



By RESS and Email

November 8, 2023

Ms. Nancy Marconi
 Registrar and Board Secretary
 Ontario Energy Board
 PO Box 2319
 2300 Yonge Street, 27th Floor
 Toronto, ON, M4P 1E4

Dear Ms. Marconi:

**Subject: Electricity Distribution Licence No. ED-2002-0556
 2024 Electricity Distribution Rate Application (EB-2023-0032) - Application Updated,
 Appendices and Models**

Pursuant to Hydro Ottawa's 2021-2025 Custom Incentive Rate-setting Application (EB-2019-0261), on August 17, 2023, Hydro Ottawa submitted its 2024 annual electricity distribution rate application for approval of proposed distribution rates and other charges ("Original Application") effective January 1, 2024.

Hydro Ottawa's 2021-2025 Approved Settlement Agreement¹ included specific annual and mid-term adjustments over the Custom IR Term. As such, Hydro Ottawa has updated its 2024 annual electricity distribution rate application ("Updated Application") incorporating the following:

- Ontario Energy Board ("OEB") Letter, 2024 Inflation Parameters (June 29, 2023)
- 2024 Return on Equity from the OEB's 2024 Cost of Capital Parameters (October 31, 2023)
- OEB, Decision and Order for Distribution Pole Attachment Charge for 2024, EB-2023-0194 (September 26, 2023)
- OEB Letter, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates, EB-2023-0222 (September 28, 2023)
- OEB, Decision and Order Application for the inflationary adjustment effective January 1, 2024 for energy retailer service charges for electricity distributors, EB-2023-0193 (September 26, 2023)
- Q4 2023 OEB prescribed interest rates²

Please see a list of the attached Updated/Revised Excel Appendices and Models:

- Updated OEB Appendix 2-A
- Updated Attachment 4-3-1(A): OEB Workform - 2024 Income Tax/PILS Workform
- Updated Attachment 6-1-1(A): OEB Workform - 2024 Revenue Requirement Workform
- Updated Attachment 8-3-1(A): OEB Workform - 2024 RTSR Workform
- Updated Attachment 8-10-1(A): OEB Workform - 2023 Current and 2024 Proposed Tariff of Rates and Charges
- Updated Attachment 8-7-1(A): Dry Core Calculations

¹ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020)

² Refer to Attachment OEB-3 (A): Revised OEB Workform Deferral and Variance Account (Continuity Schedule) provided in interrogatory response to IRR-OEB-3



Please do not hesitate to contact me if you require anything further.

Yours truly,

DocuSigned by:

April Barrie

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April Barrie

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Directeur, Affaires réglementaires

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2024 APPLICATION UPDATE SUMMARY

1. INTRODUCTION

Hydro Ottawa Limited (“Hydro Ottawa”) filed its 2024 Electricity Distribution Rate Application (“Original Application”) on August 17, 2023. It represented Hydro Ottawa’s year four rate update under its five-year Custom Incentive Rate-Setting (“Custom IR”) plan. As part of the 2021-2025 Approved Settlement Agreement,¹ the Parties² agreed to specific annual and mid-term adjustments over the Custom IR Term. The following outlines the updates of the Original Application as a result of the release of the Ontario Energy Board’s (“OEB’s”) inflation factor and Return on Equity (“ROE”) for incentive rate-setting under Price Cap IR and Annual Index plans for the year 2024³ and the pole attachment Decision.⁴ In addition, this Schedule reflects the 2024 preliminary Uniform Transmission Rates (“UTRs”) and Hydro One Sub-Transmission Rates,⁵ and the Energy Retail Service Charges (“RSC”) Decision and Orders.⁶

By way of the Original Application and as adjusted by this update, Hydro Ottawa is seeking the OEB’s approval for proposed electricity distribution rates and other charges, effective January 1, 2024. The adjustments to Hydro Ottawa’s revenue requirement, rates and other charges set forth in this update are wholly consistent with the Approved Settlement Agreement and the OEB’s related Decisions. Furthermore, the values submitted in the Original Application are presented in the tables below as ‘2024 Proposed’ and any updated values are shown as ‘2024 Updated’.

¹ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020).

² Hydro Ottawa and the following intervenor groups: Building Owners and Managers Association, Consumers Council of Canada, Distributed Resource Coalition, Environmental Defence, Energy Probe Research Foundation, Pollution Probe, School Energy Coalition, Vulnerable Energy Consumers Coalition.

³ Inflation rate of 4.8% as per the OEB Letter, *2024 Inflation Parameters* (June 29, 2023) and Return on Equity of 9.21% as per the OEB Letter, *2024 Cost of Capital Parameters* (October 31, 2023).

⁴ Ontario Energy Board, *Decision and Order for Distribution Pole Attachment Charge for 2024*, EB-2023-0194 (September 26, 2023).

⁵ Per the OEB Letter, *2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates*, EB-2023-0222 (September 28, 2023).

⁶ Ontario Energy Board, *Decision and Order Application for the inflationary adjustment effective January 1, 2024 for energy retailer service charges for electricity distributors*, EB-2023-0193 (September 26, 2023).

