



Hydro One Network Inc.

**Application for electricity distribution rates and other
charges effective January 1, 2026**

PROCEDURAL ORDER NO. 2

February 10, 2026

BEFORE: Vinay Sharma

Presiding Commissioner

Damien A. Côté

Commissioner

Patrick Moran

Commissioner

Hydro One Network Inc. (Hydro One) filed a custom incentive rate-setting (CIR) update application with the Ontario Energy Board (OEB) on August 29, 2025, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to its electricity distribution rates to be effective **January 1, 2026**. This application also requested approval for a Z-factor claim to recover costs incurred due to the ice storm that occurred in March 2025. On December 17, 2025, the OEB issued a Partial Decision and Order, and deferred its determination on the Z-factor claim until a later date.

The OEB is seeking clarification from Hydro One on the following matters:

1. Please confirm whether the projected 2025 Return on Equity (ROE) provided by Hydro One in its Interrogatory Responses¹ includes the costs proposed to be recovered in the Z-factor rate rider.
2. If the 2025 ROE includes the Z-factor amount, how many basis points of the projected 2025 ROE does the Z-factor amount represent?
3. Please confirm whether the revenue associated with the Z-factor claim, if approved, is included in the 2025 projected ROE.

¹ Hydro One Interrogatory Response I-02-08; Hydro One Interrogatory Response I-04-03; Hydro One Interrogatory Response I-05-09

4. Please provide the latest 2025 forecast ROE or, if available, the actual 2025 ROE. If the impact of the Z-factor (in basis points) has changed, please also provide the updated ROE impact of the Z-factor.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One shall file a written response to the questions set out in this Procedural Order with the OEB and serve them on all intervenors by **February 17, 2026**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2025-0030** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Lizzie Zhang at lizzie.zhang@oeb.ca and OEB Counsel, James Sidlofsky at james.sidlofsky@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **February 10, 2026**

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar