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BY EMAIL AND RESS

June 19, 2025

Ms. Nancy Marconi
Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4


Dear Ms. Marconi,

EB-2025-0148 – Niagara Reinforcement Limited Partnership (NRLP) – Application for 2026, 2027, 2028 and 2029 Transmission Revenue Requirement

Pursuant to section 78 of the *Ontario Energy Board Act, 1998* and the Ontario Energy Board's Decision and Order in EB-2024-0117, enclosed is NRLP's one-time update application (the Application) in support of its request for 2026 – 2029 transmission revenue requirement effective January 1 each year.

An electronic copy of the Application has been submitted, by Hydro One Networks Inc. on behalf of NRLP, using the Board's Regulatory Electronic Submission System.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Burke".

Kathleen Burke

EXHIBIT LIST

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APPLICATION

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

AND IN THE MATTER OF an Application by Niagara Reinforcement Limited Partnership by its general partner, Hydro One Indigenous Partnerships Inc., for an Order or Orders made pursuant to section 78 of the *Ontario Energy Board Act, 1998* approving rates and other charges for the transmission of electricity to be effective January 1, 2026.

1. The applicant, Niagara Reinforcement Limited Partnership (NRLP), is an Ontario limited partnership with a general partner and three limited partners. The partnership interests are held by:
 - a. Hydro One Indigenous Partnerships Inc. (HOIP), that serves as the general partner and holds a 0.1% interest in NRLP;
 - b. Hydro One Networks Inc. (HONI), a limited partner that holds a 54.9% interest in NRLP;
 - c. Six Nations of the Grand River Development Corporation, a limited partner that holds a 25% interest in NRLP; and
 - d. Mississaugas of the Credit First Nation, a limited partner that holds a 20% interest in NRLP.
2. NRLP has its head office in Woodstock, Ontario. NRLP is licensed by the Ontario Energy Board (the OEB or the Board), under licence number ET-2018-0277, to transmit electricity and carry on the business of owning and operating transmission facilities related to the Niagara Reinforcement Project in southwestern Ontario, specifically transmission circuits Q26M and Q35M connecting Allanburg TS and Middleport TS.

- 1 3. In the OEB's Decision on the Settlement Proposal and Order regarding NRLP's
2 2025 - 2029 Revenue Requirement Application (EB-2024-0117), the OEB approved
3 the revenue requirement framework.¹ The revenue requirement framework includes
4 a one-time update application in 2025 to update the cost of long-term debt based on
5 actual issuances in 2025 and update the revenue requirement for each of 2026,
6 2027, 2028 and 2029.²
7
- 8 4. This is the one-time update application (the Application) to update the cost of long-
9 term debt based on actual issuances in 2025 and update the revenue requirement
10 for each of 2026, 2027, 2028 and 2029.
11
- 12 5. NRLP hereby applies to the OEB for an Order approving the 2026, 2027, 2028 and
13 2029 revenue requirements, as follows:
14 a. 2026: \$8,792,932, to be effective January 1, 2026, and inclusion of this amount
15 in the 2026 Uniform Transmission Rates (UTR);
16 b. 2027: \$8,674,117 to be effective January 1, 2027, and inclusion of this amount
17 in the 2027 UTR;
18 c. 2028: \$8,656,063, to be effective January 1, 2028, and inclusion of this amount
19 in the 2028 UTR; and
20 d. 2029: \$9,318,710 to be effective January 1, 2029, and inclusion of this amount
21 in the 2029 UTR.
22
- 23 6. NRLP is not requesting approval to dispose of any deferral and variance account
24 balances in this Application.

¹ Decision and Order, EB-2024-0117, Niagara Reinforcement Limited Partnership, Application for approval of electricity transmission revenue requirements for the period commencing January 1, 2025, and for each following year through to December 31, 2029, page 6.

² *ibid.*

1 7. NRLP is requesting approval of an amendment to the Accounting Order of Account
2 1592 in accordance with the Final Rate Order of EB-2024-0216.³ More information
3 is provided in Section 3.1 of Exhibit A-04-01.

4
5 8. Approval of NRLP's 2026 rates revenue requirement results in an increase in the
6 total bill of 0.002% or \$0.003 per month for a typical Hydro One medium density
7 residential (R1) customer consuming 750 kWh monthly, and an increase in total bill
8 of 0.002% or \$0.007 per month for a typical Hydro One General Service Energy
9 less than 50 kW (GSe < 50 kW) customer consuming 2,000 kWh monthly. More
10 information regarding the monthly bill impacts for 2026 to 2029 may be found in
11 Exhibit A-04-01.

