Riders and Adders for which the sunset date has not yet been reached as approved in the 2024 Cost of Service Application (EB-2023-0045).
9. Continuance of the Smart Metering Entity Charge: Orangeville Hydro is requesting the continuance of the Smart Metering Entity Charge as the sunset date has not yet been reached.
10. Continuance of the MicroFit monthly charge: Orangeville Hydro is requesting the continuance of the MicroFit monthly charge as approved in the 2024 Cost of Service Application (EB-2023-0045).

11. Tax Change: Orangeville Hydro is applying for a tax change rate rider, as the effective tax rate calculated is different than the rate used in the 2024 Cost of Service Application (EB-2023-0045).
12. Rate Mitigation: Orangeville Hydro is requesting approval of the 2026 Revenue to Cost ratio for Sentinel Lighting class.
13. ICM/ACM: Orangeville Hydro is not applying for an Incremental or Advanced Capital Module cost recovery rate rider.
14. Z-Factor: Orangeville Hydro is not applying for a Z-Factor.

We certify that the evidence filed in Orangeville Hydro's 2026 Price Cap IR application is accurate to the best of our knowledge and belief.

Distributor's Profile

On November 20, 1916 the Town of Orangeville established the Orangeville Hydro-Electric Commission with 114 customers.

The Energy Competition Act, 1998 required local distribution utilities like Orangeville Hydro-Electric Commission to become incorporated according to the Ontario Business Corporations Act by November 7, 2000. Hence, on October 2, 2000, the Town of Orangeville passed a by-law transferring all assets and liabilities of the Orangeville Hydro-Electric Commission to Orangeville Hydro Limited.

Effective January 1, 2009, Orangeville Hydro Limited and Grand Valley Energy Inc. merged companies for a total number of 10,975 customers in their combined service areas. The Town of Orangeville and the Town of Grand Valley wholly own this company.

Orangeville Hydro currently employs 20 full-time staff that serve just over 13,000 customers. The staff completes almost all of the work internally including billing, collecting, administration, finance, construction of new and upgraded lines, and maintenance.

The electrical distribution system consists of 225 kilometers of circuits at the following voltages - 44,000 volts, 27,600 volts, 12,470 volts, and 4,160 volts. Yearly distribution revenues are about $6.5 million.

As of December 31, 2024, Orangeville Hydro had 8 Class A customers.

Orangeville Hydro last filed for a Cost of Service application in 2023 for rates effective May 1, 2024 (EB-2023-0045).

3.1.1 GROUPING FOR FILINGS

Orangeville Hydro is included in tranche 2 as per the OEB letter Tranche Assignments and Filing Due Dates for 2026 Incentive Rate-setting Mechanism (IRM) Electricity Rate Applications issued June 20, 2025.

3.1.2 COMPONENTS OF THE APPLICATION FILING

3.1.2.1 Manager's summary

This application includes a manager's summary thoroughly documenting and explaining all requested rate adjustments

3.1.2.2 Contact information

Application contact information is as follows:

Applicant's name:	Orangeville Hydro Limited
Applicant's address:	400 C Line
	Orangeville, ON
	L9W 3Z8
Applicant's Contact:	Amy Long
	Chief Financial Officer
	Email: amy.long@orangevillehydro.on.ca.
	Phone: 519-942-8000

3.1.2.3 Rate Generator Model

This application consists of the following documents. OEB models have been submitted in Excel format.

- Manager's Summary
- 2026 IRM Checklist (Appendix F)
- 2026 IRM Rate Generator
- GA Analysis Workform (Appendix D)
- Revenue to Cost Ratio Adjustment Workform (Appendix E)
- Orangeville Hydro Current Tariff Schedule (Appendix A)

3.1.2.4 Tariff Sheet

A PDF copy of the current Orangeville Hydro Tariff sheet (EB-2024-0048) at the time of this filing is attached as Appendix A.

3.1.2.5 Supporting Documentation

All supporting documentation including relevant past decisions and/or settlement agreements have been cited within this application.

3.1.2.6 Customers Affected by this Application

All Orangeville Hydro customers will be affected by this application.

3.1.2.7 Internet Address

The application and all documents related to this application will be made available on Orangeville Hydro's website at: www.orangevillehydro.on.ca. The application will also be available on the OEB's website at www.oeb.ca under Board File Number EB-2025-0015.

3.1.2.8 Billing Determinants

Orangeville Hydro confirms that the billing determinants for pre-populated models are accurate and consistent with its RRR filings.

3.1.2.9 Format

All documents are submitted in text-searchable Adobe PDF format, other than those filed in Excel format.

3.1.2.10 Checklist

A completed copy of the 2026 IRM Checklist is attached as Appendix F.

3.1.2.11 Certifications

General Certification

Orangeville Hydro certifies that, to the best of our knowledge, the evidence filed in Orangeville Hydro's 2026 Incentive Rate-Setting Application is accurate, complete, and consistent with the requirements of page 2 of the Chapter 1 Filing Requirements for Electricity Distribution Rate Applications.

Certification of Deferral and Variance Account Balances

Orangeville Hydro also confirms that there are robust processes and internal controls in place for the preparation, review, verification and oversight of all deferral and variance accounts, regardless of whether the accounts are proposed for disposition.

Certification Regarding Personal Information

Orangeville Hydro certifies that to the best of our knowledge, the application and any evidence filed in support of the application does not include any personal information, as identified in the certification requirements for personal information in Chapter 1 of the filing requirements.

Rob Koekkoek, P. Eng, C. Dir	Amy Long, CPA, CGA
President and CEO	Chief Financial Officer
Orangeville Hydro Limited	Orangeville Hydro Limited

3.2.1 ANNUAL ADJUSTMENT MECHANISM

Annual Adjustment Mechanism

Orangeville Hydro's annual rate adjustment request follows the OEB-approved formula that includes components for inflation and the OEB's expectations of efficiency and productivity gains. The components in the formula are also approved by the OEB annually. The formula is a rate adjustment equal to the inflation factor minus the distributor's X-factor.

Inflation Factor

In its Report of the Board: Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (EB-2010-0379), the OEB adopted a two-factor industry-specific price index methodology. The inflation factor is based on two weighted price indicators (labour and non-labour) which provide an input price that reflects Ontario's electricity Industry. Orangeville Hydro has used the 2026 rate-setting parameters in the 2026 IRM Rate Generator of 3.7% that agree with the OEB letter 2026 Inflation Parameters issued on June 11, 2025.