1 **2. ANNUAL ADJUSTMENTS**

2 As a placeholder in Hydro Ottawa's Original Application, the OEB's 2023 inflation factor of
3 3.7% and ROE of 9.36% was used in calculating its proposed Working Capital Allowance
4 ("WCA"), Operations Maintenance & Administration ("OM&A"), Custom Price Escalation
5 Factor ("CPEF"), Specific Service Charges ("SSCs") and resulting proposed 2024 revenue
6 requirement and rates and charges. With the release of the OEB inflation factor and ROE for
7 2024 incentive rate-setting under Price Cap IR and Annual IR plans, Hydro Ottawa has
8 updated its application to incorporate the OEB's 2024 inflationary factor of 4.8% and 2024
9 ROE rate of 9.21%.

10

11 Please see Table 1 below for a summary of the agreed annual and mid-term adjustments. For
12 the 2024 term, the annual and mid-term adjustments apply.

1 **Table 1 - Summary of Annual and Mid-Term Adjustments**

#	Item	Timing	Adjustment Description
1	Working Capital Allowance	Annual	Use of OEB's annual inflation factor (with no productivity or growth factor)
2	Cost of Capital - ROE ⁷	Mid-term adjustment (for 2024 and 2025)	Use of OEB's Fall 2023 deemed ROE results for 2024 and 2025
3	Cost of Capital - Long-Term Debt Rate	Set	Set for all years
4	Cost of Capital - Short-Term Debt Rate	Set	Set for all years
5	Inflation Factor for OM&A	Annual	Use of OEB's annual inflation factor
6	Specific Service Charges ⁸	Annual	"I minus X" component of modified Custom Price Escalation Factor (i.e. OEB inflation factor minus 0.45% stretch factor)
7	Low Voltage Charges	Annual	Based on updated Transmission Connection rates
8	Retail Transmission Service Rates ("RTSRs")	Annual	Based on OEB-approved adjustments to the Hydro One Networks' Uniform Transmission Rates ("UTRs") using the RTSRs model
9	Deferral Accounts	In accordance with OEB policy	Disposition of Group 1 and Group 2 accounts will be in accordance with applicable OEB policy
10	Third Party Non-Distribution Charges	Ad hoc	Further to OEB direction

2

3 **3. UPDATED RATE BASE**

4 As part of the 2021-2025 Approved Settlement Agreement,⁹ both gross and net capital
 5 additions have been set for the five year term. However, Hydro Ottawa's WCA will be updated
 6 using the OEB's annual inflation factor (with no productivity or growth factor), as discussed in
 7 Exhibit 2-3-1: Working Capital Requirement.

⁷ As stated in the 2021-2025 Approved Settlement Agreement, if the OEB revises its underlying methodology for calculating ROE in advance of Hydro Ottawa's scheduled adjustment for 2024 and 2025, then the updated ROE for 2024 and 2025 will be the lower of the following: (i) the ROE rate established by the OEB for 2024, based upon the revised methodology, or (ii) the ROE rate calculated for 2024 in September 2023 using the OEB's current formulaic methodology for determining deemed ROE as documented in the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities, issued December 11, 2009.

⁸ This does not include the Access Power Poles - Wireline charge, for which Hydro Ottawa will continue to use the OEB's generic charge.

⁹ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020).

1 Hydro Ottawa's WCA has been updated using the OEB's 2024 inflation factor. This update
 2 changes Hydro Ottawa's Rate Base, which is incorporated into its 2024 proposed revenue
 3 requirement and rates and charges. Table 2 provides a summary of Hydro Ottawa's Rate
 4 Base for 2023 Approved, 2024 Proposed, 2024 Updated, as well as the change between the
 5 updated and proposed amounts for 2024.

6
 7 **Table 2 – Summary of Rate Base 2023-2024 (\$'000s)¹⁰**

	2023 Approved	2024 Proposed	2024 Updated	Change
Opening Net Book Value	\$1,248,271	\$1,267,004	\$1,267,004	\$0
Closing Net Book Value	\$1,267,004	\$1,289,424	\$1,289,424	\$0
Average Net Fixed Assets	\$1,257,638	\$1,278,214	\$1,278,214	\$0
Working Capital Allowance	\$91,546	\$94,933	\$95,940	\$1,007
RATE BASE	\$1,349,183	\$1,373,147	\$1,374,154	\$1,007

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 9 Table 3 below provides a summary of Hydro Ottawa's WCA for 2023 Approved, 2024
 10 Proposed, 2024 Updated and the change between Updated and Proposed for 2024.

11
 12 **Table 3 – Updated Working Capital Allowance 2022-2023 (\$'000s)**

	2023 Approved	2024 Proposed	2024 Updated	Change
Power Supply Expenses	\$1,123,556	\$1,165,128	\$1,177,487	\$12,359
OM&A Expenses	\$97,053	\$100,644	\$101,711	\$1,068
Total Expenses for Working Capital	\$1,220,609	\$1,265,772	\$1,279,198	\$13,427
Working Capital %	7.50%	7.50%	7.50%	0.00%
Total WCA	\$91,546	\$94,933	\$95,940	\$1,007

13
 14 **4. OTHER REVENUE SUMMARY**
 15 Hydro Ottawa's Other Revenue includes the following categories: Specific Service Charge,
 16 Late Payment Charges, Other Operating Revenue, and Other Income and Deductions. Some
 17 portions of Other Revenue have been set for the Custom IR term, while a portion of the rates
 18 and charges that are incorporated into the proposed Other Revenue will be updated annually.
 19 The change to Hydro Ottawa's CPEF is described below in Section 5.

