

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Toronto Hydro-Electric System Limited (“Toronto Hydro”) for an Order or Orders made pursuant to section 78 of the Act, approving or fixing just and reasonable rates for the distribution of electricity.

TORONTO HYDRO-ELECTRIC SYSTEM LIMITED

SETTLEMENT PROPOSAL

August 16, 2024

TABLE OF CONTENTS

A.	OVERVIEW.....	3
1.	Introduction	3
2.	Background	3
3.	Settlement Process	4
4.	Settlement Proposal Preamble	5
5.	Settlement Proposal Summary	7
B.	KEY COMPONENTS OF SETTLEMENT	13
1.	Plan Structure and Term	14
2.	Rate Base and Capital	18
3.	Capital Structure and Cost of Capital	21
4.	Operations, Maintenance & Administrative (OM&A) Expenses.....	22
5.	Depreciation and Amortization	22
6.	Load Forecast.....	22
7.	Other Revenue	23
8.	Deferral and Variance Accounts	24
9.	Cost Allocation and Rate Design	29
10.	Implementation and Effective Date.....	30
11.	Studies, Reports, Reporting and Other Matters	31
C.	SETTLEMENT BY ISSUE.....	32
D.	LIST OF SUPPORTING SCHEDULES	52
	APPENDIX A – STUDIES, REPORTING REQUIREMENTS AND OTHER MATTERS	54

LIST OF TABLES

Table 1 - Bill Impacts of Changes in Revenue Requirement and Disposition of Deferral and Variance Account Balances	11
Table 2 - 2025-2029 Proposed and Settled Revenue Requirement (\$ Millions)	13
Table 3 - Custom IR Framework	15
Table 4 - Summary of Settled Revenue Growth Factor ("RGF") Components (\$ Millions).....	17
Table 5 - Custom Revenue Cap Index ("CRCI") by Component (%).....	18
Table 6 - Annual Revenues Derived from the Custom Revenue Cap Index (CRCI)	18
Table 7 - 2025-2029 Settled Rate Base (\$ Millions)	18
Table 8 - 2025-2029 Settled Capital (\$ Millions).....	19
Table 9 - 2025-2029 Settled In-Service Additions ("ISA") (\$ Millions)	20
Table 10 - Settled Return on Equity (\$ Millions)	21
Table 11 - Settled Deemed Interest Expense (\$ Millions).....	21
Table 12 - 2025-2029 Settled OM&A (\$ Millions).....	22
Table 13 - 2025-2029 Settled Depreciation and Amortization Expenses (\$ Millions)	22
Table 14 - 2025-2029 Customer and Load Growth.....	23
Table 15 - 2025-2029 Settled Other Revenue (\$ Millions)	23
Table 16 - Group 1 DVA Disposition Amount (\$ Millions).....	24
Table 17 - Group 2 DVA Disposition Amounts (\$ Millions)	25
Table 18 - Continuation and Discontinuation of Accounts	26
Table 19 - New Deferral and Variance Accounts	27
Table 20 - Net Capital Expenditures Associated with the Eligible DRCVA Programs (\$ Millions).....	28
Table 21 - Net In-Service Additions Associated with the Eligible DRCVA Programs (\$ Millions).....	28
Table 22 - Modification to Existing Accounts.....	29

A. OVERVIEW

1. Introduction

This Settlement Proposal is filed with the Ontario Energy Board (“**OEB**”) in connection with Toronto Hydro-Electric Limited’s (“**Toronto Hydro**”) Custom Incentive Rate (“**Custom IR**”) application made under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B (the “**Act**”) seeking approval for changes to the rates that it charges for electricity distribution, beginning January 1, 2025, and for each following year through to December 31, 2029 (the “**Application**”). The OEB assigned proceeding number EB-2023-0195 to the Application.

As set forth herein, the Settlement Proposal contains a substantial settlement of the issues within the Application, with one issue related to Toronto Hydro’s proposed Innovation Fund being unsettled.

2. Background

Toronto Hydro filed the Application on November 17, 2023, and the OEB issued the Notice of Hearing on December 1, 2023. On January 15, 2024, the OEB issued Procedural Order No. 1 which, among other things, (i) approved requests for intervenor status, and (ii) set out a schedule of procedural steps, which provided for the consideration of confidential filings, determination of the issues list, interrogatories, OEB staff and intervenor evidence, a technical conference and a settlement conference. On January 26, 2024 the OEB issued Procedural Order No. 2, which set out the procedural steps associated with the technical conference.

On February 5, 2024 in Procedural Order No. 3, the OEB approved the issues list for the purposes of the proceeding (the “**Approved Issues List**”). Toronto Hydro received interrogatories from OEB staff and intervenors on February 12, 2024 and filed its responses to interrogatories on March 11, 2024 with select interrogatory response updated on March 21, 2024. Toronto Hydro filed certain evidence and interrogatory response updates on April 2, 2024. A transcribed technical conference was held from April 8-12, 2024, following which Toronto Hydro filed its undertaking responses on April 18, 2024 (related to OEB staff and intervenor evidence) and on April 22, 2024 (remainder of undertaking responses). On April 23, 2024, the OEB issued Procedural Order No. 4, which provided procedural steps with respect to motions and filing expert evidence with submission dates. Toronto Hydro, in accordance with the resolution of SEC’s and AMPCO’s technical conference motions, filed several updated interrogatory and undertaking responses on May 7, 2024.

Pursuant to Procedural Orders No. 4 and 5, OEB staff filed the expert evidence of Pacific Economics Group (“**PEG**”) (related to the Rate Framework) on May 2, 2024 and PEG’s econometric benchmarking report on May 6, 2024. On May 2, 2024, the Building Owners & Managers Association (“**BOMA**”) filed the evidence of Enerlife Consulting regarding commercial building sector conservation and demand management (CDM) savings and electrification trends. Interrogatories were filed by Toronto Hydro and intervenors on May 9 and 15 with respect to the aforementioned PEG reports. Toronto Hydro and intervenors filed interrogatories in respect of the BOMA report on May 9. Interrogatory responses were filed on May 17 and May 23, 2024.

On May 22, 2024, the OEB convened for an evidence presentation day. On May 24, 2024, Toronto Hydro filed expert evidence in reply to the PEG framework report and filed an expert reply to the PEG total cost benchmarking report on May 27, 2024. With Procedural Order No. 6, issued on May 31, 2024, the OEB granted Toronto Hydro leave to file the aforementioned reply evidence.

Pursuant to Procedural Order No. 1, a Settlement Conference was held commencing on May 27 and continuing from May 28 – 31, June 3 – 6, and June 10 with correspondence between the Parties (as defined below) occurring on June 11 and 12, 2024.

A Settlement Conference Progress Letter dated July 4, 2024 informed the OEB that Toronto Hydro and intervenors have reached a tentative substantial settlement that would leave only one fully unresolved issue (Innovation Fund as detailed below) to go to hearing. The proposed target date to file the settlement proposal with the OEB was communicated for August 9, 2024.

3. Settlement Process

The Settlement Conference was conducted in accordance with the OEB's *Rules of Practice and Procedure* (the "**Rules**") and the *Practice Direction on Settlement Conferences* ("**Practice Direction**").

Ken Rosenberg acted as facilitator for the Settlement Conference.

Toronto Hydro and the following 11 intervenors (the "**Intervenors**") participated in the Settlement Conference:¹

- Association of Major Power Consumers in Ontario (AMPCO)
- Building Owners and Managers Association (BOMA)
- Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC)
- Consumers Council of Canada (CCC)
- Distributed Resource Coalition (DRC)
- Energy Probe Research Foundation (EP)
- Environmental Defence (ED)
- Pollution Probe (PP)
- Power Workers' Union (PWU)
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

Toronto Hydro and the Intervenors are collectively referred to below as the "**Parties**".

OEB staff also participated in the Settlement Conference. The role adopted by OEB staff is set out in the Practice Direction. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice

¹ Enbridge Gas Inc. and the Independent Electricity System Operator, approved intervenors in the proceeding, did not participate in the Settlement Conference.

Direction, OEB staff who participated in the Settlement Conference are bound by the same confidentiality and settlement privilege requirements that apply to the Parties to the proceeding.

Notwithstanding any other wording in this Settlement Proposal, PWU is neither supporting nor opposing any elements of this Settlement Proposal. Where this Settlement Proposal refers to the “Parties” agreeing to or accepting something, that does not include the PWU, nor does it include any other party that is taking no position on the relevant issue.

4. Settlement Proposal Preamble

This document comprises the Settlement Proposal and is presented jointly to the OEB by the Parties. This document is called a “Settlement Proposal” because it is a proposal by the Parties to the OEB to settle the issues in this proceeding identified as settled in this Settlement Proposal. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this Settlement Proposal is subject to a condition subsequent: that if it is not accepted by the OEB in its entirety, then unless amended by the Parties, it is null and void and of no further effect. In entering into this Settlement Proposal, the Parties understand and agree that, pursuant to the Act, the OEB has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that the Settlement Conference, including any settlement information relating thereto, is privileged and confidential in accordance with the Practice Direction. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the OEB’s *Practice Direction on Confidential Filings* and that the rules of the latter document do not apply. Instead, in the Settlement Conference, and in this Settlement Proposal, the Parties have interpreted “confidential” to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counteroffers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference and during the preparation of this Settlement Proposal are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other settlement information to persons who were not attendees at the Settlement Conference. However, the Parties agree that “attendees” is deemed to include, in this context, persons who were not in attendance via video conference at the Settlement Conference but were (a) any persons or entities that the Parties engaged to assist them with the Settlement Conference (including the preparation of this Settlement Proposal); and (b) any persons or entities from whom they have sought instructions with respect to the negotiations, in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions as the Parties.

In accordance with Section 11 of the Practice Direction, it is the expectation of the Parties that OEB staff will file a submission with the OEB commenting on two aspects of the Settlement Proposal: whether the Settlement Proposal represents an acceptable outcome from a public interest perspective, and whether the accompanying explanation and rationale is adequate to support the Settlement Proposal.

This Settlement Proposal is organized based on the Key Components of Settlement (Part B, below) and in accordance with the Approved Issues List (Part C, below). Part C of this Settlement Proposal provides a brief description of each of the settled issues, together with references to the evidence submitted for the record in this proceeding. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include, in addition to the Application, the written responses to interrogatories and technical conference undertakings, and other components of the record up to and including the date hereof, including additional information provided by the Parties in this Settlement Proposal and the List of Supporting Schedules (the “**Schedules**”).

The Parties for each settled issue agree that the evidence in respect of that settled issue is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the OEB of this Settlement Proposal.

There are Schedules appended to this Settlement Proposal which provide further support for the Settlement Proposal. The Parties acknowledge that the Schedules were prepared by Toronto Hydro. While the Parties have reviewed the Schedules, the Parties are relying on the accuracy of those Schedules and the underlying evidence in entering into this Settlement Proposal.

The final agreements of the Parties following the Settlement Conference are set out below. The Parties explicitly request that the OEB consider and accept this Settlement Proposal as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this Settlement Proposal. If the OEB does not accept the Settlement Proposal in its entirety, then there is no agreement, unless the Parties agree, in writing, that the balance of this Settlement Proposal may continue as a valid settlement subject to any revisions that may be agreed-upon by the Parties.

It is further acknowledged and agreed that none of the Parties will withdraw from this agreement under any circumstances, except as provided under Rule 30.05 of the Rules.

In the event that the OEB directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue, or take no position on the issue, prior to its resubmission to the OEB for its review and consideration as a basis for making a decision.

Unless otherwise expressly stated in this Settlement Proposal, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of the Parties to raise issues and/or to take any position in any other proceeding or policy consultation, whether or not Toronto Hydro is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

In this Settlement Proposal, where any of the Parties “accept” the evidence of Toronto Hydro, or “agree” to a revised term or condition, including a revised budget or forecast, then, unless expressly stated to the

contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

5. Settlement Proposal Summary

The Parties are pleased to advise that they have reached a substantial, but not complete, settlement on all but one issue of the Approved Issues List in this proceeding, specifically:

<p>“Complete Settlement” means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the OEB, none of the Parties (including Parties who take no position on that issue) will adduce any evidence or argument during the hearing (if any) in respect of the specific issue.</p>	<p>Issues Settled: Issues 1.1-1.2 Issues 2.1-2.3 Issues 3.1-8.1 Issue 10.1</p>
<p>“Partial Settlement” means an issue for which there is partial settlement, as Toronto Hydro and the Intervenor who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the OEB, the Parties (including Parties who take no position on the Partial Settlement) will only adduce evidence and argument during the hearing (if any) on the portions of the issue for which no agreement has been reached.</p>	<p>Issues Partially Settled: Issue 1.3, 1.4, and 9.1, except as it relates to establishing an Innovation Fund related rate rider. Issue 10.2, except for establishing the Innovation Fund variance account</p>
<p>“No Settlement” means an issue for which no settlement was reached. Toronto Hydro and the Intervenor who take a position on the issue will adduce evidence and/or argument at the hearing on the issue (if any).</p>	<p>Issues Not Settled: Issue 2.4</p>

The Parties did not settle Issue 2.4 with respect to the appropriateness of the proposed Innovation Fund. Although Issue 2.4 is unsettled, its resolution has no impact on the determination of the base revenue requirement for the purposes of setting rates as agreed by the Parties. In addition to the consideration of the scope and funding of the Innovation Fund, the approval of the Innovation Fund Variance Account was also sought under Issue 10.2 as well as the establishment of a rate rider under Issue 9.1, and their applicability to the overall appropriateness of certain general issues under Issues 1.3 and 1.4. These aspects are part of Toronto Hydro’s Innovation Fund proposal, and as such Issues 1.3, 1.4, 9.1 and 10.2 are referred to as partial settlements.

The following summarizes, at a high level, the most significant elements of the Settlement Proposal, including with respect to Custom IR Framework, rate base, OM&A, revenue requirement, load forecast, deferral and variance account disposition, and bill impacts for Toronto Hydro’s distribution business. More detailed descriptions of the key components of settlement are set out in **Part B**, and descriptions of each of the settled issues, together with references to the evidence submitted for the record in this proceeding based on the Approved Issues List, are set out in **Part C**. The revenue requirement summary and rate and bill impacts are set out in the Schedules 1 and 30 in **Part D** and the Accounting Orders are set out in Schedule **31** (collectively, the **“Supporting Schedules”**).

The Application and the supporting evidence provide detail on Toronto Hydro's revenue requirement for the 2025 test year and revenues for 2026 to 2029, which are derived from the proposed Custom IR Framework. The Parties, through negotiations, have agreed to modifications to Toronto Hydro's proposed Custom IR Framework.

With respect to the Custom IR Framework, Toronto Hydro's application proposed a multi-year funding framework which includes a cost of service rebasing for 2025 and a Custom Revenue Cap Index ("CRCI") applied to determine the revenues and rates for the years 2026-2029. The proposed CRCI was based on: (i) the expected growth in revenue that is required to fund the utility's investment plan, taking into account (ii) an inflation escalator minus productivity and performance incentive reductions ("I-X") and (iii) expected annual growth in billing determinants in each rate class per the five-year load forecast. The Custom Revenue Cap Index (CRCI) expressed $CRCI = I - X + RGF$ included the following elements:

- "I" an inflation factor ("I") to be set annually for the years 2026-2029 in accordance with the OEB's inflation parameters for electricity distributors applicable to the rate year in question;
- "X" a proposed X-Factor of 0.75 percent comprised of: (i) a Total Factor Productivity measure of zero consistent with OEB policy, (ii) a 0.15 percent efficiency stretch factor based on custom empirical total cost benchmarking evidence, and (iii) a 0.6 percent proactive performance stretch factor that would provide Toronto Hydro with the opportunity to earn back this revenue in the next rate period through a Performance Incentive Mechanism ("PIM").
- "RGF" a Revenue Growth Factor to fund Toronto Hydro's forecasted incremental capital and operational investment needs in the outer years of 2026-2029,

The proposed framework also included a Demand-Related Variance Account ("DRVA"), comprised of two symmetrical sub-accounts to record: (i) the demand-driven revenue requirement impacts arising from variances in actual versus forecast capital and operational expenditures for certain demand-based programs, and (ii) the revenue impacts arising from variances in forecast versus weather-normalized actual billing determinants over the rate period. Toronto Hydro also proposed an Innovation Fund equal to 0.3 percent of the proposed revenue requirement, which amounts to approximately \$16 million in revenue requirement over the 2025-2029 rate period, to be collected through a rate rider (rather than through base rates). The Custom IR Framework also included an earnings sharing mechanism ("ESM") and access to the OEB's Z-factor mechanism.

The Parties have agreed to a multi-year funding framework whereby revenues for the first year of the period (2025) are determined using a cost of service forward test year approach, and for each of the remaining years (2026-2029) the revenues are determined by applying a custom index to escalate the prior year revenue in order to determine the revenue for the next year. The agreed upon Custom Revenue Cap Index ("CRCI") is expressed as $CRCI = I - X + RGF$, where:

- "I" an inflation factor ("I") to be set annually for the years 2026-2029 in accordance with the OEB's inflation parameters for electricity distributors applicable to the rate year in question;

- “**X**” is the Productivity Factor equal to the sum of (i) the Total Factor Productivity measure of zero percent and (ii) a 0.6 percent efficiency stretch factor. The proposed Performance Incentive Mechanism, and the performance stretch factor will not be implemented.
- “**RGF**” is a custom Revenue Growth Factor, which funds incremental capital and operational investment needs in the outer years of 2026-2029. The RGF is based on the incremental revenue required in years 2026-2029 to fund (i) the capital-related revenue requirement associated with the expenditures set out in this Settlement Proposal (less an incremental capital stretch factor of 0.3%) and (ii) growth in operational expenditures derived using an index-based approach comprised of OEB inflation and a 0.41% growth factor informed by customer and peak demand growth.

