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PO Box 8700 / C.P. 8700
Ottawa, Ontario K1G 3S4

Hydro Ottawa Limited
Hydro Ottawa limitée
hydroottawa.com

Via RESS

August 14, 2026

Mr. Ritchie Murray, Registrar
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Dear Mr. Murray:

Subject: **Hydro Ottawa Limited (Hydro Ottawa)**
2027 Electricity Distribution Rate Application (EB-2026-0051)

Hydro Ottawa is submitting this Application for Ontario Energy Board (OEB) approval of its electricity distribution rates and other charges, effective January 1, 2027. This filing is made pursuant to Section 78 of the *Ontario Energy Board Act, 1998* and the OEB's Decision and Order in proceeding EB-2024-0115.

This Application represents Hydro Ottawa's Year 2 rate update under Hydro Ottawa's five-year Custom Incentive Rate-setting (Custom IR) plan, which was approved in May 2026 following an Approved Settlement Agreement with intervenors and the OEB's Decision and Order. All proposed rate adjustments fully align with that agreement and the OEB's Decision and Order.

Respectfully,

Signed by:
April Barrie
1E403775748B4CB...

April Barrie
Director, Regulatory Affairs
Directeur, Affaires réglementaires
AprilBarrie@hydroottawa.com
Tel./tél.: 613 738-5499 | ext./poste 2106
Cell.: 613 808-3261

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GLOSSARY

Accelerated CCA - Accelerated Capital Cost Allowance

AII - Accelerated Investment Incentive

AMI - Advanced Metering Infrastructure

APH - Accounting Procedures Handbook for Electricity Distributors

Approved Settlement Agreement - Hydro Ottawa 2026-2030 Custom Incentive Rate-Setting Approved Settlement, EB-2024-0115 (Approved January 14, 2026, refiled January 16, 2026)

APA - Arrears Payment Arrangement

ARC - Affiliate Relationships Code for Electricity Transmitters and Distributors

BCA Framework - Benefit-Cost Analysis Framework

BESS - Battery Energy Storage System

BOMA - Building Owners and Managers Association

BRR - Base Revenue Requirement

CAD - Canadian Dollar

CAFES - Community Action for Environmental Stability

CAM - Cost Allocation Model

CBR - Capacity Based Recovery

CCA - Capital Cost Allowance

CCC - Consumers Council of Canada

CCMBC - Coalition of Concerned Manufacturers and Business of Canada

CCRA - Connection and Cost Recovery Agreement

CFO - Chief Financial Officer

CIR - Custom Incentive Rate-Setting

CWIP - Construction Work-In-Progress

COS - Conditions of Service

CP - Coincident Peak

CROF - Custom Revenue OM&A Factor

CSA - Canadian Standards Association

CSF - Incremental Capital Stretch Factor

CT - Charge Type

Custom IR - Custom Incentive Rate-Setting

CROF - Custom Revenue OM&A Factor **(I - X + G)**

DAM OZP - Day-Ahead Ontario Zonal Price

DER - Distributed Energy Resource

DERCP - Distributed Energy Resources Connection Procedure

DRC - Distributed Resource Coalition

DS - Distribution Station

DSC - Distribution System Code

DSP - Distribution System Plan

DVA - Deferral and Variance Account

EAM - Efficiency Adjustment Mechanism

EA_MS - EnergyAxis Management System

ED - Environmental Defence

eDSM - Electricity Demand-Side Management

EDDVAR - Electricity Distributors' Deferral and Variance Account Review

EHVA - Extended Horizons Variance Account

Electricity Act - Electricity Act, 1998

Energy Probe - Energy Probe Research Foundation

ESM - Earnings Sharing Mechanism

EV - Electric Vehicle

EVC - Electric Vehicle Charging

FIT - Feed in Tariff

G - Growth Factor

GA - Global Adjustment

GOCA - Getting Ontario Connected Act

GRCVA - Growth-Related Capital Variance Account

GS - General Service

GWh - Gigawatt-Hour

Handbook - Handbook for Utility Rate Applications

HCI - Hydroelectric Contract Initiative

HOHI - Hydro Ottawa Holding Inc.