¹⁰ Totals may not sum due to rounding.

1 Table 4 below provides an update to Hydro Ottawa’s SSC Revenue for 2024. SSCs are
 2 escalated over the 2021-2025 period using the “I minus X” component of the CPEF, while the
 3 OEB generic charge is used for the pole attachment revenue. There were no other changes to
 4 Other Revenue sources for 2024, as the expected revenues for Other Operating Revenues
 5 were agreed to for all five years of Hydro Ottawa’s 2021-2025 Custom IR term, as per the
 6 2021-2025 Approved Settlement Agreement.¹¹

8 **Table 4 – Updated Other Revenue Summary 2022-2023 (\$’000s)¹²**

	2023 Approved	2024 Original	2024 Updated	Change
Specific Service Charges (4235)	\$4,827	\$5,117	\$5,150	\$33
Late Payment Charges (4225)	\$1,000	\$1,000	\$1,000	\$0
Other Operating Revenue (4082, 4084, 4086, 4090)	\$1,460	\$1,459	\$1,459	\$0
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4405)	\$2,017	\$2,181	\$2,181	\$0
TOTAL OTHER REVENUE	\$9,304	\$9,757	\$9,790	\$33

9
 10 **5. OPERATING EXPENSES**

11 **5.1 Operations, Maintenance and Administration**

12 Under a Price Cap IR, rates are adjusted using a formulaic approach in the years following the
 13 first year base rates. For Hydro Ottawa’s 2022-2025 term, a modified CPEF was agreed to in
 14 Hydro Ottawa’s Approved Settlement Agreement.¹³ Hydro Ottawa’s CPEF has been updated
 15 from the placeholder value of 3.59% used in the Original Application to 4.69% as updated by
 16 the 2024 inflationary factor. Table 5 provides detailed calculation on the updated CPEF.

¹¹ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020), page 30.

¹² Totals may not sum due to rounding.

¹³ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020), page 30.

1 **Table 5 – Updated Custom Price Escalation Factor**

Component	As per Settlement Proposal
Inflation factor (“I”)	<ul style="list-style-type: none"> • Uses the OEB inflation rate for incentive rate-setting under Price Cap IR and Annual Index plans, 4.8% for 2024 • Uses standard OEB labour/non-labour weighting factors • Updated Annually
Productivity factor (“X”)	<ul style="list-style-type: none"> • 0.45% (0% Total Productivity Factor plus 0.45% stretch factor) • Fixed for duration of Custom IR term
Growth factor (“G”)	<ul style="list-style-type: none"> • 0.34% • Fixed for duration of Custom IR term
Total CPEF Value: (I - X + G)	<ul style="list-style-type: none"> • $4.8\% - 0.45\% + 0.34\% = 4.69\%$¹⁴

2
 3 Table 6 provides Hydro Ottawa’s approved 2023 OM&A, the 2024 OM&A incorporated into the
 4 Proposed 2024 revenue requirement and the updated OM&A incorporated into the updated
 5 2024 revenue requirement.

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 7 **Table 6 – Recoverable OM&A 2023-2024 (\$’000s)**

2023 Approved	2024 Proposed	2024 Updated	Change
\$96,846	\$100,323	\$101,389	\$1,065

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 9 **5.2 PAYMENTS IN LIEU OF TAXES**

10 It was agreed to in the 2021-2025 Approved Settlement Agreement that Payments in Lieu Of
 11 Taxes (“PILS”) would be updated annually for changes to rate base as a result of the update
 12 to WCA. In addition, it was agreed that PILS would be updated for ROE as part of the
 13 mid-term update in 2024. For further information, please refer to Exhibit 2-3-1: Working Capital
 14 Requirement, Exhibit 4-3-1: Payments in Lieu Of Taxes, and Exhibit 5-1-1: Cost of Capital and
 15 Capital Structure.

16
 17 Hydro Ottawa has updated the 2024 PILS amounts due to changes to the rate base after
 18 incorporating OEB’s 2024 inflationary factor and 2024 ROE rate. The updated 2024 PILS

¹⁴ Inflation rate of 4.8% as per the OEB Letter, *2024 Inflation Parameters* (June 29, 2023).

1 calculations have been provided in Excel as Updated Attachment 4-3-1(A): OEB Workform -
 2 2024 Income Tax/PILS Workform. Hydro Ottawa continues to use the PILS Workform Model
 3 supplied by the OEB for 2020 Cost of Service Applications Filers.

4

5 Table 7 below provides Hydro Ottawa’s Approved 2023 PILS, the 2024 PILS incorporated into
 6 the 2024 Proposed revenue requirement and the Updated PILS incorporated into the 2024
 7 Updated revenue requirement.

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Table 7 – Corporate PILS 2023-2024 (\$’000s)¹⁵

2023 Approved	2024 Original	2024 Updated	Change
\$6,331	\$10,823	\$10,539	\$(284)

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11 **6. COST OF CAPITAL**

12 Hydro Ottawa’s updated 2024 revenue requirement has incorporated the 2024 ROE of 9.21%
 13 from the OEB’s 2024 Cost of Capital Parameters.¹⁶ As at this time, the OEB has not revised its
 14 methodology in determining the 2024 ROE, as the OEB considers this value “to be reasonable
 15 and representative of market conditions at this time¹⁷”. Table 8 below provides Hydro Ottawa’s
 16 Approved 2023, Proposed and Updated cost of capital, as well as the change between the
 17 updated and proposed amounts for 2024 as a result of the updated ROE and working capital.

