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BY EMAIL AND RESS

June 23, 2026

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

Dear Mr. Murray,

EB-2026-0169 – Hydro One Networks Inc. – Application for 2027 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board (OEB)'s Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants (the Decision and Order) in EB-2021-0110, enclosed is Hydro One Transmission's annual update application (the Application) in support of its request for transmission revenue requirement effective January 1, 2027.

Pursuant to the OEB's C*hapter 1 Filing Requirements for Electricity Transmission Applications* (issued on October 30, 2025), applicants are required to file a letter from their governing body (e.g. Board of Directors) confirming awareness and approval of the application. Hydro One respectfully requests an exemption from this requirement at the time of filing and commits to providing the required certification in due course following its next scheduled Board of Directors meeting in August 2026 (the August Board).

Hydro One is submitting the Application in advance of the August Board meeting to support the OEB's issuance of preliminary Uniform Transmission Rates (UTRs). As outlined in the OEB's September 28, 2023 letter, preliminary UTRs are issued "to improve regulatory efficiency, allowing for this data to feed into rate applications, including annual updates for electricity distributors, on a timelier basis."[1] By filing the Application in advance of the August Board meeting, Hydro One is enabling sufficient time for the OEB to calculate preliminary UTRs.

An electronic copy of the Application has been submitted using the OEB's Regulatory Electronic Submission System.

Sincerely,

Elise Andrey

[1] OEB Letter, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub Transmission Rates (EB-2023-0222) issued September 28, 2023

EXHIBIT LIST

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APPLICATION

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

AND IN THE MATTER OF an Application by Hydro One Networks Inc., for an Order or Orders made pursuant to section 78 of the *Ontario Energy Board Act, 1998* approving rates and other charges for the transmission of electricity to be effective January 1, 2027.

1. The Applicant, Hydro One Networks Inc. (Hydro One), is an Ontario corporation with its head office in Toronto, Ontario. Hydro One is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2003-0035, to transmit electricity and carry on the business of owning and operating transmission facilities in Ontario. The transmission business of Hydro One is referred to as "Hydro One Transmission" in this Application.

2. In the OEB's Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants (Decision and Order) for Hydro One's Custom Incentive Rate-setting (IR) Application (EB-2021-0110), the OEB approved the proposed Custom IR methodology and determined that this framework would be used to establish Hydro One's transmission revenue requirement for the years 2024 through to 2027 inclusive.[1]

3. This is an Application for Hydro One's 2027 transmission revenue requirement determined formulaically using the Custom IR methodology approved in EB-2021-0110.

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[1] Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

4. Hydro One Transmission hereby applies to the OEB for an Order approving a total rates revenue requirement of $2,305.8M for 2027, to be effective on January 1, 2027, and inclusion of Hydro One Transmission's approved rates revenue requirement in the OEB's determination of the 2027 Uniform Transmission Rates (UTRs).

5. Hydro One is requesting approval to dispose of the credit balance in the Excess Export Services Revenue Variance Account as of December 31, 2025 (inclusive of interest forecast through to December 31, 2026) in the amount of $3,655,406 in this Application, as described in Exhibit A-04-01, Section 3.1.

6. Hydro One is requesting approval of the Export Transmission Service (ETS) rate of $2.02/MWh effective January 1, 2027, which has been updated by the Revenue Cap Index (RCI) factor determined in this proceeding, as described in Exhibit A-04-01, Section 4.0.

7. Approval of Hydro One Transmission's 2027 rates revenue requirement results in an increase in the total bill of 0.76% or $1.10 per month for a typical Hydro One Distribution medium density residential (R1) customer consuming 750 kWh monthly and an increase in total bill of 0.53% or $2.44 per month for a typical Hydro One Distribution General Service Energy less than 50 kW (GS<50kW) customer consuming 2,000 kWh monthly. More information regarding the monthly bill impacts may be found in Exhibit A-04-01, Section 6.0.

