



BY EMAIL and WEB POSTING

October 14, 2026

To: All Rate-regulated Electricity Distributors and Transmitters
Independent Electricity System Operator (IESO)
All Intervenor in 2027 Electricity Distribution and Transmission Rate
Applications

Re: **2027 Preliminary Uniform Transmission Rates and Hydro One Sub-
Transmission Rates**
OEB File Number: EB-2026-0246

What You Need to Know

- **The OEB has released preliminary 2027 Uniform Transmission Rates to support electricity distributors in preparing rate applications effective January 1, 2027.**
- **These preliminary rates allow distributors to include the most current transmission costs in their customer billing, helping reduce balances in their retail transmission variance accounts.**
- **These rates are based on the most recent approved revenue requirements for each transmitter, with some using 2026 data due to ongoing applications.**

This letter provides the calculations for 2027 preliminary Uniform Transmission Rates (UTRs) and facilitates their implementation in applicable 2027 electricity distributor rate applications for distributors with an effective date of January 1, 2027.

The OEB began issuing preliminary UTRs in 2023¹ to improve regulatory efficiency by allowing this data to be incorporated into distribution rate applications, including annual updates for electricity distributors, on a timelier basis. The earlier availability of preliminary UTRs allows electricity distributors to capture the most up to date costs in the Retail Transmission Service Rates (RTSRs) billed to their customers. The RTSRs will be determined as part of electricity distributors' rate applications including annual

¹ [EB-2023-0222](#)

rate adjustment applications. This approach decreases amounts accumulated in distributors' retail transmission variance accounts.

Distributors with an effective date of January 1, 2027, should update their 2027 rate applications to reflect the 2027 preliminary UTRs.

The calculation of the 2027 preliminary UTRs uses the most recent OEB-approved revenue requirement for individual electricity transmitters. Specifically:

- For Hydro One Networks Inc. (Hydro One), Hydro One Sault Ste. Marie (HOSSM), Five Nations Energy Inc. (FNEI), Upper Canada Transmission 2, Inc. (UCT 2), B2M Limited Partnership (B2M LP), Niagara Reinforcement Limited Partnership (NRLP), and Chatham x Lakeshore Limited Partnership (CLLP) the OEB-approved 2027 revenue requirements were used.²
- Canadian Niagara Power Inc. (CNPI) confirmed they are not requesting changes in 2027 to their previous OEB-approved revenue requirement.³
- For Wataynikaneyap Power LP (WPLP), the OEB-approved 2026 revenue requirement was used.⁴ WPLP currently has an application before the OEB requesting approval of its proposed 2027 revenue requirement.⁵

The OEB has not included the proposed revenue requirement for Waasigan Transmission Limited Partnership (WTLP), a newly licensed transmitter, as it has no historical revenue requirement. WTLP currently has an application before the OEB requesting approval of its proposed 2027 revenue requirement.⁶

The OEB has calculated 2027 preliminary UTRs effective January 1, 2027, as follows:

- \$6.75/kW/Month Network Service Rate (a \$0.36/kW increase)
- \$1.09/kW/Month Line Connection Service Rate (a \$0.06/kW increase)
- \$3.70/kW/Month Transformation Connection Service Rate (a \$0.23/kW increase).

In August 24, 2026, Hydro One filed its 2027 Distribution Custom IR update application⁷ with proposed new Sub-Transmission (ST) rates. Distributors with January 1, 2027,

² Hydro One EB-2026-0169 Decision Issued October 13, 2026; HOSSM EB-2026-0170 Decision Issued July 14, 2026; FNEI EB-2026-0203 Decision Issued October 6, 2026; UCT 2 EB-2026-0219 Decision Issued October 13, 2026; B2M LP EB-2025-0147 Decision Issued October 2, 2025; NRLP EB-2025-0148 Decision Issued October 2, 2025; CLLP EB-2025-0157 Decision Issued December 16, 2025

³ CNPI Letter EB-2026-0246, September 10, 2026

⁴ WPLP EB-2025-0192. Decision Issued December 16, 2026

⁵ WPLP EB-2026-0152. filed June 1, 2026

⁶ WTLP EB-2026-0078, filed July 3, 2026

⁷ EB-2026-0049, Hydro One's 2027 Custom IR Annual Update Application.

rates affected by Hydro One's ST Retail Transmission Service Rates (RTSR) should update their 2027 rate applications with the proposed RTSR.

Tables showing the derivation of the 2027 preliminary UTRs according to the approved methodologies, as well as Hydro One's currently proposed ST RTSRs for 2027,⁸ are provided in the attached Appendices.

If the OEB issues decisions approving the 2027 revenue requirement for each of WPLP and WTLP by the end of 2026, the OEB anticipates issuing a final 2027 UTR decision in December 2026 or January 2027 that the IESO will use for settlement purposes effective January 1, 2027. If the OEB does not issue both the WPLP and WTLP decisions by the end of 2026, the OEB anticipates issuing a 2027 UTR decision reflecting available final transmitter revenue requirement decisions in January 2027 with a subsequent 2027 UTR decision to follow later in the year reflecting all final transmitter revenue requirement decisions.

In the event the OEB approves final ST rates for Hydro One Distribution in advance of other electricity distributor rate decisions, and if the final rates differ from the rates proposed by Hydro One, OEB staff will inform distributors who may then update their 2027 rate applications accordingly if time permits. Affected distributors should note that with the issuance of this preliminary 2027 UTR letter, Hydro One Distribution intends to update its proposed 2027 ST RTSRs to reflect the preliminary 2027 UTRs.

For both the preliminary UTRs and proposed Hydro One ST RTSRs, distributors will continue to capture any differences from actuals in the retail transmission variance accounts.