HST - Harmonized Sales Tax

Hydro One - Hydro One Networks Inc.

Hydro Ottawa - Hydro Ottawa Limited

I - Inflation Factor

IAS - International Accounting Standard

IESO - Independent Electricity System Operator

IFRS - International Financial Reporting Standards

Custom IR - Custom Incentive Rate-setting

IR - Inflation Rate

IRM - Incentive Regulation Mechanism

kW - Kilowatt

kWh - Kilowatt-hours

LDC - Local Distribution Company

LDEV - Light-Duty Electric Vehicles

LEAP - Low-Income Energy Assistance Program

LEAP EFA - Low-Income Energy Assistance Program Financial Assistance

LFDA - Load Forecast Deviation Adjustment

LL - Large Load

LPC - Late Payment Charge

LRAM - Lost Revenue Adjustment Mechanism

LV - Low Voltage

LVVA - Low Voltage Variance Account

MicroFIT - Micro Feed in Tariff

MRP - Market Renewal Program

MTS - Municipal Transformer Station

MWh - Megawatt-hour

NCP - Non-Coincident Peak

NSF - Non-sufficient Funds

NWCSP - Non-Wires Customer Solutions Program

NWS - Non-Wires Solutions

NWSVA - Non-Wires Solutions Variance Account

ODERA - Ottawa DER Accelerator Project

OEB - Ontario Energy Board

OM&A - Operations, Maintenance and Administration

OMERS - Ontario Municipal Employees Retirement System

OPEB - Other Post-Employment Benefits

PEG - Pacific Economics Group

PILS - Payments in Lieu of Taxes

PILS Tax Model - Income Tax/PILS Workform

POAM - Performance Outcomes Accountability Mechanism

PP - Pollution Probe

PP&E - Property, Plant and Equipment

RCSS - Recalculated Settlement Statements

Re-Accelerated CCA - Re-Accelerated Capital Cost Allowance

RESOP - Renewable Energy Standard Offer Program

RII - Reaccelerated Investment Initiative

ROE - Return on Equity

RRF - Renewed Regulatory Framework for Electricity Distributors

RRF Report - *Renewed Regulatory Framework for Electricity: A Performance-Based Approach*

RRR - Reporting and Record Keeping Requirements

RRRP - Rural or Remote Electricity Rate Protection

RRDVA - Revenue Requirement Differential Variance Account

RRWF - Revenue Requirement Work Form

RSCs - Retail Service Charges

RSVA - Retail Settlement Variance Account

RTSR - Retail Transmission Service Rate

SAIDI - System Average Interruption Duration Index

SAIFI - System Average Interruption Frequency Index

SC - Service Charge

SEC - School Energy Coalition

SLA - Service Level Agreements

SMC - Smart Metering Charge

SME - Smart Metering Entity

SMECVA - Smart Metering Entity Charge Variance Account

SR - System Renewal

SRR - Service Revenue Requirement

SS - System Service

SSC - Specific Service Charge

SSS Charge - Standard Supply Service Administrative Charge

Tiered - Tiered RPP

TOU - Time of Use

TS - Transmission Station

TS-I&R - Temporary Service - Install and Remove

ULO - Ultra-Low Overnight

ULOTOU - Ultra-Low Overnight Time-of-Use

USL - Unmetered Scattered Load

USofA - Uniform System of Accounts

UTRs - Uniform Transmission Rates

VECC - Vulnerable Energy Consumers Coalition

Vol. R - Volumetric Rate

WACC - Weighted Average Cost of Capital

WCA - Working Capital Allowance

WAHSP - Weighted Average Hourly Spot Price

WMC - Wholesale Market Charge

WMS - Wholesale Market Service

X - Productivity Factor

ADMINISTRATION

1. INTRODUCTION

In accordance with the Ontario Energy Board's (OEB) *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications*, dated December 16, 2025, (Filing Requirements), this Schedule provides information relating to the administration of this Application.