As part of the Custom IR Framework, the Parties have agreed to the establishment of utility-specific variance accounts: (i) an asymmetrical Revenue Variance Account (to the benefit of ratepayers) which records annual revenue variances resulting from differences between forecasted and actual weather normalized billing determinants (the “**RVA**”); (ii) a Demand-Related Capital Variance Account which records, subject to a 15 percent symmetrical global deadband, revenue requirement impacts arising from variances in actual versus forecast capital expenditures for certain demand-based programs as set out in this Settlement Proposal (the “**DRCVA**”); and (iii) a Non-Wires Solutions Operational Expenditures Variance Account.

The parties have also agreed to the continuation of Toronto Hydro’s existing asymmetrical five-year cumulative earnings sharing mechanisms (“**ESM**”) with a 100-basis points threshold, and continued access to the OEB’s Z-factor mechanism.

Table 2 through Table 6 provide a summary of Toronto Hydro’s proposed revenue requirement for 2025 and the revenues for 2026-2029 derived from the agreed upon CRCI. The revenue requirement impact for 2025 by component is presented under Part B highlighting the changes to each of the components resulting from this Settlement Proposal. Unless otherwise specified, the figures are based on the numbers included in Toronto Hydro’s evidence updates submitted on April 2, 2024.

Overall, this Settlement Proposal represents a reduction in revenue requirement of \$251.0 million over the 2025-2029 period relative to Toronto Hydro’s proposal (see Table 2). The key elements contributing to this overall reduction in revenue requirement are described in Part B of this Settlement Proposal.

The Parties agree that: (i) the 2025 to 2029 cost of common equity will be based on the 2025 return on equity (“**ROE**”) to be determined by the OEB as part of the Cost of Capital Parameters to be published in the fourth quarter of 2024; (ii) the 2025 to 2029 cost of short-term debt will be set as described in the paragraphs below; and (iii) the 2025 to 2029 cost of long-term debt will be set at 3.91% based on Toronto Hydro’s actual and forecasted debt issuances as set out in Schedule 18. Pending the OEB’s review of this Settlement Proposal and approval of a final rate order for rates effective January 1, 2025, Toronto Hydro agrees to update the long-term debt rate for the two outstanding forecast debt issuances to reflect the best available information.

The Parties agree that the 2025 deemed short-term debt rate will be the deemed 2025 short-term debt rate to be determined by the OEB as part of the Cost of Capital Parameters to be published in the fourth quarter of 2024, and will be implemented in accordance with direction set out in OEB's Letter and Accounting Order issued on July 26, 2024.²

The Parties acknowledge that for the 2026-2029 capital structure and cost of capital parameters Toronto Hydro will implement whatever outcomes are decided by the OEB in the Generic Cost of Capital Proceeding (EB-2024-0063), including what the OEB decides with respect to implementation. For clarity, no party will be restricted from taking any position, or making any submission in the Generic Cost of Capital proceeding as a result of this settlement.

The Parties also agree that Toronto Hydro will amend its load forecast to incorporate annual adjustments for building electrification as proposed in the evidence filed by BOMA on May 2, 2024 at page 26 with adjustments listed in Tables 4-1 and 4-2 starting in 2025 and applying the CSMUR percentage variance to the Residential rate class.

The Parties agree with Toronto Hydro's proposals for deferral and variance account disposition, subject to the modifications as described in section 8 under Part B of this Settlement Proposal. In total, the Parties agree to dispose of Group 1 balances of \$69.0 million which is a debit from ratepayers, and Group 2 balances of \$176.5 million which is a credit to ratepayers. The Group 2 balances are forecasted to year-end 2024, and would be disposed on a final basis and not subject to any true-ups.

Table 1 below provides a summary of the proposed and settled annual total bill impacts by rate class. Note that the rates and bill impacts will be updated to reflect: (a) the OEB's 2025 Cost of Capital parameters which will be issued in the fourth quarter of 2024; and (b) an update to the long-term rate based on best available information.

Appendix A to this Settlement Proposal (Studies, Reporting Requirements and Other Matters) forms a binding and integral part of this agreement.

² EB-2024-0063, OEB Letter and Accounting Order (July 26, 2024)

Table 1 - Bill Impacts of Changes in Revenue Requirement and Disposition of Deferral and Variance Account Balances

Rate Class	Monthly Consumption (kWh)	2025		2026		2027		2028		2029		5-year average	
		Change in Total Bill (\$)		Change in Total Bill (\$)		Change in Total Bill (\$)		Change in Total Bill (\$)		Change in Total Bill (\$)		Change in Total Bill (\$)	
		Proposed	Settled	Proposed	Settled	Proposed	Settled	Proposed	Settled	Proposed	Settled	Proposed	Settled
Residential	750	\$3.14	\$3.40	\$1.78	\$1.12	\$2.99	\$2.72	\$3.83	\$3.36	\$2.77	\$2.85	\$2.90	\$2.69
Competitive Sector Multi Unit Residential	300	-\$1.28	\$2.22	\$1.42	\$1.69	\$1.61	\$2.17	\$2.04	\$2.75	\$1.55	\$2.28	\$1.07	\$2.22
General Service <50 kW	2000	\$13.54	\$7.58	\$3.75	\$2.19	\$7.18	\$6.86	\$10.77	\$8.36	\$7.24	\$7.14	\$8.50	\$6.43
General Service 50-999 kW	200 kVA	\$337.89	\$253.30	-\$156.84	-\$213.60	\$160.20	\$138.28	\$229.97	\$168.54	\$166.12	\$144.56	\$147.47	\$98.21
General Service 1,000-4,999 kW	2000 kVA	\$2,931.94	\$1,991.03	-\$2,320.57	-\$2,782.23	\$1,317.64	\$1,112.79	\$1,819.76	\$1,343.16	\$1,678.05	\$1,164.53	\$1,085.37	\$565.86
Large User	9,700 kVA	\$5,422.63	\$3,729.81	-\$4,119.39	-\$5,873.74	\$8,114.71	\$5,643.99	\$11,115.90	\$6,972.60	\$9,886.16	\$5,911.17	\$6,084.00	\$3,276.76
Unmetered Scattered Load	285	\$3.31	\$2.14	\$1.83	\$1.20	\$2.00	\$1.78	\$3.34	\$2.44	\$1.98	\$1.86	\$2.49	\$1.88
Street Lighting	2,700 kVA	\$20,125.81	\$14,327.38	\$11,849.35	\$7,130.19	\$24,316.70	\$10,742.01	\$14,556.32	\$13,924.76	\$19,124.80	\$11,368.37	\$17,994.59	\$11,498.54

Total bill impact includes DVA dispositions, Ontario Electricity Rebate and Taxes

This Settlement Proposal is the culmination of extensive discussion and consideration by the Parties, which represent an array of interests affected by the Application. Based on the impacts of the settlement described above and in Part B below, together with the evidence and rationale provided and referenced in Part C below, the Parties agree that this Settlement Proposal is in the public interest and the Parties recommend its acceptance by the OEB.

Toronto Hydro has prepared Supporting Schedules reflecting the terms of this Settlement Proposal and has included them as Schedules 1 to 31. The Parties agree that the Supporting Schedules appropriately reflect the terms of this Settlement Proposal and recommend that, concurrent with its acceptance of the Settlement Proposal, the OEB approve the Supporting Schedules on a final basis subject to the updates for 2025 Cost of Capital Parameters, the 2026-2029 annual OEB Inflation Factors and, potentially, the OEB's Generic Proceeding for Cost of Capital and Other Matters, as discussed above. Toronto Hydro will update its Retail Transmission Service Rates (RTSRs) should the OEB issue its decision on the 2025 Uniform Transmission Rates (UTRs) prior to the final approval of this application.

B. KEY COMPONENTS OF SETTLEMENT

This section summarizes the key components of the settlement reached by the Parties. The evidentiary basis upon which each specific issue has been settled is summarized in Part C, below.

The settled 2025 revenue requirement is shown relative to Toronto Hydro’s application in Table 2 below, inclusive of the agreed upon capital and OM&A reductions for this Application as well as the associated in-service addition (“ISAs” or “ISA”) impact. Each subsequent year’s revenue (from 2026 to 2029) will be escalated by the agreed upon CRCI. Furthermore, at the time of the respective annual rate updates, the Inflation Factor (I) that forms part of the CRCI will be set in accordance with the OEB’s inflation parameters for electricity distributors applicable to the rate year in question, as further described in Part C, Issue 6.

Table 2 - 2025-2029 Proposed and Settled Revenue Requirement (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed						
OM&A Expenses (incl. property taxes)	343.0	358.0	370.1	385.5	399.6	1,856.2
Depreciation and Amortization	290.4	303.9	322.7	344.0	356.9	1,618.0
Deemed Interest Expense	142.9	152.1	162.4	173.5	183.9	814.7
Return on Equity	220.9	235.1	251.0	268.1	284.2	1,259.2
Payments-in-Lieu of Taxes (PILs)	28.9	31.1	20.7	56.5	48.3	185.3
Proposed Service Revenue Requirement	1,026.0	1,080.2	1,126.9	1,227.6	1,272.8	5,733.5
Revenue Offsets	(48.2)	(49.2)	(50.2)	(51.2)	(52.2)	(251.0)
Proposed Base Revenue Requirement	977.8	1,031.0	1,076.7	1,176.4	1,220.6	5,482.5
Stretch Factor	-	(7.4)	(15.4)	(24.7)	(34.3)	(81.8)
Incremental Stretch Factor on Capital	-	-	-	-	-	-
Proposed Revenue	977.8	1,023.6	1,061.3	1,151.6	1,186.3	5,400.7
Settled						
OM&A Expenses (incl. property taxes)	323.5	331.3	339.3	347.4	355.8	1,697.3
Depreciation and Amortization	286.3	297.9	314.0	332.6	342.8	1,573.6
Deemed Interest Expense ¹	141.1	149.1	157.8	167.2	175.9	791.2
Return on Equity ¹	220.1	232.6	246.2	260.9	274.4	1,234.2
Payments-in-Lieu of Taxes (PILs) ¹	29.0	32.4	21.6	55.6	47.6	186.2
Settled Service Revenue Requirement	1,000.0	1,043.3	1,078.9	1,163.7	1,196.5	5,482.5
Revenue Offsets	(48.2)	(49.2)	(50.2)	(51.2)	(52.2)	(251.0)
Settled Base Revenue Requirement	951.8	994.1	1,028.7	1,112.6	1,144.3	5,231.5
Stretch Factor	-	(5.7)	(11.8)	(18.9)	(25.9)	(62.2)
Incremental Stretch Factor on Capital	-	(2.1)	(4.4)	(6.8)	(9.3)	(22.6)
Settled Revenue	951.8	986.3	1,012.6	1,086.9	1,109.1	5,146.6

	2025	2026	2027	2028	2029	Total
Difference						
OM&A Expenses (incl. property taxes)	(19.5)	(26.7)	(30.8)	(38.1)	(43.8)	(158.9)
Depreciation and Amortization	(4.1)	(6.0)	(8.7)	(11.4)	(14.1)	(44.4)
Deemed Interest Expense	(1.8)	(3.0)	(4.5)	(6.3)	(8.0)	(23.5)
Return on Equity	(0.7)	(2.5)	(4.8)	(7.3)	(9.8)	(25.1)
Payments-in-Lieu of Taxes (PILs)	0.1	1.3	0.9	(0.8)	(0.7)	0.9
Service Revenue Requirement	(26.0)	(36.9)	(47.9)	(63.8)	(76.4)	(251.0)
Revenue Offsets	-	-	-	-	-	-
Base Revenue Requirement	(26.0)	(36.9)	(47.9)	(63.8)	(76.4)	(251.0)
Stretch Factor	-	1.7	3.6	5.9	8.5	19.6
Incremental Stretch Factor on Capital	-	(2.1)	(4.4)	(6.8)	(9.3)	(22.6)
Revenue	(26.0)	(37.3)	(48.8)	(64.7)	(77.2)	(254.1)

Note 1: The settled revenue requirement related to Deemed Interest Expense, Return on Equity, and PILs table includes an adjustment to the Working Capital Allowance as agreed upon by the parties. Please refer to Table 4 at Line 6 and Table 7 for more information about this adjustment.

1. Plan Structure and Term

The Parties agree to a five-year Custom IR Framework, commencing January 1, 2025 and ending December 31, 2029.

Pursuant to the agreed-upon framework, revenues for the first year of the period (2025) are determined using a cost of service forward test year approach, and for each of the remaining years (2026-2029) the revenues are determined by applying a custom index to escalate the prior year revenue in order to determine the revenue for the next year. The agreed upon Custom Revenue Cap Index (“**CRCI**”) is expressed as $\text{CRCI} = I - X + \text{RGF}$, where:

- “**I**” an Inflation Factor (“**I**”) to be set annually for the years 2026-2029 in accordance with the OEB’s inflation parameters for electricity distributors applicable to the rate year in question;
- “**X**” is the Productivity Factor equal to the sum of (i) the Total Factor Productivity measure of zero percent and (ii) a 0.6 percent efficiency stretch factor. The proposed Performance Incentive Mechanism, and the performance stretch factor will not be implemented.
- “**RGF**” is a custom Revenue Growth Factor, which funds incremental capital and operational investment needs in the outer years of 2026-2029. The RGF is based on the incremental revenue required in years 2026-2029 to fund (i) the capital-related revenue requirement in accordance with this Settlement Proposal (less an incremental capital stretch factor of 0.3%) and (ii) growth in operational expenditures derived using an index-based approach comprised of OEB inflation and a 0.41% growth factor informed by customer and peak demand growth.

As part of the Custom IR Framework, the Parties have agreed to the establishment of utility-specific variance accounts: (i) an asymmetrical Revenue Variance Account (to the benefit of ratepayers) which records total annual distribution revenue variances resulting from differences between forecasted and actual weather normalized billing determinants” (“**RVA**”); (ii) a Demand-Related Capital Variance Account which records, subject to a 15 percent symmetrical global deadband, revenue requirement impacts arising from variances in actual versus forecast capital expenditures for certain demand-based programs as set out in this Settlement Proposal (“**DRCVA**”); and (iii) a Non-Wires Solutions Operational Expenditures Variance Account. The agreed upon variance accounts to be established are further described in section 8.

The settled Custom IR Framework is different from the Custom IR Framework proposed by Toronto Hydro. The modifications to the proposed Custom IR Framework arising from the proposed settlement are set out in Table 3, below (with modifications bolded and italicized).

Table 3 - Custom IR Framework

	Toronto Hydro Proposal	Settlement Proposal
Term	5 years	5 years
Custom Index	Custom Revenue Cap Index $CRCI = I - X + RGF$	Custom Revenue Cap Index $CRCI = I - X + RGF$
Inflation Factor (I)	Set annually for the years 2026-2029 in accordance with the OEB’s inflation parameters for electricity distributors applicable to the rate year in question	Set annually for the years 2026-2029 in accordance with the OEB’s inflation parameters for electricity distributors applicable to the rate year in question
Productivity Factor (X)	0%	0%
Stretch (Efficiency) Factor	0.15%	0.6%
Stretch (PIM) Factor	0.6% incremental stretch factor with opportunity to earn-back through a Performance Incentive Mechanism (PIM)	None
Incremental Capital Stretch Factor	None	0.3% incremental stretch factor on capital-related revenue requirement
Revenue Growth Factor (RGF)	Inflation-normalized factor which provides incremental revenue required in years 2026-2029 to fund forecasted capital and operational expenditures	Inflation normalized factor which provides incremental revenue required in years 2026-2029 to fund capital related revenue requirement in accordance with this Settlement Proposal (less the agreed upon incremental capital stretch factor of 0.3%) and operational expenditures derived using an index-based approach comprised of OEB inflation and a 0.41% growth factor informed by customer and peak demand growth.

	Toronto Hydro Proposal	Settlement Proposal
<p>Demand Related Variance Account - Revenue Subaccount (Proposed)</p> <p>Revenue Variance Account (Settled)</p>	<p>Record revenue impacts (symmetrical) resulting from variances between forecasted and actual weather-normalized billing determinants to be disposed in the next rate period</p>	<p>Record revenue impacts <i>asymmetrically (in favour of ratepayers)</i> resulting from variances between forecasted and actual weather-normalized billing determinants to be disposed <i>annually (on an interim basis) based on the share of prior year of weather normalized distribution revenue.</i></p>
<p>Demand Related Variance Account – Expenditures Subaccount (Proposed)</p> <p>Demand Related Capital Variance Account (Settled)</p>	<p>Record variances (symmetrical) between the 2025-2029 forecasted and actual revenue requirement associated with expenditures in the following capital and operations programs: Customer Connections, Customer Operations, Stations Expansion, Load Demand, Non-Wires Solutions (“NWS”) (capital and OM&A), Generation Protection Monitoring and Control (“GPMC”) and Externally-Initiated Plant Relocations and Expansions (“EIPRE”)</p>	<p>Record variances (symmetrical) between the 2025-2029 forecasted and actual revenue requirement associated with expenditures in the following capital programs: Customer Connections, Stations Expansion, Non-Wires Solutions (“NWS”) (capital only), Generation Protection Monitoring and Control (“GPMC”) and Externally-Initiated Plant Relocations and Expansions (“EIPRE”). <i>The account will not apply, as had been proposed, to the Load Demand capital program or NWS OM&A spending. The account is subject to a 15% global symmetrical deadband calculated against the total revenue requirement associated with the eligible programs.</i></p>
<p>Non-Wires Solutions Operational Expenditures Variance Account</p>	<p>None</p>	<p><i>Record variances between the 2025-2029 revenue funded in rates associated with the non-wires Local Demand Response initiative as part of the Asset and Program Management program and the actual revenue requirement associated with non-wires solutions operational expenditures undertaken over the 2025-2029 rate period, with an offsetting credit to reflect the avoidance of capital costs that were explicitly included in the 2025-2029 revenue requirement.</i></p>
<p>Innovation Fund</p>	<p>Establishment of an Innovation Fund equal to 0.3% of the approved Revenue Requirement to support the design and execution of innovative pilot projects over the 2025-2029 rate period with the amounts being recovered by a separate rate rider</p>	<p>Does not form part of the settlement proposal – to be reviewed at the hearing</p>

	Toronto Hydro Proposal	Settlement Proposal
Earnings Sharing Mechanism	100 bps deadband 50/50 sharing Five years cumulative Asymmetrical in favor of ratepayers	100 bps deadband 50/50 sharing Five years cumulative Asymmetrical in favor of ratepayers
Z-Factor	OEB-approved criteria	OEB-approved criteria

Table 4, Table 5, and Table 6 show the calculation of the agreed upon Revenue Growth Factor (“RGF”), the components of the settled Custom Revenue Cap Index (“CRCI”) and the resulting revenues derived by the CRCI for 2026-2029. During the 2026-2029 annual rate applications, the inflation factor in the CRCI will be set in accordance with the OEB’s inflation parameters for electricity distributors applicable to the rate year in question.

