GREATER SUDBURY HYDRO INC.

2027 Electricity Distribution Rate Application

EB-2026-0043

Effective May 1, 2027

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.1998, c.15 (Sched. B)

AND IN THE MATTER OF an Application by Greater Sudbury Hydro Inc for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2027 distribution rates and related matters.

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DOCUMENTS AND LIVE MODELS FILED IN SUPPORT OF THE APPLICATION

1. 2026 CURRENT TARIFF OF RATES AND CHARGES (PDF)
2. 2027 IRM RATE GENERATOR MODEL (EXCEL)
3. 2027 COMMODITY ACCOUNTS ANALYSIS WORKFORM (EXCEL)
4. 2027 PROPOSED TARIFF OF RATES AND CHARGES (PDF)
5. 2027 IRM CHECKLIST (EXCEL)

APPLICATION FOR APPROVAL OF 2027 ELECTRICITY DISTRIBUTION RATES

3.1 INTRODUCTION

The Applicant is Greater Sudbury Hydro Inc. ("GSHI"). GSHI is a licensed electricity distributor operating pursuant to license ED-2002-0559. GSHI distributes electricity to over 48,500 customers within parts of Greater Sudbury (former City of Sudbury, Town of Coniston, Town of Capreol and Town of Falconbridge) and parts of the Municipality of West Nipissing (Town of Sturgeon Falls and Town of Cache Bay).

GSHI hereby applies to the Ontario Energy Board (the "Board") for an order or orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998* as amended, (the "OEB Act") approving just and reasonable rates for the distribution of electricity based on a 2027 Price Cap Incentive Rate-Setting (IRM) application, effective May 1, 2027.

GSHI has followed the instructions provided in Chapter 3 of the Filing Requirements for Electricity Distribution Rate Applications, filed in 2026 for rates taking effect in 2027 (the Filing Requirements), issued July 14, 2026.

In addition,

a. GSHI has made no revisions to RRR data after it was incorporated into the 2027 Commodity Accounts Analysis Workform, and the 2027 Rate Generator Model. GSHI has verified the accuracy of the billing determinants and other RRR data that was pre-populated in the models.
b. GSHI has completed the 2027 IRM Rate Generator Model (developed and provided by the Board as listed on their website) which is filed in Excel format.

c. GSHI has completed the 2027 Commodity Accounts Analysis Workform Model (developed and provided by the Board as listed on their website) which is filed in Excel format.
d. GSHI has completed the 2027 ACM/ICM Model (developed and provided by the Board as listed on their website) which is filed in Excel format.
e. GSHI has completed the 2027 IRM Checklist which is filed in Excel format.
f. GSHI has provided the certifications signed by a Senior Officer of GSHI, included as Appendix A to this document.
g. GSHI will include its 2027 IRM Application and related information as required by the OEB on its website https://sudburyhydro.com/regulatory/.
h. GSHI distributes electricity to over 48,500 customers all of whom will be impacted by this application.

RELIEF SOUGHT

GSHI hereby applies for an Order granting distribution rates updated and adjusted in accordance with Chapter 3 of the Filing Requirements updated July 14, 2026, including the following:

Table 1 - Summary of IRM Electricity Distribution Rate Requests

Description/Item	Summary of Request
Annual Adjustment Mechanism	**Yes**
Revenue-to-Cost Ratio Adjustments	No
Shared Tax Adjustments	No
Retail Transmission Service Rates	**Yes**
Low Voltage Service Rates	No
Group 1 Deferral and Variance Accounts Disposition/Recovery	**Yes**
Lost Revenue Adjustment Mechanism Rate Rider	No

Stream 2 local eDSM Program funding request	No
Group 2 Deferral and Variance Accounts Disposition/Recovery	No
Residential Rate Design (i.e., transitioning to fully fixed rates)	No
Z-factor claims	No
Incremental Capital Module/Advanced Capital Module	**Yes**
Rate Year Alignment	No
Requests for new utility-specific DVAs	No
Renewable Generation and/or Smart Grid Funding Adder	No
Correction to Previously Disposed DVA Balances	No
Non-mechanistic changes (e.g., creation or addition of a new rate class)	No
Rate design where bill mitigation plans need consideration	No
Other Items/Requests of Note	No