8. In preparing this Application, Hydro One has been guided by the OEB's *Filing Requirements for Electricity Transmission Applications* dated October 30, 2025.

9. The written evidence filed with the OEB may be amended from time to time prior to the OEB's final decision on the Application.

NOTICE AND FORM OF HEARING REQUESTED

10. The Application may be viewed on the internet at the following address: https://www.hydroone.com/abouthydroone/RegulatoryInformation/txrates

11. The persons affected by this Application are all persons affected by Ontario's UTRs. It is therefore impractical to set out their names and addresses because they are too numerous.

PROPOSED EFFECTIVE DATE

12. Hydro One requests that the OEB's Rate Order be effective January 1, 2027. In order to address the possibility that the requested Rate Order cannot be made effective by that time, Hydro One requests an interim Rate Order making its current transmission revenue requirement and charges effective on an interim basis as of January 1, 2027, and approval to recover any differences between the interim rates and final rates effective January 1, 2027 in the OEB’s decision and order establishing uniform transmission rates for the following year, based on the OEB's Decision and Order herein.

CONTACT INFORMATION

13. Hydro One requests that a copy of all documents filed with the OEB by each party to this Application be served on the Applicant and the Applicant's counsel, as follows:

    a) **The Applicant:**

Eryn MacKinnon
Regulatory Advisor
Hydro One Networks Inc.

Mailing Address:	7th Floor, South Tower 483 Bay Street Toronto, Ontario M5G 2P5
Telephone:	(437) 318-3700

Electronic access: Regulatory@HydroOne.com

b) The Applicant's Counsel:

Ms. Mary Anne Aldred
Strategic Advisor
Norton Rose Fulbright Canada

Mailing Address:	222 Bay Street, Suite 3000
	Toronto, Ontario M5K 1E7
Telephone:	(416) 216-1949
Fax:	(416) 216-3930
Email:	maryanne.aldred@nortonrosefulbright.com

DATED at Toronto, Ontario, this 23rd day of June, 2026.

By its counsel,

Mary Anne Aldred

CERTIFICATION OF EVIDENCE

TO: ONTARIO ENERGY BOARD

The undersigned, Kathleen Burke, being Hydro One's Vice-President, Regulatory Affairs, hereby certifies for and on behalf of Hydro One that:

1. I am a senior officer of Hydro One;

2. This certificate is given pursuant to Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Applications*;

3. The evidence submitted herein is accurate, consistent and complete to the best of my knowledge*;* and

4. The evidence submitted does not contain any personal information filed herein (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), that is not otherwise redacted in accordance with rule 9A of the OEB's *Rules of Practice and Procedure.*

DATED this 18th day of June, 2026.

Kathleen Burke

KATHLEEN BURKE

CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT BALANCES

TO: ONTARIO ENERGY BOARD

The undersigned, Harry Taylor, being Hydro One Networks Inc.'s (Hydro One) Executive Vice President, Chief Financial and Regulatory Officer, hereby certifies for and on behalf of Hydro One Transmission, that:

1. This certificate is provided pursuant to, or to be consistent with, Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Rate Applications*; and

2. Hydro One has the appropriate processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed.

DATED this 12th day of June, 2026.

Harry P. Taylor

HARRY TAYLOR

SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH PRIOR OEB DECISIONS

This Exhibit provides a summary of directives and undertakings from previous proceedings in respect of this Application.

EB-2021-0243 – Generic Hearing on Uniform Transmission Rates-Related Issues and the Export Transmission Service Rate

In the OEB's Decision and Order for the generic proceeding on Uniform Transmission Rates-Related Issues and the Export Transmission Service Rate, the OEB directed Hydro One to dispose the Excess Export Services Revenue Variance Account (Account 2405) balance on an annual basis, commencing when the balance for 2023 is final. Effective January 1, 2025, the OEB further ordered that the Export Transmission Service Rate shall be adjusted annually using the RCI methodology for Hydro One's Transmission business as determined in the EB-2021-0110 proceeding.

