Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

August 10, 2026

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ritchie Murray:

Re: Hydro One Networks Inc. (Hydro One)
Application for 2027 Transmission Revenue Requirement
Ontario Energy Board (OEB) Staff Interrogatories
OEB File Number: EB-2026-0169

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Hydro One and to all other registered parties to this proceeding.

Hydro One is reminded that its responses to interrogatories are due by August 18, 2026. Responses to interrogatories, including supporting documentation, must 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.

Yours truly,

Tina Zhu Digitally signed by Tina Zhu Date: 2026.08.10 09:23:11 -04'00'

Tina Zhu
Senior Advisor, Transmission

Encl.

Hydro One Networks Inc. (Hydro One)
EB-2026-0169
OEB Staff Interrogatories

Staff-1

Ref (1): Exhibit A, Tab 4, Schedule 1, pages 4-5 of 12
Ref (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.

Question(s):

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).

Staff-2

Ref (1): Exhibit A, Tab 4, Schedule 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.

Question(s):

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.

Staff-3

Ref (1): Exhibit A, Tab 4, Schedule 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.

Question(s):

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

Staff-4

Ref (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
Ref (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.

Question(s):

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.