X-factor

The X-factor has two parts: a productivity factor and a stretch factor. The OEB has determined that the appropriate value for the productivity factor (industry total factor productivity) for the Price Cap IR and Annual IR Index is zero. For the stretch factor, distributors will be assigned into one of five groups ranging from 0.00% to 0.6%. The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Orangeville Hydro was included in Group 1 in the most recent PEG report 2024 Benchmarking Update issued in August 2025, with an associated stretch factor of 0.00%.

The price cap adjustment Orangeville Hydro used in the 2026 Rate Generator is 3.70%. This calculation is based upon a price escalator of 3.70%, a productivity factor of 0.00%, and a stretch factor of 0.00%.

Table 1 – Price Cap Parameters

Stretch Factor Group	I
Price Escalator	3.70%
Stretch Factor Value	0.00%
Productivity Factor	0.00%
Price Cap Index	**3.70%**

3.2.1.1 Application of the Annual Adjustment Mechanism

The annual adjustment mechanism applies to distribution rates (fixed and variable charges) uniformly across customer rate classes, as well as Miscellaneous Service Charges and Retail Service Charges included on Tab 18. Regulatory Charges of the IRM Rate Generator Model. It is applied to Orangeville Hydro's current Board approved rates.

The derivation of Orangeville Hydro's proposed 2026 Electricity Distribution Rates is proved in Tab "17. Rev2Cost_GDPIPI" of the Rate Generator Model, filed along with this application. Orangeville Hydro seeks Board approval for the proposed distribution rates identified in the table below, effective May 1, 2026.

Table 2 – Current vs Proposed Distribution Rates

Rate Class	Current Monthly Fixed Charge	Current Volumetric Charge	Proposed Monthly Fixed Charge	Proposed Volumetric Charge	Difference - Monthly Fixed Charge	Difference - Volumetric Charge
Residential	$ 33.29	$ -	$ 34.52	$ -	$ 1.23	$ -
General Service Less than 500 kW	$ 37.97	$ 0.0139	$ 39.37	$ 0.0144	$ 1.40	$ 0.0005
General Service 50 to 2,999 kW	$ 194.59	$ 2.9830	$ 201.79	$ 3.0934	$ 7.20	$ 0.1105
Sentinel Lighting	$ 4.77	$ 18.6660	$ 5.26	$ 20.5739	$ 0.49	$ 1.9079
Street Lighting	$ 1.90	$ 10.5061	$ 1.97	$ 10.8948	$ 0.07	$ 0.3887
Unmetered Scattered Load	$ 7.99	$ 0.0111	$ 8.29	$ 0.0115	$ 0.31	$ 0.0004
Microfit	$ 26.50		$ 26.50		$ -	$ -

The annual price cap adjustment mechanism will not be applied to the following:

- Rate Adders and Riders
- Low Voltage Service Charges
- Retail Transmission Service Rates
- Wholesale Market Service Rate
- Rural and Remote Rate Protection Benefit and Charge
- Standard Supply Service – Administrative Charge
- Capacity Based Recovery
- MicroFIT Service Charge
- Specific Service Charges
- Smart Metering Entity Charge
- Loss Factors
- Transformation and Primary Metering Allowances

3.2.2 REVENUE TO COST RATIO ADJUSTMENT

Revenue to cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs associated to that class. The Board has established target ratio

ranges for Ontario electricity distributors in its Review of Electricity Distribution Cost Allocation Policy (EB-2012-0219), dated March 31, 2011.

Orangeville Hydro is proposing to adjust its revenue to cost ratio for Sentinel Lighting, as directed in its 2024 Cost of Service application for rates effective May 1, 2024 (EB-2023-0045). The Sentinel Light revenue to cost ratio was 67.01% and will be increased to the 80% floor over 3 years. As one of the rate mitigation measures to minimize bill impacts, the revenue to cost ratio was increased to 71.34% on May 1, 2024, and increased to 75.67% on May 1, 2025. Effective May 1, 2026, the Sentinel Lighting revenue to cost ratio has reached the floor of 80%.

In compliance with the June 18, 2024 filing requirements and the Revenue Cost Ratio Adjustment Model posted April 11, 2024, Orangeville Hydro submits its Revenue Cost Ratio Adjustment Model in conjunction with this application.

3.2.3 RATE DESIGN FOR RESIDENTIAL CLASS

On April 2, 2015, the OEB released its OEB Policy: A New Distribution Rate Design for Residential Electricity Customers (EB-2014-0210). This policy required that electricity distributors transition to fully fixed rates for residential customers over a period of four years, beginning in 2016, while taking into account the need to mitigate rate impacts for customers. Orangeville Hydro completed the transition to fully fixed rates in 2019 and no further adjustments are required.

3.2.4 RETAIL TRANSMISSION SERVICE RATES (RTSR) ADJUSTMENT

Orangeville Hydro is applying for an adjustment of its Retail Transmission Service Rates (RTSR) based on a comparison of historical transmission costs adjusted for new Hydro One Sub-Transmission Rates and revenues generated from existing RTSRs. This approach is expected to minimize variances in the USoA Accounts 1584 and 1586.

Orangeville Hydro used the RTSR Adjustment Worksheets embedded in the 2026 IRM Rate Generator Model, to determine the proposed adjustments to the current RTSR approved in 2025.

The Loss Factor applied to the metered kWh is the actual Board-approved 2024 Loss Factor (EB-2023-0045).

New for 2026 rates, the OEB implemented an Electric Vehicle Charging ("EVC") Rate applicable to certain Electric Vehicle ("EV") charging facilities. The EVC Rate reduces the RTSR charges applied to these facilities to reflect their lower contribution to transmission costs. Estimated energy and demand values for the EV Charging customer type have been added to Tab 10.

RTSR Current Rates. These energy and demand figures were subtracted from the General Service 50 To 4,999 kW Service Classification energy and demand values for both the Network and Connection service rates.

The proposed adjustments of the RTSRs are shown in the table below and the detailed calculations can be found in the 2026 IRM Rate Generator Model filed in conjunction with this application.