Table 4 - Summary of Settled Revenue Growth Factor (“RGF”) Components (\$ Millions)

Line	Component	2025	2026	2027	2028	2029
1	Deemed Interest Expense	141.1	149.3	158.1	167.7	176.5
2	Return on Equity	220.1	232.9	246.7	261.6	275.3
3	Depreciation and Amortization	286.3	297.9	314.0	332.6	342.8
4	Payments-in-Lieu of Taxes (PILs)	29.0	32.5	21.8	55.9	47.9
5	Total Capital Related Revenue Requirement	676.5	712.5	740.6	817.8	842.6
6	Less Incremental Working Capital Related Revenue Requirement	-	(0.5)	(0.9)	(1.5)	(1.9)
7	Total Capital Related Revenue Requirement (including working capital adjustment)	676.5	712.1	739.7	816.3	840.7
8	Less Incremental X Factor on Capital (0.3%)	-	(2.1)	(2.2)	(2.4)	(2.5)
9	Less Prior Year X Factor on Capital	-	-	(2.1)	(4.4)	(6.8)
10	Total Capital Related Revenue Requirement (including working capital and Incremental X Factor on Capital)	676.5	709.9	735.3	809.5	831.3
11	Test Year OM&A (incl. property taxes)	323.5	323.5	323.5	323.5	323.5
12	Incremental OM&A Derived using the agreed upon index of 2.41% (Inflation + OM&A Growth Factor) [Line 12 = Prior Year Line 13 * 0.0241]	-	7.8	15.8	24.0	32.3
13	Total OM&A (incl. property taxes) [Line 13 = Line 11 + Line 12]	323.5	331.3	339.3	347.4	355.8
14	Revenue offset	(48.2)	(49.2)	(50.2)	(51.2)	(52.2)
15	Non-capital Related Revenue Requirement (OM&A and Revenue Offset)	275.3	282.1	289.1	296.3	303.6
16	Total Revenue Requirement	951.8	992.0	1,024.4	1,105.8	1,135.0
17	Increase in Revenue Requirement	-	40.2	32.4	81.4	29.2
18	Increase in Revenue Requirement as a percentage of Previous Year Total Revenue Requirement	-	4.23%	3.26%	7.94%	2.64%
19	Inflation back-off	-	(2.00%)	(2.00%)	(2.00%)	(2.00%)
20	Revenue Growth Factor	-	2.23%	1.26%	5.94%	0.64%

Table 5 - Custom Revenue Cap Index ("CRCI") by Component (%)

Component	2026		2027		2028		2029	
	Proposed	Settled	Proposed	Settled	Proposed	Settled	Proposed	Settled
Inflation Factor (I) ¹	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
X Factor (X) ²	(0.75%)	(0.60%)	(0.75%)	(0.60%)	(0.75%)	(0.60%)	(0.75%)	(0.60%)
Revenue Growth Factor (RGF) ²	3.44%	2.23%	2.43%	1.26%	7.26%	5.94%	1.76%	0.64%
Custom Revenue Cap Index Total	4.69%	3.63%	3.68%	2.66%	8.51%	7.34%	3.01%	2.04%

Note 1: The Inflation factor will be set annually for the years 2026-2029 in accordance with the OEB's inflation parameters for electricity distributors applicable to the rate year in question.

Note 2: As shown in Table 4 above, the calculation of the RGF includes a 0.3% incremental capital stretch factor and the OM&A portion of RGF is derived using an index-based approach.

Table 6 - Annual Revenues Derived from the Custom Revenue Cap Index (CRCI)

Year	Formula – Proposed	Proposed Revenue	Formula - Settled	Settled Revenue	Difference
2025	Cost of Service	977.8	Cost of Service	951.8	(26.0)
2026	2025 Revenue x CRCI 1.0469	1,023.6	2025 Revenue x CRCI 1.0362	986.3	(37.3)
2027	2026 Revenue x CRCI 1.0368	1,061.3	2026 Revenue x CRCI 1.0266	1,012.6	(48.8)
2028	2027 Revenue x CRCI 1.0851	1,151.6	2027 Revenue x CRCI 1.0734	1,086.9	(64.7)
2029	2028 Revenue x CRCI 1.0301	1,186.3	2028 Revenue x CRCI 1.0204	1,109.1	(77.2)
Total Proposed		5,400.7	Total Settled	5,146.6	(254.1)

2. Rate Base and Capital

a) Establishing 2025 Rate Base

The Parties agree that Toronto Hydro's 2025 opening net fixed assets, used to establish 2025 rate base, will reflect a reduction in opening rate base of \$8 million arising from an underspend in 2024 related to Toronto Hydro's AMI 2.0 meter replacement program. The remaining \$11.4 million reduction to 2025 rate base is a direct result of the capital expenditure reductions agreed upon in section 2(b).

The 2025-2029 rate base amounts are set out in Table 7 below.

Table 7 - 2025-2029 Settled Rate Base (\$ Millions)

	2025	2026	2027	2028	2029
Proposed Rate Base³	5,899.1	6,279.3	6,703.2	7,162.0	7,590.1
Average Net Fixed Assets	5,667.5	6,042.1	6,460.6	6,912.2	7,334.3
Working Capital Allowance	231.6	237.2	242.6	249.8	255.7

³ Exhibit 1B, Tab 1, Schedule 3 (Updated April 2, 2024).

	2025	2026	2027	2028	2029
Settled Rate Base	5,879.7	6,213.1	6,576.1	6,967.6	7,327.9
Average Net Fixed Assets	5,648.3	5,981.8	6,344.8	6,736.2	7,096.5
Working Capital Allowance	231.3	231.3	231.3	231.3	231.3
Difference	(19.4)	(66.2)	(127.1)	(194.4)	(262.2)
Average Net Fixed Assets	(19.2)	(60.3)	(115.8)	(175.9)	(237.8)
Working Capital Allowance	(0.2)	(5.9)	(11.3)	(18.5)	(24.4)

b) Capital Expenditures and In-Service Additions (“ISA”)

The Parties agree that Toronto Hydro’s capital expenditures envelope will be reduced by \$360 million which represents an overall reduction of 9% to the proposed 2025-2029 amounts as shown in Table 8 below and Schedule 10. The agreed upon reductions will be applied to each investment category as follows:

- **System Access** will be reduced by 0.7 percent (\$7.1 million) based on a 3.5% reduction for the AMI 2.0 program and no reduction to other System Access programs.
- **System Renewal** will be reduced by 13 percent (\$258.5 million) with proportionate reductions to all programs.
- **System Service** will be reduced by 9.8 percent (\$29.6 million) with proportionate reductions to all programs except for the Station Expansion and Non-Wires programs which will not be reduced.
- **General Plant** will be reduced by 10.1 percent (\$57.0 million) with proportionate reductions to all programs except for IT Software (including ADMS) and the Enterprise Data Center.
- **Other Expenditures** will be reduced by 19 percent (\$7.9 million).

The Parties agree that the revised capital spending and resulting in-service additions are reasonable to deliver customer services and upkeep the distribution system in accordance with good utility practice, and to support energy transition and electrification in the City of Toronto.

Table 8 - 2025-2029 Settled Capital (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed Capital⁴	728.5	757.1	814.5	823.7	804.8	3,928.7
<i>System Access</i>	220.1	229.1	224.0	196.6	182.7	1,052.5
<i>System Renewal</i>	359.7	366.5	391.3	423.7	429.1	1,970.3
<i>System Service</i>	38.3	35.0	66.0	78.1	84.3	301.7
<i>General Plant</i>	103.9	119.1	124.9	116.1	98.6	562.5
<i>Other</i>	6.5	7.3	8.4	9.2	10.2	41.7

⁴ Exhibit 2B, Section E4, Appendix B (Updated April 2, 2024)

	2025	2026	2027	2028	2029	Total
Settled Capital	662.4	689.4	741.0	747.5	728.3	3,568.7
<i>System Access</i>	218.2	227.0	221.8	195.7	182.7	1,045.4
<i>System Renewal</i>	312.5	318.5	340.0	368.1	372.8	1,711.8
<i>System Service</i>	33.9	30.6	59.2	71.8	76.7	272.1
<i>General Plant</i>	92.6	107.4	113.3	104.4	87.9	505.5
<i>Other</i>	5.3	6.0	6.8	7.5	8.3	33.8
Difference	(66.1)	(67.7)	(73.5)	(76.3)	(76.5)	(360.0)
<i>System Access</i>	(1.9)	(2.1)	(2.2)	(0.9)	-	(7.1)
<i>System Renewal</i>	(47.2)	(48.1)	(51.3)	(55.6)	(56.3)	(258.5)
<i>System Service</i>	(4.5)	(4.4)	(6.8)	(6.3)	(7.6)	(29.6)
<i>General Plant</i>	(11.3)	(11.7)	(11.6)	(11.7)	(10.7)	(57.0)
<i>Other</i>	(1.2)	(1.4)	(1.6)	(1.7)	(1.9)	(7.9)

The total proposed ISAs of \$3,779.1 million over the five-year Custom IR term have been reduced by \$321.0 million as shown in the table below, to reflect the impact of the capital expenditure reductions described above. The ISAs in Table 9 and supporting Schedule 11 are calculated consistent with the methodology outlined in Toronto Hydro's response to interrogatory 2B-SEC-60 (updated as part of CQ-SEC-08).

Table 9 - 2025-2029 Settled In-Service Additions ("ISA") (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed ISA	653.8	699.9	795.1	770.1	860.1	3,779.1
<i>System Access</i>	188.7	211.3	216.6	205.4	186.3	1,008.3
<i>System Renewal</i>	357.8	354.4	394.9	414.7	449.0	1,970.8
<i>System Service</i>	25.5	43.1	41.6	34.7	72.3	217.2
<i>General Plant</i>	81.5	91.0	141.9	115.2	152.5	582.1
<i>Other</i>	0.4	0.2	0.1	0.1	0.0	0.7
Settled ISA	616.3	639.7	726.5	697.5	778.0	3,458.1
<i>System Access</i>	187.7	209.0	214.9	203.9	185.7	1,001.3
<i>System Renewal</i>	329.1	312.2	345.6	361.2	390.0	1,738.2
<i>System Service</i>	23.1	39.0	35.9	28.4	64.7	191.1
<i>General Plant</i>	76.2	79.3	130.0	103.9	137.6	526.9
<i>Other</i>	0.2	0.1	0.1	0.1	0.0	0.6
Difference	(37.5)	(60.2)	(68.6)	(72.5)	(82.1)	(321.0)
<i>System Access</i>	(0.9)	(2.3)	(1.7)	(1.5)	(0.6)	(7.0)
<i>System Renewal</i>	(28.7)	(42.2)	(49.3)	(53.4)	(59.0)	(232.6)
<i>System Service</i>	(2.4)	(4.1)	(5.7)	(6.3)	(7.6)	(26.1)
<i>General Plant</i>	(5.3)	(11.6)	(12.0)	(11.3)	(15.0)	(55.1)
<i>Other</i>	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)

3. Capital Structure and Cost of Capital

The Parties agree that Toronto Hydro’s deemed capital structure for rate-making purposes will be 60% debt and 40% common equity. The 60% debt component will be comprised of 4% deemed short-term debt and 56% long-term debt. This capital structure is unchanged from the capital structures underlying Toronto Hydro’s current Distribution rates and is consistent with the capital structure proposed in the Application and the OEB’s Report on Cost of Capital (EB-2009-0084).

The Parties agree that the 2025 to 2029 cost of common equity will be based on the 2025 ROE to be determined by the OEB as part of the Cost of Capital Parameters to be published in the fourth quarter of 2024.

Table 10 - Settled Return on Equity (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed Return on Equity	220.9	235.1	251.0	268.1	284.2	1,259.2
Settled Return on Equity	220.1	232.6	246.2	260.9	274.4	1,234.2
Difference	(0.8)	(2.5)	(4.8)	(7.2)	(9.8)	(25.0)

The Parties agree to the 2025 to 2029 cost of long-term debt rate of 3.91% based on Toronto Hydro’s actual and forecasted debt issuances for the two forecast debt issuances as set out in supporting Schedule 18. Pending the OEB’s review of this Settlement Proposal and approval of a final rate order for rates effective January 1, 2025, Toronto Hydro agrees to update the long-term debt rate to reflect best available information.

Table 11 - Settled Deemed Interest Expense (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed Deemed Interest Expense	142.9	152.1	162.4	173.5	183.9	814.7
Settled Deemed Interest Expense	141.1	149.1	157.8	167.2	175.9	791.2
Difference	(1.8)	(3.0)	(4.6)	(6.3)	(8.0)	(23.5)

The Parties agree that the 2025 deemed short-term debt rate will be the deemed 2025 short-term debt rate to be set by the OEB as part of the Cost of Capital Parameters to be published in the fourth quarter of 2024, and will be implemented in accordance with direction set out in OEB’s Letter and Accounting Order issued on July 26, 2024.⁵ The Parties acknowledge that for the 2026-2029 capital structure and cost of capital parameters Toronto Hydro will implement whatever outcomes are decided by the OEB in the Generic Cost of Capital Proceeding (EB-2024-0063), including what the OEB decides with respect to implementation. For clarity, no party will be restricted from taking any position, or making any submission in the Generic Cost of Capital proceeding as a result of this settlement.

⁵ EB-2024-0063, OEB Letter and Accounting Order (July 26, 2024)

4. Operations, Maintenance & Administrative (OM&A) Expenses

The Parties agree to a 2025 test year amount of \$323.5 million for OM&A expenses. This represents a reduction to proposed OM&A (including property taxes) in 2025 of 5.69 percent or \$19.5 million. While the reduction is agreed to on an envelope basis, for presentation purposes, Toronto Hydro has applied the reduction evenly to all the programs as set out in supporting Schedule 14.

The Parties agree to 2026-2029 OM&A amounts derived using an index-based approach comprised of the OEB inflation factor and, for purposes of settlement, a 0.41% growth factor having regard to forecast customer and peak demand growth.

Overall, this Settlement Proposal represents a reduction to proposed OM&A over the 2025-2029 period of 8.6% or \$158.9 million as shown in Table 12 below. The Parties agree that the revised OM&A expenses are reasonable to deliver customer services and upkeep the distribution system in accordance with good utility practice, and to support energy transition and electrification in the City of Toronto.

Table 12 - 2025-2029 Settled OM&A (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed OM&A (incl. property taxes)	343.0	358.0	370.2	385.5	399.6	1,856.3
Settled OM&A (incl. property taxes)	323.5	331.3	339.3	347.5	355.8	1,697.4
Difference	(19.5)	(26.7)	(30.9)	(38.0)	(43.8)	(158.9)

5. Depreciation and Amortization

The Parties agree that Toronto Hydro’s depreciation methodology will be as proposed and that depreciation expense (inclusive of amortization expense) will be as set out in Table 13 below and supporting Schedule 6. These amounts are reflective of the agreed upon reduction to capital expenditures and in-service additions as set out in Part B, section 2 of the Settlement Proposal.

Table 13 - 2025-2029 Settled Depreciation and Amortization Expenses (\$ Millions)

	2025	2026	2027	2028	2029	Total
Proposed Depreciation and Amortization Expenses	290.4	303.9	322.7	344.0	356.9	1,618.0
Settled Depreciation and Amortization Expense	286.3	297.9	314.0	332.6	342.8	1,573.6
Difference	(4.1)	(6.0)	(8.7)	(11.4)	(14.1)	(44.4)

6. Load Forecast

The Parties agree that Toronto Hydro will use the proposed methodologies to determine its customer forecast, except that the incremental increase in 2026 customer numbers for CSMUR would also apply to the 2027-2029 period. The Parties also agree that Toronto Hydro will amend its load forecast in OEB Appendix 2-IB to incorporate annual adjustments for building electrification as proposed in the evidence filed by BOMA on May 2, 2024 at page 26 with adjustments listed in Tables 4-1 and 4-2 starting in 2025 and applying the CSMUR percentage variance to the Residential rate class. Specifically, Residential (use CSMUR percentages), CSMUR, and GS<50kW kWhs are increased by the percentages listed in Table 4-1.

GS 50-999, GS 1000-4999, and Large Use kVA's are increased by the percentages listed in Table 4-2. The customer and load forecast resulting from these modifications are presented in Table 14 below.