GSHI is requesting:

a. An adjustment to the approved Retail Transmission Service Rates (RTSR) in accordance with Guideline – Electricity Distribution Retail Transmission Service Rates and Low Voltage Charges (March 31, 2025), including subsequent revisions and updates to the Uniform Transmission Rates (UTRs) as reflected in the 2027 Rate Generator model.

b. The continuation of the following charges:

   i. Wholesale Market Service Rate, Capacity Based Recovery and Rural or Remote Electricity Protection Charge, microFIT Service Charge, Retail Service Charges and the Specific Charge for Access to the Power Poles (rates to be updated by the Board as applicable).

ii. Low Voltage Service Charges, Standard Supply Service Charge, Specific Service Charges, Transformer and Primary Metering Allowances, and Loss Factors as approved in the 2025 Cost of Service Application (EB-2024-0026).

iii. Smart Metering Entity Charge as specified by Independent Electricity System Operator Smart Metering Entity application (EB-2022-0137).

c. Disposition of the December 31, 2025, balances in its Group 1 Deferral and Variance Accounts in a credit of $2,649,405, and the related class specific rate riders effective for a 12-month period until April 30, 2028.

d. Rate Riders for Disposition of Global Adjustment Account proposed to be effective until April 30, 2028 – applicable only for Non-RPP Customers.

e. An Advanced Capital Module (ACM) rate rider to recover the eligible incremental revenue requirement associated with the Moonlight (MS18) Substation Rebuild Project, which was previously approved for ACM treatment in GSHI's 2025 Cost of Service Application (EB-2024-0026). The project is expected to be energized by November 2027 and has a total budgeted cost of $6,000,000. Based on forecast 2027 capital expenditures of $12,733,000 under the Distribution System Plan (DSP) and the applicable 2027 materiality threshold, the ACM model calculates maximum eligible incremental capital of $3,116,256.

In the event that the Board is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2027, GSHI requests that the Board issue an Interim Rate Order declaring the current Distribution Rates and Specific Service Charges as interim until the decided implementation date of the approved 2027 distribution rates. GSHI also requests that it be permitted to recover the incremental revenue from the effective date to the implementation date, if the effective date does not coincide with the Board's decided implementation for the 2027 distribution rates and charges.

APPLICATION CONTACT INFORMATION:

Greater Sudbury Hydro Inc. 500 Regent Street PO Box 250 Sudbury, Ontario P3E 4P1	**Primary Application Contact** Tiija Luttrell Manager of Regulatory & Management Systems Telephone: (705) 675-0514 Email Address: tiija.luttrell@gsuinc.ca

PREVIOUS OEB DECISIONS

GSHI confirms that there are no specific directives from prior OEB Decisions that would affect this application for rates effective May 1, 2027, other than the evidence discussed in Section 3.3.1.

SUMMARY OF SUBMITTED DOCUMENTS

1. ***Manager's Summary (PDF format)*** -
   GSHI_IRM_2027_APPL_SUMM_20261026
2. ***Current Tariff of Rates and Charges (PDF format)*** –
   GSHI_IRM_2027_Current_Tariff_of_Rates_and_Charges_20261026
3. ***2027 IRM Rate Generator Model (Excel format)*** –
   GSHI_IRM_2027_Rate_Generator_Model_20261026
4. ***2027 Commodity Accounts Analysis Work Form (Excel format)*** -
   GSHI_IRM_2027_Commodity_Accounts_Analysis_Workform_20261026
5. ***2027 ACM/ICM Model (Excel format)*** -
   GSHI_ACM_ICM_2027_Model_20261026
6. ***2027 Proposed Tariff of Rates and Charges (PDF format)*** –
   GSHI_IRM_2027_Proposed_Tariff_of_Rates_and_Charges_20261026
7. ***2027 IRM Checklist (Excel format)*** -
   GSHI_IRM_2027_Checklist_20261026