2. PRIMARY CONTACT INFORMATION

April Barrie
Director, Regulatory Affairs
Hydro Ottawa Limited
2711 Hunt Club Road, PO Box 8700
Ottawa, Ontario K1G 3S4
Telephone: 613-738-5499 ext. 2106
Mobile: 613-808-3261
Email: RegulatoryAffairs@HydroOttawa.com

3. INTERNET ADDRESS & SOCIAL MEDIA ACCOUNTS

Hydro Ottawa Limited's (Hydro Ottawa) main webpage: www.hydroottawa.com

Hydro Ottawa Twitter: www.x.com/hydroottawa

Hydro Ottawa Facebook: www.facebook.com/hydroottawa

Hydro Ottawa Instagram: www.instagram.com/hydroottawa

Hydro Ottawa Youtube: www.youtube.com/hydroottawalimited

Hydro Ottawa Bluesky: https://bsky.app/profile/hydroottawa.bsky.social

Regulatory documents will be available on the *Active Applications* page of the Regulatory Affairs section of the Hydro Ottawa website: https://hydroottawa.com/en/about-us/regulatory-affairs/active-applications

4. MATERIAL IMPACTS ON CUSTOMERS

While the proposals set forth in this Application will change the rates for all customer classes, there are no proposed changes that will result in total bill impacts which exceed the 10% bill impact threshold and which would thus have a material impact on customers.

5. MATERIALITY THRESHOLD

As per the Filing Requirements, distributors with 30,000 or more customers and a distribution base revenue requirement of more than $200 million must use a materiality threshold of $1M. Hydro Ottawa's service revenue requirement for 2027 is above $200M, and thus the materiality threshold for this Application is $1M.

Hydro Ottawa notes that the $1M materiality threshold will apply to the utility for any future Z-factor application(s).

6. PUBLICATION AND NOTICE

Hydro Ottawa recommends that any Notice of Hearing for this Application be published in the *Ottawa Citizen* and *Le Droit* newspapers, both of which are paid daily publications. The *Ottawa Citizen* is the English language newspaper serving Ottawa and the surrounding region, including the Municipality of Casselman. *Le Droit* is the French language newspaper serving Ottawa and the surrounding region, including the Municipality of Casselman.

7. BILL IMPACTS

Tables 1 and 2 below provide a summary of distribution bill impacts and total bill percentage impact for a typical residential customer using 750 kWh per month and for a General Service < 50 kW customer using 2,000 kWh per month.

Table 1 - Residential Bill Impact

Residential (750 kWh)	2027
Change in Distribution Charge ($)	$ 3.23
Change in Distribution Charge (%)	8.11%
Total Bill % change	1.14%

Table 2 - General Service <50 kW Bill Impact

General Service < 50 kW (2000 kWh)	2027
Change in Distribution Charge ($)	$ 6.56
Change in Distribution Charge (%)	6.82%
Total Bill % change	0.59%

8. FORM OF HEARING REQUESTED

Hydro Ottawa requests that this Application be disposed of by way of a written hearing.

9. REQUESTED EFFECTIVE DATE

Hydro Ottawa requests approval of the proposed distribution rates and other charges set forth in this Application effective January 1, 2027. Where the case may be that the OEB's Decision and Order approving these rates and other charges is released after this proposed effective date, Hydro Ottawa is requesting that the 2026 distribution rates and charges remain effective on an interim basis as of January 1, 2027 until the actual rates that are effective January 1, 2027 can be billed. In addition, Hydro Ottawa is requesting an account to recover the difference between the interim rates and the actual rates effective January 1, 2027.

10. OEB DIRECTIVES FROM PREVIOUS DECISIONS AND/OR ORDERS

Below is a summary of previous OEB Directives and a description of how such Directives are addressed by Hydro Ottawa in this Application.