Table 14 - 2025-2029 Customer and Load Growth

Year		Total Normalized GWh ¹	Total Normalized GWh (% Change)	Total Normalized MVA	Total Normalized MVA (% Change)	Total Customers
2025	<i>Proposed</i>	23,412.8	-0.8%	36,167.8	-1.5%	800,430
	<i>Settled</i>	23,557.7	-0.4%	36,382.7	-1.3%	800,430
2026	<i>Proposed</i>	23,433.6	0.1%	35,949.7	-0.6%	803,655
	<i>Settled</i>	23,653.9	0.4%	36,234.4	-0.4%	803,655
2027	<i>Proposed</i>	23,431.4	0.0%	35,648.1	-0.8%	806,407
	<i>Settled</i>	23,721.8	0.3%	36,036.4	-0.5%	806,504
2028	<i>Proposed</i>	23,525.0	0.4%	35,489.2	-0.4%	808,736
	<i>Settled</i>	23,893.7	0.7%	35,981.4	-0.2%	809,196
2029	<i>Proposed</i>	23,393.8	-0.6%	34,964.1	-1.5%	811,363
	<i>Settled</i>	23,838.0	-0.2%	35,552.9	-1.2%	812,371

Note 1: The Total Normalized GWh figures shown represent purchased-level GWh. Those provided in OEB Appendix 2-IB (Schedule 24) represent distribution-level GWh. The difference between the two is line losses.

7. Other Revenue

The Parties agree that Toronto Hydro's proposed Other Revenues as presented in Table 15 below are appropriate.

Table 15 - 2025-2029 Settled Other Revenue (\$ Millions)

	2025	2026	2027	2028	2029
Proposed Other Revenue	48.23	49.19	50.18	51.18	52.21
<i>Specific Service Charges</i>	3.47	3.54	3.61	3.68	3.75
<i>Late Payment Charges</i>	3.92	3.99	4.07	4.15	4.24
<i>Other Operating Revenues</i>	28.47	29.04	29.62	30.22	30.82
<i>Other Income or Deductions</i>	12.37	12.62	12.88	13.13	13.40
Settled Other Revenue	48.23	49.19	50.18	51.18	52.21
<i>Specific Service Charges</i>	3.47	3.54	3.61	3.68	3.75
<i>Late Payment Charges</i>	3.92	3.99	4.07	4.15	4.24
<i>Other Operating Revenues</i>	28.47	29.04	29.62	30.22	30.82
<i>Other Income or Deductions</i>	12.37	12.62	12.88	13.13	13.40
Difference	-	-	-	-	-
<i>Specific Service Charges</i>	-	-	-	-	-
<i>Late Payment Charges</i>	-	-	-	-	-
<i>Other Operating Revenues</i>	-	-	-	-	-
<i>Other Income or Deductions</i>	-	-	-	-	-

8. Deferral and Variance Accounts

a) Disposition

The Parties agree that Toronto Hydro will dispose of its Group 1 variance account balances as proposed and Group 2 deferral and variance balances inclusive of projected carrying costs to December 31, 2024 on a final basis without any future true-up to account for audited amounts, subject to the following exceptions and modifications:

- Toronto Hydro will forego the disposition of (i) the Lost Revenue Adjustment Mechanism Variance Account, (ii) the Customer Choice Initiative Variance Account, (iii) the Green Button Initiative Costs Deferral Account; and (iv) Ultra-Low Overnight (“ULO”) Implementation Costs.
- The balance of the 50/60 Eglinton Proceeds of Sale Deferral Account will be transferred to the Gain on Property Sale Variance Account to be included in the disposition of that account.
- The Renewable Generation Connection Funding Adder Deferral Account will be disposed of based on updated OEB Appendices 2-FA/2-FB to reflect specific asset useful lives rather than an average useful life of assets in-service for Generation Protection Monitoring and Control investments and a useful life of 20 years for Energy Storage Systems (refer to Schedule 9).
- The total disposition amount for the Incremental Cloud Computing Implementation Costs Deferral Account will be adjusted to exclude \$0.17 million in 2023 associated with the External Reporting Solution described in the response to undertaking JT5.6 as it is below the project materiality threshold.

The Distribution Group 1 and Group 2 balances are provided below in Table 16 and Table 17.

Table 16 - Group 1 DVA Disposition Amount (\$ Millions)

Accounts		Total Proposed ⁶	Total Settled	Difference
1550	Low Voltage Variance Account	0.4	0.4	-
1580	Wholesale Market Service Charge	(25.1)	(25.1)	-
1580	WMS – Sub-account CBR Class A	-	-	-
1580	WMS – Sub-account CBR Class B	3.1	3.1	-
1584	Retail Transmission Network Charge	22.5	22.5	-
1586	Retail Transmission Connection Charge	22.4	22.4	-
1588	Power (excluding Global Adjustment)	38.7	38.7	-
1589	Global Adjustment	8.5	8.5	-
1551	Smart Meter Entity Charge	(1.6)	(1.6)	-
	TOTAL GROUP 1	69.0	69.0	-

⁶ Exhibit 1B, Tab 3, Schedule 3 (updated April 2, 2024 and April 22, 2024); Technical Conference Undertaking JT5.13, Appendix A – DVA Continuity Schedule (updated May 7, 2024)

Table 17 - Group 2 DVA Disposition Amounts (\$ Millions)

Accounts		Total Proposed ⁷	Total Settled	Difference
1508	Capital-Related Revenue Requirement ("CRRRVA")	-	-	-
1508	Customer Choice Initiative Costs	0.6	-	(0.6)
1508	Excess Expansion Deposits	(8.7)	(8.7)	
1508	Externally Driven Capital Variance Account ("EDCVA")	8.6	8.6	
1508	Gain on Sale of Properties	(2.1)	(12.7)	(10.6)
1508	Impact for USGAAP Deferral Account	-	-	
1522	Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	-	-	
1592	PIIs and Tax Variances – CCA Changes	(1.8)	(1.8)	
1508	THESL Wireless Attachment Costs & Revenues	(3.6)	(3.6)	
1508	Wireline Pole Attachment Revenue Variance	4.3	4.3	-
1533	Renewable Generation Connection Funding Adder Deferral Account – Provincial Rate Protection Payment Variances	(7.3)	(6.2)	1.1
1508	Local Initiatives Program Costs	-	-	-
1568	Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA")	11.4 ⁸	-	(11.4)
1508	Operating Centres Consolidation Program ("OCCP")	2.1	2.1	-
1508	Gains on Sale of Properties related to the Operating Centres Consolidation Program ("OCCP")	(34.6)	(34.6)	-
1508	Useful Life Changes	(135.6)	(135.6)	-
1508	Ultra-Low Overnight ("ULO") Implementation Costs	0.1	-	(0.1)
1508	Green Button Initiative Costs	(0.4)	-	0.4
1508	50/60 Eglinton Proceeds of Sale Deferral Account	(10.6)	-	10.6
1508	Carillion Insolvency Payments Receivable Account	-	-	-
1508	Getting Ontario Connected Act Variance Account	2.5	2.5	-
1511	Incremental Cloud Computing Implementation Costs	4.1	3.9 ⁹	(0.2)
	SUBTOTAL GROUP 2	(171.0)	(181.6)	(10.8)
	Innovation Fund	16.2	N/A	(16.2)
	Incremental Carrying Charges	(2.8)	(1.0)	1.8
	TOTAL GROUP 2	(157.6)	(182.7)	(25.1)

Note 1: Distribution 1592 balance reflects clearance of 2018 to 2020 CCA Changes balances, updated in 2022 (on the Toronto Hydro books) for actual additions method.

Note 2: Variances due to rounding may exist

⁷ Ibid

⁸ Exhibit 9, Tab 2, Schedule 3, Appendix A (Updated: April 2, 2022)

⁹ Technical Conference Undertaking JT5.6 (Updated: June 20, 2024)

b) Continuation and Discontinuation of Existing Accounts

The Parties agree that Toronto Hydro will continue or discontinue its existing deferral and variance accounts as summarized in Table 18 below:

Table 18 - Continuation and Discontinuation of Accounts

Accounts		To Be Continued (Yes/No)
1508	Capital-Related Revenue Requirement ("CRRRVA")	No
1508	Customer Choice Initiative Costs	No
1508	Excess Expansion Deposits	Yes
1508	Externally Driven Capital Variance Account ("EDCVA")	No
1508	Gain on Sale of Properties	Yes
1508	Impact for USGAAP Deferral Account	Yes
1522	Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	Yes
1592	PILs and Tax Variances – CCA Changes	Yes
1508	THESL Wireless Attachment Costs & Revenues	Yes, subject to modifications (see Table 22 below)
1508	Wireline Pole Attachment Revenue Variance	No
1533	Renewable Generation Connection Funding Adder Deferral Account – Provincial Rate Protection Payment Variances	Yes
1508	Local Initiatives Program Costs	Yes
1568	Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA")	Yes
1508	Operating Centres Consolidation Program ("OCCP")	Yes
1508	Gains on Sale of Properties related to the Operating Centres Consolidation Program ("OCCP")	Yes
1508	Useful Life Changes	No
1508	Ultra-Low Overnight ("ULO") Implementation Costs	No
1508	Green Button Initiative Costs	No
1508	Carillion Insolvency Payments Receivable Account	Yes
1508	Getting Ontario Connected Act Variance Account	Yes, subject to modifications (see Table 22 below)
1511	Incremental Cloud Computing Implementation Costs	No

c) Establishment of New Accounts and Modifications to Existing Accounts

The Parties agree that Toronto Hydro will establish new accounts or modify existing accounts as proposed in the Application and as clarified during the proceeding, subject to the following modifications:

Table 19 - New Deferral and Variance Accounts

Accounts		Description
1508	Revenue Variance Account	Record revenue impacts asymmetrical (in favour of ratepayers) resulting from variances between forecasted and weather-normalized billing determinants. To establish annual credit entries to the DRVA, Toronto Hydro will compare the forecast billing determinants with actual weather-normalized billing determinants for each rate class to calculate the distribution revenue variance for each rate class, and determine the total net distribution revenue variance for the year in question. Where the total net distribution revenue variance is positive, this amount will be entered as a credit to the DRVA (i.e. refund to ratepayers). Where the total net distribution revenue is negative, no entry will be made to the DRVA. For disposition purposes, the balance in the DRVA will be allocated to each rate class on the basis of each rate class' portion of the prior year's actual weather-normalized total distribution revenue. Rate riders will be derived on the basis of the balance allocated to each rate class and the forecast billing determinants for each rate class for the year of disposition. The Parties agree that Toronto Hydro will seek disposition of balances annually (on an interim basis) based on the share of prior year of weather normalized distribution revenue, so that accumulated credit balances in this asymmetrical account can be returned to customers expeditiously. Toronto Hydro will seek final disposition at its next rebasing application for any amounts disposed of on an interim basis.
1508	Demand Related Capital Variance Account	Record variances (symmetrical) between the 2025-2029 forecasted and actual revenue requirement associated with expenditures in the following capital programs: Customer Connections, Stations Expansion, Non-Wires Solutions ("NWS") (capital), Generation Protection Monitoring and Control ("GPMC") and Externally-Initiated Plant Relocations and Expansions ("EIPRE"). The account is subject to a 15 percent global symmetrical deadband calculated against the total revenue requirement associated with the eligible programs.
1508	Non-Wires Solutions Operational Expenditures Variance Account	Record variances between the 2025-2029 revenue requirement funded in rates associated with the non-wires Local Demand Response initiative as part of the Asset and Program Management program and the actual revenue requirement associated with non-wires solutions operational expenditures undertaken over the 2025-2029 rate period, with an offsetting credit to reflect the avoidance of capital costs that were explicitly included in the 2025-2029 revenue requirement.

Accounts		Description
1508	Cloud Computing Transitional Variance Account	Record variances between the cloud computing solutions operational expenditure amounts recovered through base rates and actual cloud computing solutions operational expenditures over the 2026-2029 rate period. For clarity, this utility specific account is not the same as the OEB Deferral Account to record Incremental Cloud Computing Implementation Costs (Accounting Order 003-2023). The account has been agreed to in the context of Toronto Hydro's unique multi-year investment plan to transition to cloud computing solutions and the broader settlement of all revenue requirement issues. The account is subject to a maximum annual amount that is based on the 2026-2029 forecast associated with cloud computing solutions less a 5.69% reduction (see the Draft Accounting Order in Schedule 31).

The net capital expenditures and net in-service additions associated with the eligible DRCVA programs are set out in Table 20 and Table 21 below.

Table 20 - Net Capital Expenditures Associated with the Eligible DRCVA Programs (\$ Millions)

DRCVA Eligible Programs	2025	2026	2027	2028	2029	Total
Load Connections	84.5	90.0	95.4	100.7	106.0	476.5
Externally Initiated Plant Relocations & Expansions	22.6	16.7	12.0	12.1	12.6	76.0
Generation, Protection, Monitoring & Control ¹	2.6	2.8	2.3	2.6	2.8	13.0
Stations Expansion ¹	11.0	7.4	17.9	36.0	35.5	107.9
Non-Wires Alternative ¹	0.2	0.2	0.5	0.2	0.2	1.4
DRCVA Capital Expenditures	120.9	117.1	128.0	151.6	157.1	674.7

Note 1: These exclude capital expenditures that are not part of rate base

Table 21 - Net In-Service Additions Associated with the Eligible DRCVA Programs (\$ Millions)

DRCVA Eligible Programs	2025	2026	2027	2028	2029	Total
Load Connections	86.7	88.7	93.0	98.1	103.4	469.9
Externally Initiated Plant Relocations & Expansions	11.8	14.7	13.2	15.6	14.1	69.4
Generation, Protection, Monitoring & Control ¹	0.2	0.1	0.5	0.5	1.1	2.3
Stations Expansion ¹	7.5	20.9	10.7	1.4	34.1	74.5
Non-Wires Alternative ¹	0.0	0.0	0.9	0.0	0.5	1.4
DRCVA Eligible In-Service Additions	106.2	124.4	118.2	115.6	153.1	617.5

Note 1: These exclude in-service additions that are not part of rate base

Table 22 - Modification to Existing Accounts

Accounts		Description
1508	Getting Ontario Connected Variance Account	Continuation of the generic account approved in EB-2023-0143 to record variances between the 2025-2029 revenue funded in rates associated with underground locates undertaken as part of the Damage Prevention segment of the Customer Operations OM&A program, and incremental costs driven by the <i>Getting Ontario Connected Act, 2022</i> , and the <i>Ontario Underground Notification System Act, 2012</i> and related legislative and regulatory amendments. Incremental costs to enable locates activities include internal and external labour and equipment costs, training and development, and system and process improvements, but do not include administrative fines or penalties.
1508	THESL Wireless Attachment Costs & Revenues Variance Account	Converted from a deferral account to a variance account, to track variances from the utility's forecast of relevant revenues and costs that is incorporated in Other Revenue.

9. Cost Allocation and Rate Design

a) Cost Allocation

The Parties agree with Toronto Hydro's proposals for cost allocation and rate design, subject to the modifications below. In particular, the Parties agreed that:

- For the CSMUR class, any methodological changes would be deferred to the next rebasing, other than a transitioning of target revenue to cost ratios; from a single target of 100%, to a target range of 80%-120%.
- The Residential Class revenue to cost ratio will transition from a specific target of 100%, to the OEB's prescribed target range of 85%-115%.
- For 2025, Toronto Hydro has adjusted the manner in which it re-allocates assigned revenues to rate classes for the purpose of establishing revenue to cost ratios within prescribed target ranges, adopting the following commonly accepted approach. First, all rate classes with revenue-to-cost ratios outside of target ranges are assigned revenue adjustments to bring them to the lower or upper bounds of target ranges, as applicable. Second, any resulting revenue short-fall is assigned first to the rate class with the lowest revenue-to-cost ratio, up to the point where the revenue-to-cost ratio for this rate class is equal to the revenue to cost ratio of the rate class with the second lowest revenue to cost ratio. Subsequently, these two rate classes will be assigned additional revenues up to the point where their revenue to cost ratios are equal to that of the rate class with the third lowest revenue to cost ratio. This process will continue, including and affecting additional rate classes as needed, until the entire revenue shortfall referenced above has been absorbed.

b) Rate Design

Subject to the modifications below, the Parties accept that Toronto Hydro's proposals for rate design (including, but not limited to, fixed/variable split, loss factors, retail transmission service rates, specific and other service charges, and rate mitigation proposals) are appropriate. In particular, the Parties agree that:

- The Parties have agreed to an implementation methodology for Toronto Hydro's CRCI, which functions as follows. On an annual basis for 2026 through 2029, Toronto Hydro will apply the prior year's approved rates to the present year's forecast billing determinants, and compare this value to present year revenues requirement resulting from application of the CRCI formula. This comparison will yield a revenue deficiency, expressed as a percentage, to be used in the present year's rate design. For the residential and CSMUR rate classes, the prior year's fixed distribution charge will be increased by the revenue deficiency percentage to determine present year rates. For non-residential rate classes, the prior year's approved revenue by rate class will be increased by the revenue deficiency percentage. Specific fixed and variable charges for non-residential rate classes will subsequently be determined as described below.
- Regarding the Fixed Variable split, for all non-residential rate classes, Toronto Hydro will establish its 2025 to 2029 fixed charges by comparing the fixed charge resulting from Toronto Hydro's standard rate design approach with the previous year's level for the five-year rate term. In years where maintaining the current fixed/variable revenue split results in a) an increase to the current fixed charge, and b) a higher fixed charge than the 2025 ceiling identified in the OEB's Cost Allocation Model (minimum system with peak load carrying capability adjustment, or "PLCC"), Toronto Hydro shall maintain the fixed charge at the previous year's level. Where maintaining the fixed/variable split results in an increase to the current fixed charge, but the resulting charge is lower than the PLCC, the fixed charge shall be increased to maintain the current fixed/variable split. Where maintaining the fixed/variable split results in a decrease to the current fixed charge, the fixed charge will be reduced to maintain the current fixed/variable split regardless of the resulting charge's position relative to the PLCC.
- Toronto Hydro's rate smoothing proposal as set out in Supporting Schedule 21.2 is acceptable.
- For the purposes of settlement, the Parties agree to the elimination of the Standby Rate and such agreement is without prejudice to any Party arguing for or against the creation of such a rate in the future.
- As Issue 2.4 remains unsettled, there is no agreement regarding the proposed Innovation Fund rate rider.