12
13 9. In preparing this Application, NRLP has been guided by the OEB's Filing
14 Requirements for Electricity Transmission Applications dated February 11, 2016.

15
16 10. The written evidence filed with the OEB may be amended from time to time prior to
17 the OEB's final decision on the Application.

18
19 **NOTICE AND FORM OF HEARING REQUESTED**

20 11. The Application may be viewed on the internet at the following address:
21 <https://nrlp.ca/regulatory/>.

22
23 12. The persons affected by this Application are all persons affected by Ontario's UTRs.
24 It is impractical to set out their names and addresses because they are too
25 numerous.

³ Final Order, EB 2024-0216, Chatham x Lakeshore Limited Partnership, February 6, 2025, page 2.

1 13. NRLP requests, in accordance with sections 6(4) and 21(4)(b) of the Ontario Energy
2 Board Act, 1998, that this Application be disposed of without a hearing, and hereby
3 provides its consent to same. NRLP submits that in accordance with the
4 requirements of section 21(4)(b) of the Ontario Energy Board Act, 1998, no person
5 will be adversely affected in a material way by the outcome of this proceeding.

6
7 **PROPOSED EFFECTIVE DATE**

8 14. NRLP requests the effective dates set out in paragraph 5, above.

9
10 15. In order to address the possibility that the Rate Order for 2026 cannot be made
11 effective by January 1, 2026, NRLP requests an interim Rate Order making its
12 current transmission revenue requirement and charges effective on an interim basis
13 as of January 1, 2026, and approval of a Transmission Foregone Revenue Deferral
14 Account to recover any differences between the interim rates and final rates
15 effective January 1, 2026, based on the OEB's Decision and Order herein.

16
17 **CONTACT INFORMATION**

18 16. NRLP requests that a copy of all documents filed with the OEB by each party to this
19 Application be served on the Applicant and the Applicant's counsel, as follows:

20
21 **a) The Applicant:**

22 Ms. Eryn Mackinnon
23 Regulatory Advisor
24 Hydro One Networks Inc.

25
26 Mailing Address: 7th Floor, South Tower
27 483 Bay Street
28 Toronto, Ontario M5G 2P5
29 Telephone: (437) 318-3700
30 Email: Regulatory@HydroOne.com

1 **b) The Applicant's Counsel:**

2 Ms. Raman Dhillon
3 Senior Legal Counsel
4 Hydro One Networks Inc.

5
6 Mailing Address: 8th Floor, South Tower
7 483 Bay Street
8 Toronto, Ontario M5G 2P5

9 Telephone: (416) 859-0942

10 Fax: (416) 345-6972

11 Email: Raman.Dhillon@HydroOne.com

12
13 **DATED** at Toronto, Ontario, this 19th day of June, 2025.

14
15 By its counsel,

16
17 
18 _____

19 Raman Dhillon

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CERTIFICATION OF EVIDENCE

TO: ONTARIO ENERGY BOARD

Pursuant to Chapter 1 of the OEB's *Filing Requirements for Electricity Transmission Applications* I, Kathleen Burke, Vice-President Regulatory Affairs at Hydro One Networks Inc., certify that:

1. Hydro One Indigenous Partnerships Inc. (HOIP), on behalf of Niagara Reinforcement Limited Partnership, engaged Hydro One Networks Inc. to prepare and submit this Application;
2. To the best of my knowledge, the Application evidence is accurate, consistent and complete, and does not contain any personal information (as defined in the *Freedom of Information and Protection of Privacy Act*) that is not redacted in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

DATED this 19th day of June, 2025.



KATHLEEN BURKE

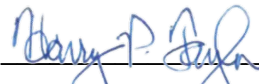
**CERTIFICATION OF DEFERRAL AND VARIANCE ACCOUNT
BALANCES**

TO: ONTARIO ENERGY BOARD

The undersigned, Harry Taylor, being Hydro One Networks Inc.'s (Hydro One) Executive Vice President, Chief Financial and Regulatory Officer, hereby certifies for and on behalf of Hydro One, Hydro One Sault Ste. Marie Limited Partnership, Hydro One Remote Communities Inc., B2M Limited Partnership, Niagara Reinforcement Limited Partnership and Chatham x Lakeshore Limited Partnership, that:

1. This certificate is provided pursuant to, or to be consistent with, Chapter 1 of the OEB's *Filing Requirements for Electricity Distribution Rate Applications*; and
2. Hydro One has the appropriate processes and internal controls for the preparation, review, verification and oversight of all deferral and variance accounts.