3.2 PROPOSED DISTRIBUTION RATES AND OTHER CHARGES

3.2.1 PRICE CAP IR ADJUSTMENT

GSHI has been assigned a Stretch Factor Group of III as per the Pacific Economics Group (PEG) report entitled "Empirical Research in Support of Incentive Rate-Setting: 2025 Benchmarking Update". Consistent with this report and the Scorecard issued by the OEB in August 2026, GSHI has updated the Rate Generator Model to reflect the stretch factor group of III. With this data, the Rate Generator model has calculated an adjustment of 2.70% to base distribution rates based on a price escalator of 3.00% (issued August 20, 2026 – Incentive Rate Setting: 2025 Benchmarking Update for Determination of 2026 Stretch Factor Rankings (EB-2010-0379)), less a productivity factor of 0.00% and stretch factor of 0.30%. GSHI has updated the price escalator in the IRM model on tab 17.

3.2.2 REVENUE TO COST RATIO ADJUSTMENT

Revenue to Cost Ratio adjustments were not required as part of GSHI's 2025 Cost of Service Application (EB-2024-0026) and as such GSHI is not proposing to adjust the Revenue to Cost Ratios as part of this application and therefore has not completed the 2027 IRM Revenue to Cost Ratio Adjustment Model.

3.2.3 RATE DESIGN FOR RESIDENTIAL CUSTOMERS

GSHI completed its transition to the 100% fixed monthly distribution charge for the Residential customer class in its 2019 IRM Rate Application (EB-2018-0034).

GSHI notes that the rate impact on any customer class does not exceed the 10.0% threshold and therefore no bill impact mitigation is required.

3.2.4 RETAIL TRANSMISSION SERVICE RATES

GSHI has completed the input fields on Tab 12 of the Rate Generator model relating to Retail Transmission Service Rates (RTSR). GSHI is charged RTSR's from both the Independent Electricity System Operator and Hydro One.

Currently, GSHI has one customer that qualifies for the Electric Vehicle Charging (EVC) Rate. On Tab 10, GSHI has included an estimate of the customer's annual load, based on the last actual year of available data, to calculate the RTSR applicable to the customer. The Electric Vehicle (EV) charging volume is included only in the rows pertaining to EV charging and is excluded from the volume reported for the remainder of the applicable rate class.

As indicated in the Filing Requirements, GSHI understands that the model reflects the most recent Uniform Transmission Rates (UTR's) approved by the Board for 2026 and that Board Staff will adjust each distributor's model throughout the course of the application.

3.2.5 LOW VOLTAGE SERVICE RATES

GSHI is an embedded distributor and has Low Voltage Service Rates but is not requesting to update them at this time.

3.2.6 DEFERRAL AND VARIANCE ACCOUNTS

GSHI is requesting disposition of the December 31, 2025, balances in its Group 1 Deferral and Variance Accounts, resulting in a credit balance of $2,649,405. These accounts were previously disposed of on a final basis for balances that had accumulated to December 31, 2024, in GSHI's 2026 IRM Application (EB-2025-0036). GSHI completed Sheet 3 of the Rate Generator model titled "Continuity Schedule". GSHI notes that a variance exists in column BW of this sheet which is discussed below.

GSHI confirms that no adjustments were made to its Group 1 DVA Account balances that were previously approved for disposition by the OEB on a final basis.

Account 1580 – Total Variance of $489,412

A total variance of $489,412 for 1580 – RSVA Wholesale Market Service Charge exists. This variance agrees to the amount in account 1580 – Variance WMS – Sub-account CBR Class B, 2.1.7 RRR balance of $489,412. As per the guidelines on footnote 5 of Tab 3 of the Rate Generator Model, the RRR balance for Account 1580 – RSVA Wholesale Market Service Charge should equal the control account as reported in the RRR, and would include the balance for Account 1580 – Variance WMS – Sub Account CBR Class B. As these balances are shown separately on the Continuity Schedule, this variance is expected.