Table 3 – Current and Proposed Network Service Rate

Rate Class	Unit	Current RTSR-Network	Proposed RTSR-Network
Residential Service Classification	$/kWh	0.0108	0.0107
General Service Less Than 50 kW Service Classification	$/kWh	0.0100	0.0099
General Service 50 To 4,999 kW Service Classification	$/kW	4.1095	4.0718
General Service 50 To 4,999 kW Service Classification - EV Charging Rate	$/kW	0.0000	0.6922
Sentinel Lighting Service Classification	$/kW	3.1145	3.0859
Street Lighting Service Classification	$/kW	3.0992	3.0707
Unmetered Scattered Load Service Classification	$/kWh	0.0100	0.0099

Table 4 – Current and Proposed Transformation Connection Service Rate

Rate Class	Unit	Current RTSR-Connection	Proposed RTSR-Connection
Residential Service Classification	$/kWh	0.0072	0.0071
General Service Less Than 50 kW Service Classification	$/kWh	0.0065	0.0064
General Service 50 To 4,999 kW Service Classification	$/kW	2.6672	2.6390
General Service 50 To 4,999 kW Service Classification - EV Charging Rate	$/kW	0.0000	0.4486
Sentinel Lighting Service Classification	$/kW	2.1057	2.0834
Street Lighting Service Classification	$/kW	2.0619	2.0401
Unmetered Scattered Load Service Classification	$/kWh	0.0065	0.0064

3.2.5 ADJUSTMENT OF LOW VOLTAGE RATE

The OEB is offering the option for embedded distributors to update their Low Voltage (LV) service rates. Historically, LV service rates were adjusted during Cost-of-Service applications. Orangeville Hydro is an embedded distributor with Hydro One Networks Inc. being the host distributor. The Applicant's LV service rates were last updated in Orangeville Hydro's 2025 Price Cap IR application (EB-2024-0048).

By way of its 2026 IRM rate application, Orangeville Hydro is requesting an update to its Low Voltage service rates. As per section 3.2.5 of the Filing Requirements, Orangeville Hydro has provided the necessary information required and detailed in the sub-sections below. Orangeville

Hydro has populated tabs 16.1 and 16.2 within the 2026 IRM Rate Generator Model with the required information regarding low voltage rates. The monthly charge details have been provided for 2024 low voltage costs.

The low voltage costs for 2024 were allocated among rate classes in proportion to transmission connection rate revenues. The allocated low voltage expense per rate class was then converted to a rate rider based on the metered kWh or kW for each rate class, as applicable. 2024 consumption and load were used for the billing units in the LV Rate Calculations.

The Current and Proposed LV Rates are outlined in the table below.

Table 5 – Current and Proposed Low Voltage Rates

Rate Class	Unit	Current Low Voltage	Proposed Low Voltage
Residential Service Classification	$/kWh	0.0034	0.0040
General Service Less Than 50 kW Service Classif	$/kWh	0.0031	0.0036
General Service 50 To 4,999 kW Service Classific	$/kW	1.2248	1.3783
Sentinel Lighting Service Classification	$/kW	0.9669	1.1106
Street Lighting Service Classification	$/kW	0.9468	1.0875
Unmetered Scattered Load Service Classification	$/kWh	0.0031	0.0036

Section 3.2.5 of the filing requirements require that the actual low voltage costs for the last five historical years be provided, with explanations for substantive year-over-year variances.

Table 6 – Historical Low Voltage Expense

	2020	2021	2022	2023	2024
LV Charges	$1,249,117	$1,319,832	$943,223	$830,933	$947,200
YOY Variance		$70,715	-$376,609	-$112,290	$116,267

The Year over Year variances were directly related to a change in Hydro One sub-transmission rates, including changes in temporary rate riders being billed to Orangeville Hydro by Hydro One.

Table 7 – Support for Updated Low Voltage Proposed Rates

	2024 Metered Volumes		2024 Host Distributor Charges	Allocation Based on Conection Revenue	Proposed LV Rate/kWh	Proposed LV Rate/kW
	kWh	kW				
Residential Service Classification	95,469,362	0	$380,337	40%	0.0040	
General Service Less Than 50 kW Service Classif	34,946,352	0	$125,686	13%	0.0036	
General Service 50 To 4,999 kW Service Classific	133,287,901	317,020	$436,937	46%		1.3783
Sentinel Lighting Service Classification	99,127	276	$307	0%		1.1106
Street Lighting Service Classification	863,040	2,394	$2,604	0%		1.0875
Unmetered Scattered Load Service Classification	369,347	0	$1,328	0%	0.0036	

3.2.6 REVIEW AND DISPOSITION OF GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

Chapter 3 of the Board's Filing Requirements and the *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that under the Price Cap IR, the distributor's Group 1 audited account balances will be reviewed and disposed of, if the pre-set disposition threshold $0.001 per kWh (debit or credit) is exceeded. Distributors must file in the application Group 1 balances as of December 31, 2024 to determine if the threshold has been exceeded. Orangeville Hydro has completed the Board's 2026 IRM Rate Generator Tab 3. Continuity Schedule for up to the year ending 2024, with projected interest to April 30, 2026.

Actual interest has been calculated based on the Board's prescribed rates. Projected interest for the period January 1, 2025 to December 31, 2025 is based upon the Board prescribed rate of 3.64% for Q1, 3.16% for Q2, 2.91% for Q3 and Q4. Projected interest for the period January 1, 2026 to April 30, 2026 is based on a projected rate of 2.91%. Deferral and RSVA balances as of December 31, 2024 match the 2024 Audited Financial Statements and the RRR balances filed for December 31, 2024, unless otherwise explained within this application.

The balance of Orangeville Hydro's Group 1 Deferral and Variance accounts total $144,519, or $0.0005 per kWh. Although this does not exceed the pre-set disposition threshold of $0.001 per kWh, Orangeville Hydro is requesting disposition of its Group 1 deferral and variance accounts in this proceeding. Orangeville Hydro believes it is important to dispose of balances with the customers who contributed to the balances within the variance accounts. The default disposition period of one year has been used to calculate the rate riders. A summary of the account balances is provided in the table below.

Table 8 – Deferral and Variance Account Balances

Group 1 Accounts	USoA	Principal	Interest to April 30, 2026	Total Balance
LV Variance Account	1550	$ 213,553	$ 39,220	$ 252,773
Smart Metering Entity Charge Variance Account	1551	$ (35,293)	$ (3,661)	$ (38,954)
RSVA - Wholesale Market Service Charge	1580	$ (417,501)	$ (37,170)	$ (454,671)
Variance WMS – Sub-account CBR Class A	1580	$ -	$ -	$ -
Variance WMS – Sub-account CBR Class B	1580	$ 113,388	$ 6,064	$ 119,452
RSVA - Retail Transmission Network Charge	1584	$ 24,684	$ 3,042	$ 27,726
RSVA - Retail Transmission Connection Charge	1586	$ 98,434	$ 12,037	$ 110,472
RSVA - Power	1588	$ (481,356)	$ (85,511)	$ (566,868)
RSVA - Global Adjustment	1589	$ 588,811	$ 105,777	$ 694,588
RSVA - Global Adjustment	**1589**	**$ 588,811**	**$ 105,777**	**$ 694,588**
Group 1 Sub-Total (Excluding Account 1589 - Global Adjustment)		**$ (484,090)**	**$ (65,979)**	**$ (550,069)**
Total Group 1 Balance		**$ 104,721**	**$ 39,798**	**$ 144,519**

Orangeville Hydro is proposing to make adjustments to the 1588 and 1589 deferral and variance account (DVA) balances previously approved by the OEB on a final or interim basis. These will be outlined and discussed in Section 3.2.6.1a.