DATED this 6th day of June, 2025.


HARRY TAYLOR

**SUMMARY OF OEB DIRECTIVES AND COMPLIANCE WITH
PREVIOUS OEB DECISIONS**

In the Final Order of EB-2024-0216,¹ the OEB noted that Hydro One will update the NRLP Accounting Order for Account 1592 – Tax Rate and Rule Changes Variance Account to reflect changes in CCA rules in a sub-account and to align with the Chatham x Lakeshore Limited Partnership (CLLP). More information is provided in Section 3.1 of Exhibit A-04-01. The amended Accounting Order is provided in Exhibit A-04-01 Attachment 3.

¹ Final Order, EB 2024-0216, Chatham x Lakeshore Limited Partnership, February 6, 2025, p 2.

APPLICATION SUMMARY

1.0 INTRODUCTION

This Exhibit describes NRLP's one-time update application (the Application) to the 2026 – 2029 revenue requirement. NRLP has updated the 2026 – 2029 revenue requirement approved in EB-2024-0117 using the cost of long-term debt based on actual issuances in 2025, and has modified the Accounting Order of Account 1592 – Tax Rate and Rule Changes Variance Account.

Section 2.0 below details the calculations of the updated 2026 – 2029 revenue requirements. Section 3.0 below describes the modification of the Account 1592 Accounting Order. Section 4.0 below sets out the bill impacts.

The annual change in revenue requirement from 2026 to 2029 will not materially impact the estimated average transmission customer bill, or the total bills for Hydro One's typical R1 and GS<50kW customers. More information regarding the monthly bill impacts are provided in Section 4.2.

2.0 UPDATE TO 2026 – 2029 REVENUE REQUIREMENT

As approved in EB-2024-0117, NRLP is updating its 2026 – 2029 revenue requirement to reflect the cost of long-term debt based on actual issuances in 2025. There will be no further updates to the revenue requirements in this rate period following this Application. Table 1 summarizes the updated 2026 – 2029 revenue requirements.

The 2026 weighted average long-term debt rate assumed in the draft rate order was 3.13%.¹ As a result of actual long-term debt issuances in February 2025, the updated 2026 weighted average long-term debt rate is 3.04%. This rate will remain fixed for the remainder of the term.

¹ Draft Revenue Requirement and Charge Determinant Order, EB-2024-0117 Niagara Reinforcement Limited Partnership, November 28, 2024, Attachment 2 Tab G-01-02 Page 2.

NRLP's updated long-term debt rate is provided in Exhibit A-04-01 Attachment 1 and the updated cost of capital summary reflecting the updated long-term debt rate is provided in Exhibit A-04-01 Attachment 2. Tables 1 and 2 below provide the updates to revenue requirement and long-term debt costs.

Table 1 - Settlement and Updated 2026 - 2029 Base Revenue Requirement (\$)

	Reference		2026	2027	2028	2029
Settlement Revenue Requirement	Note ²	A	\$8,845,287	\$8,725,681	\$8,706,836	\$9,368,691
Change to Long-Term Debt Cost	Table 2 below	B	(\$52,355)	(\$51,564)	(\$50,772)	(\$49,981)
Updated Base Revenue Requirement		C = A + B	\$8,792,932	\$8,674,117	\$8,656,063	\$9,318,710

Table 2 - Settlement and Updated 2026 – 2029 Long-term Debt Cost (\$)

	Reference		2026	2027	2028	2029
Settlement Long-Term Debt Cost	Note ³	D	\$1,899,831	\$1,871,119	\$1,842,407	\$1,813,695
Updated Long-Term Debt Cost	Exhibit A-04-01 Attachment 2	E	\$1,847,476	\$1,819,556	\$1,791,635	\$1,763,714
Change to Long-Term Debt Cost		B = D - E	(\$52,355)	(\$51,564)	(\$50,772)	(\$49,981)

3.0 DEFERRAL AND VARIANCE ACCOUNTS

NRLP is not requesting approval to dispose of any deferral or variance account balances in this Application.