10. Implementation and Effective Date

The Parties accept that the rates for the 2025 test year arising from this Settlement Proposal will also be effective and implemented on January 1, 2025.

The Parties further accept Toronto Hydro's proposal that, in the event the requested rate orders cannot be implemented by January 1, 2025 to correspond to the agreed effective date of January 1, 2025, Toronto Hydro's current distribution rates and charges, will be effective on an interim basis as of January 1, 2025 and that Toronto Hydro will recover any differences between the interim rates and the final rates effective January 1, 2025 in a foregone revenue deferral account.

11. Studies, Reports, Reporting and Other Matters

The Parties agree that Toronto Hydro will provide reporting as is more particularly described through the Settlement Proposal including **Appendix 'A'** hereto.

C. SETTLEMENT BY ISSUE

The subsections below summarize the key components of the comprehensive settlement reached by the Parties, including details on how each of the issues in the Approved Issues List has been addressed either through the Application or through the modifications to Toronto Hydro’s proposals which have been agreed upon in this Settlement Proposal.

1.0 General

1.1 *Has Toronto Hydro responded appropriately to all relevant Ontario Energy Board (OEB) directions from previous proceedings?*

Complete Settlement

The Parties agree that Toronto Hydro has responded appropriately to all relevant OEB directions from previous proceedings.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1A, Tab 3, Schedule 1: Administration Exhibit 2A, Tab 1, Schedule 1: Rate Base (updated January 29, 2024) Exhibit 2A, Tab 2, Schedule 1: Depreciation and Amortization (updated January 29, 2024) Exhibit 2A, Tab 2, Schedule 1, Appendix D: Depreciation Study Exhibit 2A, Tab 5, Schedule 1: Cost of Eligible Investments for the Connection of Qualifying Generation Facilities (updated January 29, 2024) Exhibit 2B, Section E8.3: Fleet and Equipment Services Exhibit 3, Tab 1, Schedule 1: Load and Customers Exhibit 3, Tab 2: Revenue Offsets Exhibit 4, Tab 5: Shared Services (updated December 1, 2023) Exhibit 8, Tab 1, Schedule 1: Rate Design Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Accounts (updated December 19, 2023)
Interrogatories	1A-CCC-5, 1B-AMPCO-4, 1B-SEC-10, 1B-Staff-19, 2B-ED-40
Undertakings	JT4.32
Pre-Settlement	N/A
Other	N/A

1.2 Is the proposed effective date of January 1, 2025 appropriate?

Complete Settlement

The Parties agree that the proposed effective date of January 1, 2025 is appropriate.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1A, Tab 2, Schedule 1: Legal Application
Interrogatories	N/A
Undertakings	N/A
Pre-Settlement	N/A
Other	N/A

1.3 Are the rates and bill impacts resulting from Toronto Hydro's application appropriate?

Partial Settlement

The Parties accept that, with the exception of the unsettled issue related to the Innovation Fund, the rate and bill impacts arising from Toronto Hydro's proposals as modified by the terms of this Settlement Proposal are reasonable and appropriate.

Supporting Schedule 29 sets out estimated rate and bill impacts for customers in each rate class. Moreover, Tables 1 and 2 in Part B of this Settlement Proposal set out the bill impacts and changes in revenue requirement.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 3 (updated April 22, 2024) Exhibit 8, Tab 1, Schedule 1, Table 1 Exhibit 8, Tab 6, Schedule 1: OEB Appendix 2-W – Bill Impacts (updated April 22, 2024)
Interrogatories	1B-CCC-19, 1B-EP-07, 1B-PP-13, 1B-Staff-39
Undertakings	JT1.1.14, JT1.1.16
Pre-Settlement	N/A
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 11

1.4 Did Toronto Hydro appropriately consider customer needs and preferences in the formulation of its proposed spending?

Partial Settlement

In the context of the settled revenue requirement, the Parties accept Toronto Hydro’s evidence that its customer engagement activities are sufficient to support the spending as agreed to as part of this Settlement Proposal. There is no agreement on the appropriateness of customer needs and preferences as it related to the proposed unsettled issue regarding the proposed Innovation Fund.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 1: Executive Summary Exhibit 4, Tab 1, Schedule 1: Operations, Maintenance & Administration Overview
Interrogatories	1A-CCC-06, 1B-CCC-28, 1B-CCC-49, 1B-DRC-01 to 02, 1B-PP-12, 1B-Staff-39, 1B-Staff-100 to 101, 1B-VECC-05, 2B-Staff-124 to 125
Undertakings	N/A
Pre-Settlement	N/A
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 11, 15

2.0 Custom Incentive Rate-setting

2.1 *Are all elements of Toronto Hydro's Custom Incentive Rate-setting proposal for the determination of rates appropriate (including the Performance Incentive Mechanism)?*

Complete Settlement

The Parties agree to a Custom IR Framework that is a revenue cap with a five-year test period commencing January 1, 2025, and ending December 31, 2029. The settled Custom IR Framework modifies the Custom IR Framework proposed by Toronto Hydro. The settled Custom IR framework together with the modifications to the proposed Custom IR Framework are set out in Table 3 of Part B above. These modifications include the agreement to eliminate the proposed Performance Incentive Mechanism in lieu of a higher than proposed stretch factor and an incremental stretch factor on capital.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 1: Rate Framework (updated April 2, 2024) Exhibit 1B, Tab 3, Schedule 1: 2025-2029 Performance Outcomes Framework Exhibit 1B, Tab 3, Schedule 3: Productivity and Benchmarking Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Accounts
Interrogatories	1A-CCC-5, 1B-CCC-23 to 1B-CCC-26, 1B-CCC-32 to 35, 1B-CCC-38, 1B-CCMBC-2 to 3, 1B-EP-12 to 14, 1B-EP-16 to 18, 1B-EP-21 to 23, 1B-PP-19, 1B-SEC-9 to 10, 1B-SEC-12 to 1B-SEC-19, 1B-Staff-3, 1B-Staff-12 to 15, 1B-Staff-17 to 35, 1B-Staff-38 to 39, 1B-Staff-46, 1B-Staff-48 to 49, 1B-Staff-51 to 1B-Staff-54, 1B-Staff-86, 1B-Staff-92 to 96, 1B-VECC-1 to 4, 2B-PWU-6, 4-VECC-57, 5-EP-34, 9-Staff-339, 9-Staff-341
Undertakings	JT3.35, JT4.18, JT4.2, JT4.29 to JT4.34, JT5.20 to JT5.23, JT5.25 to JT5.27, JT5.32 to JT5.38, JT5.41 to JT5.44
Pre-Settlement	CQ-SEC-1, CQ-SEC-3
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 3-9 Exhibit M1, PEG Framework Report (filed May 2, 2024) Exhibit M3, Statistical Cost Research for THESL’s New CIR Plan (filed May 6, 2024) Exhibit N1, Interrogatory Responses - PEG Framework Report (filed May 17, 2024) Exhibit N2, Interrogatory Responses - Statistical Cost Research for THESL’s New CIR Plan (filed May 23, 2024)

2.2 Subject to Issue 2.3, is Toronto Hydro's proposed custom scorecard (i.e., the performance metrics) appropriate?

2.3 Is Toronto Hydro's approach to defer the finalization of performance targets to a Phase 2 appropriate?

Complete Settlement

As noted in Issue 2.1, the agreed modifications to the Custom IR Framework include the elimination of the Performance Incentive Mechanism and related custom scorecard and the Parties have agreed that the consideration of the appropriateness of the custom scorecard is no longer relevant.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU, ED

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 1: Rate Framework (updated April 2, 2024) Exhibit 1B, Tab 3, Schedule 1: 2025-2029 Performance Outcomes Framework
Interrogatories	1B-CCC-18, 1B-CCC-38, 1B-PP-21, 1B-SEC-14, 1B-SEC-20, 1B-Staff-32, 1B-Staff-43, 1B-Staff-46 to 47, 1B-Staff-49 to 53, 1B-Staff-86 to 87, 1B-Staff-90 to 91, 1B-VECC-03 to 4
Undertakings	JT2.22, JT2.5, JT3.32, JT3.33, JT3.34, JT5.15, JT5.16, JT5.2, JT5.3, JT5.4,
Pre-Settlement	CQ-ED-2, CQ-ED-3, CQ-ED-5, CQ-SEC-3, CQ-SEC-4, CQ-SEC-5
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 9, 40, 41

2.4 Is the proposed Innovation Fund appropriate?

No Settlement

The Parties agree that the consideration of this issue should proceed by way of a hearing in a format to be determined by the OEB.

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 1: Rate Framework (updated April 2, 2024) Exhibit 1B, Tab 4: Innovation at Toronto Hydro Exhibit 9, Tab 3, Schedule 1: Rate Rider Table
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Interrogatories	1B-AMPCO-06, 1B-CCC-46, 1B-CCC-47, 1B-EP-20, 1B-PP-19, 1B-SEC-29, 1B-Staff-10 to 11, 1B-Staff-13, 1B-Staff-99, 2B-AMPCO-46, 9-Staff-342
Undertakings	JT3.36, JT5.17, JT5.24
Pre-Settlement	CQ-SEC-2, CQ-SEC-19
Other	N/A

3.0 Rate Base and Capital Plan

3.1 *Are the proposed 2025-2029 rate base amounts (including the working capital allowance amounts) reasonable?*

Complete Settlement

Subject to the modification to the 2025 opening net fixed assets used to establish 2025 rate base and the modifications to capital expenditures and in-service amounts over the 2025-2029 period set out in Part B, Section 2 of this Settlement Proposal, the Parties agree that the 2025-2029 rate base amounts (including the working capital allowance amounts) set out in Part B, Table 7 are reasonable.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC

Parties Opposed: None

Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 1: Executive Summary Exhibit 2A, Tab 1: Rate Base (updated January 29, 2024) Exhibit 2A, Tab 3: Working Capital Allowance (updated December 19, 2023) Exhibit 2A, Tab 4: Capitalization Policy
Interrogatories	1B-SEC-01, 2A-CCC-51, 2A-Staff-107, 2A-Staff-110, 2A-Staff-112, 2A-Staff-116 to 118
Undertakings	JT3.31, JT4.15
Pre-Settlement	CQ-AMPCO-1, CQ-SEC-6
Other	N/A

3.2 Is the level of 2025-2029 capital expenditures and capital in-service additions arising from the Distribution System Plan appropriate?

Complete Settlement

Subject to the modifications to capital expenditures and capital in-service additions described in Part B, Section 2b) and the amounts reflected in Tables 8 and 9 of this Settlement Proposal, the Parties agree that the capital expenditures and capital in-service additions are appropriate.

Appendix A, which forms a binding and integral part of this Settlement Proposal, contains commitments that are integral to this issue, including those in paragraphs 15, 16, and 24 of Appendix A.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 1: Executive Summary Exhibit 1B, Tab 1, Schedule 3: Application Summary (updated April 2, 2024) Exhibit 1B, Tab 2: Rate Framework (updated April 2, 2024) Exhibit 1B, Tab 3, Schedule 3: Productivity and Benchmarking Exhibit 1B, Tab 4, Schedule 1: Facilitating Innovation Exhibit 1B, Tab 5, Schedule 1: Customer Engagement Exhibit 2A, Tab 1: Rate Base (updated January 29, 2024) Exhibit 2A, Tab 4: Capitalization Exhibit 2A, Tab 5: Eligible Renewable Generation Investments (updated January 29, 2024) Exhibit 2B: Distribution System Plan (updated January 29, 2024)
Interrogatories	1A-CCC-1, 1A-CCC-3 to 7, 1A-PP-1, 1A-PP-3, 1A-PP-4, 1B-AMPCO-2, 1B-AMPCO-9 to 12, 1B-CCC-8 to 13, 1B-DRC-1 to 3, 1B-DRC-5 to 6, 1B-ED-1 to 4, 1B-ED-6, 1B-EP-1 to 1B-EP-5, 1B-EP-8 to 1B-EP-10, 1B-EP-12, 1B-PP-5, 1B-PP-7 to 9, 1B-PP-11 to 12, 1B-PP-14 to 15, 1B-PP-17 to 18, 1B-PP-22, 1B-PP-23, 1B-SEC-1 to 2, 1B-SEC-4, 1B-SEC-6, 1B-SEC-24 to 1B-SEC-26, 1B-SEC-28, 1B-Staff-4, 1B-Staff-7 to 9, 1B-Staff-18, 1B-Staff-36, 1B-Staff-40, 1B-Staff-55, 1B-Staff-62, 1B-Staff-73 to 75, 1B-Staff-79, 1B-Staff-82 to 83, 1B-Staff-85, 1B-Staff-87 to 89, 1B-Staff-97 to 1B-Staff-100, 1B-VECC-5, 1B-VECC-7, 1B-VECC-10, 2A-PP-24, 2A-Staff-104, 2A-Staff-105, 2A-Staff-108, 2B-AMPCO-15 to 2B-AMPCO-67, 2B-BOMA-1, 2B-CCMBC-4 to 2B-CCMBC-8, 2B-DRC-7 to 2B-DRC-13, 2B-ED-7 to 2B-ED-44, 2B-EP-24 to 2B-EP-29, 2B-PP-27 to 2B-PP-39, 2B-PWU-1 to 2B-PWU-27, 2B-SEC-31 to

	78, 2B-Staff-01 to 2, 2B-Staff-120 to 273, 2B-VECC-12 to 2B-VECC-20, 3-DRC-14, 3-PP-41, 4-CCMBC-17, 4-EP-33, 9-PP-50, 9-Staff-342,
Undertakings	JT1.2 to JT1.22, JT2.1 to JT2.27, JT3.1 to JT3.4, JT3.8 to JT3.12, JT3.14 to JT3.20, JT3.24 to JT3.27, JT3.33, JT4.1, JT4.15 to JT4.17, JT4.21, JT4.22, JT4.24, JT4.26, JT5.20, JT5.29, JT5.30, JT5.39
Pre-Settlement	CQ-ED-1, CQ-ED-6, CQ-ED-7, CQ-ED-10, CQ-SEC-7, CQ-SEC-8, CQ-SEC-9, CQ-SEC-10, CQ-SEC-15, CQ-SEC-18
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 12 - 25

3.3 Is the proposed treatment of renewable enabling improvement investments appropriate?

Complete Settlement

The Parties agree that Toronto Hydro's proposed treatment of renewable enabling improvement investments for 2025-2029 is appropriate.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC

Parties Opposed: None

Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2A, Tab 5, Schedule 1: Cost of Eligible Investments for the Connection of Qualifying Generation Facilities (updated January 29, 2024) Exhibit 2A, Tab 5, Schedules 2-7: OEB Appendices 2-FA and 2-FB (updated January 29, 2024) Exhibit 2B, Section D4: Capacity Planning & Electrification (updated January 29, 2024) Exhibit 2B, Section E3: System Capability Assessment for Renewable Energy Generation and Distributed Energy Resources (updated January 29, 2024)
Interrogatories	2A-Staff-108 to 115
Undertakings	JT2.21, JT3.3, JT4.39, JT5.30
Pre-Settlement	N/A
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 21

3.4 Are Toronto Hydro's proposed depreciation methodology and resulting expenses (including decommissioning provision and derecognition) for 2025-2029 appropriate?

Complete Settlement

The Parties agree that Toronto Hydro's proposed depreciation methodology and resulting expenses (including decommissioning provision and derecognition) for 2025-2029 are appropriate.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 3: Application Summary (updated April 2, 2024) Exhibit 2A, Tab 2, Schedule 1: Depreciation and Amortization (updated January 29, 2024)
Interrogatories	2A-CCC-53, 2A-PP-24-26, 2A-Staff-106, 2A-Staff-109, 2A-Staff-113, 2B-Staff-119
Undertakings	JT2.24, JT3.3, JT4.39
Pre-Settlement	N/A
Other	N/A

3.5 Has Toronto Hydro appropriately considered measures to cost effectively reduce distribution losses in its planning processes and included such measures where appropriate?

