

BY EMAIL AND RESS

October 14, 2025

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

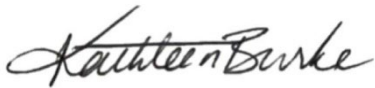
Dear Mr. Murray,

EB-2025-0157 – Chatham x Lakeshore Limited Partnership (CLLP) – Application for 2026, 2027, 2028, and 2029 Transmission Revenue Requirement – Interrogatory Responses

In accordance with the Ontario Energy Board's Procedural Order ("PO") No.1 issued September 26, 2025, Hydro One Networks Inc. (Hydro One), on behalf of CLLP, is writing to respond to Interrogatories provided by OEB staff on October 3, 2025.

An electronic copy of the Interrogatory Responses has been submitted using the Board's Regulatory Electronic Submission System.

Sincerely,

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

Kathleen Burke

Cc: Tina Zhu, Senior Advisor – Generation & Transmission

OEB STAFF INTERROGATORY - 01

Reference:

Exhibit A-2-1, Page 1 of 6

Preamble:

In the reference above, CLLP states that up to five First Nation partners from the area in which CLLP's assets are located that choose to participate in the partnership will collectively hold a 49.995% interest.

Interrogatory:

- a) Given that the partners are not finalized yet, please clarify who owns the 49.995% interest in the meantime.
- b) Please clarify if each partner's partnership interest percentage is the same as their corresponding partnership profit sharing percentage.

Response:

- a) Hydro One Networks Inc (HONI) owns the line at the time of in-service. Certain First Nations have been provided with a 1-year period within which they may purchase, collectively, 49.995% of the units. Until they exercise and complete their option to purchase, HONI remains the owner of the units.

At time of writing, two First Nations have purchased units totalling just under 10% each. HONI remains the owner of the other approximately 30% of the units allocated to First Nations until those communities move forward with their purchase option.

- b) Confirmed. The percentage of shares owned by any partner represents their share of future after-tax profits.

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OEB STAFF INTERROGATORY - 02

Reference:

Exhibit A-2-1, Page 1 of 6

Preamble:

In the reference above, CLLP states that it is requesting approval to dispose of the balance in the CxL Transmission Line Revenue Requirement Variance Account (CLLPVA) in this application. CLLP established the CLLPVA to record the difference between the revenue requirement associated with the actual rate base and approved rate base for 2025. The estimated CLLPVA balance is \$423,089 however the final amount for disposition for the 2026 rates will be updated during the proceeding, in early October, once the trailing costs are finalized.

Interrogatory:

- a) Please clarify, once the trailing costs are finalized and the related revenue requirement difference is being recovered through CLLPVA balance disposition in the application, will the CLLPVA be in use in the future.
- b) Further to question a), if the answer is no, please confirm if CLLP will request to discontinue the CLLPVA.
- c) Please clarify if there is a carrying charge and/or interest portion in the estimated CLLPVA balance of \$423,089.
- d) Please provide the updated CLLPVA balance and any other related updates in the interrogatories response.

Response:

- a) No, CLLP does not intend to use CLLPVA in the future.
- b) CLLP is requesting to discontinue the CLLPVA.
- c) No carrying charge was included in the estimated balance.
- d) Based on the final update for the project costs referenced in the response to Interrogatory I-01-03, the updated CLLPVA balance is \$211,413. The carrying charge amount was immaterial and is therefore not included in the balance.

Below are the updated tables for Exhibit A-04-01 to reflect the revised trailing costs and the CLLPVA balance. The associated schedules have been updated and provided as follows:

- CLLP_2026 Annual Update_IRRs_I-01-03_Attachment 01_20251014.xlsx (updated Property, Plant and Equipment schedule - originally Exhibit A-04-01-03)
- CLLP_2026 Annual Update_IRRs_I-01-03_Attachment 02_20251014.xlsx (updated Depreciation schedule - originally Exhibit A-04-01-04)
- CLLP_2026 Annual Update_IRRs_I-01-02_Attachment 01_20251014.xlsx (updated Tax Schedule – originally Exhibit A-04-01-05)
- CLLP_2026 Annual Update_IRRs_I-01-02_Attachment 02_20251014.xlsx (updated Cost of Capital Summary – originally Exhibit A-04-01-02)

Approval of CLLP's 2026 rates revenue requirement results in a decrease in the total bill of 0.008% or \$0.012 per month for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly, and a decrease in total bill of 0.006% or \$0.026 per month for a typical Hydro One General Service Energy less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly.

