

Ref: Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

The OEB-published 2025 Quarter 1-4 prescribed accounting interest rates applicable to the carrying charges of deferral and variance accounts for electricity distributors and other rate-regulated entities are Q1 = 3.64%, Q2 = 3.16% Q3&4 = 2.91%. OEB staff notes that it appears Greater Sudbury Hydro applied the Q2 interest rate over 6 months instead of the applicable 3 months, consequently increasing the interest rate payable by ratepayers in Q2 of 2025.

Table 1: Greater Sudbury Continuity Schedule Quarter 2, 2025 Interest Rates

| | | 2024 | | | | 2025 | | | | Projected Interest on Dec-31 | |
|--|----------------|--------------------------------|---------------------------------------|---|--|---|--|--|---|--|--|
| Account Descriptions | Account Number | Interest Jan 1 to Dec 31, 2024 | OEB- Approved Disposition during 2024 | Interest Adjustments ¹ during 2024 | Closing Interest Amount as of Dec 31, 2024 | Principal Disposition during 2025 - instructed by OEB | Interest Disposition during 2025 - instructed by OEB | Closing Principal Balances as of Dec 31, 2025 Adjusted for Disposition during 2025 | Closing Interest Balances as of Dec 31, 2025 Adjusted for Disposition during 2025 | Projected interest from Jan 1, 2025 to Dec 31, 2025 on Dec 31, 2024 balance adjusted for disposition during 2025 * | Projected interest from Jan 1, 2025 to Apr 30, 2026 on Dec 31, 2024 balance adjusted for disposition during 2025 * |
| Group 1 Accounts | | | | | | | | | | | |
| L/V Variance Account | 1550 | 5,037 | 6,363 | | 4,607 | 43,247 | 2,320 | 40,076 | 2,287 | 1,581 | 389 |
| Smart Metering Entry Charge Variance Account | 1551 | (8,664) | (11,603) | | (7,430) | (87,219) | (4,312) | (35,759) | (3,789) | (1,410) | (347) |
| R/SVA - Wholesale Market Service Charge ⁸ | 1560 | 6,034 | 210,652 | | (42,333) | (873,688) | (103,919) | (234,790) | 61,586 | (11,623) | (2,859) |
| Variance VMS - Sub-account CER Class A ⁹ | 1580 | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Variance VMS - Sub-account CER Class B ⁹ | 1580 | (12,232) | (60,423) | | (4,897) | 43,870 | 10,194 | 244,431 | (15,091) | 9,645 | 2,372 |
| R/SVA - Retail Transmission Network Charge | 1594 | 54,159 | 87,728 | | 43,565 | 228,653 | 3,946 | 1,086,814 | 39,619 | 42,875 | 10,542 |
| R/SVA - Retail Transmission Connection Charge | 1596 | 9,403 | 9,136 | | 2,898 | (53,070) | (10,360) | 583,505 | 13,153 | 23,019 | 5,660 |

Question(s):

- a) Please confirm whether the Q2 prescribed interest rate (3.16%) was applied for three months or six months.

GSHI confirms the Q2 prescribed interest rate (3.16%) should have been applied for three months and was erroneously applied for 6 months due to a formula error. GSHI has corrected the formula error to reflect 3 months for Q2 in the model included with this submission.

- b) If the Q2 interest rate was applied for six months, please explain the rationale behind this approach.

Please see response above, this was done in error and has now been corrected.

- c) Provide the calculated impact on carrying charges resulting from applying the Q2 interest rate for six months instead of three months.

Please see response to a) and b) above – this was an error that has now been corrected.

- d) If your response in b) indicates that it was an error, please re-file a corrected Rate Generator Model.

GSHI has included a corrected Rate Generator Model (GSHI_IRM_2026_Rate_Generator_Model_20251205) with this submission.

Staff Question-2

Ref 1: 2025 IRM Rate Generator Model, Tabs 11, 15 and 20

Ref 2: OEB Letter, EB-2025-0232, 2026 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, October 9, 2025

Preamble:

On October 9, 2025, the OEB issued a letter regarding 2026 Preliminary Uniform Transmission Rates (UTRs) and Hydro One Sub-Transmission Rates. The OEB determined the use of preliminary UTRs to calculate 2026 Retail Service Transmission Rates (RTSRs) to improve regulatory efficiency, allowing for this data to feed into the rate applications including annual updates for electricity distributors on a timelier basis. The OEB also directed distributors to update their 2026 application with Hydro One

Network Inc.'s (HONI) proposed host RTSRs.