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APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes Hydro One's 2027 transmission rates revenue requirement application (the Application).

The 2027 transmission total revenue requirement of $2,363.3M has been determined formulaically, using the Custom IR methodology approved in EB-2021-0110. After deducting for other revenues (external revenue, wholesale meter service revenue and export transmission service revenue) and including the low voltage switchgear credit and the disposition of deferral and variance accounts, it results in a proposed 2027 rates revenue requirement of $2,305.8M as outlined in Table 1 below.

Table 1 - Total Rates Revenue Requirement ($M)

	2027	**Section Reference**
Total Revenue Requirement	2,363.3	Section 2.0
Deduct: External Revenue	(37.9)	Section 5.3
Deduct: Disposition of Deferral and Variance Accounts	(3.7)	Section 3.0
Deduct: Wholesale Meter Service (WMS) Revenue	-	Section 5.4
Deduct: Export Transmission Service (ETS) Revenue	(37.2)	Section 4.0
Add: Low Voltage Switchgear (LVSG) Credit	21.3	Section 5.6
Rates Revenue Requirement	**2,305.8**	Section 5.1

Hydro One is requesting that the OEB approve the 2027 transmission rates revenue requirement to be effective on January 1, 2027.

Approval of the Hydro One Transmission's 2027 rates revenue requirement results in an increase in the total bill of 0.76% or $1.10 per month for a typical Hydro One Distribution medium density residential (R1) customer consuming 750 kWh monthly and an increase in total bill of 0.53% or $2.44 per month for a typical Hydro One Distribution General Service Energy less than 50 kW (GS<50kW) customer consuming 2,000 kWh monthly. More information regarding the monthly bill impacts may be found in Section 6.0.

2.0 CUSTOM REVENUE CAP INDEX ADJUSTMENT

In the OEB's Decision and Order for Hydro One's Custom IR Application (EB-2021-0110), the OEB approved the Custom IR methodology for adjusting Hydro One's transmission revenue requirement for the years 2024 to 2027, inclusive.[1]

The approved formula for the Custom IR for the test year t+1 is equal to the revenue in year t inflated by the Revenue Cap Index (RCI) set out below as:

$$RCI = I - X + C$$

Where:

- "I" is the Inflation Factor, based on the transmission industry specific weighted two-factor input price index;
- "X" is the Productivity Factor, which includes a Stretch Factor; and
- "C" is the Custom Capital Factor, based on the incremental revenue necessary to support Hydro One's Transmission System Plan, beyond the amount of revenue recovered in rates. The calculation for the Custom Capital Factor is set out in Table 3 below.

In accordance with the OEB's Decision and Order in EB-2021-0110, the Inflation Factor and the Custom Capital Factor will be updated annually. On June 11, 2026, the OEB released the Inflation Factor to be used by electricity transmitters for 2027 rate applications beginning January 1, 2027. This Application reflects the 2.9% Inflation Factor calculated by the OEB for electricity transmitters.[2]

Consistent with the OEB's Decision and Order in EB-2021-0110, the Productivity Factor of 0.15% will not be updated over the 2024 to 2027 period.[3]

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[1] Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.
[2] OEB Letter, 2027 Inflation Parameters, June 11, 2026.
[3] Decision on Settlement Proposal and Order on Rates, Revenue Requirement and Charge Determinants, EB-2021-0110, Hydro One Networks Inc., November 29, 2022.

Table 2 below summarizes the components of the RCI for 2027.

Table 2 - 2027 Custom Revenue Cap Index (RCI) by Component (%)

Custom Revenue Cap Index by Component (%)	**2027**
Inflation Factor (I)	2.90
Productivity Factor (X)	0.15
Custom Capital Factor (C)	0.79 [1]
Total Revenue Cap Index (RCI = I – X + C)	**3.54**

[1] As per Table 3. Includes an approved supplemental stretch on capital of 0.20% as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A. The supplemental stretch on capital is included in the 2027 approved Total Capital Related Revenue requirement as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Table 15, line 9.