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Table 8 – Cost of Capital 2023-2024 (\$’000s)

	2023 Approved	2024 Proposed	2024 Updated	Change
Rate Base	\$1,349,183	\$1,373,147	\$1,374,154	\$1,007
Short-term Debt	\$944	\$961	\$962	\$1
Long-term Debt	\$24,933	\$25,376	\$25,394	\$18
Equity	\$45,009	\$51,411	\$50,624	\$(787)
Cost of Capital	\$70,886	\$77,748	\$76,980	\$(768)

¹⁵ Totals may not sum due to rounding.

¹⁶ OEB Letter, *2024 Cost of Capital Parameters* (October 31, 2023), page 2.

¹⁷ Ibid, page 2.

1 **7. CALCULATION OF REVENUE DEFICIENCY AND SURPLUS**

2 Hydro Ottawa's 2024 revenue requirement has been updated due to changes to WCA, OM&A,
 3 ROE and SSCs. The updates have also been incorporated into the Updated 2024 Revenue
 4 Requirement Workform ("RRWF") attached to this Schedule:

- 5
 6 • Updated Attachment 6-1-1(A): OEB Workform - 2024 Revenue Requirement Workform

7
 8 Table 9 below provides Hydro Ottawa's 2023 Approved revenue requirement, the 2024
 9 Proposed revenue requirement and the 2024 Updated revenue requirement.

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Table 9 – Revenue Deficiency/Sufficiency for 2023-2024 (\$'000s)¹⁸

	2023 Approved	2024 Original	2024 Updated	Change
Return on Rate Base	\$70,886	\$77,748	\$76,980	(\$767)
Distribution Expenses (not including amortization)	\$96,846	\$100,323	\$101,389	\$1,065
Depreciation, amortization	\$57,686	\$59,039	\$59,039	\$0
Payment in Lieu of Taxes	\$6,331	\$10,823	\$10,539	(\$284)
Service Revenue Requirement	\$231,749	\$247,932	\$247,946	\$14
Less Capital Stretch Factor	\$1,659	\$2,719	\$2,701	(\$18)
Service Revenue Requirement Net of Capital Stretch Factor	\$230,090	\$245,213	\$245,245	\$32
Less Revenue Offsets	\$9,305	\$9,757	\$9,791	\$33
Base Revenue Requirement	\$220,785	\$235,456	\$235,454	(\$1)
Transformer Ownership Credit	\$1,073	\$1,079	\$1,079	\$0
Revenue Requirement from Rates	\$221,858	\$236,535	\$236,533	(\$1)
Forecasted Load at 2020 Rates	\$191,002	\$192,415	\$192,415	\$0
Cumulative Revenue Deficiency (over 2020)	(\$30,856)	(\$44,120)	(\$44,118)	\$1
Yearly Revenue Deficiency over 2020	(\$10,418)	(\$13,264)	(\$13,262)	\$1

¹⁸ Totals may not sum due to rounding.

1 **8. RATE DESIGN**

2 **8.1 Fixed/Variable Proportion**

3 Hydro Ottawa's Approved 2023 and Updated 2024 tariffs of rates and charges are provided in
4 Updated Attachment 8-10-1(A): OEB Workform - 2023 Current and 2024 Proposed Tariff of
5 Rates and Charges.

6

7 The updated revenue requirement outlined in section 7 above has not changed the 2023
8 Proposed fixed/variable splits ratios as outlined in Table 2 of Exhibit 8-1-1: Fixed/Variable
9 Proportion.

10

11 The Distribution charge for the Residential customer class has been set at 100% fixed, as
12 such Tab 12 of the Updated RRWF has been hidden. As directed, 2024's fixed rates for the
13 three commercial classes have been held constant to 2023 and the variable rates have been
14 adjusted accordingly for the updated revenue requirement for each of the classes. Table 10
15 summarizes the 2023 Approved, 2024 Proposed and 2024 Updated fixed and variable
16 charges by rate class.