² Draft Revenue Requirement and Charge Determinant Order, EB-2024-0117 Niagara Reinforcement Limited Partnership, November 28, 2024, Attachment 1 Tab E-01-01.

³ Draft Revenue Requirement and Charge Determinant Order, EB-2024-0117 Niagara Reinforcement Limited Partnership, November 28, 2024, Attachment 3 Tabs G-01-03 Pages 2b-2e for Long-term debt.

1 **3.1 AMENDMENT TO ACCOUNT 1592 ACCOUNTING ORDER**

2 In accordance with the Final Order of EB-2024-0216,⁴ Hydro One has updated the NRLP
3 Accounting Order for Account 1592 - Tax Rate and Rule Changes Variance Account to
4 align with the Chatham x Lakeshore Limited Partnership (CLLP) Accounting Order for
5 same account. Variances resulting from the impact of changes in CCA rules will be
6 reflected in in a sub-account, 1592 – PILs and Tax Variances – CCA Changes. The
7 modified Accounting Order is provided in Exhibit A-04-01 Attachment 3.

8
9 **4.0 RATES**

10 **4.1 RATES REVENUE REQUIREMENT BY RATE POOL**

11 As indicated in Section 3.0 above, NRLP is not requesting approval to dispose of any
12 deferral and variance account balances. Therefore, the updated 2026 – 2029 rates
13 revenue requirement for NRLP is the same as the updated base revenue requirement.

14
15 NRLP does not have charge determinants for setting Uniform Transmission Rates
16 (UTRs) as it does not have any customer delivery points supplied directly from its
17 assets. Therefore, as previously approved by the OEB,⁵ the NRLP revenue requirement
18 is allocated entirely to the Network rate pool, as all the assets owned by NRLP serve the
19 transmission network with no transformation or individual customer services. Table 3
20 below presents the rates revenue requirement by rate pool for years 2026 to 2029.

⁴ Final Order, EB-2024-0216, Chatham x Lakeshore Limited Partnership, February 6, 2025, p 2.

⁵ Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates Update, January 21, 2025.

Table 3 - 2026 Rates Revenue Requirement by Rate Pool

	<u>Network</u>	<u>Line Connection</u>	<u>Transformation Connection</u>	<u>UTR Revenue Requirement</u>
2026 Rates Revenue Requirement¹	\$ 8,792,932	-	-	\$ 8,792,932
2027 Rates Revenue Requirement¹	\$ 8,674,117	-	-	\$ 8,674,117
2028 Rates Revenue Requirement¹	\$ 8,656,063	-	-	\$ 8,656,063
2029 Rates Revenue Requirement¹	\$ 9,318,710	-	-	\$ 9,318,710

¹ As per Section 2.0, Table 1

4.2 BILL IMPACTS

An update to the estimated average transmission cost as a percentage of the total bill for a transmission-connected customer is presented in Table 4 below.

Table 4 - Estimated Transmission Cost as a Percentage of Total Electricity Market Costs

	Cost Component	¢/kWh	Source
A	Commodity	10.45	IESO Monthly Market Report December 2024
B	Wholesale Market Service Charges	0.48	IESO Monthly Market Report December 2024
C	Wholesale Transmission Charges	1.57	IESO Monthly Market Report December 2024
D	Total Monthly Cost for Tx-Connected Customers	12.50	D=A+B+C
E	<i>Transmission as % of Total Cost for Tx-Connected Customers</i>	<i>12.6%</i>	E=C/D

NRLP's proposed 2026 rates revenue requirement represents a 5.8%⁶ increase from the approved 2025 rates revenue requirement.⁷ NRLP's rates revenue requirement represents 0.4% of the total revenue requirement across all transmitters.⁸ As such,

⁶ $(\$8,792,932 / \$8,314,329) - 1 = 5.8\%$

⁷ Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates Schedule A, January 1, 2025.

⁸ NRLP's rates revenue requirement divided by all transmitters' rates revenue requirement $(\$8,314,329 / \$2,375,215,616 = 0.4\%)$ as per Decision and Rate Order, EB-2024-0244, 2025 Uniform Transmission Rates Schedule A, January 21, 2025.

NRLP's proposed 2026 rates revenue requirement results in a net impact of 0.02% on average transmission rates and an increase of 0.003% on an estimated transmission customer's bill. A summary of the average bill impacts, as a result of the proposed rates revenue requirement from 2026 to 2029, is presented in Table 5 below for transmission-connected customers.