Table 3 below sets out the calculation of the updated C-Factor within the RCI calculation.

Table 3 - 2027 Capital Factor [4] ($M)

	Calculation	**2026**	**2027**
Total Capital Related Revenue Requirement (including working capital adjustment and productivity adjustment)	A	1,793.9	1,861.3
OM&A	B	488.6	502.0 [1]
Total Revenue Requirement	$D = A + B$	2,282.5	2,363.3 [2]
Increase in Capital Related Revenue Requirement	$E = A_{2027} - A_{2026}$	92.1	67.4
Increase in Capital Related Revenue Requirement relative to Previous Year's Total Revenue Requirement	$F = {}^{E}/_{D_{2026}}$	4.24%	2.95%
Less Capital Related Revenue Requirement in I-X	$G = \frac{A_{2026}}{D_{2026}} \times (I - X)$	2.62%	2.16% [3]
Capital Factor (C)	$\boldsymbol{C = F - G}$	**1.61%**	**0.79%**

[1] 2027 OM&A = 2026 OM&A * [1+(I-X)]
[2] 2027 Total Revenue Requirement as per Table 4
[3] The percent increase equals Previous Year's Capital Related Revenue Requirement multiplied by I-X; and divided by Previous Year's Total Revenue Requirement, as follows:

$$G = \frac{\$1,793.9M}{\$2,282.5M} \times (2.90\% - 0.15\%)$$

[4] The numbers in the table below correspond to the Decision and Order, EB-2021-0110, Schedule A, Table 15, except where otherwise specified.

The 2027 total revenue requirement of $2,363.3M is shown in Table 4 below.

Table 4 - 2027 Total Revenue Requirement ($M)

Year	Formula	Total Revenue Requirement
2026	OEB-approved Hydro One 2026 Total Revenue Requirement [1]	2,282.5
2027	2027 Total Revenue Requirement = 2026 Total Revenue Requirement x 2027 RCI [2] = $2,282.5M x 1.0354	2,363.3

[1] As per Decision and Order, EB-2025-0159, October 7, 2025, Table 2
[2] 2027 RCI as per Table 2

3.0 DEFERRAL AND VARIANCE ACCOUNTS

In this Application, a credit balance of $3.7M is requested for disposition over a 1-year period commencing January 1, 2027. This balance consists of balances in the Excess Export Service Revenue Variance Account (Account 2405).

3.1 EXCESS EXPORT SERVICE REVENUE VARIANCE ACCOUNT (ACCOUNT 2405)

Pursuant to the OEB's Decision and Order on Uniform Transmission Rates-Related Issues and the Export Transmission Service Rate in EB-2021-0243, the OEB directed Hydro One to dispose of the Excess Export Service Revenue Variance Account balance on an annual basis, commencing when the 2023 balance was final.[5]

Hydro One Transmission last disposed of this account as at December 31, 2024 on a final basis in the Hydro One Transmission 2026 Annual Update proceeding (EB-2025-0159).

Included in the balance submitted for approval is the December 31, 2025 balance (adjusted by the approved disposition during 2026) plus interest forecast through to December 31, 2026, to reflect carrying charges anticipated through to the proposed

[5] Decision and Order, EB-2021-0243, November 24, 2022.

effective date. This will result in a credit balance of $3,655,406 as at December 31, 2026 as shown in Exhibit A-04-01-01.

4.0 EXPORT TRANSMISSION SERVICE (ETS) RATE UPDATE

In the OEB's Decision and Order on Uniform Transmission Rates-Related Issues and the Export Transmission Service (ETS) Rate in EB-2021-0243, the OEB ordered that the ETS Rate shall be adjusted annually, effective January 1, 2025, using the RCI for Hydro One Transmission's methodology as determined in the EB-2021-0110 proceeding.