Table 9 – Proposed Group 1 Deferral and Variance Account Rate Riders

Group 1 Deferral and Variance Account Rate Riders (Excluding GA and CBR)					
Rate Class	**Unit**	**Total Metered kWh**	**Total Metered kW**	**Allocation of Group 1 Account Balances**	**Deferral/Variance Account Rate Rider**
Residential Service Classification	$/kWh	95,469,362	-	-$266,070	-$0.0028
General Service Less Than 50 kW Service Classification	$/kWh	34,946,352	-	-$88,080	-$0.0025
General Service 50 To 4,999 kW Service Classification	$/kW		317,020	$196,622	$0.6202
Sentinel Lighting Service Classification	$/kW		276	-$240	-$0.8680
Street Lighting Service Classification	$/kW		2,394	-$2,086	-$0.8711
Unmetered Scattered Load Service Classification	$/kWh	369,347	-	-$893	-$0.0024
				-$160,746	

Group 1 Deferral and Variance Account Rate Riders for Non-WMP					
Rate Class	**Unit**	**Total Metered kWh**	**Total Metered kW**	**Allocation of Group 1 Account Balances**	**Deferral/Variance Account Rate Rider**
General Service 50 To 4,999 kW Service Classification	$/kW		311,615	-$508,775	-$1.6327
				-$508,775	

Rate Rider for Disposition of Global Adjustment (GA) Account					
Rate Class	**Unit**	**Total Metered kWh**	**Total Metered kW**	**Allocation of GA Account Balances**	**Deferral/Variance Account Rate Rider**
Residential Service Classification	$/kWh	822,935		$9,051	$0.0110
General Service Less Than 50 kW Service Classification	$/kWh	4,493,536		$49,420	$0.0110
General Service 50 To 4,999 kW Service Classification	$/kWh	52,888,971		$581,673	$0.0110
Sentinel Lighting Service Classification	$/kWh	821		$9	$0.0110
Street Lighting Service Classification	$/kWh	702,904		$7,731	$0.0110
Unmetered Scattered Load Service Classification	$/kWh	-		$0	$0.0000
				$647,884	

Rate Rider for Disposition of Capacity Based Recovery (CBR) Account					
Rate Class	**Unit**	**Total Metered kWh**	**Total Metered kW**	**Allocation of CBR Class B Account Balances**	**Deferral/Variance Account Rate Rider**
Residential Service Classification	$/kWh	95,469,362		$57,898	$0.0006
General Service Less Than 50 kW Service Classification	$/kWh	34,946,352		$21,193	$0.0006
General Service 50 To 4,999 kW Service Classification	$/kW		170,719	$38,004	$0.2226
Sentinel Lighting Service Classification	$/kW		276	$60	$0.2174
Street Lighting Service Classification	$/kW		2,394	$523	$0.2184
Unmetered Scattered Load Service Classification	$/kWh	369,347		$224	$0.0006
				$117,902	

3.2.6.1 Commodity Accounts 1588 and 1589

Class A and Class B Customers

The majority of Orangeville Hydro's customers are Class B customers. These customers pay the global adjustment (GA) charge based on the amount of electricity they consume in a month (kWh). Within the Class B group, there are two categories of customers: RPP customers who pay an RPP rate which has a built in GA adjustment component and the remaining non-RPP customers who pay the Hourly Ontario Energy Price (HOEP) or Ontario Electricity Market Price

(OEMP), and a monthly GA price listed separately on their bill. Orangeville Hydro uses the GA first estimate to bill its non-RPP Class B customers, and to calculate and record unbilled revenues. This treatment is applicable for all customer classes.

For Class B customers, RSVA Account 1589 captures the difference between the GA amounts billed to non-RPP customers and the actual GA amount paid by the distributor for those customers to the IESO or host distributor. This is the variance between the final rate for GA and what is billed to customers using the GA first estimate loaded into the billing system.

In accordance with the Filing Requirements, Orangeville Hydro has established a separate rate rider for its non-RPP Class B customers.

Class A customers are billed their share of the actual Global Adjustment, charged by the IESO, based on their individual Peak Demand Factor and as such the balance in USoA 1589 RSVA – Global Adjustment for Class A customers is zero.

Orangeville Hydro had four Class A transition customers during the period of disposition. A monthly equal payment for Global Adjustment will be charged during the period of disposition.

Table 10 – Monthly Equal Payment for Allocation of GA Balances to Class A/B Transition Customers

# of Class A/B Transition Customers		4							
Customer		Total Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2024	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2023	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2022	Metered Consumption (kWh) for Transition Customers During the Period When They Were Class B Customers in 2021	% of kWh	Customer Specific GA Allocation for the Period When They Were Class B customers	Monthly Equal Payments
Customer 1		8,050,723	2,859,317	2,201,316	2,582,199	407,891	47.87%	$ 22,360	$ 1,863
Customer 2		3,131,233	0	0	1,609,439	1,521,794	18.62%	$ 8,697	$ 725
Customer 3		2,196,755	0	0	0	2,196,755	13.06%	$ 6,101	$ 508
Customer 4		3,437,591	0	0	1,230,671	2,206,920	20.44%	$ 9,548	$ 796
Total		16,816,302	2,859,317	2,201,316	5,422,309	6,333,361	100.00%	$ 46,706	

Commodity accounts 1588 and 1589

The introduction of the GA Analysis Workform for the 2018 electricity rate applications for the disposal of 2016 balances proved itself to be quite challenging, and as a consequence, Orangeville Hydro did not dispose of 1588 and 1589 during its 2018 and 2019 rate applications. Effective in 2026 rate applications, the GA Analysis Workform has been re-named Commodity Accounts Analysis Workform.

On February 21, 2019, the OEB issued a letter providing accounting guidance related to Accounts 1588 Power and 1589 RSVA Global Adjustment (Accounting Guidance). This Accounting Guidance was effective January 1, 2019 and was to be implemented by August 31, 2019. Orangeville Hydro confirms that it has implemented the new accounting guidance effective January 1, 2019. On May 23, 2023, the OEB updated the Ultra-Low Overnight (ULO)

price plan. Orangeville Hydro confirms that it is recording all transactions in Accounts 1588 and 1589 in the year(s) in accordance with the respective versions of the Accounting Guidance.