Table 5 - Average Bill Impacts on Transmission-Connected Customers

	2025	2026	2027	2028	2029
Rates Revenue Requirement ^[1]	\$8,314,329	\$8,792,932	\$8,674,117	\$8,656,063	\$9,318,710
% Change in Rates Revenue Requirement over prior year		5.8%	-1.4%	-0.2%	7.7%
% Impact of load forecast change		0.0%	0.0%	0.0%	0.0%
Net Impact on Average Transmission Rates ^[2]		0.020%	-0.005%	-0.001%	0.027%
Transmission as a % of Tx-connected customer's Total Bill		12.6%	12.6%	12.6%	12.6%
Estimated Average Transmission Customer Bill Impact ^[3]		0.003%	-0.001%	0.000%	0.003%

^[1] 2025 rates revenue requirement per OEB Revenue Requirement and Charge Determinant Order EB-2024-0117 dated December 17, 2024 and 2026-2029 rates revenue requirement per Table 1.

^[2] The calculation of net impact on transmission rates accounts NRLP's 2025 rates revenue requirement as 0.4% of the total rates revenue requirement across all transmitters (i.e. 0.4% x 5.8% = 0.020% in 2026) per Decision and Rate Order, EB-2024-0244 2025 Uniform Transmission Rates, Schedule A, January 21, 2025. The calculation for 2027-2029 follows the same logic.

^[3] The calculation of estimated average transmission customer bill impact is the net impact on average transmission rates on the transmission portion of a transmission connected customer's total bill (i.e. 0.020% x 12.6% = 0.003% in 2026). The calculation for 2027-2029 follows the same logic.

As discussed in Section 4.1 above, NRLP's rates revenue requirement is allocated entirely to the Network rate pool. Subsequently, the total bill impact for a typical Hydro One medium density residential (R1) customer consuming 750 kWh monthly, and for a typical Hydro One General Service Energy less than 50 kW (GSe<50 kW) customer consuming 2,000 kWh monthly is determined based on the forecast change in the customer's Network Retail Transmission Service Rates (RTSR-N). In 2026, this reflects

1 the change from the Preliminary 2025 UTRs⁹ to the proposed 2026 rates revenue
2 requirement.

3
4 The proposed 2026 rates revenue requirement results in an increase in the total bill of
5 0.002% or \$0.003 per month for a typical Hydro One medium density residential (R1)
6 customer consuming 750 kWh monthly, and an increase in the total bill of 0.002% or
7 \$0.007 per month for a typical Hydro One General Service Energy less than 50 kW (GSe
8 < 50 kW) customer consuming 2,000 kWh monthly. A summary of the average bill
9 impacts, as a result of the proposed rates revenue requirement from 2026 to 2029, is
10 presented in Table 6 for distribution-connected customers.

⁹ Hydro One Distribution's currently approved RTSRs are based on the Preliminary 2025 UTRs, EB-2024-0244, November 1, 2024.

1 **Table 6 - 2026-2029 Total Bill Impacts for Distribution-Connected Customers**

	Calculation ^[1]	2025	2026	2027	2028	2029
NRLP's Rates Revenue Requirement (\$M) ^[2]	A	8.314	8.793	8.674	8.656	9.319
NRLP's 2025 Rates Revenue Requirement as % of UTR Network Revenue Requirement ^[3]	B	0.555%				
Estimated Net Impact on RTSR-Network ^[4]	$C=(A/A_{PY}-1)*B_{2025}$		0.032%	-0.008%	-0.001%	0.043%
Typical Hydro One Distribution R1 Customer Consuming 750 kWh per Month						
		2025	2026	2027	2028	2029
RTSR Network Charge (\$) ^{[5],[6]}	$D=D_{PY}*(1+C)$	10.330	10.333	10.332	10.332	10.336
RTSR Connection Charge (\$) ^{[5],[7],[8]}	E	7.424	7.424	7.424	7.424	7.424
Total RTSR Charge (\$)	$F=D+E$	17.754	17.757	17.757	17.756	17.761
Estimated Change in RTSR Network Charge (\$) ^[8]	$G=C*D_{PY}$		0.003	(0.001)	(0.0001)	0.004
Total Bill (\$) ^[8]	$H=H_{PY}+D$	142.715	142.718	142.718	142.718	142.722
Change as a % of Total bill ^[10]	$I=G/H_{PY}$		0.002%	-0.001%	-0.0001%	0.003%
Typical Hydro One Distribution GS<50kW Customer Consuming 2,000 kWh per Month						
		2025	2026	2027	2028	2029
RTSR Network Charge (\$) ^{[5],[6]}	$J=J_{PY}*(1+C)$	22.139	22.146	22.145	22.144	22.154
RTSR Connection Charge (\$) ^{[5],[7],[8]}	K	17.098	17.098	17.098	17.098	17.098
Total RTSR Charge (\$)	$L=J+K$	39.237	39.244	39.242	39.242	39.251
Estimated Change in RTSR Network Charge (\$) ^[8]	$M=C*J_{PY}$		0.007	(0.002)	(0.0003)	0.009
Total Bill (\$) ^[9]	$N=N_{PY}+M$	452.679	452.686	452.684	452.684	452.693
Change as a % of Total bill ^[10]	$O=M/N_{PY}$		0.002%	-0.0004%	-0.0001%	0.002%