Complete Settlement

Toronto Hydro shall undertake a study to assess cost-effective measures to reduce distribution losses and shall file that study along with an investment plan to undertake any such cost-effective measures as it deems appropriate for reducing distribution losses in the next rebasing rate application. Toronto Hydro commits to completing the study by the end of 2026. The scope of the study will include the development of an internal losses guideline, which shall set out the steps to be taken to consider losses in applicable asset management and planning processes, including a methodology to calculate and account for the monetary value of distribution loss reductions.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2B, Section A: Distribution System Plan Overview Exhibit 2B, Section E6.1: Area Conversions Exhibit 2B, Section E6.2: Underground System Renewal – Horseshoe Exhibit 2B, Section E6.5: Overhead System Renewal Exhibit 8, Tab 1, Schedule 1: Rate Design Exhibit 8, Tab 4, Schedule 1: OEB Appendix 2-R: Loss Adjustment Factors
Interrogatories	2B-ED-43 to 44, 8-Staff-333
Undertakings	JT2.12, JT2.13
Pre-Settlement	N/A
Other	N/A

4.0 Load and Other Revenue Forecast

4.1 *Are Toronto Hydro's proposed load forecast methodologies and 2025-2029 resulting load forecast reasonable?*

Complete Settlement

Subject to the modifications set out in Part B, Section 6 of this Settlement Proposal, the Parties agree that the proposed load forecast methodologies and the 2025-2029 resulting load forecast are reasonable for purposes of setting Toronto Hydro rates for 2025-2029.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU, ED

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1A, Tab 3, Schedule 1: Administrative Info Exhibit 3, Tab 1: Load and Customers Exhibit 7, Tab1, Schedule 1: Cost Allocation
Interrogatories	1B-EP-10, 2B-BOMA-2, 3-SEC-79, 3-BOMA-3, 3-BOMA-4, 3-PP-41, 3-Staff-274, 3-Staff-283, 3-VECC-36, 3-VECC-42
Undertakings	JT1.1.10, JT4.25, JT4.27, JT4.28, JT3.44, JT4.3, JT4.4, JT4.5, JT4.6
Pre-Settlement	CQ-SEC-11, CQ-VECC-1 to CQ-VECC-4
Other	Exhibit M2: BOMA Expert Evidence, Section 4 (filed May 2, 2024)

4.2 Are Toronto Hydro's 2025-2029 other revenue and shared services forecasts reasonable?

Complete Settlement

The Parties accept the reasonableness of Toronto Hydro's 2025-2029 forecasts for other revenue and shared services.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1-3: Application Overview Exhibit 3, Tab 2, Schedule 1: Operating Revenue, Other Revenue Exhibit 3, Tab 2, Schedule 2: OEB Appendix 2-H Exhibit 4, Tab 1, Schedules 2-5: OEB Appendices 2-JA, JB, JC and L Exhibit 4, Tab 2, Schedule 8, pg. 22 – 27: Operating Expenses OM&A Programs Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Account, DVA Overview
Interrogatories	1B-SEC-08, 3-CCC-54, 3-CCC-55, 3-SEC-84, 3-SEC-85, 3-Staff-287, 3-Staff-286, 3-VECC-54, 3-VECC-55, 4-SEC-89, 4-Staff-295
Undertakings	JT1.1.5
Pre-Settlement	N/A
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 32-37

4.3 Is the proposed shared services cost allocation methodology and the quantum appropriate?

Complete Settlement

The Parties accept the proposed shared services cost allocation methodology, and the resulting quantum are appropriate.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 3, Tab 2: Revenue Offsets Exhibit 4, Tab 5, Schedule 1: Shared Services and Corporate Cost Allocation Exhibit 4, Tab 5, Schedule 2: OEB Appendix 2-N
Interrogatories	4-Staff-310 to 311
Undertakings	JT3.5
Pre-Settlement	N/A
Other	N/A

5.0 Operations, Maintenance and Administration (OM&A) Costs

5.1 *Are the proposed 2025-2029 OM&A expenditures appropriate?*

Complete Settlement

The Parties have agreed to a 2025 test year OM&A amount (incl. property taxes) of \$323.5 million and OM&A amounts for 2026-2029 derived using an index-based approach comprised of OEB inflation and a 0.41% growth informed by forecast customer and peak demand growth.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC

Parties Opposed: None

Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2B, Section E4: Capital Expenditures Summary (Updated January 29, 2024) Exhibit 4, Tab 1: OM&A Overview Exhibit 4, Tab 2: OM&A Programs Exhibit 4, Tab 3: Non-Affiliate Services
Interrogatories	1B-CCC-15, 2A-PP-24, 2B-SEC-55, 4-AMPCO-72, 4-AMPCO-78, 4-AMPCO-80, 4-CCC-56, 4-SEC-89, 4-SEC-100, 4-SEC-102
Undertakings	JT5.8, JT4.17
Pre-Settlement	CQ-ED-1, CQ-SEC-17, CQ-SEC-18
Other	N/A

5.2 Are the compensation related costs (including, FTEs, wages, salaries, benefits, incentives, overtime, pension and OPEB costs) appropriate?

Complete Settlement

Compensation related costs, including pension and OPEB costs, have been addressed in the context of agreed-upon reductions to capital expenditures/in-service additions (Issue 3.2) and OM&A costs (Issue 5.1).

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 1, Section 2.3.2: Application Overview, Executive Summary Exhibit 1B, Tab 3, Schedule 3, Appendix A: Application Overview, Performance and Productivity Exhibit 4, Tab 1, Schedule 1: Operating Expenses, OM&A Overview Exhibit 4, Tab 2, Schedule 5, 9-10, 15: Operating Expenses, OM&A Programs Exhibit 4, Tab 4: Operating Expenses, Workforce Staffing and Compensation
Interrogatories	1B-CCC-36, 1B-EP-06, 1B-SEC-05, 1B-SEC-23 to 28, 1B-Staff-05, 1B-VECC-11, 3-VECC-56, 4-AMPCO-68 to 74, 4-AMPCO-81, 4-AMPCO-83 to 90, 4-AMPCO-93 to 94, 4-CCC-58 to 59, 4-CCMBC-12 to 20, 4-SEC-52, 4-SEC-92, 4-SEC-101, 4-SEC-111 to 116, 4-Staff-300, 4-Staff-307 to 309, 4-VECC-62, 4-VECC-66, 4-VECC-68, 4-VECC-57
Undertakings	JT3.11, JT3.37, JT3.39, JT3.40, JT3.41, JT3.46, JT5.28
Pre-Settlement	CQ-AMPCO-2, CQ-AMPCO-3, CQ-AMPCO-4, CQ-SEC-12
Other	N/A

6.0 Revenue Requirement, Taxes, and Payments in Lieu of Taxes (PILs) Amounts

6.1 Have the impacts of any changes in accounting standards, policies, estimates, and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?

Complete Settlement

The Parties accept that the impacts of any proposed changes in accounting standards, policies, estimates, and adjustments have been properly identified and recorded, and that the rate treatment of these impacts is appropriate and consistent with OEB policy.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2A: Rate Base (updated January 29, 2024) Exhibit 6, Tab 2, Schedule 1 – 2: Revenue Requirement, PILS Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Accounts, DVA Overview (updated December 19, 2023)
Interrogatories	2A-CCC-53, 2A-PP-24 to 26, 2B-Staff-119, 6-SEC-121, 6-Staff-317 to 323, 9-SEC-127, 9-VECC-99,
Undertakings	JT5.11, JT5.12
Pre-Settlement	N/A
Other	N/A

6.2 Is the proposed calculation of the Revenue Requirement appropriate?

Complete Settlement

Subject to the modifications set out in Part B, Sections 1-5, the Parties agree with the proposed calculation of revenue requirement.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
Parties Opposed: None
Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 1: Application Overview, Rate Framework Exhibit 2A: Rate Base (updated January 29, 2024) Exhibit 6, Tab 1: Revenue Requirement
Interrogatories	1A-Staff-01, 1B-AMPCO-04, 1B-Staff-17, 1B-CCC-19, 2A-SEC-30, 2A-Staff-114 to 115, 6-CCC-63, 6-SEC-120, 6-Staff-320 to 321
Undertakings	JT4.38, JT5.11, JT4.18
Pre-Settlement	CQ-SEC-16
Other	N/A

6.3 Are Toronto Hydro's proposed PILs and other tax amounts for 2025-2029 appropriate?

Complete Settlement

The Parties accept the appropriateness of the Payments-in-Lieu of Taxes (PILs) and other tax-related components of Toronto Hydro's revenue requirement as adjusted in supporting Schedule 19 to reflect the changes set forth in this Settlement Proposal.

The Parties accept Toronto Hydro's proposal that the accelerated CCA rules introduced by Bill C-97 were applied in the PILs tax models, and that the maximum accelerated CCA was claimed for 2025 through 2029.¹⁰

Account 1592, PILs and Tax Variances, Sub-account CCA Changes, will only track the impact of further changes to the CCA rules, beyond those contemplated in this proceeding.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2A, Tab 1, Schedule 2, OEB Appendix 2-BA (updated January 29, 2024) Exhibit 6, Tab 2, Schedule 1- 2: Revenue Requirement, PILS (updated December 19, 2023) Exhibit 8, Tab 1, Schedule 1: Rate Design
Interrogatories	6-SEC-121, 6-Staff-320, 6-Staff-322; 8-Staff-335
Undertakings	JT5.11, JT5.12
Pre-Settlement	N/A
Other	N/A

7.0 Cost of Capital and Capital Structure

7.1 Are Toronto Hydro's proposed 2025-2029 cost of capital amounts (interest on debt and return on equity) and capital structure appropriate?

Complete Settlement

The Parties agree that Toronto Hydro's deemed capital structure for rate-making purposes will be 60% debt and 40% common equity. The 60% debt component will be comprised of 4% deemed short-term debt and 56% long-term debt. This capital structure is unchanged from the capital structures underlying

¹⁰ 6-Staff-322

Toronto Hydro’s current Distribution rates and is consistent with the capital structure proposed in the Application and the OEB’s Report on Cost of Capital (EB-2009-0084).

The Parties agree that the 2025 to 2029 cost of common equity will be set using the 2025 ROE to be determined by the OEB as part of the Cost of Capital Parameters to be published in in the fourth quarter of 2024.

The Parties agree to the 2025 to 2029 cost of long-term debt rate of 3.91% based on Toronto Hydro’s actual and forecasted debt issuances for the two outstanding forecast debt issuances as set out in schedule 18. Toronto Hydro agrees to update the long-term debt rate as part of the approval of a final rate order for rates effective January 1, 2025 based on the best available information.

The Parties agree that the 2025 deemed short-term debt rate will be the deemed 2025 short-term debt rate determined by the OEB as part of the Cost of Capital Parameters to be published in the fourth quarter of 2024, and will be implemented in accordance with the direction set out in the OEB’s Letter and Accounting Order issued on July 26, 2024.¹¹

Notwithstanding the above, the Parties acknowledge that for the 2026-2029 capital structure and cost of capital parameters Toronto Hydro will implement whatever outcomes are decided by the OEB in the Generic Cost of Capital Proceeding (EB-2024-0063), including what the OEB decides with respect to implementation. For clarity, no party will be restricted from taking any position, or making any submission in the Generic Cost of Capital proceeding as a result of this settlement.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1C, Tab 3, Schedule 7, Appendix A and Appendix B: Corporate Information, Financial Information, Rating Agency Reports Exhibit 5: Cost of Capital and Capital Structure
Interrogatories	5-CCC-62, 5-EP-34, 5-Staff-315 to 316, 5-VECC-77
Undertakings	JT3.42
Pre-Settlement	CQ-AMPCO-5, CQ-Staff-1, CQ-Staff-2
Other	N/A

¹¹ EB-2024-0063, OEB Letter and Accounting Order, July 26, 2024

8.0 Cost Allocation

8.1 *Are Toronto Hydro's cost allocation and revenue-to-cost ratio proposals appropriate?*

Complete Settlement

The Parties agree with Toronto Hydro’s proposals for cost allocation subject to the modifications as described in Section 9(a), Part B of this Settlement Proposal.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 1, Section 4.2: Application Overview, Executive Summary Exhibit 2B, Section E5.1: Distribution System Plan, Customer Connections Exhibit 7, Tab 1: Cost Allocation (Updated April 22, 2024)
Interrogatories	1B-EP-03, 1B-EP-08, 2B-ED-09, 2B-SEC-62, 2B-Staff-181, 7-EP-45, 7-SEC-122, 7-Staff-328 c and d, 7-Staff-329, 7-VECC-79, 7-VECC-88 b, 7-VECC-90, 8-ED-45
Undertakings	JT1.1.6, JT1.1.7, JT1.1.8, JT1.1.9, JT1.1.11, JT4.8
Pre-Settlement	CQ-SEC-13, CQ-SEC-14
Other	N/A

9.0 Rate Design

9.1 *Are Toronto Hydro's proposals for rate design (including, but not limited to, fixed/variable split, loss factors, retail transmission service rates, specific and other service charges, and rate mitigation proposals) appropriate?*

Partial Settlement

The Parties agree with Toronto Hydro’s proposals for rate design, subject to the modifications as described in Section 9(b), Part B of this Settlement Proposal and Appendix A, which forms a binding and integral part of this Settlement Proposal, including paragraphs 18 and 21 of Appendix A.

As Issue 2.4 remains unsettled, there is no agreement regarding the proposed Innovation Fund rate rider.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 1, Schedule 2: Application Overview, Customer Summary Exhibit 6, Tab 1: Revenue Requirement Exhibit 7, Tab 1, Schedule 1: Cost Allocation, Sample Methodology Exhibit 8, Tab 1, Schedule 1 and 2: Rate Design
Interrogatories	1B-CCC-19, 7-SEC-122, 7-VECC-78, 8-CCMBC-21, 8-SEC-123, 8-Staff-330 to 331, 8-Staff-334 to 335, 8-VECC-91, 8-VECC-96
Undertakings	JT1.1.13, JT1.1.14, JT4.18
Pre-Settlement	CQ-ED-05, CQ-ED-8, CQ-ED-9
Other	N/A

10.0 Deferral and Variance Accounts

10.1 *Are Toronto Hydro's proposals for the disposition of balances in existing deferral and variance accounts and other amounts appropriate?*

Complete Settlement

Subject to the modifications set out in Part B, section 8 above, the Parties agree that Toronto Hydro's proposals for the disposition of balances in existing deferral and variance accounts are appropriate.

Included in the Supporting Schedules at 21.1 is an updated version of the OEB Workform - Deferral and Variance Account (Continuity Schedule).

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 2A, Tab 2, Schedule 1, Page 3: Rate Base, Depreciation and Amortization Exhibit 2B, Section D8: Distribution System Plan, Asset Management Process, IT Investment Strategy Exhibit 2B, Section E8.1: Distribution System Plan, General Plant Investments, Enterprise Data Centre pp. 23-24 Exhibit 5, Tab 1, Schedule 1: Cost of Capital and Capital Structure Exhibit 6, Tab 2, Schedule 1, p. 5: Revenue Requirement, PILS (updated December 19, 2023) Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Accounts, DVA Overview (updated December 19, 2023) Exhibit 9, Tab 2, Schedule 1: Deferral and Variance Accounts, Continuity Schedules
Interrogatories	2A-PP-24 to 26, 2B-Staff-119, 2B-Staff-263, 4-AMPCO-96, 4-AMPCO-97, 5-CCC-62, 5-EP-34, 6-Staff-322, 9-CCC-64 to 65, 9-EP-36, 9-SEC-126 to 127, 9-SEC-336, 9-Staff-338, 9-Staff-340, 9-Staff-346, 9-Staff-348 to 355, 9-VECC-97 to 99
Undertakings	JT3.6, JT5.13, JT5.14, JT5.6, JT5.7, JT5.8, JT5.9, JT5.10, JT5.18, JT5.31
Pre-Settlement	N/A
Other	N/A

10.2 Are Toronto Hydro's proposals for the establishment of new accounts, closing of existing accounts or continuation of existing accounts appropriate?

Partial Settlement

The Parties agree to the continuation and/or modification of certain existing accounts, the discontinuance of certain existing accounts, and the establishment of new accounts as set out in the provisions of this Settlement Proposal in Part B, Section 8 b) and c).

As Issue 2.4 is unsettled, there is no agreement on the proposal to create the Innovation Fund Variance Account.

Approval

Parties in Support: AMPCO, BOMA, CCC, CCMBC, DRC, ED, EP, PP, SEC, VECC
 Parties Opposed: None
 Parties Taking No Position: PWU

Evidence

The evidence in relation to this issue includes the following:

Pre-filed Evidence	Exhibit 1B, Tab 2, Schedule 1, section 3.2.3 Exhibit 1B, Tab 4, Schedule 2 Exhibit 2A, Tab 1: Rate Base (updated January 29, 2024) Exhibit 2B, Section D8: Distribution System Plan, Asset Management Process, IT Investment Strategy Exhibit 2B, Section E8.1: Distribution System Plan, General Plant Investments, Enterprise Data Centre / pp. 23-24 Exhibit 9, Tab 1, Schedule 1: Deferral and Variance Accounts, DVA Overview (updated December 19, 2023)
Interrogatories	1B-Staff-41 to 42, 2B-Staff-263, 3-VECC-55, 4-SEC-99, 9-EP-36, 9-PP-50, 9-SEC-129 to 130, 9-Staff-343
Undertakings	JT3.13, JT5.6, JT5.7
Pre-Settlement	N/A
Other	Exhibit KP1.1 – Evidence Presentation Overview, Slide 10

D. LIST OF SUPPORTING SCHEDULES

The following schedules are attached to this Settlement Agreement:

- Schedule 1 – 2025-2029 Revenue Requirement Workforms
 - *Schedule 1.1 – Revenue Requirement Workform for 2025*
 - *Schedule 1.2 – Revenue Requirement Workform for 2026*
 - *Schedule 1.3 – Revenue Requirement Workform for 2027*
 - *Schedule 1.4 – Revenue Requirement Workform for 2028*
 - *Schedule 1.5 – Revenue Requirement Workform for 2029*
- Schedule 2 – OEB Appendix 2-BA: Fixed Asset Continuity Schedule
- Schedule 3 – 2025-2029 Monthly Average Rate Base (JT4.38)
- Schedule 4 – OEB Appendix 2-BB: Useful Life Comparison (Filed: November 17, 2023)
- Schedule 5 – OEB Appendix 2-C: Depreciation and Amortization Expense
- Schedule 6 – Depreciation Expense
 - *Schedule 6.1 - Summary of Depreciation Expense*
 - *Schedule 6.2 – Updated JT5.11*
- Schedule 7 – OEB Appendix 2-ZA/ZB: Cost of Power
- Schedule 8 – OEB Appendix 2-D: Overhead Costs
- Schedule 9 – OEB Appendix 2-FA/FB: Eligible Renewable Enabling Improvement Investments (2015-2029)
 - *Schedules 9.1-9.2– REI Investments: Generation Protection Monitoring and Control*
 - *Schedules 9.3-9.4– REI Investments: Energy Storage Systems*
 - *Schedules 9.5-9.6– REI Investments: Stations Expansion (Sheppard TS)*
- Schedule 10 – Capital Expenditures
 - *Schedule 10.1 – OEB Appendix 2-AA: Net Capital Expenditures by Program*
 - *Schedule 10.2 – OEB Appendix 2-AB: Capital Expenditures by OEB Investment Category*
- Schedule 11 – Net In-Service Additions by Program (OEB Appendix 2-AA View)
- Schedule 12 – Capital Expenditure to ISA Conversion (2B-SEC-60)
- Schedule 13 – OEB Appendix 2-G: ESQR and Reliability
- Schedule 14 – OEB Appendices 2-JA/JB/JC/L Operating, Administration and Maintenance Expenses
- Schedule 15 – OEB Appendix 2-M: Regulatory Cost Schedule (Updated: March 11, 2024)
- Schedule 16 – OEB Appendix 2-N: Shared Services and Corporate Cost Allocation
- Schedule 17 – OEB Appendix 2-K: Workforce Staffing and Compensation
- Schedule 18 – OEB Appendix 2-OA/OB: Cost of Capital
- Schedule 19 – PILs Model and Income Tax Workform
- Schedule 20 – OEB Appendix 2-H: Other Revenue (Updated: April 2, 2024)
- Schedule 21 – DVA Continuity Schedule and Rate Riders

- *Schedule 21.1 – DVA Continuity Schedule and Group 1 Rate Riders*
 - *Schedule 21.2 – Group 2 Rate Riders*
- Schedule 22 – GA Analysis Workform (Updated: May 7, 2024)
- Schedule 23 – Retail Transmission Service Rates (2025 Workform)
- Schedule 24 – OEB Appendix 2-IB: Customer, Connections, Load Forecast and Revenues Data and Analysis
- Schedule 25 – Updated 3-VECC-53 Appendix A
- Schedule 26 – Cost Allocation Model
- Schedule 27 – Allocation between Fixed and Variable Rates
 - *Schedule 27.1 - 2025 Allocation between Fixed and Variable Rates*
 - *Schedule 27.2 - 2026 -2029 Allocation between Fixed and Variable Rates*
- Schedule 28 – OEB Appendix 2-R: Loss Adjustment Factors (Updated: March 11, 2024)
- Schedule 29 – OEB Appendix 2-W: Bill Impacts
- Schedule 30 – 2025-2029 Tariffs of Rates and Charges
 - *Schedule 30.1 – 2025 Tariffs of Rates and Charges*
 - *Schedule 30.2 – 2026 Interim Tariffs of Rates and Charges*
 - *Schedule 30.3 – 2027 Interim Tariffs of Rates and Charges*
 - *Schedule 30.4 – 2028 Interim Tariffs of Rates and Charges*
 - *Schedule 30.5 – 2029 Interim Tariffs of Rates and Charges*
- Schedule 31 – Draft Accounting Orders

APPENDIX A – STUDIES, REPORTING REQUIREMENTS AND OTHER MATTERS

The Parties¹² agree that Toronto Hydro will undertake, implement, prepare or provide the following studies, reporting requirements and other matters. The Parties acknowledge that the commitments in Appendix A are without prejudice to the rights of the Parties to raise issues and/or to take any position in any other proceeding or policy consultation, whether or not Toronto Hydro is a party to such proceeding, provided that no Party shall take a position that would result in the Settlement Proposal not applying in accordance with the terms contained herein.