In its 2020 rate application (EB-2019-0060), Orangeville Hydro was granted the disposal of 1588 and 1589 balances for 2016 on a final basis. In the 2021 IRM Decision and Order (EB-2020-0046), the OEB required a review by the OEB's Inspection and Enforcement department, which commenced on December 8, 2021. The Inspection Report was released in September 2023, and included an inspection for the period of January 1, 2017 to December 31, 2020.

In its last Cost of Service Application (EB-2023-0049), the OEB approved final disposition of balances of all Group 1 Deferral and Variance accounts from December 31, 2017 up to December 31, 2020. In this same application, the OEB approved interim disposition of balances of all Group 1 Deferral and Variance accounts up to December 31, 2022.

In its 2025 IRM Rate application (EB-2024-0048), Orangeville Hydro did not request disposition of any Group 1 Deferral and Variance accounts.

Orangeville Hydro confirms the rate rider for GA is calculated on an Energy (kWh) basis.

Orangeville Hydro has included principal adjustments for account 1589 on the Principal adjustments tab of the GA workform, and has included these adjustments on the continuity statement of the IRM rate generator model. These adjustments are explained in section 3.2.6.1a.

Commodity Accounts Analysis Workform

All distributors are required to complete and submit a Commodity Accounts Analysis Workform for each year that has not previously been approved by the OEB for disposition (on an interim or final basis). The GA Analysis Workform helps the OEB to assess if the total annual variance that is recorded to Account 1589 is reasonable. The Workform compares the actual general ledger transactions recorded during the year to an expected balance that is calculated based on monthly GA volumes, revenues and costs. To further support a conclusion that GA charges have been appropriately allocated between customer classes, the Workform also contains a tab to perform a reasonability test for Account 1588.

Orangeville Hydro has completed and filed the Board's Commodity Accounts Analysis Workform with this application which shows minimal unresolved differences from expected results. The differences reflect a discrepancy that is less than +/- 1% of the total annual GA charges.

Orangeville Hydro has also completed the Account 1588 tab in the Workform which shows minimal unresolved differences from expected results. The differences reflect a discrepancy that

is less than +/- 1% of Account 1588 as a % of Account 4705, other than in 2023, where the difference is 1.1%. This difference is explained in the Commodity Workform, on the Account 1588 tab.

In compliance with the June 19, 2025 filing requirements and the Commodity Workform model posted July 4, 2025, Orangeville Hydro submits its Commodity Analysis Workform and DVA continuity schedule within the IRM Rate Generator model in conjunction with this application.

3.2.6.1a Adjustments to Deferral and Variance Accounts 1588 and 1589 on the DVA Continuity

An explanation is provided below on the Principal Adjustments included in this application for accounts 1588 and 1589 on Tab 3. Continuity Schedule of the 2026 IRM Rate Generator Model.

IESO CT 2148

Orangeville Hydro has had numerous charge type 2148 on its IESO bill in 2022 and 2023, which Orangeville Hydro had originally charged to 1589 GA only. Orangeville Hydro has undertaken to split these CT 2148 corrections correctly between Energy and GA, as directed by the OEB.

Class A customer re-bill

In December 2022, Orangeville Hydro discovered a wrong meter multiplier for one of its Class A customers. In early 2023, Orangeville Hydro cancelled and re-billed this customer from December 2020 to November 2022. The increased energy billed to this customer was accrued in 2022, but this affected 2021 energy balances as well (Class A customer 2021 Energy re-bill in 2022). Orangeville Hydro made post-claims to the IESO for the increased Class A loads. The IESO refunded the Class B GA which had been charged to Orangeville Hydro for the said period (CT 2148 Issue 1327).

Table 11 – Explanation of Principal Adjustments to 2021 1588 Power

Amount	Explanation	Booked in GL	PA reversal
228,726	FY 2021 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2025
385,435	FY 2021 CT 1142 true-up based on actuals.	2025	2025
(383,385)	Remove 2021 CT 1142 True-up booked as an accrual in 2021 GL. This amount was paid to the IESO in February 2022 and accrual reversed in February 2022.	2025	2025
90,156	Remove 2021 CT 148 True-up booked in 2021 GL.	2025	2025
(78,422)	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, energy portion.	2025	2025
(42,363)	Class A customer 2021 Energy re-bill in 2022	2022	2022
200,146	Total		

Table 12 – Explanation of Principal Adjustments to 2022 1588 Power

Amount	Explanation	Booked in GL	PA reversal
344,093	To reverse the 2020 CT1142 DVA PA from 2024 COS (EB-2023-0045) which was claimed from the IESO in November 2022. As this claim is now in the GL, the previous PA must be reversed.	2022	2020
(41,850)	To reverse the 2020 CT1142 DVA PA from 2024 COS (EB-2023-0045) which was claimed from the IESO in November 2022. As this claim is now in the GL, the previous PA must be reversed.	2022	2020
62,279	FY 2022 CT 148 true-up of GA Charges based on actual RPP volumes	2025	2025
(286,671)	Reversal of CT 1142 true-up based on actuals. This amount was paid to the IESO in February 2023 and the amount accrued in the 2021 GL reversed in the 2022 GL.	2025	2025
(63,837)	Remove FY 2022 CT 148 TU booked in 2022 GL.	2025	2025
(75,262)	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, energy portion.	2022	2022
(279)	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022	2025	2025
(3,065)	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022, Energy booked in GL to GA only	2025	2025
(31,056)	FY 2022 CT 1142 true-up based on actual.	2025	2025
42,363	Class A customer 2021 Energy re-bill in 2022	2022	2021
(53,283)	Total		

Table 13 – Explanation of Principal Adjustments to 2023 1588 Power

Amount	Explanation	Booked in GL	PA reversal
2,894	CT 2148 Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2020, Energy booked in GL to GA only. Energy portion.	2025	2025
2,399	CT 2148 Issue 1347 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for April 2023 Energy booked in GL to GA only	2025	2025
5,293	Total		

Table 14 – Explanation of Principal Adjustments to 2024 1588 Power

Amount	Explanation	Booked in GL	PA reversal
(605,187)	Remove FY2020 CT 148 TU booked in 2024 GL from 2024 COS (EB-2023-0045).	2024	2020
304,017	Remove FY 2020 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2024	2020
(317,903)	Remove FY 2021 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2025	2025
245	Immaterial amount	never	never
76,368	Remove FY2021 CT 1142 TU booked in 2024 GL, as it was claimed from the IESO in November 2024.	2025	2025
(22,402)	FY 2024 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2025
122,147	FY 2024 CT 1142 true-up based on actual, paid to the IESO in 2025.	2025	2025
(442,715)	Total		