Any questions relating to this letter should be directed to Muhammad Yunus at Muhammad.Yunus@oeb.ca or at 437-544-5178. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Ritchie
Murray

Digitally signed by Ritchie
Murray
Date: 2026.10.14
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Ritchie Murray
Registrar

Attachment: Appendix A – 2027 Preliminary Uniform Transmission Rates and Revenue Disbursement Allocators

Appendix B – 2027 Hydro One Proposed Sub Transmission RTSRs

⁸ EB-2026-0049, Hydro One's 2027 Custom IR Annual Update Application.

Appendix A: 2027 Preliminary Uniform Transmission Rates and Revenue Disbursement Allocators

FORECAST JANUARY 1, 2027

Transmitter	Revenue Requirement			
	Network	Line Connection	Transformation Connection	
HONI (effective January 1, 2027)	\$1,375,157,116	\$241,512,607	\$689,085,056	\$2,305,754,779
B2M LP (effective January 1, 2027)	\$38,884,256			\$38,884,256
NRLP (effective January 1, 2027)	\$8,674,117			\$8,674,117
CNPI (effective January 1, 2027)	\$2,771,601	\$486,764	\$1,388,837	\$4,647,201
FNEI (effective January 1, 2027)	\$6,191,452	\$1,084,652	\$3,095,402	\$10,371,505
HOSSM (effective January 1, 2027)	\$29,370,802	\$5,158,261	\$14,717,577	\$49,246,640
WPLP (effective January 1, 2027)	\$28,930,547			\$28,930,547
UCT2 (effective January 1, 2027)	\$78,277,044			\$78,277,044
CLLP (effective January 1, 2027)	\$16,487,575			\$16,834,164
All Transmitters	\$1,584,744,510	\$248,242,284	\$708,286,872	\$2,541,620,253

Transmitter	Total Annual Charge Determinants (MW)*			
	Network	Line Connection	Transformation Connection	
HONI	230,327.914	223,590.711	190,199.267	
B2M LP	-	-	-	
NRLP	-	-	-	
CNPI	522.894	549.258	549.258	
FNEI	71.000	83.000	83.000	
HOSSM	3,498.236	2,734.624	635.252	
WPLP	209.974	-	-	
UCT2	-	-	-	
CLLP	-	-	-	
All Transmitters	234,630.018	226,957.593	191,466.777	

Transmitter	Uniform Rates and Revenue Allocators			
	Network	Line Connection	Transformation Connection	
Uniform Transmission Rates (\$/kW/Month)	6.75	1.09	3.70	
HONI Allocation Factor	0.86775	0.97289	0.97289	
B2M LP Allocation Factor	0.02454	0.00000	0.00000	
NRLP Allocation Factor	0.00547	0.00000	0.00000	
CNPI Allocation Factor	0.00175	0.00196	0.00196	
FNEI Allocation Factor	0.00391	0.00437	0.00437	
HOSSM Allocation Factor	0.01853	0.02078	0.02078	
WPLP Allocation Factor	0.01826	0.00000	0.00000	
UCT2 Allocation Factor	0.04939	0.00000	0.00000	
CLLP Allocation Factor	0.01040	0.00000	0.00000	
Sum of Allocation Factors	1.00000	1.00000	1.00000	

* The sum of 12 monthly charge determinants for the year.

Notes:

Note 1: Hydro One Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2026-0169 dated October 13, 2026.

Note 2: B2M LP Revenue Requirement per OEB Decision and Order EB-2025-0147 dated June 19, 2025.

Note 3: NRLP Revenue Requirement per OEB Decision and Order EB-2025-0148 dated June 19, 2025.

Note 4: CNPI Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2015-0354 dated January 14, 2016.

Note 5: FNEI Revenue Requirement and Charge Determinants per OEB Revenue Requirement and Charge Determinant Order EB-2026-0203 dated October 6, 2026.

Note 6: HOSSM Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2026-0170 dated July 14, 2026.

Note 7: WPLP Revenue Requirement and Charge Determinants per OEB Decision and Order EB-2025-0192 dated December 16, 2025.

Note 8: UCT 2 Revenue Requirement per OEB Decision and Order EB-2026-0219, dated October 8, 2026.

Note 9: CLLP Revenue Requirement per OEB Decision and Order EB-2025-0157 dated December 16, 2025.

Note 10: The revenue requirements of CNPI, FNEI, and HOSSM are allocated to the three transmission rate pools on the same basis as is used for Hydro One. The revenue requirements of B2MLP, NRLP, UCT 2, and WPLP are allocated entirely to the Network rate pool. The total revenue requirements for each of the three transmission rate pools are then divided by the total charge determinants for each rate pool to establish the UTRs to two decimal places. The IESO uses the revenue collected from the UTRs to settle on a monthly basis with all rate-regulated transmitters using the revenue allocation factors.

Note 11: The allocation factors for each transmitter other than Hydro One are calculated by dividing each transmitter's revenue requirement assigned to each transmission rate pool by the total transmitters' revenue requirement for each rate pool. The allocation factors are rounded to five decimal places for each transmitter. The sum of these individual transmitter allocation factors is then deducted from 1.0 to determine the allocation factor for Hydro One.

Appendix B: 2027 Hydro One Proposed Sub Transmission RTSRs*

Retail Transmission Rate – Network Service Rate	\$/kW	5.4491
Retail Transmission Rate – Line Connection Service Rate	\$/kW	0.7079
Retail Transmission Rate – Transformation Connection Service Rate	\$/kW	3.5892

** Hydro One Distribution intends to update its proposed 2027 ST RTSRs to reflect the preliminary 2027 UTRs*