Annual Reporting

Toronto Hydro will file the following information on an annual basis, with the OEB (and copied to all Parties in this proceeding), and place it on its publicly accessible website, along with the Electricity Distributor Scorecard (“EDS”), in accordance with OEB timelines for scorecard reporting.¹³

1. Net Capital Expenditures and Net In-Service Additions by Program.
2. Annual balance in the DRVA sub-accounts.
3. Progress reporting on ISO 55001 certification.
4. Annual tracking of Scope 1, 2 GHG emissions. Scope 3 emissions to be included only if/when and as required by the Canadian Sustainability Standards Board (CSSB) and Canadian Securities Administrator (CSA) disclosure requirements and in accordance with the GHG Protocol.
5. Number of customers, percentage and total MW of DER systems enrolled in grid services that are procured by Toronto Hydro.
6. Percentage of customers by class and sector (i.e., residential, commercial, industrial and others) that participate in Toronto Hydro led DR-related programs and the related kW impact.
7. Number and Percentage of customers, by class, with known installed DERs, by type and their nameplate capacity.
8. Number customers who cannot connect a DER, and the nameplate capacity of DERs that cannot be connected, by DER type.
9. Once Copperleaf is fully implemented, file with the OEB in the next rebasing application
 - a. The Copperleaf optimization results with scores at the program and segment level that underpin the Business Plan approved by Toronto Hydro’s Board of Directors.
 - b. A reconciliation between the Business Plan and the Copperleaf optimization results, including an explanation of any manual changes made to the optimization results.

¹² CCMBBC and EP take no position on the ‘Other Matters and Commitments’ contained in Appendix A and reproduced in under any of the specific issues in the Settlement Proposal.

¹³<https://www.oeb.ca/regulatory-rules-and-documents/reporting-and-record-keeping-requirements-rrr/scorecard-filing>

To Be Filed with Next Rebasing Application

The following studies shall be prepared by independent third-parties for Toronto Hydro, and shall be filed by Toronto Hydro in its next rebasing application:

10. Customer engagement
11. Compensation benchmarking
12. Pension / OPEBs reporting actuarial funding valuation, Report on Estimated Accounting Cost for Post-Employment Benefit Plans, and Report on the Accounting Cost for Post-Employment Benefit Plans
13. Another future energy scenarios study to assess a reasonable range of potential energy transition pathways and will commit to file the study and compare its results to the Future Energy Scenarios report filed in the current 2025-2029 custom rate application.

Other Matters and Commitments

14. **Electrification & CDM Collaboration:**
Toronto Hydro will undertake reasonable efforts to collaborate with IESO, the City of Toronto and other relevant industry stakeholders to maximize electrification and conservation and demand management opportunities for all customer segments, including through the use of bill inserts and other customer engagement to promote electrification and energy efficiency opportunities, and report on the effectiveness of its efforts at the next rebasing.
15. **Capacity Restrictions for DERs:**
Toronto Hydro will review and assess options to mitigate DER hosting capacity restrictions on its grid and will take reasonable efforts to implement any next steps that do not have significant costs, can be accommodated within existing funding envelopes, or can be funded through other means. Toronto Hydro will also recommend next steps (if any) to be considered for its next Distribution System Plan.
16. **Proper asset sizing:**
For demand-driven projects, including those carried out under the Customer Connections, EIPRE, Load Demand, and Station Expansions programs, Toronto Hydro shall track the book value of Toronto Hydro owned-assets replaced before the end of their useful life and report this information at its next rebasing.
17. **DER Potential Study:**
Toronto Hydro will undertake reasonable efforts to: (i) participate in the IESO DER Potential Study, (ii) integrate the results into its next DSP and (iii) enhance DER scenario modeling on a more localized net demand basis.
18. **DER Connection Cost Tracking.**
Toronto Hydro will track the connection costs charged to customers installing a DER by connection size category (micro, small, medium, and large) and endeavour to maintain a five-year average cost per connection in each size category over the rate period that is not larger than the average cost per connection and category over 2020-2024, and report on the outcomes in its next rebasing case.

19. **DER Cybersecurity:**
Toronto Hydro will seek expert advice and recommendations on DER and EV cybersecurity best practices and incorporate these findings into its cybersecurity framework, as applicable.
20. **BCA Framework:**
Toronto Hydro will (i) apply the OEB's Non-Wires Solutions Guidelines as part of its planning process when making capital investments in the 2025-2029 rate period, and beyond, and (ii) will complete a BCA to assess the economic viability of demonstrated non-wires solutions use cases that can serve as viable alternatives to conventional investments where the expected capital investment cost is \$2 million or more, subject to applicable regulatory requirements.
21. **DER and AMI 2.0:**
Where a customer is installing a DER and a meter replacement is needed to provide bi-directional capabilities, and Toronto Hydro would be installing an AMI 2.0 meter, the supply and install of the AMI 2.0 meter will be funded under the AMI 2.0 program.
22. **Dx Loss Study, Guideline and Plan:**
Toronto Hydro shall undertake a study to assess cost-effective measures to reduce distribution losses and shall file that study along with an investment plan to undertake any such cost-effective measures as it deems appropriate for reducing distribution losses in the next rebasing application. Toronto Hydro commits to completing the study by the end of 2026. The scope of the study will include the development of an internal losses guideline, which shall set out the steps to be taken to consider losses in applicable asset management and planning processes, including a methodology to calculate and account for the monetary value of distribution loss reductions.
23. **Commitment Regarding Net Zero 2040:**
Toronto Hydro confirms that its 2025-2029 plan and related execution is aligned to the Net Zero 2040 scenario set out in TransformTO.¹⁴
24. **Capital Work Commitment:**
Toronto Hydro will carry out the work in following programs and projects as described in the DSP and CQ-SEC 18: (a) Generation Protection, Monitoring and Control, (b) Non-Wires Solutions - Renewable Enabling Energy Storage Systems, (c) Stations Expansion - Sheppard TS, and (d) IT/OT - ADMS), with the caveat that complete execution of the work in items (a) and (b) is contingent on the actual DER uptake being sufficiently consistent with the forecast, coordination with the transmitter, ability to procure the necessary equipment, and technical feasibility.

¹⁴ For more information about the Net Zero 2040 scenario set out in TransformTO, please see EB-2023-0195, Exhibit 2B, Section D4 at page 6 and at Appendix A, Figure 1.

UPDATED JT5.11

Table 1 below provides the updated 2024-2029 capital additions forecast for settlement. The 2023 capital additions remain unchanged in the response. Table 2 below shows the reconciliation for 2023-2029 capital additions in the PILs model Schedule 8 (Settlement Schedule 19) and Appendix 2-BA (Settlement Schedule 2) for settlement.

Table 1: Updated Comparison of Capital Additions for 2023-2029

Capital additions	PILs model Sch 8 (Settlement Sch. 19)	Appendix 2-BA (Settlement Sch. 2)	Difference
Historical Year 2023	578,747,322	594,237,479	(15,490,157)
Bridge Year 2024	596,675,656	618,250,256	(21,574,600)
Settled Year 2025	603,700,351	619,726,622	(16,026,271)
Settled Year 2026	625,652,545	641,693,877	(16,041,332)
Settled Year 2027	704,900,622	747,517,499	(42,616,877)
Settled Year 2028	682,872,248	704,659,769	(21,787,521)
Settled Year 2029	758,679,303	816,768,403	(58,089,100)

Table 2 - Reconciliation of Capital Additions in the PILs model Schedule 8 and Appendix 2-BA for 2023-2029

Capital Additions	[A] PILS model Sch 8 (Settlement Sch. 19)	[B] Capital additions for Non-Rate Regulated Utility Assets	[C] Capital additions for Socialized Renewable Energy Generation Investments	[D] Interest capitalized for accounting (AFUDC), not for tax	[E] Other post employment benefits (OPEB) amounts capitalized for accounting, not for tax	[F] Capitalized depreciation for accounting, not for tax	[G] Land additions not required to include in PILs model Sch 8	[H] Accrued decommissioning provisions capitalized for accounting, not for tax	[A] + [B] + [C] + [D] + [E] + [F] + [G] + [H] Appendix 2-BA (Settlement Sch. 2)
Historical Year 2023	578,747,322	-	-	8,303,302	5,928,377	1,293,555	-	(35,077)	594,237,479
Bridge Year 2024	596,675,656	5,990,032	552,685	7,366,822	6,444,840	1,220,221	-	-	618,250,256
Settled Year 2025	603,700,351	3,403,977	-	4,695,124	6,478,384	1,448,786	-	-	619,726,622
Settled Year 2026	625,652,545	1,991,135	-	5,682,163	6,613,087	1,754,947	-	-	641,693,877
Settled Year 2027	704,900,622	7,124,571	13,857,710	6,321,321	6,752,991	2,021,000	6,539,284	-	747,517,499
Settled Year 2028	682,872,248	7,143,521	-	5,483,396	6,880,722	2,279,882	-	-	704,659,769
Settled Year 2029	758,679,303	31,395,888	7,337,579	9,748,410	7,008,131	2,599,092	-	-	816,768,403

Table 3 below provides the updated 2025-2029 depreciation forecast for based on the settlement. The 2023 actuals presented in the response remain unchanged. Table 4 below shows the reconciliation for 2023-2029 depreciation presented in both the PILs model Schedule 1 (Settlement Schedule 19) and Summary of Depreciation Expense schedule (Settlement Schedule 6.1) compared to Appendix 2-BA (Settlement Schedule 2) for settlement.

Table 3: Updated Comparison of Depreciation table for 2023-2029

Depreciation Expense	PILS module Sch 1 (Settlement Sch. 19) / Summary of Depreciation Expense (Settlement Sch. 6.1)	Appendix 2-BA (Settlement Sch. 2)	Difference
Historical Year 2023	259,865,782	247,107,134	12,758,648
Bridge Year 2024	276,490,462	259,680,211	16,810,251
Settled Year 2025	286,255,767	272,368,949	13,886,818
Settled Year 2026	297,928,240	284,709,506	13,218,734
Settled Year 2027	314,003,494	301,442,098	12,561,396
Settled Year 2028	332,555,328	321,793,672	10,761,655
Settled Year 2029	342,834,764	334,228,478	8,606,286

Table 4: PILs module Sch 1 and Appendix 2-BA depreciation forecast

Depreciation Expense	PILS module Sch 1 (Settlement Sch. 19)/ Summary of Depreciation Expense (Settlement Sch. 6.1)	Exclude Deferred Revenue	Exclude Derecognition	Appendix 2-BA (Settlement Sch. 2)
	[A]	[B]	[C]	[D] = [A]-[B]-[C]
Historical Year 2023	259,865,782	-15,745,226	28,503,875	247,107,134
Bridge Year 2024	276,490,462	-17,911,385	34,721,635	259,680,211
Settled Year 2025	286,255,767	-20,080,771	33,967,589	272,368,949
Settled Year 2026	297,928,240	-21,882,273	35,101,007	284,709,506
Settled Year 2027	314,003,494	-24,288,679	36,850,074	301,442,098
Settled Year 2028	332,555,328	-26,888,997	37,650,652	321,793,672
Settled Year 2029	342,834,764	-29,675,618	38,281,905	334,228,478

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	49.59	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$	(0.09)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$	(0.65)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$	(1.79)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.41)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.34)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$	0.20	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00230	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	40.69	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$	(0.07)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$	(0.51)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$	(1.40)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.10)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.27)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$	0.16	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00199	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.04580	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kWh	(0.00012)	
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kWh	(0.00083)	
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kWh	(0.00226)	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00179)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00043)	
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kWh	0.00026	
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00249	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01261	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00810	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	62.31	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.1974	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0197)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1395)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3805)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.3006)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0726)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0433	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.7909	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non-Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2399	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0655	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.2621	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9262	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2025

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	8.4545	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0169)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1191)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3251)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2568)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0621)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0370	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8949	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non-Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2718	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0835	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.1180	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9232	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.1453	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0173)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.1225)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(0.3342)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2639)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0638)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.0380	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8737	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts for Non -Wholesale Market Participants -effective until December 31, 2025	\$/kVA	0.2610	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0645	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	4.6943	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.2478	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	7.80	(per 30 days)
Connection Charge (per connection)	\$	0.81	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.09814	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kWh	(0.00020)	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kWh	(0.00138)	
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kWh	(0.00378)	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00298)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00072)	
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kWh	0.00043	
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kWh	0.00255	
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kWh	0.00018	
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00784	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00572	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
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EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.02	(per 30 days)
Distribution Volumetric Rate	\$/kVA	45.0100	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of PILs and Tax Variance - effective until December 31, 2025	\$/kVA	(0.0988)	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Gain on Property Sale - effective until December 31, 2025	\$/kVA	(0.6977)	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan Bonus Payment - effective until December 31, 2025	\$/kVA	(1.9038)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(1.5037)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.3634)	(per 30 days)
Rate Rider for Disposition of Cloud Computing Costs - effective until December 31, 2025	\$/kVA	0.2164	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts - effective until December 31, 2025	\$/kVA	0.8180	(per 30 days)
Rate Rider for Disposition of Capacity Based Recovery Account - Applicable only for Class B Customers - effective until December 31, 2025	\$/kVA	0.0569	(per 30 days)
Rate Rider for Disposition of Global Adjustment Account - Applicable only for Non-RPP Customers - effective until December 31, 2025	\$/kWh	0.00124	
Retail Transmission Rate - Network Service Rate	\$/kW	3.7910	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4890	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
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EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.49 (per 30 days)
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Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
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EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Account history	\$	25.00
Duplicate invoices for previous billing	\$	25.00
Request for other billing or system information	\$	25.00
Easement letter	\$	25.00
Income tax letter	\$	25.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00
Returned cheque (plus bank charges)	\$	25.00
Special meter reads	\$	55.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection charge - at meter - during regular hours	\$	120.00
Reconnection charge - at meter - after regular hours	\$	400.00
Reconnection charge - at pole - during regular hours	\$	300.00
Reconnection charge - at pole - after regular hours	\$	820.00

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00
Temporary service install & remove - overhead - no transformer	\$	2,040.00
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	37.78

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2025
This schedule supersedes and replaces all previously
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EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly Fixed Charge, per retailer	\$	46.81
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.68

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	51.30	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.41)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.34)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.99)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	42.09	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$	(1.10)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.27)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.77)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.04794	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00179)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00043)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00125)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01261	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00810	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	64.46	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.5421	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.3006)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0726)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.2109)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.2621	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9262	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	8.7523	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2568)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0621)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1802)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.1180	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9232	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.4642	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(0.2639)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0638)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1852)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.6943	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.2478	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	8.07	(per 30 days)
Connection Charge (per connection)	\$	0.84	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.10152	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kWh	(0.00298)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00072)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00209)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00784	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00572	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.09	(per 30 days)
Distribution Volumetric Rate	\$/kVA	46.5616	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Asset (2025) - effective until December 31, 2026	\$/kVA	(1.5037)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.3634)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(1.0551)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7910	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4890	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.49 (per 30 days)
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Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Account history	\$	25.00	
Duplicate invoices for previous billing	\$	25.00	
Request for other billing or system information	\$	25.00	
Easement letter	\$	25.00	
Income tax letter	\$	25.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00	
Returned cheque (plus bank charges)	\$	25.00	
Special meter reads	\$	55.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00	