As calculated in Table 2 above, the RCI factor is 3.54% for 2027. As such, the updated ETS Rate for 2027 is $2.02/MWh as calculated in Table 6 below, to be effective January 1, 2027.

Table 6 - Calculation of Updated ETS Rate for 2027

ETS Rate (2026)	2027 RCI Factor	Updated ETS Rate (2027)
$1.95/MWh	3.54%	$2.02/MWh

5.0 RATES

5.1 RATES REVENUE REQUIREMENT AND CHARGE DETERMINANTS BY RATE POOL

The 2027 OEB approved charge determinants for the Network, Line Connection and Transformation Connection rate pools are outlined in Table 7.

Table 7 - 2027 Charge Determinants by Rate Pool [1] (in MWs)

Network	Line Connection	Transformation Connection
230,328	223,591	190,199

[1] Sum of the 12 monthly charge determinants as per Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.1, Table 1b

The 2027 rates revenue requirement by rate pool is provided in Table 8.

Table 8 - 2027 Rates Revenue Requirement by Rate Pool ($M)

	Network	Line Connection	Transformation Connection	Total
2023 Total Revenue Requirement [1]	1,189.0	202.8	560.7	1,952.5
Percentage Split by Rate Pool	61%	10%	29%	100%
	Network	**Line Connection**	**Transformation Connection**	**Total**
2027 Total Revenue Requirement [2]	1,439.1	245.5	678.7	2,363.3
Excess Export Service Revenue Variance Account [3]	(3.7)	-	-	(3.7)
External Revenue [5]	(23.1)	(3.9)	(10.9)	(37.9)
WMS Revenue [6]	-	-	-	-
ETS Revenue [7]	(37.2)	-	-	(37.2)
LVSG Credit [8]	-	-	21.3	21.3
2027 Rates Revenue Requirement	1,375.2	241.5	689.1	2,305.8

[1] See Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 1.
[2] As per Table 4.
[3] As per Section 5.2.
[4] As per Section 5.2.
[5] As per Section 5.3.
[6] As per Section 5.4.
[7] As per Section 5.5.
[8] As per Section 5.6.

5.2 DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

The disposition of deferral and variance accounts consist of a credit balance of $3.7M for the Excess Export Service Revenue Variance Account (Account 2405).[6] The Excess Export Service Revenue Variance account is directly assigned to the Network rate pool, as shown in Table 8 above.

[6] Section 3.1

5.3 EXTERNAL REVENUE

The OEB approved External Revenues of $37.9M for 2027 in EB-2021-0110.[7] The allocation of External Revenue to rate pools is in proportion to Hydro One Transmission's total revenue requirement by rate pool is shown in Table 8 above.

5.4 WHOLESALE METER SERVICE REVENUE

Starting in 2025, there is no longer Wholesale Meter Service (WMS) revenue for Hydro One Transmission consistent with OEB-approved WMS revenue in EB-2021-0110.[8] As Hydro One Transmission ceased to provide the associated service, it does not collect any WMS revenue.

5.5 EXPORT TRANSMISSION SERVICE REVENUE

The OEB approved Export Transmission Service (ETS) revenues of $37.2M for 2027 in EB-2021-0110, based on the 2023 ETS rate of $1.85 per MWh that was in effect at the time Hydro One's settlement proposal was approved.[9] This amount is included in Hydro One Transmission's rates revenue requirement as shown in Table 8 above and is directly assigned to the Network rate pool.

Subsequent changes to the ETS rate that result in differences between forecast revenue and actual revenue are recorded in the Excess Export Service Revenue Variance Account (Account 2405), consistent with the EB-2021-0243 Decision.[10] The balance in this variance account is further described in Section 3.1 above.

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[7] Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 3.
[8] Ibid.
[9] Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.2, Table 5.
[10] Decision and Order, EB-2021-0243, November 24, 2022.