1 **Table 10 – Fixed/Variable Charges 2023-2024**

	2023 Approved		2024 Original		2024 Updated		2024 Change	
	Fixed \$	Variable \$/kWh or \$/kW	Fixed \$	Variable \$/kWh or \$/kW	Fixed \$	Variable \$/kWh or \$/kW	Fixed \$	Variable \$/kWh or \$/kW
Residential	\$32.14	\$0.0000	\$33.94	\$0.0000	\$33.94	\$0.0000	\$0.00	\$0.0000
GS < 50 kW	\$21.84	\$0.0283	\$23.14	\$0.0300	\$23.15	\$0.0300	\$0.01	\$0.0000
GS 50 to 1,499 kW	\$200.00	\$5.9845	\$200.00	\$6.4211	\$200.00	\$6.4215	\$0.00	\$0.0004
GS 1,500 to 4,999 kW	\$4,193.93	\$5.5121	\$4,193.93	\$5.9581	\$4,193.93	\$5.9586	\$0.00	\$0.0005
Large Use	\$15,231.32	\$5.4310	\$15,231.32	\$5.8841	\$15,231.32	\$5.8845	\$0.00	\$0.0004
Unmetered Scattered Load	\$6.24	\$0.0297	\$6.80	\$0.0324	\$6.80	\$0.0324	\$0.00	\$0.0000
Sentinel Lighting	\$5.16	\$24.2011	\$5.92	\$27.7915	\$5.96	\$27.9495	\$0.04	\$0.1580
Street Lighting	\$1.05	\$7.3273	\$1.11	\$7.7319	\$1.11	\$7.7320	\$0.00	\$0.0001
Standby Power GS 50 to 1,499 kW	\$171.83	\$2.2930	\$183.36	\$2.4467	\$183.33	\$2.4465	\$(0.03)	\$(0.0002)
Standby Power GS 1,500 to 4,999 kW	\$171.83	\$2.1033	\$183.36	\$2.2443	\$183.33	\$2.2441	\$(0.03)	\$(0.0002)
Standby Power Large Use	\$171.83	\$2.3341	\$183.36	\$2.4906	\$183.33	\$2.4904	\$(0.03)	\$(0.0002)

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3 **8.2 Retail Service Charges**

4 As approved as part of the 2021-2025 Settlement Agreement, Hydro Ottawa will continue to
 5 use the OEB generic RSC for 2021-2025. Hydro Ottawa has updated its 2024 RSC rates in
 6 accordance with those prescribed in the OEB's Decision and Order EB-2023-0193.¹⁹ Table 11
 7 below summarizes the 2023 Approved, 2024 Proposed and 2024 Updated RSC rates. The
 8 updated rates are included in Hydro Ottawa's Updated Attachment 8-10-1(A): OEB Workform
 9 - 2023 Current and 2024 Proposed Tariff of Rates and Charges.

10 ¹⁹ Ontario Energy Board, *Decision and Order Application for the inflationary adjustment effective January 1, 2024 for*
 11 *energy retailer service charges for electricity distributors*, EB-2023-0193 (September 26, 2023).

1 **Table 11 – Retail Service Charges 2023-2024**

	2023 Approved	2024 Original	2024 Updated	Change
Standard Charge	\$111.66	\$115.79	\$117.02	\$1.23
Monthly Fixed Charge	\$44.67	\$46.32	\$46.81	\$0.49
Monthly Variable Charge	\$1.11	\$1.15	\$1.16	\$0.01
Distributor consolidated billing charge	\$0.66	\$0.68	\$0.69	\$0.01
Retailer consolidated billing credit	\$(0.66)	\$(0.68)	\$(0.69)	\$(0.01)
Service Transaction Requests, per request	\$0.56	\$0.58	\$0.59	\$0.01
Service Transactions Requests, per process	\$1.11	\$1.15	\$1.16	\$0.01
Electronic Business Transaction, up to two per year	\$0.00	\$0.00	\$0.00	\$0.00
Electronic Business Transaction, more than two, per request	\$4.47	\$4.64	\$4.68	\$0.04

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3 **8.3 Specific Service Charges**

4 As outlined in section 4 above, some SSC rates are updated annually. Hydro Ottawa’s SSCs
 5 listed below include rates that have been updated using the escalation factor increase of
 6 4.35% as established in the 2021-2025 Approved Settlement Agreement, which uses the
 7 CPEF for OM&A excluding the growth component of the factor.²⁰ For some charges, after
 8 rounding, the change in escalation factor has not resulted in a change in the charge.

9

- 10 1. Arrears Certificate
- 11 2. Easement Certificate for Unregistered Easements
- 12 3. Duplicate Invoices for Previous Billing
- 13 4. Special Billing Service, per hour
- 14 5. Credit Reference/Credit Check (+ credit agency costs)
- 15 6. Unprocessed Payment Charge (+ bank charges)
- 16 7. Account Set Up/Change of Occupancy Charge
- 17 8. Interval Meter - Field Reading
- 18 9. High Bill Investigation - If Billing is Correct

²⁰ Hydro Ottawa Limited, 2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal, EB-2019-0261 (September 18, 2020), page 28.

- 1 10. Reconnection at Meter - Regular Hours
- 2 11. Reconnection at Meter - After Regular Hours
- 3 12. Reconnection at Pole - Regular Hours
- 4 13. Reconnection at Pole - After Regular Hours
- 5 14. Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer
- 6 15. TS-I&R - Underground - no transformer
- 7 16. TS-I&R - Overhead - with transformer
- 8 17. ERF Administration Charge Without Account Set Up
- 9
- 10 Table 12 below summarizes the 2023 Approved, 2024 Proposed and 2024 Updated SSCs.
- 11 The Updated SSCs are included in Hydro Ottawa's Updated Attachment 8-10(A): OEB
- 12 Workform - 2023 Current and 2024 Proposed Tariff of Rates and Charges.