3.2.6.1 COMMODITY ACCOUNTS 1588 and 1589 (GLOBAL ADJUSTMENT)

The OEB's filing requirements require each distributor to complete the Commodity Accounts Analysis Work form to determine whether the balance in Account 1589 GA is reasonable. The Work form compares the general ledger principal balance to an expected principal balance based on monthly GA volumes, revenues, and costs. Distributors compare the actual and expected balances and explain the associated reconciling items. Any unexplained discrepancy greater than +/- 1% of the total annual IESO GA charges is assessed by the OEB for materiality and may prompt further analysis before disposition approval.

GSHI previously disposed of these accounts on a final basis for balances that had accumulated to December 31st, 2024 as part of its 2026 IRM Application (EB-2025-0036). GSHI is requesting disposition of the balances as at December 31st, 2025, through a rate rider proposed to be effective until April 30, 2028 as part of this application. GSHI completed the GA analysis Workform for the balances for the year ended December 31st, 2025, and performed analysis over the expected balance in GA 1589.

The completed Workform results in an unresolved credit balance for 2025 of $58,157 equating to -0.5% difference, which is within the Board's +/- 1% threshold.

3.2.6.2 CAPACITY BASED RECOVERY (CBR)

Consistent with the Accounting Procedures Handbook, GSHI has continued to record Capacity Based Recovery ("CBR") charges and revenues separately for Class A and Class B customers in their respective Account 1580 subaccounts. GSHI previously disposed of Account 1580, Subaccount Class B in its 2026 IRM Application (EB-2025-0036) which consisted of the balances at December 31, 2024. GSHI is requesting disposition of the $259,207 debit balance that accumulated to December 31, 2025, as part of this application over a period of one year.

GSHI understands that no balance should exist in 1580 sub account CBR Class A. Accordingly, there is no Class A CBR balance to dispose of in this Application.

3.2.6.3 ACCOUNT 1595

According to the OEB's Chapter 3 filing requirements Distributors only become eligible to seek disposition of residual balances of Account 1595 sub-accounts two years after the expiry of the rate rider. As such, GSHI is seeking disposition of the residual balances in Account 1595 – Sub Accounts 2022. The rate rider expired on April 30, 2023 and the remaining residual balance as at December 31, 2025, has been audited. GSHI has selected this account for disposition on Tab 3 of the Rate Generator Model.

An insignificant debit balance of $48,649 remains in the 1595 (2022) subaccount. GSHI has leveraged the original allocations from the 2022 IRM Application to allocate the balance.

GSHI confirms that the residual balances in Account 1595 sub-account for the 2022 vintage year have not been previously disposed.

3.2.7 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT (LRAMVA)

GSHI has a zero balance in its LRAMVA and is not requesting any disposition in this application. GSHI completed the disposal of LRAMVA in its 2025 Cost of Service rate proceeding (EB-2024-0026). GSHI seeks no further recoveries for historical LRAM nor for distribution-rate funded Non-Wires Solutions (NWS) at this time.

3.2.8 SHARED TAX SAVINGS

As described in the Filing Requirements, Board policy (included in *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*) prescribes a 50/50 sharing of impacts of legislated tax changes from distributors' tax rates embedded in its Board approved base rate known at the time of application. The corporation tax rate for the 2027 year as included in Sheet 8 of the Rate Generator model does not differ from the tax rate approved in GSHI's 2025 Cost of Service Application (EB-2024-0026) and as such no sharing of tax savings is applicable.

3.2.9 Z-FACTOR CLAIMS

GSHI is not including any Z-Factor claims as part of this application.

3.2.10 OFF-RAMPS

GSHI's 2025 Regulated Return on Equity, as filed in its 2025 RRRs, was 6.75% or -2.25% lower than its 2025 approved Regulated Return on Equity of 9.00%, which is inside the dead band of +/- 300 basis points.