10.1. DIRECTIVE #1

As part of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa confirmed that its DSP and its proposed execution is in alignment with the City of Ottawa's (i) Climate Change Master Plan, (ii) Energy Evolution: Ottawa's Community Energy Transition Strategy, and (iii) related climate emergency declarations. Hydro Ottawa agreed to continue to report on ongoing areas of realized cost efficiencies and distribution system planning improvements associated with its coordination with the City of Ottawa in its next CoS application. The efficiency improvements may be qualitative or quantitative. In addition, Hydro Ottawa will undertake all reasonable efforts to collaborate with IESO, the City of Ottawa, and other relevant stakeholders to support eDSM program delivery within its service territory. Hydro Ottawa will take all reasonable efforts to maximize participation in eDSM programs, including providing customers support in accessing available programs, such as solar/battery combination incentives. Hydro Ottawa will report on its efforts and results at the next CoS application.

10.2. DIRECTIVE #2

As agreed to in the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall track its performance in meeting the timeframes prescribed in the OEB's Distribution System

Code (DSC) and Distributed Energy Resources Connection Procedures (DERCP) for connecting DERs and report on this in its next CoS application. In tracking its performance, a connection shall only be considered to be "on time" if Hydro Ottawa offered the customer a connection date within the prescribed timeframe or if the customer specifically requests an appointment outside of the prescribed timeframe.

10.3. DIRECTIVE #3

As an outcome of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall consider the feasibility of offering, incenting, or facilitating alternatives to customer service upgrades through equipment such as load sharing devices (e.g. a circuit pauser or smart panel) as a means to cost-effectively lower system service costs and/or customer connection costs. Hydro Ottawa will evaluate this solution against criteria for cost-effectiveness and OEB policy alignment for rate-payer funded Non-Wires Solutions (NWS). If the solution is selected during Hydro Ottawa 's annual planning process, it will be implemented during the rate term, pending any requisite OEB approval. Hydro Ottawa agreed to report on its assessment of this option and associated actions in its next CoS application.

10.4. DIRECTIVE #4

As part of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall complete its examination of the feasibility of using fast-switching protective devices to reduce or eliminate existing short-circuit constraints. If Hydro Ottawa determines the use of fast-switching devices to be feasible, and if Hydro Ottawa believes the project to be consistent with the Ministry of Energy and Mines' Integrated Energy Plan,[1] it will implement the solution by completing the project level investment planning in 2027; based on the project value, considering the project for inclusion through Hydro Ottawa's annual project optimization process starting in 2028; and evaluating the project through that optimization process against competing projects on an annual basis thereafter. Once initiated, it is expected to take 2-3 years to go from preliminary design to in-service.

10.5. DIRECTIVE #5

Pursuant to the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall report on the outcomes of its Battery Energy Storage System (BESS) projects in its next CoS application, including its assessment of the feasibility of using BESS for price arbitrage as contemplated in the response to interrogatory 1-ED-6 from EB-2024-0015 proceeding, and the outcomes thereof, if applicable.

10.6. DIRECTIVE #6

As agreed to in the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall carry out the work and activities as described in EB-2024-0115 (a) Exhibit 1, Tab 3, Schedule 4, p. 8, specifically, the Non-Wires Customer Solutions Programs and Ottawa DER accelerator (ODERA) Project. Any works and activities carried out under the OEB's Benefit-Cost Analysis Framework for Addressing Electricity System Needs (the "BCA Framework") must be in accordance with OEB requirements. Any NWS works and activities carried out by Hydro Ottawa must abide by OEB's requirements under the BCA Framework and the OEB's Filing

[1] Ministry of Energy and Mines, *Energy for Generations*, (published June 12, 2025; updated October 10, 2025).

Guidelines for Incentives for Electricity Distributors to Use Third-Party DERs as Non-Wires Alternatives.

10.7. DIRECTIVE #7

As an outcome of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall reassess charges for meter replacements needed, including for net metering, to ensure they only include the remaining net book value of the meter being replaced and any incremental costs attributable to advancing the meter replacement date earlier than the planned replacement date.

10.8. DIRECTIVE #8

As part of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall review its DER connections practices and endeavour to reduce DER connection costs and time, while ensuring compliance with the DSC and DERCP. Hydro Ottawa shall report on the outcome of its review in its next CoS application, including a list and description of improvements it implements (if any) and a list of process changes that it considered but did not adopt, and why. All implemented improvements must comply with the DSC and DERCP.