^[1] Inputs are current year (CY) unless otherwise denoted (e.g. PY refers to the value from the previous year). Calculations are for 2026-2029 values.

^[2] NRLP's 2025 rates revenue requirement per Decision and Rate Order, EB-2024-0117 dated December 17, 2024; 2026-2029 per Table 1.

^[3] NRLP's currently approved Network revenue disbursement allocator, as per OEB Decision and Rate Order, EB-2024-0244 2025 Uniform Transmission Rates, Schedule A, January 21, 2025.

^[4] The calculation of net impact on HONI-Dx's RTSR Network is NRLP's change in rates revenue requirement relative to its share of the total 2025 UTR Network revenue requirement.

^[5] HONI-Dx's currently approved RTSRs are based on the Preliminary 2025 UTRs, EB-2024-0244, November 1, 2024.

^[6] Represents Hydro One Distribution's approved 2025 RTSR Network (\$/kWh) effective January 1, 2025 approved per the OEB Decision and Rate Order, EB-2024-0032, December 19, 2024, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[7] Represents Hydro One Distribution's approved 2025 RTSR Connection (\$/kWh) effective January 1, 2025 approved per the OEB Decision and Rate Order, EB-2024-0032, December 19, 2024, multiplied by the monthly consumption (i.e. 750kWh/month Hydro One Distribution R1 or 2,000 kWh/month Hydro One Distribution GS<50kW), multiplied by the corresponding approved loss factor.

^[8] NRLP's rates revenue requirement is wholly allocated to the Network rate pool. As a result, B2M LP's rates revenue requirement impacts RTSR-N, and not RTSR-C.

^[9] Total 2025 bill including HST, based on time-of-use commodity price effective November 1, 2024 and distribution rates effective January 1, 2025 approved per Distribution Rate Order EB-2024-0032, dated December 19, 2024, with 13.1% Ontario Energy Rebate (effective November 1, 2024), \$0.42 Smart Meter Entity Charge (effective January 1, 2023) and Distribution Rate Protection cap of \$41.39 (effective July 1, 2024 for Hydro One Distribution R1).

^[10] 2026 total bill change reflects the estimated change in RTSR-N, and does not account for corresponding adjustments for HST and OER.

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Niagara Reinforcement Limited Partnership
Cost of Long-Term Debt Capital
Test Year (2026)
Year ending December 31

updated

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		1/1/2026 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2025 (\$Millions)	at 12/31/2026 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	30-Apr-20	2.180%	28-Feb-30	23.9	0.1	23.8	99.58	2.23%	23.9	23.9	23.9	0.5	
2	30-Apr-20	2.730%	28-Feb-50	18.2	0.1	18.1	99.42	2.76%	18.2	18.2	18.2	0.5	
3	28-Feb-25	3.958%	4-Jan-35	19.8	0.1	19.8	99.60	4.01%	19.8	18.9	19.3	0.8	
4	Subtotal								62.0	61.0	61.4	1.8	
5	Treasury OM&A costs											0.02	
6	Other financing-related fees											0.05	
7	Total								62.0	61.0	61.4	1.9	3.04%