5.6 LOW VOLTAGE SWITCHGEAR CREDIT

The OEB approved the methodology to determine the Low Voltage Switchgear (LVSG) Credit in EB-2021-0110.[11] The derivation of the 2027 LVSG amount of $21.3M is provided in Table 9. This amount is included in Hydro One Transmission's rates revenue requirement and is directly assigned to the Transformation Connection rate pool, as shown in Table 8 above.

Table 9 - 2027 Low Voltage Switchgear Credit Calculation[12]

Charge Determinant	Transformation Pool Revenue Requirement Before LVSG Credit	Rate Before LVSG Credit ($/kW)	Total Annual NCP Demand for Toronto Hydro and Hydro Ottawa	LVSG Proportion	Final Annual LVSG Credit
(MW)	**($M) [1]**	**($/kW)**	**(MW)**	**(%)**	**($M)**
A	B	C = B/A	D	E	F = C x D x E
190,199	667.8	3.51	31,892	19	21.3

[1] Equals Hydro One Transmission's total rates revenue requirement for Transformation Connection Pool less Non-Rate Revenues allocated to Transformation Connection Pool, as per information in Table 8.

[11] A description of the approved LVSG methodology is provided in EB-2021-0110, Exhibit H-01-03, Section 3.3.
[12] The numbers in the table correspond to the Decision and Order, EB-2021-0110, November 29, 2022, Schedule A, Attachment 1, Schedule 2.5, except where otherwise specified.

6.0 BILL IMPACTS

An update to the estimated average transmission cost as a percentage of the total bill for a transmission-connected customer is presented in Table 10.

Table 10 - Estimated Transmission Cost as a Percentage of Total Electricity Market Costs

Figure	Cost Component	¢/kWh	Source
A	Commodity	11.43	IESO Monthly Market Report December 2025
B	Wholesale Market Service Charges	0.13	IESO Monthly Market Report December 2025
C	Wholesale Transmission Charges	1.69	IESO Monthly Market Report December 2025
D	Total Monthly Cost for TX-Connected Customers	13.25	D=A+B+C
E	Transmission as % of Total Cost for TX-Connected Customers	12.8%	E=C/D

Hydro One Transmission's proposed 2027 rates revenue requirement represents a 6.7% increase from the currently approved 2026 rates revenue requirement,[13] and includes a 0.4% decrease due to change in load forecast as a result of higher load. Hydro One Transmission's rates revenue requirement represents 90.4% of the total rates revenue requirement across all transmitters.[14] This percentage has been applied to Hydro One Transmission's change in rates revenue requirement to calculate the net impact on average transmission rates in 2027. Figure E (12.8%) from Table 10 above has been applied to the net impact on average transmission rates to estimate the bill impact on transmission-connected customers in 2027, as shown in Table 11 below.

[13] Decision and Rate Order, EB-2025-0232, 2026 Uniform Transmission Rates, January 15, 2026.
[14] Hydro One Transmission's rates revenue requirement is divided by all transmitters' rates revenue requirement (\$2,161.0M / \$2,389.6M = 90.4%) per Decision and Rate Order, EB-2025-0232, 2026 UTRs January 15, 2026.

Table 11 - Average Bill Impacts on Transmission-Connected Customers

	2026[1]	**2027[2]**
Hydro One Transmission's Rates Revenue Requirement	$2,160,987,179	$2,305,754,779
% Change in Rates Revenue Requirement over prior year		6.7%
% Impact of load forecast change		-0.4%
Net Impact on Average Transmission Rates [3]		**5.7%**
Transmission as a % of Tx-connected customer's Total Bill		12.8%
Estimated Average Transmission Customer Bill Impact		**0.7%**

[1] 2026 rates revenue requirement per Decision and Rate Order, EB-2025-0159 dated October 7, 2025.

[2] 2027 rates revenue requirement per Table 1.