3.2.11 Stream 2 Local Electricity Demand-Side Management Program Funding Requests

GSHI confirms that it is not proposing any funding for Stream 2 local energy demand-side management (eDSM) programs as part of this application.

3.2.12 Capacity Allocation Model

GSHI has not established a Capacity Allocation Model (CAM) pursuant to Appendix I of the Distribution System Code. The information required under Section 3.2.12 is therefore not applicable.

3.3 ELEMENTS SPECIFIC ONLY TO THE PRICE CAP IR PLAN

3.3.1 ADVANCED/INCREMENTAL CAPITAL MODULES

Request

GSHI is requesting an Advanced Capital Module (ACM) rate rider to recover the eligible incremental revenue requirement associated with the Moonlight (MS18) Substation Rebuild Project, which was previously approved for ACM treatment in GSHI's 2025 Cost of Service Application (EB-2024-0026). The project is expected to be energized by November 2027 and currently has a total expected cost of $6,000,000. Based on forecast 2027 capital expenditures in excess of $12,733,000 (the amount included in GSHI's 2025-2029 DSP) and the applicable 2027 materiality threshold, the ACM model calculates maximum eligible incremental capital of $3,116,256.

Background & Need

Moonlight MS18 is a municipal substation serving approximately 1,975 customer connections through the 18F1, 18F2, and 18F3 feeders. As part of this project, the existing 18T1 power transformer will be upgraded from its present rating of 5/6.7 MVA.

The need for the investment is primarily driven by the condition of the existing station assets while also supporting short-term reliability and long-term capacity growth.

The Lakeside Power Consulting Substation Condition Assessment Report included with the Distribution System Plan (DSP) in GSHI's 2025 Cost of Service Application (EB-2024-0026) assigned Moonlight MS18 a *Health Index* score of 38 ("Poor"), the worst condition in its peer

group. The existing transformer has shown low oil dielectric strength for the past three years. Additionally, the switch gear is severely rusted and has visible evidence of moisture ingress. The new substation design will be comprised entirely of underground, pad-mounted structures, and will be fully weather-protected.

Completion of the project will also provide GSHI the capability to provide reliable electricity supply with sufficient capacity to accommodate load and renewable energy generation (REG) expansion in the Kingsway Corridor. This is an important economic growth area identified in the City of Greater Sudbury's Employment Land Strategy (ELS). The investment will allow for increasing numbers of connection requests on the 18F1, 18F2, and 18F3 distribution feeders.
As outlined in GSHI's 2025 Cost of Service Application (EB-2024-0026), the existing substation site is insufficient to accommodate the proposed rebuild. The location originally contemplated during the Cost of Service proceeding is not available, requiring GSHI to identify an alternative site. This change in location will require additional incremental capital expenditures, as further detailed in the Cost Variance Explanation section below.

Materiality and Threshold Calculation

GSHI's materiality threshold percentage for 2027 is approximately 178%. Applying the unrounded percentage calculated in the model to the 2025 Test Year depreciation of $5,398,802 results in a materiality threshold of $9,616,744 for 2027 as calculated on Sheet 8 of the OEB model (2027_ACM_ICM_Model 1.0) and shown in the table below:

Table 2 – Results from the Threshold Test Calculation

Depreciation	**$**	**5,398,802**
Threshold Value (varies by Price Cap IR Year subsequent to CoS rebasing)		
Price Cap IR Year 2026		176%
Price Cap IR Year 2027		178%
Price Cap IR Year 2028		180%
Price Cap IR Year 2029		182%
Price Cap IR Year 2030		184%
Price Cap IR Year 2031		186%
Price Cap IR Year 2032		188%
Price Cap IR Year 2033		190%
Price Cap IR Year 2034		193%
Price Cap IR Year 2035		195%
Threshold CAPEX		
Price Cap IR Year 2026	$	9,516,095
Price Cap IR Year 2027	$	9,616,744
Price Cap IR Year 2028	$	9,720,224
Price Cap IR Year 2029	$	9,826,615
Price Cap IR Year 2030	$	9,936,000
Price Cap IR Year 2031	$	10,048,463
Price Cap IR Year 2032	$	10,164,089
Price Cap IR Year 2033	$	10,282,969
Price Cap IR Year 2034	$	10,405,193
Price Cap IR Year 2035	$	10,530,856

GSHI's 2025-2029 DSP includes forecast capital expenditures of $12,733,000 in 2027. Deducting the materiality threshold of $9,616,744 results in maximum eligible incremental capital of $3,116,256.