Table 15 – Explanation of Principal Adjustments to 2021 1589 Global Adjustment

Amount	Explanation	Booked in GL	PA reversal
(228,726)	FY 2021 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2025
(90,156)	Remove FY 2021 CT 148 True-up booked in 2021 GL.	2025	2025
(39,594)	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, GA portion.	2023	2023
(7,665)	CT 2148 Issue 1233 on July 2022 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for July 2021	2022	2022
7,676	CT 2148 Reversal of Issue 1233 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for July 2021	2023	2023
(358,465)	Total		

Table 16 – Explanation of Principal Adjustments to 2022 1589 Global Adjustment

Amount	Explanation	Booked in GL	PA reversal
(62,279)	FY 2022 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2025
63,837	Remove FY 2022 CT 148 True-up booked in 2021 GL.	2025	2025
(36,776)	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, GA portion.	2023	2023
(8,424)	Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022.	2023	2023
7,665	CT 2148 Issue 1233 on July 2022 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for July 2021	2022	2021
(143)	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022	2023	2023
(1,232)	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022	2023	2023
8,424	Reversal of Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022	2023	2023
(28,928)	Total		

Table 17 – Explanation of Principal Adjustments to 2023 1589 Global Adjustment

Amount	Explanation	Booked in GL	PA reversal
39,594	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, GA portion	2023	2021
36,776	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for January to November 2022, GA portion	2023	2022
8,424	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022	2023	2022
(8,424)	Reversal of CT 2148 Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022	2023	2022
78,422	CT 2148 Issue 1327 on April 2023 bill, 2021 Energy booked in GL to GA only. Energy portion.	2025	2025
75,262	CT 2148 Issue 1327 on April 2023 bill, 2022 Energy booked in GL to GA only. Energy portion.	2025	2025
(2,894)	CT 2148 Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2020, Energy booked in GL to GA only. Energy portion.	2023	2022
143	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022	2025	2025
279	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022, Energy booked in GL to GA only. Energy portion.	2023	2022
3,065	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022. Energy portion.	2025	2025
1,232	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022, Energy booked in GL to GA only. GA portion.	2023	2022
(7,676)	Reversal of CT 2148 Issue 1233 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for July 2021	2023	2021
(2,399)	CT 2148 Issue 1347 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for April 2023 Energy booked in GL to GA only	2025	2025
221,803	Total		

Table 18 – Explanation of Principal Adjustments to 2024 1589 Global Adjustment

Amount	Explanation	Booked in GL	PA reversal
605,187	Remove FY2020 CT 148 TU booked in 2024 GL from 2024 COS (EB-2023-0045).	2024	2020
(304,017)	Remove FY 2020 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2024	2020
317,903	FY 2021 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2024	2021
200,868	2016 1st GA to final GA	never	2017
351	2016 Difference in GA IESO posted rate and rate paid	never	2017
22,402	FY 2024 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2025
842,694	Total		

The variance between the 2024 closing principal and interest balance in Tab 3. of the 2026 IRM Rate Generator model and the 2024 RRR balance in 1588 Energy and 1589 GA balances on the DVA Continuity can be attributed to the following entries in the two tables below that had not yet been posted in the GL. They are recorded in the GL in Fiscal 2025. These will be the principal adjustments in the 2025 continuity schedule, as part of Orangeville Hydro's 2027 IRM Rate Application.

Table 19 – Explanation of Difference between Account 1588 Energy 2024 DVA Schedule Ending Balance and 2024 RRR Balance

Amount	Explanation	Booked in GL	PA reversal
(228,726)	FY 2021 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2021
(385,435)	FY 2021 CT 1142 true-up based on actuals.	2025	2021
383,385	Remove 2021 CT 1142 True-up booked as an accrual in 2021 GL. This amount was paid to the IESO in February 2022 and accrual reversed in February 2022.	2025	2021
(90,156)	Remove 2021 CT 148 True-up booked in 2021 GL.	2025	2021
78,422	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, energy portion.	2025	2021
(62,279)	FY 2022 CT 148 true-up of GA Charges based on actual RPP volumes	2025	2022
286,671	Reversal of CT 1142 true-up based on actuals. This amount was paid to the IESO in February 2023 and the amount accrued in the 2021 GL reversed in the 2022 GL.	2025	2022
63,837	Remove FY 2022 CT 148 TU booked in 2022 GL.	2025	2022
75,262	CT 2148 Issue 1327 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for 2021, energy portion.	2022	2022
279	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022	2025	2022
3,065	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022, Energy booked in GL to GA only	2025	2022
31,056	FY 2022 CT 1142 true-up based on actual.	2025	2022
(2,894)	CT 2148 Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2020, Energy booked in GL to GA only. Energy portion.	2025	2023
(2,399)	CT 2148 Issue 1347 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for April 2023 Energy booked in GL to GA only	2025	2023
317,903	Remove FY 2021 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2025	2024
(76,368)	Remove FY2021 CT 1142 TU booked in 2024 GL, as it was claimed from the IESO in November 2024.	2025	2024
22,402	FY 2024 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2024
(122,147)	FY 2024 CT 1142 true-up based on actual, paid to the IESO in 2025.	2025	2024
291,877	Total		

Table 20 – Explanation of Difference between Account 1589 GA 2024 DVA Schedule Ending Balance and 2024 RRR Balance

Amount	Explanation	Booked in GL	PA reversal
228,726	FY 2021 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2021
90,156	Remove FY 2021 CT 148 True-up booked in 2021 GL.	2025	2021
62,279	FY 2022 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2022
(63,837)	Remove FY 2022 CT 148 True-up booked in 2021 GL.	2025	2022
(78,422)	CT 2148 Issue 1327 on April 2023 bill, 2021 Energy booked in GL to GA only. Energy portion.	2025	2023
(75,262)	CT 2148 Issue 1327 on April 2023 bill, 2022 Energy booked in GL to GA only. Energy portion.	2025	2023
2,894	CT 2148 Issue 1327 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2020, Energy booked in GL to GA only. Energy portion.	2025	2023
(279)	CT 2148 Issue 1309 on Feb 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for October 2022, Energy booked in GL to GA only. Energy portion.	2025	2023
(3,065)	CT 2148 Issue 1357 on July 2023 bill, Adjustment of Class B Global Adjustment due to change in reported Class A load for December 2022. Energy portion.	2025	2023
2,399	CT 2148 Issue 1347 on April 2023 bill, Adjustment of Class B Global Adjustment due to change in reported embedded generation for April 2023 Energy booked in GL to GA only	2025	2023
(317,903)	FY 2021 CT 148 booked in 2024 GL from 2024 COS (EB-2023-0045).	2025	2023
(22,402)	FY 2024 CT 148 true-up of GA Charges based on actual Non-RPP volumes.	2025	2024
(174,715)	Total		

Most of the entries related to re-allocation of CT 2148 amounts from GA to Energy and changes in CT 148 true-up amounts. The difference between Energy and GA relates to claims to the IESO made or to be made in 2025.