Updated Exhibit A-04-01 Table 1 – Updated 2026 - 2029 Base and Rates Revenue Requirement

	EB-2024-0216 Settlement ¹				Change to Cost of Capital Parameters based on Updated Trailing Costs				Updated Revenue Requirement				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	(0.04)	(0.04)	(0.04)	(0.04)	2.50	2.50	2.50	2.50	I-01-03 Attachment 2
Return on Debt	5.57	5.50	5.43	5.36	(0.23)	(0.22)	(0.22)	(0.21)	5.34	5.28	5.21	5.15	I-01-02 Attachment 2
Return on Equity	7.44	7.35	7.25	7.16	0.12	0.12	0.12	0.12	7.56	7.47	7.38	7.28	I-01-02 Attachment 2
Income Tax	0.10	0.10	0.10	0.10	0.00 ²	0.00 ²	0.00 ²	0.00 ²	0.10	0.10	0.10	0.10	I-01-02 Attachment 1
Base Revenue Requirement	16.74	16.63	16.46	16.31	(0.15)	(0.14)	(0.14)	(0.13)	16.59	16.49	16.32	16.18	
Add: DVA Disposition	-	-	-	-	0.21	-	-	-	0.21	-	-	-	Table 3 below
Rates Revenue Requirement	16.74	16.63	16.46	16.31	0.06	(0.14)	(0.14)	(0.13)	16.80	16.49	16.32	16.18	

¹ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.50.

² The change in Income Tax is less than \$50,000. When rounded to the nearest \$M with two decimals, the value is presented as \$0.00M.

1 **Updated Exhibit A-04-01 Table 2 – Breakdown of Trailing Cost**

Description	EB-2024-0216 ³ (\$M)	Updated Trailing Cost (\$M)
Remediation and Claims	\$2.70M	\$4.49M
Biodiversity to meet EA requirements	\$1.10M	\$0.20M
Road Removal	\$1.00M	\$0.60M
Overhead @ 2% ECI – EPC Rate	\$0.09M	\$0.09M
2024 Other Trailing Costs ⁴		(\$0.76M)
Total	\$4.89M	\$4.62M

2 **Updated Exhibit A-04-01 Table 3 – 2025 Revenue Requirement Change in CLLPVA**
3 (\$M)

	As filed in EB-2024-0216 ⁵	Updated	CLLPVA Entry
	2025	2025	2025
OM&A	1.06	1.08	-
Depreciation	2.51	2.50	(0.01)
Return on Debt	5.63	5.72	0.09
Return on Equity	7.44	7.57	0.12
Income Tax	0.10	0.10	0.00
Base Revenue Requirement	16.74	16.95	0.21

4 **Updated Exhibit A-04-01 Table 4 – 2026 - 2029 Rates Revenue Requirement by**
5 **Rate Pool**

	Network	Line Connection	Transformation Connection	UTR Revenue Requirement
2026 Rates Revenue Requirement	\$16,804,298	-	-	\$16,804,298
2027 Rates Revenue Requirement	\$16,487,575	-	-	\$16,487,575
2028 Rates Revenue Requirement	\$16,324,019	-	-	\$16,324,019
2029 Rates Revenue Requirement	\$16,184,802	-	-	\$16,184,802

³ EB-2024-0216, September 27, 2024, Interrogatory I-01-16, part b).

⁴ Of the total trailing costs, \$0.76M has already incurred in 2024. The remaining amount was incurred in 2025.

⁵ Decision and Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, December 17, 2024, p.50.

1 **Exhibit A-04-01 Table 5 – Estimated Transmission Cost as a Percentage of Total**
2 **Electricity Market Costs (No Update)**

	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

3 **Updated Exhibit A-04-01 Table 6 – Average Bill Impacts on Transmission-**
4 **Connected Customers**

	2025	2026	2027	2028	2029
Rates Revenue Requirement ^[1]	\$18,535,124	\$16,804,298	\$16,487,575	\$16,324,019	\$16,184,802
% Change in Rates Revenue Requirement over prior year		-9.3%	-1.9%	-1.0%	-0.9%
% Impact of load forecast change		0.0%	0.0%	0.0%	0.0%
Net Impact on Average Transmission Rates^[2]		-0.073%	-0.015%	-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]		-0.009%	-0.002%	-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% x -9.3% = -0.073% 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. -0.073% x 12.6% = -0.009% in 2026). The calculation for 2027-2029 follows the same logic.