For clarity, the $12,733,000 total capital expenditure amount retained in the ACM model includes the revised ACM project budget of $6,000,000 and $6,733,000 for the base capital program. This reflects a revised allocation within the original DSP total. While GSHI's current forecast for the base capital program exceeds $6,733,000, GSHI has retained the original total expenditure forecast in the ACM model.

The Moonlight MS18 Substation Rebuild Project has a revised budgeted cost of $6,000,000, representing approximately 47.12% of the original 2027 DSP capital expenditure forecast.

The project was included in GSHI's DSP and previously approved for ACM treatment in GSHI's 2025 Cost of Service Application. Of the revised project cost, GSHI proposes $3,116,256 as eligible incremental capital for ACM recovery.

The revisions to the Moonlight project cost and GSHI's broader capital program do not change the ACM recovery requested. The revised project cost remains above the maximum eligible incremental capital of $3,116,256, and neither the DSP expenditure forecast nor the materiality threshold used to calculate that maximum has changed. Accordingly, the eligible incremental capital, associated revenue requirement and proposed ACM rate riders remain unchanged.

GSHI continues to forecast total 2027 capital expenditures exceeding the original DSP forecast. The additional capital work described in GSHI's response supports the continued use of the $12,733,000 DSP forecast in the ACM model; GSHI has not increased that input to reflect its additional capital requirements. The updated ACM model reflects the revised Moonlight project cost of $6,000,000.

Means Test

A distributor must pass the Means Test as defined in the ACM Report. If the achieved regulated rate of return exceeds 300 basis points above the deemed regulatory return on equity (ROE) embedded in the distributor's rates, the funding for any incremental capital project will not be allowed. GSHI's achieved regulated rate of return for 2025 did not exceed the deemed return on equity embedded in its rates by more than 300 basis points above, as shown in the table below. Accordingly, GSHI meets the means test and remains eligible for ACM recovery for the Moonlight MS18 Substation Rebuild Project.

Table 3 – Return on Equity

Year	Deemed Rate of Return	Achieved Rate of Return	Variance
2025	9.00%	6.75%	2.25%

Project Schedule and Status

Land procurement negotiations are underway. Contractors to perform a ground impedance test, geotechnical investigation, and topographical survey are being engaged.

Procurement of major equipment including the power transformer, 44kV switchgear, 15kV E-house with switchgear and accessories has been completed and are scheduled to be on-site by mid 2027. An Owner's Representative has been engaged to oversee the progress of the project. An Engineering Consultant is in the process of being contracted to finish the detailed engineering design and project management.

The Construction Services RFQ will be sent out in early 2027 and is expected to be awarded by March 2027. Construction is scheduled to start in May 2027. Station egress engineering is in progress and will be completed by GSHI, with construction to be completed by GSHI operations teams in 2027. The entire project is scheduled to be completed as planned, with a proposed energization date of November 2027. The costs incurred to date are in-line with budget scope.

Cost Variance Explanation

The Moonlight (MS18) Substation Rebuild Project was approved for ACM treatment in GSHI's 2025 Cost of Service Application (EB-2024-0026) based on a budgeted cost of $6,480,000. The current budgeted cost of the project is $6,000,000, representing a decrease of $480,000, or approximately 7.41% from the amount budgeted at the time of GSHI's Cost of Service application.

