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BY EMAIL AND RESS

October 22, 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-2026-0164 – Hydro One Networks Inc. and Hydro One Sault Ste. Marie LP – 2028-2032 Custom Incentive Rate-Setting Application for Transmission Revenue Requirements and Distribution Rates

Hydro One Networks Inc. (Hydro One) is replying to the Ontario Energy Board's (OEB) short list of items requested on October 19, 2026, for completeness of the Application filed by Hydro One and Hydro One Sault Ste. Marie LP (HOSSM).

Hydro One has responded to the OEB's requested information as follows:

1. **In Exhibit G some accounting orders are not text searchable. Can this entire exhibit be made text searchable?**

   Hydro One's Response:
   Hydro One has updated Exhibit G-01-01, Attachment 1, confirms that all accounting orders are text searchable and updated Section 1.10 to reflect the final accounting order. The attachment is enclosed in *HONI_Appl_Ex G_Deferral and Variance Accounts_20261022.pdf* and has been filed electronically through the OEB's Regulatory Electronic Submission System.

2. **DX checklist: Row 391 – EV Charging**
   - **Excel file: Ex L-02-01_Attachment 4_2028 RTSR**
   - **Excel file: Ex L-02-01_Attachment 5_2031 RTSR**
   - **OEB Staff expected there to be values in the EV charging rows, but they contain no values. Is this an error or deliberate omission? If an omission, please explain**.

   Hydro One's Response:
   As part of this Application, Hydro One has proposed updated cost allocation for 2028 and 2031, including for RTSRs. Hydro One deliberately omitted certain values from the EV charging rows because for these two years, the EVC RTSRs are set by applying the Province-wide EVC Parameter established by the OEB (i.e. 17%) to the RTSRs of the respective demand-billed rate classes, and therefore, the EVC related rows in the Excel files referenced above contain only the resulting EVC RTSRs. This approach is further explained in Exhibit L-02-01, Section 8.3, page 24.

3. **Dx Checklist: Row 452 – Disposition of Deferral and Variance Accounts**
   - **There is no DVA Continuity Schedule for Peterborough and Orillia Group 1 Accounts**

   Hydro One's Response:
   Hydro One is not applying to dispose of Peterborough and Orillia Group 1 account balances as part of this Application. As described in Exhibits G-01-01 and L-05-01, Hydro One plans to dispose of these account balances as part of Peterborough's and Orillia's annual applications for 2028 rates. For reference, Peterborough and Orillia Group 1 Accounts DVA Continuity Schedules are included in EB-2026-0049 as Exhibit A-04-05 Attachments 4 and 5. In addition, EB-2026-0049, Exhibit A-04-05, Attachment 2 provides the allocation of the consolidated RSVA balances. The same allocation of the consolidated RSVA balances is provided in this Application at Exhibit G-01-05, Attachment 2.

4. **Dx Checklist: Row 473**
   - **Excel File: Ex G-01-01_Attachment 2_HONI Dx Accelerated CCA Calculations. The file does not contain the historic values from 2023-2025**

   Hydro One's Response:
   The tax variance account is intended to capture the impact of tax legislation changes, such as accelerated CCA, that were not reflected in OEB-approved rates.

   The legislative amendments related to accelerated CCA were incorporated into Hydro One's prior Application (EB-2021-0110). As a result, the associated tax benefits were already reflected in rates, and no amounts were recorded in the tax variance account for the 2023 to 2025 period.

   In contrast, Hydro One Distribution's 2018-2022 rate application (EB-2017-0049) did not incorporate accelerated CCA. Accelerated CCA balances for 2018 to 2020 were disposed of in Hydro One's prior Application (EB-2021-0110), and amounts from 2021 and 2022 are proposed for disposition in this Application, with supporting calculations provided at Exhibit G-01-01, Attachment 2.

5. **Tx Checklist: Row 270**
   - **A CCA calculations spreadsheet was not included for HONI Transmission**
   - **Note: excel files were filed for HONI Distribution as Ex G-01-01_Attachment 2_HONI Dx Accelerated CCA Calculations, and for HOSSM as Ex G-01-02-Attachment 1_HOSSM CCA Calculations**

   Hydro One's Response:
   As discussed in Exhibit G-01-01 Section 3.12, the Transmission CCA Changes sub-account has a balance of $0.8M, consisting of residual accumulated interest.

   There are no accelerated CCA calculations for Hydro One Transmission as this legislative change has been reflected in Hydro One Transmission's revenue requirement since 2020 and the amounts relating

to 2018 and 2019 have already been returned to ratepayers in Hydro One's prior Application (EB-2021-0110).

This contrasts with Hydro One Distribution (as noted in response to 4. above) and HOSSM, whose revenue requirement did not incorporate accelerated CCA as this tax change arose in 2019, after HOSSM's ten-year deferred rebasing period began. HOSSM's Accelerated CCA amounts from 2019 to 2025 are proposed for disposition in this Application, with supporting calculations provided at Exhibit G-01-02, Attachment 1.

6. **Tx Checklist: Row 185 and 186, Customer Connection and Cost Recovery Agreements**
   - **Exhibit C, Schedule 7, Tab 1 does not contain these items**

   Hydro One's Response:
   - Row 185: Exhibit C-07-01 has been updated to include an additional section (Section 5) to show the number of agreements that will be reviewed and explains that there are no estimated true-up contributions or bypass proceeds expected during this rate period.
   - Row 186: The financial and regulatory accounting treatment of true-up agreements is found in Exhibit C-07-01 Section 4.
   - The updated Exhibit C-07-01 is enclosed in *HONI_Appl_Ex C_Rate Base_20261022.pdf*, which has been filed electronically through the OEB's Regulatory Electronic Submission System.

Please contact me if you have any questions.

Sincerely,



Elise Andrey

cc: Arlen Sternberg, Jonathan Myers and Daliana Coban, Torys LLP
Kathleen Burke, Vice President, Regulatory Affairs, Hydro One Networks Inc.