[3] The calculation of net impact on transmission rates accounts for Hydro One Transmission's 2026 rates revenue requirement as 90.4% of the total rates revenue requirement across all transmitters [90.4% x (6.7% - 0.4%)] =5.7%, as per Decision and Rate Order, EB-2025-0232, 2026 Uniform Transmission Rates, January 15, 2026.

The total bill impact for a distribution-connected customer is determined based on the forecast change in the customer's Retail Transmission Service Rates (RTSRs). Hydro One Distribution's current RTSRs are based on the Preliminary 2026 UTRs which include Hydro One Transmission's approved 2026 rates revenue requirement.[15] The inclusion of Hydro One Transmission's rates revenue requirement in the UTR in 2027 will result in a total bill impact of 0.76% ($1.10 per month) for a typical Hydro One Distribution (R1) customer consuming 750 kW per month and; similarly, a total bill impact of 0.53% ($2.44 per month) for a typical Hydro One Distribution (GS<50kW) customer consuming 2,000 kWh per month.

[15] Preliminary 2026 UTRs as per OEB letter, EB-2025-0232, October 9, 2025, and Hydro One Transmission's 2026 Revenue Requirement and Charge Determinants included in Preliminary 2026 UTRs as per Decision and Order, EB-2025-0159 dated October 7, 2025.

Table 12 - 2027 Total Bill Impacts for Distribution-Connected Customers

	Calculation	2026	2027
Hydro One Transmission's Rates Revenue Requirement [1]	A	$2,160,987,179	$2,305,754,779
Hydro One Transmission's 2026 Revenue Requirement as % of Total UTR Revenue Requirement [2]	B		90.4%
Hydro One Transmission's Net Impact on 2027 RTSRs [3,4]	$C=(A_{2027}/A_{2026}-1) *B$		6.06%
		Typical Hydro One Distribution R1 Customer Consuming 750 kWh per Month	**Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month**
Total bill as of January 1, 2026 [5]	D	$145.18	$456.81
2026 RTSR Network Charge [6]	E	$10.57	$22.80
2026 RTSR Connection Charge [7]	F	$7.59	$17.54
2026 Total RTSR Charge	G=E+F	$18.16	$40.33
2027 Estimated Change in RTSR Charge	H=G*C	$1.10	$2.44
2027 Estimated Total RTSR Charge	I=G+H	$19.26	$42.78
2027 Increase as a % of Total bill	*J=H/D*	*0.76%*	*0.53%*

[1] Hydro One Transmission's 2026 rates revenue requirement as per the Decision and Rate Order, EB-2025-0159 dated October 7, 2025 and the 2027 rates revenue requirement as per Table 1.

[2] Represents Hydro One Transmission's currently approved revenue disbursement allocator based on total UTR Revenue Requirement of $2,389,605,744 as per OEB Decision and Rate Order, EB-2025-0232, 2026 Uniform Transmission Rates-Schedule A, dated January 15, 2026.

[3] Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2026 UTRs, EB-2025-0232, dated October 9, 2025. Hydro One Transmission's net impact on 2027 RTSRs represents the change in Hydro One Transmission's rates revenue requirement relative to its approved 2026 rates revenue requirement included in the Preliminary 2026 UTRs.

[4] Hydro One Transmission's charge determinants as per the Decision and Rate Order, EB-2021-0110 dated November 29, 2022.

[5] Total 2026 bill including HST, based on time-of-use commodity price effective November 1, 2025 and distribution rates effective January 1, 2026 approved per Distribution Rate Order EB-2025-0030, dated December 23, 2025, with 23.5% Ontario Energy Rebate (effective November 1, 2025), $0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of $42.88 (effective July 1, 2025 for Hydro One Distribution R1).

[6] Represents the approved 2026 RTSR Network ($/kWh) effective January 1, 2026 approved per the OEB Decision and Rate Order, EB-2025-0030, December 23, 2025, 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 the approved 2026 RTSR Connection ($/kWh) effective January 1, 2026 approved per the OEB Decision and Rate Order, EB-2025-0030, December 23, 2025, 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.

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