The reduction in the budgeted project cost is driven by two factors:

a. The estimated cost of the station build has gone down by $880,000 subsequent to the tendering process, and
b. The costs associated with the location of the station have gone up by $400,000, as the originally forecasted location was not ultimately available. As a result of the change in the substation location, an investment is required to extend the 44kV distribution system

westward from Moonlight Avenue along Kingsway Road. This extension will provide the necessary supply to the new substation and allow for 12kV to egress and support the location distribution system. These are costs that are integral to the operation of the new substation.

At the same time the ACM project cost has been reduced by $480,000, the base 2027 capital budget (the budget exclusive of the ACM project) has increased by over $754,460 because of at least four projects that were not contemplated in GSHI's 2025-2029 DSP; in summary:

a. A project to rebuild the line at Caswell Drive ($162,395) is necessary due to the presence of existing undersized primary conductor feeding several residential dwellings in addition to several GS > 50KW customers including a hotel customer.
b. Projects are required to address both the Copper Cliff Curling Club ($100,000) and Nickel Street line ($250,000) as a result of the identification of existing distribution system assets requiring replacement during the year.
c. A commercial developer, working with GSHI, seeks to connect a new three phase load within a portion of GSHI's service territory which is not presently served by three phase power. As part of the project plan, an existing, end of life single phase overhead power line will be rebuilt to a three-phase standard ($242,065).

Although the total forecast cost of these identified incremental projects is $754,460, GSHI is seeking to recognize only $480,000 of the increase in the base capital spending in 2027; the result is a claimed 2027 base capital budget of $6,733,000.

Accordingly, in summary and relative to the original ACM approval as part of GSHI's 2025 Cost of Service application, GSHI is claiming ACM funding in 2027 based on the overall capital spend of $12,733,000 approved in the 2025 proceeding despite an updated forecast of over $13,000,000;

this proposal recognizes a net reduction of $480,000 related to the ACM project and an offsetting increase in the base capital project of $480,000 despite a forecast increase of over $754,460. As a result, the ACM rider relief requested in this application is identical to that approved in the 2025 cost of service application, subject only to the required update to the materiality threshold calculation.

There have been no material changes to the scope of the project, and the project is expected to be energized by November 2027.

ACM Rate Rider

GSHI has completed and filed the OEB's 2027 Capital Module model to support the ACM request. Based on the model's results, GSHI is proposing to recover the incremental revenue requirement associated with the Moonlight (MS18) Substation Rebuild Project through a fixed ACM rate rider effective in the year the project goes into service. The proposed rate rider has been calculated by class based on the cost allocation methodology in the approved ACM model and is intended to ensure equitable cost recovery across all customer classes. GSHI confirms that the ACM revenue requirement has been calculated in accordance with the OEB requirements, including providing the ACM model results without the application of accelerated CCA, as required.

The proposed rate riders shown in the table below are included in the IRM Rate Generator model as additional rates and in the 2027 Proposed Tariff of Rates and Charges.

Table 4 - ACM Rate Riders

Rate Class	Service Charge Rate Rider	
RESIDENTIAL	$	0.29
GENERAL SERVICE LESS THAN 50 kW	$	0.79
GENERAL SERVICE 50 TO 4,999 KW	$	9.23
UNMETERED SCATTERED LOAD	$	0.11
SENTINEL LIGHTING	$	0.09
STREET LIGHTING	$	0.04

3.3.2 INCREMENTAL CAPITAL MODULES

GSHI is not including an Incremental Capital Module as part of this application.

3.3.3 TREATMENT OF COSTS FOR ELIGIBLE INVESTMENTS

GSHI does not have any renewable energy generation costs or smart grid development costs in deferral accounts.

3.4 SPECIFIC EXCLUSIONS FROM PRICE CAP IR OR ANNUAL IR INDEX APPLICATIONS

GSHI understands that the IRM application process is intended to be mechanistic in nature. GSHI has not asked for any of the exclusions noted in section 3.4 of the OEB Chapter 3 filing requirements in this proceeding.

4. ADDITIONAL ITEMS

RATE YEAR ALIGNMENT

GSHI is not requesting any changes to its rate year alignment as part of this application.

