



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

November 27, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: EB-2025-0050 Canadian Niagara Power Inc. ("CNPI") 2026 IRM Application
CNPI Reply Submission**

In accordance with Procedural Order #2, please find attached CNPI's reply to submissions from OEB Staff.

Copies of the attached reply submission have also been provided to OEB Staff.

Please direct any questions or concerns to the undersigned.

Sincerely,

Oana Stefan
Manager, Regulatory Affairs
Phone: 905.871.0330 Ext.3271
RegulatoryAffairs@FortisOntario.com

Encl.

cc: Arlene Bernardo, (OEB Staff)

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Canadian Niagara
Power Inc. for an Order or Orders pursuant to Section 78 of the
Ontario Energy Board Act, 1998 approving or fixing just and
reasonable rates and other service charges for the distribution
of electricity.

REPLY SUBMISSION

CANADIAN NIAGARA POWER INC.

2026 DISTRIBUTION RATE APPLICATION

EB-2025-0050

NOVEMBER 27, 2025

Introduction

Canadian Niagara Power Inc. (“CNPI”) submitted an Incentive Rate-setting Mechanism (“IRM”) application to the Ontario Energy Board (“OEB”) on August 14, 2025, requesting approval for adjustments to its electricity rates effective January 1, 2026. CNPI’s Application proposed an IRM Price Cap IR adjustment of 3.25%, based on an inflation factor of 3.7%, less productivity of 0% and a stretch factor of 0.45%.

CNPI also submitted proposed changes to its RTSRs to recover forecasted wholesale transmission charges (Uniform Transmission Rates or UTRs), as well as proposing a Electric Vehicle Charging RTSR (EVC RTSRs), consistent with OEB policy.

CNPI advised the OEB in its Application that balances for accounts 1588 and 1589 were last disposed of in its 2024 IRM Application. The disposition was approved on a final basis and included the balances as of December 31, 2022 plus projected interest. Based on the status of the reconciliations in the Commodity Account Work Form for 2023 and 2024, CNPI proposed an interim disposition of the 2023 1588 and 1589 balances, and proposed to not dispose of the 2024 balances as work remains on-going for that year. CNPI will continue to investigate the reconciliation of the 2024 balances and indicated that it will provide prompt updates if able to bring the reconciling items within the OEB’s threshold value, in addition to proposing a final disposition of all balances, if appropriate at that time.

CNPI proposed to dispose of the other Group 1 balances (excluding 1588 and 1589) as at December 31, 2024.

Price Cap IR Adjustment

CNPI acknowledges OEB staff’s confirmation that there are no concerns with CNPI’s proposed Price Cap IR adjustment of 3.25%, derived from the OEB-approved formula (inflation factor of 3.70% less CNPI’s stretch factor of 0.45%) in accordance with Chapter 3 of the Filing Requirements (Section 3.2.1). CNPI confirms that the 2026 Rate Generator Model accurately reflects these adjustments, consistent with the OEB’s letter on 2026 Inflation Parameters (June 11, 2025).

Retail Transmission Service Rates (RTSRs)

CNPI confirms that the RTSR adjustments in the 2026 Rate Generator Model attached with the OEB Staff Submission align with the preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates communicated by the OEB on October 9, 2025 (EB-2025-0232).

Time-of-Use Pricing and Ontario Electricity Rebate

CNPI confirms that the updates to time-of-use pricing and the Ontario Electricity Rebate, effective November 1, 2025, have been incorporated into the 2026 Rate Generator Model that was attached to the OEB Staff submission.

Detailed Submissions

In accordance with Procedural Order No. 2, OEB Staff filed their submissions on November 20, 2025. OEB Staff made detailed submissions on:

- 1) Group 1 Deferral and Variance Accounts (DVAs)
- 2) National Grid Power Purchase
- 3) Total Bill Impact for Street Lighting Class

CNPI has provided reply submissions on each of these items below.

1. Group 1 Deferral and Variance Accounts (DVAs)

CNPI notes OEB staff's support for the final disposition of Group 1 balances (excluding Accounts 1588 and 1589) as of December 31, 2024, and interim disposition of 2023 and 2024 balances for Accounts 1588 and 1589, as proposed by CNPI. Accordingly, CNPI respectfully submits the Group 1 DVA disposition should be approved as proposed. CNPI will continue to undertake a detailed review of these accounts to address the threshold and will aim bring forward final disposition in CNPI's 2027 rate application, consistent with OEB staff's recommendation.

2. National Grid Power Purchase

OEB Staff supported CNPI's proposed accounting treatment regarding the National Grid Power Purchases in 2023, noting CNPI's application of guidance in the Accounting Order approved by the OEB in EB-2025-0081. Additionally, OEB Staff supported that the proposal for harmonized disposition of the National Grid purchase impacts across the CNPI service territories. CNPI agrees with OEB staff's acceptance of CNPI's proposals, including the harmonized disposition of savings resulting from power purchased from National Grid through NYISO during August and September 2023.

3. Street Lighting Class Bill Impact

OEB Staff submitted that CNPI's proposal for the Street Lighting bill impacts is acceptable. OEB Staff's submission noted CNPI's communications with the affected customers, as well as acknowledging that this customer group typically has bills across multiple service categories, bringing the total impact among the customers' multiple bills to levels that are near or below the mitigation threshold. OEB Staff also acknowledged that the bill increase was caused by a temporary

bill decrease (large credit rate rider) in 2025 compared to a typical street lighting invoice in recent years. Additionally, OEB Staff agreed that rate smoothing options could result in potential bill fluctuations and complicate future disposition proceedings. CNPI respectfully submits that the Street Lighting rates should be approved as proposed, without further adjustments for rate mitigation purposes.

Conclusion

CNPI appreciates OEB staff's thorough review and submissions. CNPI respectfully submits the application should be approved as currently outlined in the Rate Generator Model attached with OEB Staff's submission, subject to any further OEB issuance of 2026 applicable rates prior to the OEB's Decision (ex: updated Regulatory Rates, final Uniform Transmission or Hydro One Sub-Transmission rates).

--All of which is respectfully submitted --