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BY EMAIL AND RESS

January 22, 2026

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-2025-0028 – Hydro One Remote Communities Inc. – 2026 IRM Application – Responses to OEB Staff Questions

In accordance with Ontario Energy Board (“OEB”) Staff’s email dated January 20, 2026, please find attached our response to the question posed by OEB Staff.

An electronic copy of the response has been submitted using the Board’s Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink, appearing to read "Elise Andrey".

Elise Andrey

OEB STAFF QUESTION - 01

Reference:

Application Summary, Exhibit A-4-1, Page 5, Table 3

Preamble:

On December 16, 2025, the OEB issued a Decision and Order approving the Settlement Proposal for Wataynikaneyap Power LP's (WPLP) 2026 transmission revenue requirement.¹ WPLP's transmission connection costs are a direct flow-through cost for Hydro One Remote Communities Inc., which are funded through the Rural or Remote Electricity Rate Protection (RRRP) program. WPLP's approved 2026 revenue requirement resulting from the Settlement Proposal and the updated cost of capital parameters is summarized in Table 1 below.

Table 1 - Summary of Change in Revenue Requirement with Cost of Capital Update

	Revenue Requirement for Rates (\$000's)		
	Line to Pickle Lake	Remote Connection Lines	Total
Rate Application (2025-07-04)	29,686	103,346	133,031
Settlement Proposal & 2026 Cost of Capital Update	28,931	99,880	128,811
Change	-755	-3,466	-4,220
% Change	-2.54%	-3.36%	-3.17%

Interrogatory:

a) Please update the RRRP using the approved Settlement Proposal with the updated cost of capital parameters to reflect WPLP's approved 2026 transmission revenue requirement.

Response:

a) Please see Table 3 (2026 RRRP Amounts) below showing the updated amounts.

¹ EB-2025-0192, Decision and Order, issued December 16, 2025

1

Table 3 - 2026 RRRP Amounts (\$000s)

Description	OEB Approved	Inflation Factor	2026 Escalated (As-Filed)	2026 Escalated (Updated)
Remotes Annual RRRP - Operating Subsidy	49,927	3.7%	51,774	51,774
Remotes Annual RRRP - WPLP Subsidy	132,731		103,346	99,880 ^[1]
Total Annual RRRP	182,658	-	155,120	151,654
Recovery of balance of RRRPVA	1,946 ^[2]	-	1,946	1,946
Total RRRP Level	184,604	-	157,066	153,600

[1]: Remotes Annual RRRP – WPLP Subsidy approved 2026 transmission revenue requirement as provided in EB-2025-0192, Decision and Order, issued December 16, 2025

[2]: Disposition of the December 31, 2021 audited RRRPVA total balance of \$9,732k equally over a five-year term (\$1,946k/year) as outlined in EB-2022-0041, Application, Exhibit H-01-01