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Table 12 – Updated Specific Service Charges 2023-2024

	2023 Approved	2024 Proposed	2024 Updated	Change
Customer Administration				
Arrears Certificate	\$17.00	\$17.00	\$17.00	\$0.00
Easement Certificate for Unregistered Easements	\$27.00	\$28.00	\$28.00	\$0.00
Duplicate Invoices for Previous Billing	\$6.00	\$6.00	\$6.00	\$0.00
Special Billing Service, per hour	\$130.00	\$134.00	\$136.00	\$2.00
Credit Reference/Credit Check (+ credit agency costs)	\$17.00	\$17.00	\$17.00	\$0.00
Unprocessed Payment Charge (+ bank charges)	\$27.00	\$28.00	\$28.00	\$0.00
Account Set Up/Change of Occupancy Charge	\$27.00	\$28.00	\$28.00	\$0.00
Interval Meter - Field Reading	\$334.00	\$345.00	\$348.00	\$3.00
High Bill Investigation - If Billing is Correct	\$251.00	\$259.00	\$262.00	\$3.00
Non-Payment of Account				
Reconnect at Meter - Regular Hours	\$71.00	\$73.00	\$74.00	\$1.00
Reconnect at Meter - After Regular Hours	\$107.00	\$110.00	\$111.00	\$1.00
Reconnect at Pole - Regular Hours	\$266.00	\$275.00	\$278.00	\$3.00
Reconnect at Pole - After Regular Hours	\$449.00	\$463.00	\$468.00	\$5.00
Other				
Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer	\$936.00	\$966.00	\$976.00	\$10.00
TS-I&R - Underground - no transformer	\$1,357.00	\$1,401.00	\$1,416.00	\$15.00
TS-I&R - Overhead - with transformer	\$3,336.00	\$3,444.00	\$3,481.00	\$37.00
Specific Charge to Access Power Poles - Wireline	\$36.05	\$37.38	\$37.78	\$0.40
Drycore Transformer Charge	8-7-1 (B)	8-7-1 (B)	8-7-1 (B)	
ERF Administration Charge Without Account Set Up	\$151.00	\$156.00	\$158.00	\$2.00

8.4 Retail Transmission Service and Low Voltage Rates

Hydro Ottawa’s 2024 RTSR model has been updated with the 2024 preliminary Uniform Transmission Rates (UTRs) and 2024 Hydro One Proposed Sub Transmission RTSRs.²¹ The updated rate calculations are provided as Updated Attachment 8-3-1(A): OEB Workform - 2024 RTSR Workform.

Table 13 & 14 summarize the 2023 Approved, 2024 Original and 2024 Updated RTSR rates for all rate classes. The updated rates have also been included in the updated bill impact model.

Table 13 - Updated 2024 RTSR Network Rates

Rate Class	Per	2023 Approved	2024 Proposed	2024 Updated	2024 Change
Residential	kWh	\$0.0104	\$0.0103	\$0.0110	\$0.0007
General Service <50 kW	kWh	\$0.0097	\$0.0096	\$0.0103	\$0.0007
General Service 50 to 1,499 kW	kW	\$3.9813	\$3.9418	\$4.2171	\$0.2753
General Service 1,500 to 4,999 kW	kW	\$4.1337	\$4.0927	\$4.3785	\$0.2858
Large Use > 5,000 kW	kW	\$4.5825	\$4.5371	\$4.8539	\$0.3168
Unmetered Scattered Load	kWh	\$0.0097	\$0.0096	\$0.0103	\$0.0007
Sentinel Lighting	kW	\$2.9389	\$2.9098	\$3.1130	\$0.2032
Street Lighting	kW	\$2.9539	\$2.9246	\$3.1288	\$0.2042

Table 14 - Updated 2024 RTSR Connection Rates

Rate Class	Per	2023 Approved	2024 Proposed	2024 Updated	2024 Change
Residential	kWh	\$0.0057	\$0.0059	\$0.0063	\$0.0004
General Service <50 kW	kWh	\$0.0055	\$0.0057	\$0.0061	\$0.0004
General Service 50 to 1,499 kW	kW	\$2.2255	\$2.2887	\$2.4654	\$0.1767
General Service 1,500 to 4,999 kW	kW	\$2.3786	\$2.4461	\$2.6350	\$0.1889
Large Use > 5,000 kW	kW	\$2.6785	\$2.7545	\$2.9672	\$0.2127
Unmetered Scattered Load	kWh	\$0.0055	\$0.0057	\$0.0061	\$0.0004
Sentinel Lighting	kW	\$1.6534	\$1.7003	\$1.8316	\$0.1313
Street Lighting	kW	\$1.6878	\$1.7357	\$1.8697	\$0.1340

²¹ As per OEB Letter, 2024 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates (September 28, 2023).

1 The 2024 Low Voltage (“LV”) rates have been updated using the 2024 RTSR Connection rates
 2 to allocate the 2024 LV Expense to each rate class. The updated allocation has been provided
 3 in Table 15 and updated 2024 rates are shown in Table 16 below.