OEB staff has updated Greater Sudbury Hydro's Rate Generator Model with the preliminary UTRs and proposed host RTSR by HONI as follows:

Table 2: Updated Uniform Transmission Rates Greater Sudbury Continuity

| Uniform Transmission Rates | Unit | 2024 Jan to Jun | | 2024 Jul to Dec | | 2025 Jan to Jun | | 2025 Jul to Dec | | 2026 |
|--|------|--------------------|------|--------------------|------|--------------------|------|--------------------|------|---------|
| Rate Description | | Rate | | | | Rate | | | | Rate |
| Network Service Rate | kW | \$ | 5.78 | \$ | 6.12 | \$ | 6.37 | \$ | 6.37 | \$ 6.42 |
| Line Connection Service Rate | kW | \$ | 0.95 | \$ | 0.95 | \$ | 1.00 | \$ | 1.00 | \$ 1.02 |
| Transformation Connection Service Rate | kW | \$ | 3.21 | \$ | 3.21 | \$ | 3.39 | \$ | 3.39 | \$ 3.47 |

Table 3: Updated HONI Sub-Transmission Rates

| Hydro One Sub-Transmission Rates | Unit | 2024 | | 2025 | | 2026 |
|--|------|------|--------|------|--------|-----------|
| Rate Description | | Rate | | Rate | | Rate |
| Network Service Rate | kW | \$ | 4.9103 | \$ | 5.3280 | \$ 5.4282 |
| Line Connection Service Rate | kW | \$ | 0.6537 | \$ | 0.6882 | \$ 0.6896 |
| Transformation Connection Service Rate | kW | \$ | 3.3041 | \$ | 3.4894 | \$ 3.4965 |
| Both Line and Transformation Connection Service Rate | kW | \$ | 3.9578 | \$ | 4.1776 | \$ 4.1861 |

Question(s):

- a) Please confirm the accuracy of the Rate Generator Model update, as well as the accuracy of the resulting RTSR following these updates.

GSHI confirms the accuracy of the Rate Generator Model update as well as the accuracy of the resulting RTSR following these updates.

Staff Question-3

Ref 1: 2026 IRM Rate Generator Model, Tab 18

Ref 2: EB-2025-0232, OEB Letter "2026 Preliminary Uniform Transmission Rates, issued October 9, 2025

Table 4: Updated Time of Use RPP Prices

Time-of-Use RPP Prices and Percentages

| As of | November 1, 2025 | | |
|----------|------------------|--------|-----|
| Off-Peak | \$/kWh | 0.0980 | 64% |
| Mid-Peak | \$/kWh | 0.1570 | 18% |
| On-Peak | \$/kWh | 0.2030 | 18% |

Question(s):

- a) The Rate Generator Model was updated to reflect the updated values established in References 1 and 2. Please confirm the accuracy of the Rate Generator Model update, as outlined below.
- Tab 18 Ontario Electricity Rebate (OER) = 23.50%
 - Tab 18 Time of Use RRP Prices and Percentages

GSHI has reviewed and confirms the accuracy of the updates to the OER percentage and the Time of Use Prices and percentages in the Rate Generator Model.

Staff Question-4

Ref: Manager's Summary, p. 7.

Preamble:

In the above reference, Greater Sudbury Hydro notes that it has an outstanding issue from its 2025 Cost of Service application (EB-2024-0026) regarding the recovery of an Other Post-employment Benefits (OPEBs) transition amount. Specifically, if approved by the OEB, Greater Sudbury Hydro plans to implement an additional rider effective May 1, 2026, in accordance with the OEB's determination.

Greater Sudbury Hydro further notes that it will update the proposed tariff sheets in its 2026 IRM application, as necessary, to reflect and implement any directions or guidance by the OEB in its decision in EB-2024-0026.

Question(s):

- a) Please confirm that Greater Sudbury Hydro still intends to update the proposed tariff sheets in its 2026 IRM application, as necessary, to reflect and implement the OEB's decision on the additional rider related to the OPEBs transition amount (and any other directions or guidance provided by the OEB in EB-2024-0026).

GSHI confirms that it still intends to update the proposed tariff sheets in its 2026 IRM application, as necessary, to reflect and implement the OEB's decision related to the OPEBs transition amount (and any other directions or guidance provided by the OEB in EB-2024-0026), provided that such decision and/or guidance is issued in sufficient time to be incorporated into rates effective May 1, 2026.

In the event that the OEB's decision in EB-2024-0026 is outstanding or not finalized in time to be implemented for May 1, 2026 rates, GSHI will work with OEB staff and intervenors to develop an appropriate plan and timing for the implementation of the additional rider and any related directions arising from EB-2024-0026.