Hydro One Networks Inc.
483 Bay Street
7th Floor South Tower
Toronto, Ontario M5G 2P5
HydroOne.com

Elise Andrey
Director, Applications Delivery
C 416.770.6305
Elise.Andrey@HydroOne.com

BY EMAIL AND RESS

August 18, 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 - Interrogatory Responses

In accordance with the Ontario Energy Board's Procedural Order ("PO") No.1 issued July 31, 2026, please find attached interrogatory responses provided by Hydro One Networks Inc.

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

Sincerely,

Elise Andrey

OEB STAFF INTERROGATORY- 01

Reference:

1. Exhibit A-4-1, Pages 4-5 of 12
2. Decision and Order, EB-2025-0159, October 7, 2025, Hydro One Networks Inc. Application for electricity transmission revenue requirement beginning January 1, 2026, Page 5

Preamble:

In the reference (1) above, Hydro One requests approval to dispose of the credit balance in the Excess Export Service Revenue Variance Account as of December 31, 2025, plus interest forecast through to December 31, 2026. Hydro One states that the December 31, 2025, balance is "adjusted by the approved disposition during 2026".

In the reference (2) above, the OEB approved the disposition of a forecast debit balance of the Excess Export Service Revenue Variance Account of $2,241,114 as of December 31, 2025, representing the December 31, 2024, balance with interest forecast through December 31, 2025 during 2026.

Interrogatory:

a) Please confirm if the amount of adjustment for the approved disposition during 2026 means the $2,241,114 forecast debit balance at the time of the OEB's October 7, 2025 Decision and Order.

b) Please explain the cause for the credit balance of $3,655,406 as at December 31, 2025, in the Excess Export Service Revenue Variance Account (amount including interest forecast through to December 31, 2026).

Response:

a) Confirmed.

b) The credit balance was mainly caused by differences between forecast and actual export volumes. Actual excess export service revenues exceeded the forecast revenues included in the revenue requirement; therefore, this difference is to be returned to customers.

This page has been left blank intentionally.

OEB STAFF INTERROGATORY- 02

Reference:
Exhibit A-4-1, Pages 4-5 of 12

Preamble:
In the reference above, Hydro One states that for the Excess Export Service Revenue Variance Account balance submitted for approval, they include interest forecast through to December 31, 2026.

OEB staff notes that the OEB has currently updated its prescribed interest rates up to Q3 2026.

Interrogatory:
Please confirm that Hydro One will update the forecasted interest amount for the Excess Export Service Revenue Variance Account once the Q4 2026 prescribed interest rate becomes available.

Response:
Hydro One does not intend to update the forecasted interest amount for the Excess Export Service Revenue Variance Account when the Q4 2026 prescribed interest rate becomes available.

Hydro One does not expect any resulting change in the interest amount to be material. Any variance resulting from the use of forecast prescribed interest rates will be captured through the actual carrying charges recorded in the account and will be trued up in the next application’s disposition request. Therefore, Hydro One has not proposed an update in the interest of regulatory efficiency.

This page has been left blank intentionally.

OEB STAFF INTERROGATORY- 03

Reference:
Exhibit A-4-1, Attachment 1 PDF, Page 4 of 4

Preamble:
In the reference above, under the 2.1.7 RRR section, it shows a balance of ($1,348,254.10) as of December 31, 2025.

Interrogatory:
Please explain what is captured in the balance of ($1,348,254.10) as of December 31, 2025.

Response:
The ($1,348,254.10) balance represents the Account 2405 balance as at December 31, 2025.

It consists of:

Closing Principal Balances as at Dec 31-25	(1,649,939.15)
Interest Balance as at Dec 31-25	301, 685.05
Total	(1,348,254.10)

This page has been left blank intentionally.

OEB STAFF INTERROGATORY- 04

Reference:

1. Settlement Proposal, EB-2021-0110, October 24, 2022, Custom IR Application (2023-2027) for Hydro One Networks Inc. Transmission and Distribution, Page 26 of 117
2. Decision and Order, EB-2025-0159, October 7, 2025, Hydro One Networks Inc. Application for electricity transmission revenue requirement beginning January 1, 2026, Page 6

Preamble:

In the reference (1) above, the Parties agreed that as part of 2026 annual update applications (to be filed in 2025) for each of Transmission and Distribution, Hydro One would bring forward any Earnings Sharing Mechanism (ESM) Deferral Account balances for disposition for the years 2021 to 2024, to the extent that the ESM was triggered and there were balances to be disposed of.

In reference (2) above, the OEB approved the disposition of Hydro One's Transmission ESM Deferral Account credit balance of $69.63 million during 2026.

Interrogatory:

a) Please provide the Transmission ESM Deferral Account balance as of December 31, 2025, after adjusting by the approved disposition during 2026.

b) Please provide the forecast and achieved Transmission regulatory return on equity (ROE) in 2025.

Response:

a) The ESM balance as of December 31, 2025, after adjusting for the approved disposition during 2026, is a credit of $103.5M.

b) The forecast (deemed) Transmission ROE was 9.36% and the achieved Transmission ROE in 2025 was 12.72%. The higher achieved ROE is primarily due to higher demand driven by external factors including weather-related variability as compared to the load forecast embedded in rates, and other factors including timing of in-service additions.

This page has been left blank intentionally.