

BY EMAIL AND RESS

September 3, 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-2026-0049 – Hydro One Networks Inc. – Application for 2027 Distribution Revenue Requirement

Pursuant to OEB staff's request for additional information in respect of its 2027 Annual Update Application and clarification on specific attachments that were identified to contain missing information, Hydro One Networks Inc. (Hydro One) is filing its response to OEB staff's questions.

Enclosed is Hydro One's response and the updated excel attachments to the Application:

- HONI_Dx_A-04-06-01_Commodity_Accounts_Analysis_Workform_20260903
- HONI_Dx_A-04-05-02 Allocation of Consolidated RSVA Balances_20260903
- HONI_Dx_A-04-05-03_HONI Dx 2027 DVA Continuity_20260903
- HONI_Dx_A-04-05-04 2027-IRM-Rate-Generator-Model_Orillia RZ_20260903
- HONI_Dx_A-04-05-05 2027-IRM-Rate-Generator-Model_Peterborough RZ_20260903

An electronic copy of the responses and excel attachments have been submitted using the OEB's Regulatory Electronic Submission System.

Sincerely,



Elise Andrey

RESPONSE TO OEB STAFF - 01

Reference:

HONI_Dx_A-04-06-01_20260824

Question:

- a) Missing "Commodity_Accounts_Analysis_Workform" from file name
- b) Tab "Principal Adjustments" missing 2025 principal adjustments

Response:

Hydro One has provided an updated version of the Commodity Accounts Analysis Workform with 2025 principal adjustments at "HONI_Dx_A-04-06-01 Commodity_Accounts_Analysis_Workform_20260903". There was previously a file uploading error.

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RESPONSE TO OEB STAFF - 02

Reference:

HONI_Dx_A-04-05-02_Allocation of Consolidated RSVA Balances_20260824

Question:

- a) Missing 2023 and 2024 balances – does this mean no change from Hydro One’s 2026 rate applications?

Response:

- a) Confirmed. There were no changes to the 2023 and 2024 allocation of the consolidated RSVA balances, as there were no changes to the approved (on an interim basis) balances for Accounts 1588 and 1589.

For completeness of record, the 2023 and 2024 allocation, which aligns with the balances approved for disposition on an interim basis, is provided in the updated file “A-04-05-02_Allocation of Consolidated RSVA Balances_20260903”.

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RESPONSE TO OEB STAFF - 03

Question:

Missing Group 1 DVA rate design for Hydro One Distribution, in the event that the OEB does not accept Hydro One's requested deferral of disposing Group 1 DVA balances and orders disposition in the current proceeding

- a) See last rate proceeding file: HONI_Dx_DRO_Att 05_Rate Rider Derivation for Group 1 DVAs and ESM - Hydro One Dx_(UPDATED)_20251219

Response:

Hydro One is not proposing to dispose of the Group 1 DVA balances in this proceeding; instead it is asking to defer the disposition. Section 3.2.6 of Chapter 3 of the OEB's Filing Requirements states: "The onus is on the distributor to justify why any account balance over the threshold should not be disposed." Hydro One has done that in Exhibit A-04-05, Section 1.6. The Filing Requirements do not call for the rider derivation when a distributor is not proposing disposition; similarly, the OEB's Rate Generator Model does not calculate the riders when disposition is not selected.

Accordingly, the absence of the rider derivation does not render the Application incomplete, and the derivation is more appropriately addressed through interrogatory responses. Hydro One can provide this information as part of the discovery process, if requested. Alternatively, should OEB staff wish to receive it sooner, Hydro One can provide the Group 1 DVA riders on a schedule agreed upon with OEB staff.

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RESPONSE TO OEB STAFF - 04

Question:

The following DVA continuity schedules do not show consistent information and in some cases formulas are not intact:

- a) HONI_Dx_A-04-05-01_HONI Consolidated DVA Continuity_Group 1_20260824
 - i. Shows 1588/1589 entries for 2023, 2024, and 2025
 - ii. Does not have separate lines for Chapleau
 - iii. Also how does it integrate last rate proceeding file for Chapleau DVAs:
HONI_Dx_DRO_Att 06_Rate Rider Derivation for Group 1 DVAs -
Chapleau_(UPDATED)_20251219
- b) HONI_Dx_A-04-05-03_HONI Dx 2027 DVA Continuity_20260824
 - i. Does not show 1588/1589 entries for 2023
- c) HONI_Dx_A-04-05-04 2027_IRM-Rate-Generator-Model_Orillia RZ_20260824
 - i. Does not show 1588/1589 entries for 2023 and 2024
- d) HONI_Dx_A-04-05-05 2027_IRM-Rate-Generator-Model_Peterborough
RZ_20260824
 - i. Does not show 1588/1589 entries for 2023 and 2024

Response:

- a)
 - i. Confirmed. The HONI Consolidated DVA Continuity dated August 24, 2026, contained the entries for 2023, 2024 and 2025.
 - ii. The HONI Consolidated DVA Continuity is intended to show all the RSVA balances on a consolidated basis. The entity-specific RSVA balances are subject to an allocation, which are included in the entity-specific DVA continuity schedules. As such, the Chapleau specific 1588/1589 balances cannot be derived in the HONI Consolidated DVA Continuity. Instead, they are broken out in the HONI Dx Continuity Schedule.
 - iii. The Chapleau Group 1 balances were integrated within Hydro One at the beginning of 2025. As of 2025, Chapleau and Hydro One Dx have combined transactions and OEB-approved amounts. Specifically, as referenced in the question, the approved dispositions of \$62,276 from the Chapleau Group 1 DVAs in the file, "HONI_Dx_DRO_Att 06_Rate Rider Derivation for Group 1 DVAs - Chapleau_(UPDATED)_20251219" have been combined within each of each of the RSVA accounts in the Hydro One Distribution's 2026 Principal and Interest

- 1 Dispositions (columns AR and AS) of Exhibit A-04-05-04_HONI Dx 2027
2 Continuity.
3
4 b)
5 i. The 2023 principal adjustments for Accounts 1588/1589 in the HONI Distribution
6 Continuity Schedule were inadvertently missed. An updated version of the HONI
7 Dx 2027 DVA Continuity has been filed as "HONI_Dx_A-04-05-03_HONI Dx 2027
8 DVA Continuity_20260903".
9
10 c)
11 i. Based on Hydro One's original response in Tab 1 of the Orillia RZ IRM model as
12 they relate to Accounts 1588 and 1589, the 2025 year was generated in Tab 3 for
13 Hydro One to populate. Entries for the 2023 and 2024 years were initially not made
14 available. Hydro One has since adjusted the model and populated the 2023 and
15 2024 entries for Accounts 1588/1589. An updated version of the Orillia RGM has
16 been filed as "HONI_Dx_A-04-05-04 2027_IRM-Rate-Generator-Model_Orillia
17 RZ_20260903".
18
19 d)
20 i. For the same reason discussed above, Hydro One has adjusted the model and
21 populated the 2023 and 2024 entries. An updated version of the Peterborough
22 RGM has been filed as "HONI_Dx_A-04-05-05 2027_IRM-Rate-Generator-
23 Model_Peterborough RZ_20260903".