4
 5 **Table 15 - Updated 2024 Calculation of LV Rates**

Rate Class	Original Allocation	Updated Allocation	Original LV Expense Allocation	Updated LV Expense Allocation
	D	D	E	E
Residential	33.74%	33.68%	\$121,626	\$121,427
General Service < 50 kW	9.99%	10.01%	\$36,006	\$36,072
General Service > 50 kW < 1500 kW	39.22%	39.25%	\$141,398	\$141,491
General Service > 1500 kW	9.43%	9.44%	\$34,008	\$34,030
Large Use (> 5000 kW)	7.16%	7.17%	\$25,823	\$25,840
Unmetered Scattered Load	0.17%	0.17%	\$616	\$617
Sentinel Lighting	0.00%	0.00%	\$2	\$2
Street Lighting	0.28%	0.28%	\$1,018	\$1,019
Total			\$360,497	\$360,497

6
 7 **Table 16 - Updated 2024 LV Rates**

Rate Class	Per	2023 Approved	2024 Proposed	2024 Updated	2024 Change
Residential	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
General Service <50 kW	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
General Service 50 to 1,499 kW	kW	\$0.02011	\$0.02030	\$0.02031	\$0.00001
General Service 1,500 to 4,999 kW	kW	\$0.02149	\$0.02169	\$0.02171	\$0.00002
Large Use > 5,000 kW	kW	\$0.02420	\$0.02443	\$0.02444	\$0.00001
Unmetered Scattered Load	kWh	\$0.00005	\$0.00005	\$0.00005	\$0.00000
Sentinel Lighting	kW	\$0.01494	\$0.01508	\$0.01509	\$0.00001
Street Lighting	kW	\$0.01525	\$0.01539	\$0.01540	\$0.00001

8
 9 **8.5 Dry Core Transformer Charge**

10 The 2024 dry core transformer charges have been adjusted to reflect changes to the relevant
 11 distribution variable rates, RTSR and LV rates, as well as the changes to the Tiered RPP
 12 rates. The updated rates are outlined in Updated Attachment 8-7-1(A): Dry Core Calculations.

1 **8.6 Bill Impacts**

2 Table 16 below provides an updated summary of bill impacts per rate class. The updated bill
3 impacts include the updated distribution rates, updated RTSR and LV rates, revised Group 1
4 Rate Riders,²² as well as the changes to the RPP rates and Ontario Energy Rebate effective
5 November 1, 2023. Details of the impacts of the proposed rates are provided in Hydro
6 Ottawa's Updated Attachment 8-10-1(A): OEB Workform - 2023 Current and 2024 Proposed
7 Tariff of Rates and Charges.

²² As calculated in IRR-OEB-3 Attachment OEB-3 (A): Revised OEB Workform Deferral and Variance Account, submitted October 19, 2023.

1

Table 16 – Summary of Rate Impacts

Rate Class		2023 Approved	2024 Original	2024 Updated	2024 Change
Residential (750 kWh)	Distribution Charge	\$32.39	\$34.19	\$34.19	\$0.00
	Change in Distribution Charge		\$1.80	\$1.80	\$0.00
	% Distribution Increase		5.56%	5.56%	0.00%
	% Increase of Total Bill		2.87%	3.21%	0.34%
Residential (232 kWh)	Distribution Charge	\$32.39	\$34.19	\$34.19	\$0.00
	Change in Distribution Charge		\$1.80	\$1.80	\$0.00
	% Distribution Increase		5.56%	5.56%	0.00%
	% Increase of Total Bill		3.84%	3.99%	0.15%
General Service <50 kW (2000 kWh)	Distribution Charge	\$79.84	\$84.54	\$84.55	\$0.01
	Change in Distribution Charge		\$4.70	\$4.71	\$0.01
	% Distribution Increase		5.89%	5.90%	0.01%
	% Increase of Total Bill		3.05%	3.44%	0.39%
General Service 50 kW - 1,499 kW (250 kW)	Distribution Charge	\$1,634.20	\$1,743.35	\$1,743.45	\$0.10
	Change in Distribution Charge		\$109.15	\$109.25	\$0.10
	% Distribution Increase		6.68%	6.69%	0.01%
	% Increase of Total Bill		3.75%	4.43%	0.68%
General Service 1,500 kW - 4,999 kW (2,500 kW)	Distribution Charge	\$18,479.43	\$19,594.43	\$19,595.68	\$1.25
	Change in Distribution Charge		\$1,115.00	\$1,116.25	\$1.25
	% Distribution Increase		6.03%	6.04%	0.01%
	% Increase of Total Bill		3.88%	4.59%	0.71%
Large Use (7,500 kW)	Distribution Charge	\$57,472.07	\$60,870.32	\$60,873.32	\$3.00
	Change in Distribution Charge		\$3,398.25	\$3,401.25	\$3.00
	% Distribution Increase		5.91%	5.92%	0.01%
	% Increase of Total Bill		1.97%	2.64%	0.67%
Sentinel Lighting (0.4 kW)	Distribution Charge	\$14.84	\$17.04	\$17.14	\$0.10
	Change in Distribution Charge		\$2.20	\$2.30	\$0.10
	% Distribution Increase		14.80%	15.49%	0.69%
	% Increase of Total Bill		9.71%	9.96%	0.25%

Rate Class		2023 Approved	2024 Original	2024 Updated	2024 Change
Street Lighting (50 kW)	Distribution Charge	\$740.15	\$922.04	\$922.05	\$0.01
	Change in Distribution Charge		\$181.89	\$181.90	\$0.01
	% Distribution Increase		24.57%	24.58%	0.01%
	% Increase of Total Bill		9.16%	9.76%	0.60%
Unmetered Scattered Load (470 kWh)	Distribution Charge	\$20.20	\$22.03	\$22.03	\$0.00
	Change in Distribution Charge		\$1.83	\$1.83	\$0.00
	% Distribution Increase		9.05%	9.05%	0.00%
	% Increase of Total Bill		4.07%	4.28%	0.21%