REQUEST FOR NEW UTILITY-SPECIFIC DEFERRAL AND VARIANCE ACCOUNTS (DVAs)

GSHI is not requesting the establishment of any new utility-specific Deferral and Variance Accounts (DVAs) as part of this application.

RENEWABLE GENERATION AND/OR SMART GRID FUNDING ADDER

GSHI is not requesting a Renewable Generation Funding Adder or Smart Grid Funding Adder as part of this application.

OTHER ITEMS/REQUESTS OF NOTE

GSHI confirms that there are no other items or requests of note included in this application.

5. BILL IMPACTS

Based on the Proposed Rates and Tariff Schedules included with this application (GSHI_IRM_2027_Proposed_Tariff_of_Rates_and_Charges_20261007), bill impacts have been prepared for all rate classes at varying consumption levels as appropriate for GSHI's customer base and are included on tab 21 of the IRM Rate Generator Model. The Bill Impacts have also been summarized in Table 5 below.

For the Streetlighting class, GSHI has utilized the consumption and demand of a typical bill for its Municipality. The impact has been calculated using all connections for the Municipality rather than a single connection.

Table 5 - Summary of Bill Impacts

Customer Class	Volume		Distribution Charges		Delivery Charges		Total Bill	
	kWh	kW	$ Change	% Change	$ Change	% Change	$ Change	% Change
RESIDENTIAL SERVICE CLASSIFICATION - RPP	750		-$ 0.70	-1.5%	-$ 1.65	-2.7%	-$ 1.47	-1.0%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	2,000		-$ 2.90	-2.8%	-$ 4.78	-3.6%	-$ 4.28	-1.2%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	60,000	150	-$ 795.96	-50.2%	-$ 894.95	-28.5%	-$ 1,011.29	-8.1%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	289		-$ 0.28	-1.6%	-$ 0.56	-2.5%	-$ 0.50	-0.9%
SENTINEL LIGHTING SERVICE CLASSIFICATION - RPP	78	0.2	$ 0.21	1.6%	$ 0.14	1.0%	$ 0.12	0.6%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	304,920	855	-$ 2,406.66	-4.4%	-$ 2,693.00	-4.6%	-$ 3,043.08	-2.7%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	220		$ 0.73	1.7%	$ 0.45	1.0%	$ 0.40	0.6%
RESIDENTIAL SERVICE CLASSIFICATION (Retailer) - Non-RPP (Retailer)	750		-$ 8.95	-18.2%	-$ 9.90	-15.5%	-$ 11.18	-6.3%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	500		$ 0.40	0.9%	-$ 0.07	-0.1%	-$ 0.06	-0.1%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - Non-RPP (Retailer)	2,000		-$ 24.90	-22.4%	-$ 26.78	-19.1%	-$ 30.26	-6.9%

Appendix A

Certification of Senior Officer of GSHI

Greater Sudbury Hydro Inc. (GSHI)

Application for Approval of 2027 Electricity Distribution Rates

EB-2026-0043

CERTIFICATION OF EVIDENCE

I, Catherine Huneault, Vice President Corporate Services, and Chief Financial Officer, Greater Sudbury Hydro, hereby certify that:

1) The evidence filed in Greater Sudbury Hydro's 2027 IRM Electricity Distribution Rate Application and any evidence filed in support of the application, including the models and appendices, is accurate, consistent and complete to the best of my knowledge.
2) Generative artificial intelligence was used to generate content within this filing. The content has been verified for accuracy by GSHI without the assistance of generative artificial intelligence.
3) Greater Sudbury Hydro Inc. has processes and internal controls in place for the preparation, review, verification, and oversight of account balances being disposed.
4) The 2027 IRM Electricity Distribution Rate Application does not include personal information in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Dated at Sudbury, Ontario, this 26th day of October 2026

Catherine Huneault Digitally signed by Catherine Huneault Date: 2026.10.26 13:59:12 -04'00'

Catherine Huneault, CPA
VP – Corporate Services & CFO
Greater Sudbury Hydro Inc.