Note 1 - All debt is 3rd party issued debt with fixed rates

NRLP
Summary of Cost of Capital
Test Year 2026
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2026			
		Cost	Return	Rate	(\$M)
		(\$M)		(%)	
		(a)	(b)	(c)	(d)
I	Long-term debt	61.4	56.6%	3.04%	1.87
2	Short-term debt	4.3	4.0%	5.04%	0.22
3	Deemed long-term debt	(0.7)	(0.6%)	3.04%	(0.02)
4	Total debt	65.0	60.0%	3.18%	2.07
5	Common equity	43.3	40.0%	9.25%	4.01
6	Total rate base	108.4	100.0%	5.61%	6.08

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from Proceeding EB-2024-0117 Exhibit C-01-01 Table 3 for 2026

NRLP
Summary of Cost of Capital
Test Year 2027
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2027			
		Cost	Return	Rate	(\$M)
		(%)			
		(\$M)	%	(%)	(d)
		(a)	(b)	(c)	(d)
1	Long-term debt	60.5	56.7%	3.04%	1.84
2	Short-term debt	4.3	4.0%	5.04%	0.22
3	Deemed long-term debt	(0.7)	(0.7%)	3.04%	(0.02)
4	Total debt	64.0	60.0%	3.18%	2.03
5	Common equity	42.7	40.0%	9.25%	3.95
6	Total rate base	106.7	100.0%	5.61%	5.98

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from Proceeding EB-2024-0117 Exhibit C-01-01 Table 3 for 2027

NRLP
Summary of Cost of Capital
Test Year 2028
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2028			
		Cost	Return	Rate	(\$M)
		(a)		(c)	(d)
I	Long-term debt	59.6	56.7%	3.04%	1.81
2	Short-term debt	4.2	4.0%	5.04%	0.21
3	Deemed long-term debt	(0.7)	(0.7%)	3.04%	(0.02)
4	Total debt	63.1	60.0%	3.18%	2.00
5	Common equity	42.0	40.0%	9.25%	3.89
6	Total rate base	105.1	100.0%	5.61%	5.89

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from Proceeding EB-2024-0117 Exhibit C-01-01 Table 3 for 2028

NRLP
Summary of Cost of Capital
Test Year 2029
Utility Capital Structure
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2029			
		(S\$M)	%	Cost Rate (%)	Return (S\$M)
		(a)	(b)	(c)	(d)
1	Long-term debt	58.6	56.7%	3.04%	1.79
2	Short-term debt	4.1	4.0%	5.04%	0.21
3	Deemed long-term debt	(0.7)	(0.7%)	3.04%	(0.02)
4	Total debt	62.1	60.0%	3.18%	1.97
5	Common equity	41.4	40.0%	9.25%	3.83
6	Total rate base	103.5	100.0%	5.61%	5.80

NOTE: Only the inputs updated have been highlighted in yellow. Other resultant values that update formulaically have not been highlighted.

Long term debt (\$M) based on Average Monthly Total Debt outstanding A-04-01 Attachment 1

Long term debt % based on Projected Average Embedded Cost Rate A-04-01 Attachment 1

Short term debt % based on OEB's 2025 Cost of Capital Parameters

Common Equity % based on OEB's 2025 Cost of Capital Parameters

Total rate base from Proceeding EB-2024-0117 Exhibit C-01-01 Table 3 for 2029

TRANSMISSION ACCOUNTING ORDER – TAX RATE AND RULE CHANGES VARIANCE ACCOUNT

NRLP proposes the continuation of the currently established tax rate and rule changes variance account, subject to a modification, to track the revenue requirement impact of legislative or regulatory changes to tax rates or rules approved by the OEB in NRLP's 2025 to 2029 transmission rates.

The account will be established as Account 1592, PILS and Tax Variances for 2006 and Subsequent Years effective January 1, 2025. NRLP will record interest on any balance in the sub-account using the interest rates set by the OEB. Simple interest will be calculated on the opening monthly balance of the account until the balance is fully disposed.

Variances specific to the impact of changes in CCA rules will be reflected in a sub-account of this account, 1592 – PILs and Tax Variances – CCA Changes.

The following outlines the proposed accounting entries for this variance account.

USofA #	Account Description
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DR: 1592	PILS and Tax Variances for 2006 and Subsequent Years
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CR: 4000	Transmission Services Revenue
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Initial entry to record the revenue requirement impact of legislative or regulatory changes to tax rates or rules compared to costs approved by the OEB.

USofA #	Account Description
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DR: 1592	PILS and Tax Variances for 2006 and Subsequent Years
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CR: 6035	Other Interest Expense
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To record interest improvement on the principal balance of the tax rate and rule changes variance account.