1

2 **8.7 Rate Mitigation Plans - Street Lighting & Sentinel Lighting**

3 To ensure total bill impacts for 2024 remain under 10% Hydro Ottawa has incorporated the
 4 rate mitigation plans, as originally proposed in Exhibit 8-12-1: Bill Impact Information, for both
 5 the Street Lighting and Sentinel Lighting classes in the 2024 Update. A slight adjustment to
 6 the revenue-to-cost ratio for Sentinel Lighting class was incorporated in the updated fixed and
 7 variable rates to bring the class closer to the adjustment illustrated in the Settlement
 8 Agreement.²³

9

10 **8.8 Revised Deferral and Variance Account Workform**

11 In the original submission Attachment 9-1-1(A): OEB Workform - Deferral and Variance
 12 Account (Continuity Schedule) used the OEB's Q3 2024 prescribed interest rate to calculate
 13 projected interest for Q4 2023. As part of Hydro Ottawa's interrogatory response to
 14 IRR-OEB-3, Hydro Ottawa revised the projected interest to incorporate the prescribed interest
 15 rate for Q4 2023 as published by the OEB on September 12, 2023. Please refer to Attachment
 16 OEB-3 (A): Revised OEB Workform Deferral and Variance Account (Continuity Schedule) for
 17 the updated interest amounts as well as the updated total account balances. The Bill impacts
 18 incorporate the changes to the rate riders. Table 17 and Table 18 below provides the updated
 19 rate riders per interrogatory response to IRR-OEB-3. The adjusted interest resulted in no
 20 change to the Rate Riders for Account 1589 - Global Adjustment (2024) and the Rate Riders
 21 for Account 1580 - Sub-Account CBR Class B (2024).

²³ Hydro Ottawa Limited, 2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal, EB-2019-0261 (September 18, 2020), page 27.

1 **Table 17 - Proposed and Revised²⁴ Rate Riders for Group 1 Accounts, excluding Global**
 2 **Adjustment (2024)**

Rate Class	Units	Allocated Proposed	Allocated Revised	Rate Rider Proposed	Rate Rider Revised	2024 Change
Residential	kWh	\$5,243,076	\$5,249,347	\$0.0022	\$0.0022	\$0.0000
General Service < 50 kW	kWh	\$1,785,082	\$1,787,219	\$0.0024	\$0.0025	\$0.0001
General Service 50 to 1,499 kW	kW	\$1,811,808	\$1,813,989	\$0.2711	\$0.2714	\$0.0003
General Service 1,500 to 4,999 kW	kW	\$1,657,109	\$1,659,093	\$1.2030	\$1.2044	\$0.0014
Large Use	kW	\$1,444,866	\$1,446,594	\$1.4621	\$1.4639	\$0.0018
Unmetered Scattered Load	kWh	\$36,032	\$36,075	\$0.0026	\$0.0026	\$0.0000
Sentinel Lighting	kW	\$115	\$115	\$0.9613	\$0.9624	\$0.0011
Street Lighting	kW	\$56,852	\$56,919	\$0.9213	\$0.9224	\$0.0011
TOTAL		\$12,034,940	\$12,049,352			

3
 4 **Table 18 - Proposed and Revised²⁵ Rate Riders for Group 1 Accounts 1580 & 1588 -**
 5 **Non-WMP (2024)**

Rate Class	Units	Allocated Proposed	Allocated Revised	Rate Rider Proposed	Rate Rider Revised	2024 Change
Residential	kWh	\$0	\$0			0
General Service < 50 kW	kWh	\$0	\$0			0
General Service 50 to 1,499 kW	kW	\$5,339,442	\$5,345,816	\$0.8059	\$0.8069	\$0.0010
General Service 1,500 to 4,999 kW	kW	\$0	\$0			0
Large Use	kW	\$0	\$0			0
Unmetered Scattered Load	kWh	\$0	\$0			0
Sentinel Lighting	kW	\$0	\$0			0
Street Lighting	kW	\$0	\$0			0
TOTAL		\$5,339,442	\$5,345,816			

6
 7 **All of which are respectfully submitted this 8th day of November, 2023.**

²⁴ As calculated in IRR-OEB-3 Attachment OEB-3 (A): Revised OEB Workform Deferral and Variance Account, submitted October 19, 2023.

²⁵ As calculated in IRR-OEB-3 Attachment OEB-3 (A): Revised OEB Workform Deferral and Variance Account, submitted October 19, 2023

UPDATED ATTACHMENT 1-1-3(A)

Updated OEB Appendix 2-A - List of Requested Approvals

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 4-3-1(A)

Updated OEB Workform - 2024 Income Tax/PILS Workform

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 6-1-1(A)

Updated Attachment 6-1-1 (A) OEB Workform - 2024 Revenue Requirement Workform

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 8-3-1(A)

Updated Attachment 8-3-1 A OEB Workform - 2024 RTSR Workform

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 8-7-1(A)

Updated Attachment 8-7-1(A) Dry Core Calculations

(Refer to the attachment in Excel format)

UPDATED ATTACHMENT 8-10-1(A)

**Updated Attachment 8-10-1(A) OEB Workform - 2023 Current and 2024
Proposed Tariff of Rates and Charges**

(Refer to the attachment in Excel format)