Table 21 – Summary of 2025 IESO Claims

(78,418)	FY 2021 CT 1142 Payable to IESO - to be claimed in 2025
317,726	FY 2022 CT 1142 Receivable from IESO - to be claimed in 2025
(122,147)	FY 2024 CT 1142 Paid to the IESO - claimed in January and February 2025
117,162	Total

The reason for these claims is that the Class A customer re-bill (as explained previously) presented some challenges to Orangeville Hydro. Orangeville Hydro re-ran the full 12 months of Accounting Guidance for 2021 and 2022 in order to reflect the adjusted Class A consumption accurately.

In February 2022, Orangeville Hydro paid $383,384.80 for fiscal year 2021 to the IESO for CT 1142. In November 2024, during the 2025 IRM process we claimed a balance of $76,367.93 relating to fiscal year 2021. The Accounting Guidance was again re-run for the 2026 IRM as OHL has not disposed of its 1588/1589 balances, and it was found that we should not have claimed the 2024 amount. Therefore, Orangeville Hydro should submit a payable claim to the IESO for $78,418 for fiscal 2021 for CT 1142.

In January and February 2023, OHL paid $286,670.60 relating to fiscal 2022 to the IESO for CT 1142. The Accounting Guidance was again re-run for the 2026 IRM as OHL has not disposed of its 1588/1589 balances. The corrected CT 1142 claim should have been a receivable of $31,055.75, therefore OHL should submit a receivable claim for $317,726.36 with regards to fiscal 2022 for CT 1142.

As the balances in 1588 and 1589 have not been disposed on a final basis, there should be no rate retroactivity issue for the accounting adjustment of the IESO settlement errors for 2021 and 2022.

OHL requests an OEB order to grant exception to the IESO two-year limitation period. OHL would like to dispose of its 1588 and 1589 balances on an interim basis for the period of 2021 to 2024.

3.2.6.2 Capacity Based Recovery (CBR)

Disposition of Wholesale Market Service Charges

The variance amount showing in cell BW23 on Tab 3. Continuity Schedule for RSVA – Wholesale Market Service Charge relates solely to how the Variance WMS – Sub-account CBR Class B information is presented in Tab 3. Continuity Schedule. There is no difference between 2024 RRR and the amounts reported in the 2026 Rate Generator Model.

Capacity Based Recovery (CBR)

Orangeville Hydro follows the OEB's Accounting Guidance on CBR issued on July 25, 2016. The variance recorded in Account 1580 Variance – WMS, sub-account CBR Class B is the difference between the billed WMS revenues booked in Account 4062 Billed - WMS, Sub-

account CBR Class B and the charges from the IESO under Charge Type 1351 and booked in Account 4708 Charges - WMS, Sub-account CBR Class B.

Orangeville Hydro records WMS revenues for CBR on all consumption effective January 1, 2016 and onwards for Class B customers. The variance between the revenue billed to customers for Class B CBR and the costs are tracked in Account 1580 WMS Sub Account CBR Class B. Orangeville Hydro reported the Class A consumption in the model to ensure the rate rider calculation to dispose of the balance in Account 1580, Sub-account CBR Class B is allocated to only those customers that contributed to the variance in the account (Class B portion only).

The balance of 1580 Sub-account CBR Class B was not added to Account 1580 WMS control account because when separated the volumetric rate rider for CBR Class B was above $0.0000 for all rate classes. The volumetric rate rider for CBR Class B is between $0.0006 and $0.2226. As per the Chapter 3 filing guide section 3.2.5.4 Capacity Based Recovery only when the volumetric rate rider for the allocated Class B rounds to zero at the fourth decimal place in one or more rate classes will the Sub-account Class B will be added to the 1580 WMS control account.

Orangeville Hydro bills its Class A customers their share of the monthly Ontario-wide total Capacity Based Recovery amount costs by the customer's Peak Demand Factor. All amounts billed to Class A customers are recorded in Account 4062 Billed – WMS, Sub-account CBR Class A which are equal to the amounts billed by the IESO and recorded in Account 4708 – WMS, Sub-account CBR Class A. As such the balance in USoA 1580 Variance WMS – Sub-account CBR Class A is zero.

Orangeville Hydro had one Class A transition customer during the period of disposition. A monthly equal payment for CBR will be charged during the period of disposition.

Table 22 – Monthly Equal Payment for Allocation of CBR Class B Balances to Class A/B Transition Customers

# of Class A/B Transition Customers		1					
Customer		Total Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers	Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers in 2024	Metered Class B Consumption (kWh) for Transition Customers During the Period When They were Class B Customers in 2023	% of kWh	Customer Specific CBR Class B Allocation for the Period When They Were Class B Customers	Monthly Equal Payments
Customer 1		5,060,633	2,859,317	2,201,316	100.00%	$ 1,549	$ 129
Total		5,060,633	2,859,317	2,201,316	100.00%	$ 1,549	$ 129

3.2.6.3 Disposition of Account 1595

LDCs are only eligible to seek disposition of the 1595 residual balances two years after the expiry of the rate rider as identified in Chapter 3 filing requirements. The earliest balance for which Orangeville Hydro could seek disposition is Account 1595 (2020) for which the rate rider

expired on April 30, 2021. Orangeville Hydro does not request the disposition of Account 1595 (2020 and 2021) which are eligible for disposition. Orangeville Hydro expects that these Account 1595 balances will be requested for disposition in its 2027 IRM rate application.

3.2.7 DISPOSITION OF LRAMVA

In accordance with the Board's Guideline for Electricity Distributor Conservation and Demand Management (EB-2012-0003) issued on April 26, 2012, at minimum, distributors must apply for disposition of the LRAMVA balance at the time of their Cost-of-Service rate application if the balance is deemed significant by the applicant.

3.2.7.1 Disposition of the LRAMVA and Rate Riders for Previously Approved LRAM-Eligible Amounts

The 2021 CDM Guidelines required distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances. Orangeville Hydro confirms it has a zero balance in the LRAMVA and is not applying for disposition as part of this proceeding.

Orangeville Hydro last disposed of the principal balance in account 1568 in its 2024 cost of service rate application.