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50	
Reconnection charge - at meter - during regular hours	\$	120.00	
Reconnection charge - at meter - after regular hours	\$	400.00	
Reconnection charge - at pole - during regular hours	\$	300.00	
Reconnection charge - at pole - after regular hours	\$	820.00	

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00	
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00	
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00	
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00	
Temporary service install & remove - overhead - no transformer	\$	2,040.00	
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	37.78	

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2026

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly Fixed Charge, per retailer	\$	46.81
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.68

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	52.63	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.16	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.34)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.99)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

**This schedule supersedes and replaces all previously
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EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.18	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.13	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.27)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.77)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.04960	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00021	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00043)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00125)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01261	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00810	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	66.13	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.8101	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0349	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0726)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.2109)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.2621	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9262	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	8.9839	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0299	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0621)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1802)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.1180	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9232	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.7125	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0307	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0638)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1852)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.6943	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.2478	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

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EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	8.28	(per 30 days)
Connection Charge (per connection)	\$	0.86	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.10415	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00035	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00072)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00209)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00784	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00572	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.14	(per 30 days)
Distribution Volumetric Rate	\$/kVA	47.7685	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.1748	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.3634)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(1.0551)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7910	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4890	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.49 (per 30 days)
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Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Customer Administration

Account history	\$	25.00	
Duplicate invoices for previous billing	\$	25.00	
Request for other billing or system information	\$	25.00	
Easement letter	\$	25.00	
Income tax letter	\$	25.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00	
Returned cheque (plus bank charges)	\$	25.00	
Special meter reads	\$	55.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00	

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50	
Reconnection charge - at meter - during regular hours	\$	120.00	
Reconnection charge - at meter - after regular hours	\$	400.00	
Reconnection charge - at pole - during regular hours	\$	300.00	
Reconnection charge - at pole - after regular hours	\$	820.00	

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00	
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00	
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00	
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00	
Temporary service install & remove - overhead - no transformer	\$	2,040.00	
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	37.78	

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

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EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly Fixed Charge, per retailer	\$	46.81
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.68

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	56.22	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.16	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.34)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.99)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

**This schedule supersedes and replaces all previously
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EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	46.12	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.13	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$	(0.27)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$	(0.77)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.05406	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00021	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00043)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00125)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01261	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00810	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	70.64	(per 30 days)
Distribution Volumetric Rate	\$/kVA	11.5333	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0349	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0726)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.2109)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.2621	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9262	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

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EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.6095	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0299	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0621)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1802)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.1180	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9232	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.3832	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0307	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.0638)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(0.1852)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.6943	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.2478	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	8.84	(per 30 days)
Connection Charge (per connection)	\$	0.92	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.11125	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00035	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kWh	(0.00072)	
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kWh	(0.00209)	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00784	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00572	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.29	(per 30 days)
Distribution Volumetric Rate	\$/kVA	51.0261	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.1748	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2025) - effective until December 31, 2028	\$/kVA	(0.3634)	(per 30 days)
Rate Rider for Disposition of Change in Useful Life of Assets (2026) - effective until December 31, 2028	\$/kVA	(1.0551)	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7910	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4890	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.49 (per 30 days)
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Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Account history	\$	25.00	
Duplicate invoices for previous billing	\$	25.00	
Request for other billing or system information	\$	25.00	
Easement letter	\$	25.00	
Income tax letter	\$	25.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00	
Returned cheque (plus bank charges)	\$	25.00	
Special meter reads	\$	55.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00	

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50	
Reconnection charge - at meter - during regular hours	\$	120.00	
Reconnection charge - at meter - after regular hours	\$	400.00	
Reconnection charge - at pole - during regular hours	\$	300.00	
Reconnection charge - at pole - after regular hours	\$	820.00	

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00	
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00	
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00	
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00	
Temporary service install & remove - overhead - no transformer	\$	2,040.00	
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	37.78	

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2028

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly Fixed Charge, per retailer	\$	46.81
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.68

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	57.64	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.04	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.16	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$	0.16	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$	0.13	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029
 This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Class B consumers are defined in accordance with O. Reg. 429/04. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	47.29	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$	0.03	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$	0.13	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$	(0.03)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$	0.12	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$	0.10	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01295	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00905	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors

EB-2023-0195

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	43.70	(per 30 days)
Rate Rider for Smart Metering Entity Charge - effective until December 31, 2029	\$	0.41	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.05583	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00005	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00021	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00004)	
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kWh	0.00020	
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kWh	0.00016	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.01261	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00810	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	72.43	(per 30 days)
Distribution Volumetric Rate	\$/kVA	11.8196	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0063	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0472)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0349	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0052)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kVA	0.0336	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kVA	0.0273	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.2621	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9262	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

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EB-2023-0195

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1,094.15	(per 30 days)
Distribution Volumetric Rate	\$/kVA	9.8575	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0047	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0403)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0299	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0039)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kVA	0.0287	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kVA	0.0234	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.1180	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.9232	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

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EB-2023-0195

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Post 2011 Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4,843.52	(per 30 days)
Distribution Volumetric Rate	\$/kVA	10.6493	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.0038	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.0414)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.0307	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.0031)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kVA	0.0295	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kVA	0.0240	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	4.6943	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.2478	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029
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EB-2023-0195

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand at each location is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by THESL and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments there to as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	9.06	(per 30 days)
Connection Charge (per connection)	\$	0.94	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.11406	
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	0.00007	
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kWh	(0.00047)	
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kWh	0.00035	
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kWh	(0.00006)	
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kWh	0.00033	
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kWh	0.00027	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.00784	
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.00572	

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

**This schedule supersedes and replaces all previously
 approved schedules of Rates, Charges and Loss Factors**

EB-2023-0195

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per device)	\$	2.35	(per 30 days)
Distribution Volumetric Rate	\$/kVA	52.3164	(per 30 days)
Rate Rider for Disposition of Wireline Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	0.4964	(per 30 days)
Rate Rider for Disposition of Excess Expansion Deposits - effective until December 31, 2029	\$/kVA	(0.2360)	(per 30 days)
Rate Rider for Disposition of Externally Driven Capital Variance Account - effective until December 31, 2029	\$/kVA	0.1748	(per 30 days)
Rate Rider for Disposition of Wireless Pole Attachment Revenue - effective until December 31, 2029	\$/kVA	(0.4099)	(per 30 days)
Rate Rider for Disposition of Getting Ontario Connected Act (GOCA) Variance Account - effective until December 31, 2029	\$/kVA	0.1680	(per 30 days)
Rate Rider for Disposition of Operations Center Consolidation Plan - effective until December 31, 2029	\$/kVA	0.1367	(per 30 days)
Retail Transmission Rate - Network Service Rate	\$/kW	3.7910	(per 30 days)
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.4890	(per 30 days)

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041	
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004	
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0014	
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029

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EB-2023-0195

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.49 (per 30 days)
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Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2029
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EB-2023-0195

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Customer Administration

Account history	\$	25.00	
Duplicate invoices for previous billing	\$	25.00	
Request for other billing or system information	\$	25.00	
Easement letter	\$	25.00	
Income tax letter	\$	25.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	35.00	
Returned cheque (plus bank charges)	\$	25.00	
Special meter reads	\$	55.00	
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	55.00	

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50	
Reconnection charge - at meter - during regular hours	\$	120.00	
Reconnection charge - at meter - after regular hours	\$	400.00	
Reconnection charge - at pole - during regular hours	\$	300.00	
Reconnection charge - at pole - after regular hours	\$	820.00	

Other

Disconnect/Reconnect charge at meter - during regular hours	\$	120.00	
Disconnect/Reconnect charge at meter - after regular hours	\$	400.00	
Disconnect/Reconnect charge at pole - during regular hours	\$	300.00	
Disconnect/Reconnect charge at pole - after regular hours	\$	820.00	
Temporary service install & remove - overhead - no transformer	\$	2,040.00	
Specific charge for access to the power poles (wireline attachments) - per pole/year	\$	37.78	

Toronto Hydro-Electric System Limited TARIFF OF RATES AND CHARGES

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EB-2023-0195

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly Fixed Charge, per retailer	\$	46.81
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	4.68

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0295
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0192
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0070

DRAFT ACCOUNTING ORDERS

Revenue Variance Account (“RVA”) – Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Revenue Variance Account) to record the asymmetrical revenue variances between forecasted and actual distribution revenue based on weather-normalized billing determinants.

To establish annual credit entries to the RVA, Toronto Hydro will compare the forecast billing determinants with actual weather-normalized billing determinants for each rate class to calculate the distribution revenue variance for each rate class, and determine the total net distribution revenue variance for the year in question. Where the total net distribution revenue variance is positive, this amount will be entered as a credit to the RVA (i.e. refund to ratepayers). Where the total net distribution revenue variance is negative, no entry will be made to the RVA.

For disposition purposes, the balance in the RVA will be allocated to each rate class on the basis of each rate class’ portion of the prior year’s actual weather-normalized total distribution revenue. Rate riders will be derived on the basis of the balance allocated to each rate class and the forecast billing determinants for each rate class for the year of disposition.

The Parties agree that Toronto Hydro will seek disposition of balances annually (on an interim basis) based on the share of prior year of weather normalized distribution revenue, so that accumulated credit balances in this asymmetrical account can be returned to customers expeditiously. Toronto Hydro will seek final disposition at its next rebasing application for any amounts disposed of on an interim basis.

The amounts in Table 6 of the Settlement Proposal against which variances will be calculated each year will be adjusted by applying the OEB inflation factor for the year in question. This account will be disposed on an interim basis through the 2027-2029 annual rate update application process.

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount Revenue Variance Account
- Account 1508, Other Regulatory Assets, Subaccount Revenue Variance Account Carrying Charges

The sample accounting entries for the variance accounts are provided below:

- A. To record the asymmetrical difference (in favor of ratepayers) between the forecasted distribution revenue and the actual distribution revenue collected based on weather-normalized billing determinants each year:
 - DR 4080 Distribution Services Revenue

- CR 1508 Other Regulatory Assets, Subaccount Revenue Variance Account
- B. To record the carrying charges in subaccount Revenue Variance Account:
- DR 6035 Other Interest Expense
 - CR 1508 Other Regulatory Assets, Subaccount Revenue Variance Account Carrying Charges

Demand-Related Capital Variance Account (“DRCVA”) – Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Demand-Related Capital Variance Account) to record the symmetrical capital-related revenue requirement variances (including PILs) arising from differences between the forecast and actual expenditures related to the following eligible programs over the 2025-2029 rate period: Customer Connections (Exhibit 2B, Section E5.1), Stations Expansion (Exhibit 2B, Section E7.4), Non-Wires Solution (Exhibit 2B, Section E7.2), Generation Protection Monitoring and Control (Exhibit 2B, Section E5.5) and Externally-Initiated Plant Relocations & Expansions (Exhibit 2B, Section E5.2). The calculation of the variances tracked in this account will be subject to a 15 percent cumulative symmetrical dead band calculated based on the total capital-related revenue requirement in rates associated with the eligible programs as shown in the table below. For the purposes of settlement, and reflecting the unique circumstances of this account, the agreed upon stretch factor and incremental stretch factor on capital will not be applied to the revenue requirement baseline for this account.

The amounts in Table 2 against which variances will be calculated each year will be adjusted by applying the OEB inflation factor for the year in question. Toronto Hydro shall apply to clear the balances in this account in the next rebasing application.

Table 2: Capital-Related Revenue Associated with Eligible DRCVA Programs (\$ Millions)

Ref	Revenue Requirement	2025	2026	2027	2028	2029	Total
	Return on Equity	1.4	5.4	9.2	12.8	16.5	45.4
	Deemed Interest Expense	0.9	3.5	6.0	8.3	10.7	29.4
	Depreciation and Amortization	10.2	13.5	17.0	20.7	24.2	85.6
	Payment-in-Lieu of Taxes (PILs)	1.2	0.8	0.8	2.4	2.1	7.3
A	DRCVA Capital-Related Revenue Requirement	13.9	23.2	33.0	44.2	53.5	167.7
B	Less: 2% compounded annual inflation	-	(0.5)	(1.3)	(2.6)	(4.1)	(8.4)
C	DRCVA Capital-Revenue Requirement inflation adjusted in 2025 nominal dollars (C = A-B)	13.9	22.7	31.7	41.7	49.4	159.4
D	DRCVA Dead Band based on 15% of CRRR inflation adjusted in 2025 nominal dollars (D = C * 15%)	2.1	3.4	4.8	6.3	7.4	23.9

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508, Other Regulatory Assets, Subaccount Demand-Related Capital Expenditure Variance Account

- Account 1508, Other Regulatory Assets, Subaccount Demand-Related Capital Expenditure Variance Account Carrying Charges

The sample accounting entries for the variance accounts are provided below:

- A. To record the five-year cumulative variances between forecasted and actual capital-related revenue associated with eligible Demand-Related capital programs over the 2025-2029 period:
 - DR/CR 4080 Distribution Services Revenue
 - CR/DR 1508 Other Regulatory Assets, Subaccount Demand-Related Expenditure Variance Account
- B. To record the carrying charges in subaccount Demand-Related Expenditure Variance Account:
 - DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Demand Related Expenditure Variance Account Carrying Charges

Non-Wires Solutions Operational Expenditures Variance Account – Draft Accounting Order

Toronto Hydro shall establish a symmetrical variance account (Account 1508 – Non-Wires Solutions Operational Expenditures Variance Account) to record the variances between the amount recovered in rates over the 2025-2029 rate period associated with the non-wires solutions initiative as part of the Asset and Program Management Program (Exhibit 4, Tab 2, Schedule 9) and actual operational expenditures associated with non-wires solutions over the 2025-2029 rate period. The account will also record an offsetting entry for revenue requirement impacts of avoided or deferred capital expenditures that were explicitly included in the 2025-2029 capital expenditure plan.

The amount against which variances will be calculated each year will be adjusted by applying OEB inflation factor for the year in question to the amounts identified in Table 3, Row C below.

Table 3: Non-Wires Solutions Operational Expenditures Variance Account Baseline (\$ Millions)

Ref		2025	2026	2027	2028	2029
A	Non-Wires Solutions	0.20	-	-	-	-
B	Less: 5.69% cut on Test Year	(0.01)	N/A	N/A	N/A	N/A
C	Baseline: 2025 Test Year indexed at 0.41% annual growth rate for 2026-2029	0.19	0.19	0.19	0.19	0.19

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508 - Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account
- Account 1508 - Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account Carrying Charges

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

The sample accounting entries for the variance accounts are provided below:

- To record annually the symmetrical difference between the actual costs associated with non-wires solutions operational expenditures and the amounts recovered through base rates (on a revenue requirement basis) over the 2025-2029 custom rate period:
 - DR/CR 4080 Distribution Services Revenue
 - CR/DR 1508 Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account

- B. To record the offsetting entry for revenue requirement impacts of avoided or deferred capital expenditures that were explicitly included in the 2025-2029 capital expenditure plan.
- DR 4080 Distribution Services Revenue
 - CR 1508 Other Regulatory Assets, Sub-Account Non-Wires Solutions Operational Expenditures Variance Account
- C. To record the carrying charges in subaccount Non-Wires Solutions Operational Expenditures Variance Account:
- DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Non-Wires Solutions Operational Expenditures Variance Account Carrying Charges

Cloud Computing Transitional Variance Account - Draft Accounting Order

Toronto Hydro shall establish a variance account (Account 1508 – Cloud Computing Transitional Variance Account) to record variances between the cloud computing solutions operational expenditure amounts recovered through base rates and actual cloud computing solutions operational expenditures over the 2026-2029 rate period. For clarity, this is a utility specific account and is not the same as the OEB Deferral Account to record Incremental Cloud Computing Implementation Costs (Accounting Order 003-2023).

This account will capture the incremental operating costs beyond the amounts recovered in rates associated with 2026-2029 cloud computing solutions investment. The account is subject to a maximum amount that is based on the 2026-2029 forecast associated with cloud computing solutions operating costs less a 5.69% reduction as shown in Table 4, Row B. The maximum amount against which variances will be calculated each year will be adjusted by applying OEB inflation factor for the year in question to the amounts identified in Table 4, Row C & D below.

Table 4: Cloud Computing Transitional Variance Account Maximum Recordable Incremental Operating Costs (\$ Millions)

Ref		2025	2026	2027	2028	2029
A	Forecast	5.0	5.5	6.0	6.5	7.0
B	Less: 5.69% per annum reduction	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
C	Less: 2% compounded annual inflation	-	(0.1)	(0.2)	(0.4)	(0.5)
D	Ceiling: Inflation adjusted in 2025 nominal dollars (D = A-B-C)	4.7	5.1	5.4	5.8	6.1
E	Floor: 2025 Test Year indexed at 0.41% annual growth rate for 2026-2029	4.7	4.7	4.8	4.8	4.8
F	Maximum Recordable Amount in 2025 nominal dollars (F = D-E)	-	0.4	0.7	1.0	1.3

Toronto Hydro shall establish the following variance accounts effective January 1, 2025 to record the amounts described above:

- Account 1508 - Other Regulatory Assets, Sub-Account Cloud Computing Transitional Variance Account
- Account 1508 - Other Regulatory Assets, Sub-Account Cloud Computing Transitional Variance Account Carrying Charges

Carrying charges will apply to the opening balances in the account (exclusive of accumulated interest) at the OEB-approved rate for deferral and variance accounts.

The sample accounting entries for the variance accounts are provided below:

- A. To record the symmetrical difference between the cumulative Cloud Computing Transitional amounts included in rates and the actual cloud amounts funded in rates over the CIR 2025-2029 period:
- DR/CR 5XXX Various OM&A Accounts
 - CR/DR 1508 Other Regulatory Assets, Subaccount Cloud Computing Transitional Variance Account
- B. To record the carrying charges in subaccount Cloud Computing Transitional Variance Account:
- DR/CR 6035 Other Interest Expense
 - CR/DR 1508 Other Regulatory Assets, Subaccount Cloud Computing Transitional Account Carrying Charges