Updated Exhibit A-04-01 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	16.804	16.488	16.324	16.185
CLLP's 2025 Rates Revenue Requirement as % of UTR Network Revenue Requirement ^[3]	B	1.238%				
Estimated Net Impact on RTSR-Network ^[4]	$C=(A/A_{PY}-1)*B_{2025}$		-0.116%	-0.023%	-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	10.318	10.315	10.314	10.313
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	17.742	17.740	17.738	17.737
Estimated Change in RTSR Network Charge (\$) ^[8]	$G=C*D_{PY}$		(0.012)	(0.002)	(0.001)	(0.001)
Total Bill (\$) ^[8]	$H=H_{PY}+D$	142.715	142.703	142.701	142.700	142.698
Increase as a % of Total bill	$I=G/H_{PY}$		-0.008%	-0.002%	-0.001%	-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	22.114	22.108	22.106	22.103
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	39.211	39.206	39.203	39.201
Estimated Change in RTSR Network Charge (\$) ^[8]	$M=C*J_{PY}$		(0.026)	(0.005)	(0.003)	(0.002)
Total Bill (\$) ^[9]	$N=N_{PY}+M$	452.679	452.653	452.648	452.645	452.643
Increase as a % of Total bill	$O=M/N_{PY}$		-0.006%	-0.001%	-0.001%	-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).

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OEB STAFF INTERROGATORY - 03

Reference:

Exhibit A-4-1, Page 4 of 10

Preamble:

In the first reference above, CLLP states that the current estimate for the project is \$212.9M (\$203.66M + \$9.24M) with a range between \$206.9M to \$214.4M.

Interrogatory:

- a) Please provide the updated project costs in the interrogatories response, once the trailing costs are final.
- b) Further to question a), please provide reconciliation on rate base amount for 2026 year, by providing:
 - i. 2025 beginning of year total rate base, net of accumulated depreciation (if there is any depreciation taken in 2024)
 - ii. 2025-year addition to rate base
 - iii. 2025 year depreciation
 - iv. 2025 end of year total rate base, net of accumulated depreciation
 - v. 2025 year average total rate base, net of accumulated depreciation
 - vi. 2026 beginning of year total rate base, net of accumulated depreciation
 - vii. 2026-year addition to rate base, if any
 - viii. 2026 year depreciation
 - ix. 2026 end of year total rate base, net of accumulated depreciation
- c) The estimated cost for remediation and claims increased from \$2.70M to \$8.90M, with a variability range of \$3.3M to \$10.8M. Please provide a detailed breakdown for the drivers behind the increase from \$2.7M to the final amount for remediation and claims.

Response:

a) The updated total project cost including trailing costs is \$208.28M (\$203.66M + \$4.62M). Below is a breakdown of the updated trailing costs.

Updated Exhibit A-04-01 Table 2 - Breakdown of 2025 Trailing Cost

Description	EB-2024-0216 (\$M)	August 2025 Forecast (\$M)	Final 2025 Forecast (\$M)
Remediation and Claims	\$2.70M	\$8.90M	\$4.49M
Biodiversity to meet EA requirements	\$1.10M	\$0.30M	\$0.20M
Road Removal	\$1.00M	\$0.60M*	\$0.60M
Overhead @ 2% ECI – EPC Rate	\$0.09M	\$0.20M*	\$0.09M
2024 Other Trailing Costs		(\$0.76M)	(\$0.76M)
Total	\$4.89M	\$9.24M	\$4.62M

b) The updated 2025 and 2026 Rate Base is provided below.

Description	Bridge	Test	
	2024	2025	2026
Property, Plant and Equipment			
Opening Gross Book Value	0.00	203.66	208.28
Add: In-Service Additions	203.66	4.62	0.00
Sale of Fixed Assets	0.00	0.00	0.00
Transfers In/Out	0.00	0.00	0.00
Net Book Value	203.66	208.28	208.28
Average	203.66	205.97	208.28
Accumulated Depreciation			
Opening Accumulated Deprecation	0.00	0.20	2.70
Add: Depreciation from In-Service Additions	0.20	0.06	0.00
Depreciation on Existing Assets	0.00	2.44	2.50
Net Accumulated Depreciation	0.20	2.70	5.20
Average	0.20	1.45	3.95
Average Rate Base	203.45	204.51	204.33
Addition to Rate Base			
Cash Working Capital	0.00	0.00	0.00
Materials and Supply Inventory *	0.00	0.00	0.00
Rate Base	203.45	204.51	204.33

1 Additional details for the above table and the 2024 to 2029 period may be found in
2 CLLP_2026 Annual Update_IRRs_I-01-03_Attachment 01_20251014.xlsx (updated
3 Property, Plant and Equipment schedule - originally Exhibit A-04-01-03), and
4 CLLP_2026 Annual Update_IRRs_I-01-03_Attachment 02_20251014.xlsx (updated
5 Depreciation schedule - originally Exhibit A-04-01-04).

- 6
7 c) The Remediation and Claims forecast has been updated from \$8.90M down to \$4.49M
8 (see Part a)). The primary driver for the decrease is the reduction of the risk of
9 additional claims over August and September as remediation work has been
10 completed on many impacted properties.

11
12 The primary driver for the increase, relative to the estimate provided in EB-2024-0216
13 (\$2.70M), is the remediation of an Alternating Current issue affecting a 3rd party.

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