

OEB Issues Decision on Hydro One's 2024 Transmission Revenue Requirement

DECISION

On Tuesday, September 19, 2023, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on an application by Hydro One Networks Inc. (Hydro One), for approval of its 2024 annual transmission revenue requirement. This approved revenue requirement will be included in the calculation of the 2024 Uniform Transmission Rates (UTRs) that will apply to customers throughout Ontario effective January 1, 2024.

The estimated total bill impact for a typical residential customer in Hydro One's medium density residential rate class (Hydro One R1) with a monthly consumption of 750 kWh, will be an increase of about \$1 per month or about 0.7%, effective January 1, 2024.

KEY FEATURES

In its 2022 decision on Hydro One's major transmission and distribution rate application ([EB-2021-0110](#)), the OEB approved a Custom Incentive Rate-setting (Custom IR) methodology for setting Hydro One's transmission revenue requirement for the years 2024 to 2027. Under that methodology, in each year Hydro One's transmission revenue requirement is adjusted using a formula that accounts for inflation, capital costs and the OEB's assessment of the utility's efficiency.

Using that formula, Hydro One proposed that its 2024 transmission rates revenue requirement increase by \$155.3 million to \$2,024.3 million (8.3%). The OEB found that this revenue requirement is in accordance with the Custom IR methodology approved in 2022 and that the corresponding bill impacts are reasonable.

The OEB determines the revenue requirement for each of the province's licensed and rate-regulated electricity transmitters, which are then used to set the UTRs that apply to all customer bills throughout Ontario. In 2023, as the province's largest transmitter, Hydro One's transmission rates requirement represented 91.1% of the revenue requirement across all transmitters.

About the OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued today, which is the official OEB document.