3.2.7.2 Continuing Use of the LRAMVA for New NWS Activities

In 2024, the OEB replaced the CDM Guidelines with the NWS Guidelines. Distributors may request the use of an LRAMVA for distribution rate-funded NWS activities or Local Initiatives Program (LIP) activities, with need to be determined on a case-by-case basis. Orangeville Hydro is not requesting an LRAMVA for either of these activities.

3.2.8 TAX CHANGE

The OEB's policy, as described in the OEB's 2008 report entitled Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors, prescribes a 50/50 sharing of impacts of legislated tax changes from distributors' tax rates embedded in its OEB approved base rate knows at the time of the application. These amounts will be refunded to or recovered from customers over a 12-month period. Orangeville Hydro has completed the shared tax savings worksheet to determine if amounts should be refunded to or recovered from customers as a result of tax changes implemented since the 2024 Cost of Service Application (EB-2023-0045).

At the time of this Application, there are no known legislated tax changes. Orangeville Hydro recognizes that should further legislative tax changes for 2026 occur during the course of this

proceeding, the tax change calculation may be updated and rate riders updated as part of the Rate Order Process.

In Tab 8. STS Tax Change of the 2026 IRM Rate Generator Model, the OEB Approved Rate Base, OEB Approved Regulatory Taxable Income, and the tax rate used in the 2024 Cost of Service Application were entered. This tab then calculates the effective tax rates, and the resulting Taxes Payable. The 2024 Cost of Service Income Tax Provision was $134,135, and the 2026 IRM Income Tax Provision were calculated at $92,269. This results in a 50% sharing of the grossed-up tax difference, with a total payable to customers of $34,829.

The table below shows the proposed Shared Tax Rate Rider.

Table 23 – Shared Tax Rate Rider

Rate Class	Unit	Tax Change Rate Rider
Residential Service Classification	$/Customer	-$0.16
General Service Less Than 50 kW Service Classificati	$/kWh	-0.0001
General Service 50 To 4,999 kW Service Classification	$/kW	-0.0193
Sentinel Lighting Service Classification	$/kW	-0.2360
Street Lighting Service Classification	$/kW	-0.1912
Unmetered Scattered Load Service Classification	$/kWh	-0.0002

3.2.9 Z-FACTOR CLAIMS

Orangeville Hydro is not applying for recovery of Incremental Capital, Advanced Capital Module, or Z-Factor in this proceeding.

3.2.10 OFF-RAMPS

Orangeville Hydro's 2024 distributor earnings were within the 300 basis points dead band as per its 2025 RRR filing for 2.1.5.6.

3.3.1 ADVANCED CAPITAL MODULE

Orangeville Hydro is not submitting an Advanced Capital Module in this application.

3.3.2 INCREMENTAL CAPITAL MODULE

Orangeville Hydro is not submitting an Incremental Capital Module in this application.

3.3.3 TREATMENT OF COSTS FOR 'ELIGIBLE INVESTMENTS'

Not applicable. Orangeville Hydro filed a Cost of Service application pursuant to Chapter 5 in 2023 for rates effective in 2024.

3.4 SPECIFIC EXCLUSIONS FROM IRM APPLICATIONS

Orangeville Hydro is not seeking relief for any specific or excluded issues in this application.

3.5 SPECIFIC SERVICE CHARGES

Orangeville Hydro is applying to continue the current Specific Service Charges and Loss Factors as approved by the Board in Orangeville Hydro's last Cost of Service Application.

3.6 CURRENT TARIFF SHEET

Orangeville Hydro's Current Tariff Sheets are provided in Appendix A.

3.7 PROPOSED TARIFF SHEET

The proposed tariff sheets generated by the 2026 IRM Rate Generator are submitted in Excel format within the IRM Rate Generator Model.

3.8 BILL IMPACT

The table below shows the bill impacts. The bill impacts are calculated based on the dollar change in Sub-Total C – Delivery divided by the total bill before tax at current rates.

Table 24 – Summary of Bill Impacts

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total A		Sub-Total B		Sub-Total C		Total Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 1.23	3.7%	$ 0.03	0.1%	$ (0.13)	-0.2%	$ (0.13)	-0.1%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	$ 2.40	3.7%	$ (0.40)	-0.5%	$ (0.82)	-0.7%	$ (0.82)	-0.3%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - RPP	kW	$ 10.67	3.7%	$ (9.43)	-2.9%	$ (11.52)	-2.1%	$ (11.51)	-0.4%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	kW	$ 2.61	10.1%	$ 2.54	9.7%	$ 2.53	9.4%	$ 2.53	7.5%
STREET LIGHTING SERVICE CLASSIFICATION - RPP	kW	$ 32.48	3.7%	$ 16.24	1.7%	$ 14.64	1.3%	$ 16.55	0.6%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kWh	$ 1.15	3.7%	$ 0.73	2.2%	$ 0.66	1.7%	$ 0.66	0.9%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kWh	$ 1.23	3.7%	$ 8.28	19.7%	$ 8.12	14.5%	$ 9.18	4.5%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Retail	kWh	$ 2.40	3.7%	$ 21.60	24.6%	$ 21.18	17.3%	$ 23.93	4.7%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 33.48	3.7%	$ 923.44	77.2%	$ 907.68	32.2%	$ 1,025.68	4.7%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 183.35	3.7%	$ 183.57	3.7%	$ 183.57	3.7%	$ 207.43	3.3%

Detailed bill impacts for each rate class are submitted in Excel format within the IRM Rate Generator Model.

All classes were calculated using a rounded monthly average consumption. These Bill Impacts will change after updates to the required rates as noted throughout the Managers Summary document.

Orangeville Hydro has complied with the instructions provided in the OEB's 2026 IRM Rate Generator Model as well as Chapters 1 & 3 of the OEB's Filing Requirements for Electricity Distribution Rate Applications published June 19, 2025. As a result, Orangeville Hydro applies for an Order or Orders approving the Tariff of Rates and Charges set out in Appendix B to this Application as just and reasonable rates and charges pursuant to section 78 of the OEB Act, to be effective May 1, 2026.

The enclosed is respectfully submitted for the Board's consideration.

APPENDICES

The following form part of this Application:

Appendix A: Current Tariff Schedule - Included in Rate Generator Model

Appendix B: Proposed Tariff Schedule - Included in Rate Generator Model

Appendix C: Bill Impacts - Included in Rate Generator Model

Appendix D: Commodity Accounts Analysis Workform – submitted in Excel

Appendix E: Revenue to Cost Ratio Adjustment Workform – submitted in Excel

Appendix F: IRM Checklist – submitted in Excel