10.9. DIRECTIVE #9

As agreed to in the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall consider rate design alternatives to standby rates, including those that differentiate between standby service being used within and outside the times of distribution system peaks. This review shall consider the goals of encouraging customers to avoid using the backup service at the time of feeder co-incident peak demand and eliminating and/or adjusting standby charges for customers who install DERs that provide net benefits to the distribution system. Hydro Ottawa shall report on the outcomes of its review in its next CoS application, including any potential alternatives.

10.10. DIRECTIVE #10

As outlined in the 2026-2030 Approved Settlement Agreement, Hydro Ottawa shall develop 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. The guideline shall mandate calculating the lifetime all-in cost of conductors and transformers when considering alternative options to accurately account for trade-offs between the upfront capital costs and the savings from more efficient equipment that results in fewer losses.

10.11. DIRECTIVE #11

Pursuant to the 2026-303 Approved Settlement Agreement, Hydro Ottawa shall undertake the next steps to study means to cost-effectively reduce losses recommended by CIMA+ in undertaking response JT2.6-ED-15 of EB-2024-0115 and provide the outcome of that work in its next CoS application.

10.12. DIRECTIVE #12

As an outcome of the 2026-2030 Settlement Agreement, Hydro Ottawa will consider system demand and capacity to ensure its system can meet future customer and energy transition needs, including DERs. This work will be considered in the development of Hydro Ottawa's next DSP and Hydro Ottawa will provide details on the analysis and specific adjustments made in its next CoS application. This does not restrict implementing the adjustments required over this rate term.

10.13. DIRECTIVE #13

As part of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa will create an NWS stakeholder group, open to customers and non-customer stakeholders, including but not limited to all parties to this Settlement Proposal, to stay informed and engaged in Hydro Ottawa's NWS programs and DER-related activities. This group will engage interested stakeholders at least annually to showcase Hydro Ottawa's non-wires customer solutions (including customer programs and DERs) and to solicit feedback and input. This engagement may be in the form of customer events, focus groups, forums, or open houses, and may be in-person or virtual. NWS stakeholder group engagement activities will be advertised to customers and community groups in eligible areas, as well as through public channels where applicable.

10.14. DIRECTIVE #14

Per the 2026-2030 Approved Settlement Agreement, Hydro Ottawa agrees to make a change to numerical targets (instead of only monitoring) for the following Scorecard metrics:

- Customer Participation in NWS: Hydro Ottawa will develop and implement interim targets during the rate term as the NWS programs are launched and will include the interim targets and results in the next CoS application for review. The targets are anticipated to be in place once program design is complete in 2026/2027.
- Productive Time: The target for 2026-2030 will be set at 72.5%.

10.15. DIRECTIVE #15

As agreed to in the 2026-2030 Approved Settlement Agreement, Hydro Ottawa will pursue reasonable opportunities to increase customer knowledge and understanding of Ultra Low

Overnight Time-of-Use (ULOTOU) rates and Hydro Ottawa will provide an update on the number of customers changing to ULOTOU in its next CoS application.

10.16. DIRECTIVE #16

Pursuant to the 2026-303 Approved Settlement Agreement, Hydro Ottawa will undertake a review to assess alignment of its reliability (SAIFI/SAIDI) results for the most recent five years (with and without "Loss of Supply" and "Major Events" adjustments) in accordance with RRR reporting requirements. Hydro Ottawa will file the results of the review in its next rebasing application.

10.17. DIRECTIVE #17

As part of the EB-2024-0115 Decision and Order, the OEB expects Hydro Ottawa will take steps to reduce above market compensation and study the issue further through benchmarking updates in future rebasing proceedings.

10.18. DIRECTIVE #18

In the EB-2024-0115 Decision and Order, the OEB directed Hydro Ottawa to file an updated cost allocation study in regards to its corporate cost allocation. Hydro Ottawa should use internal audit resources to substantiate the allocation of corporate costs, compared to other companies under Hydro Ottawa Holding Inc. (HOHI) and file the study with its next rebasing application.

10.19. DIRECTIVE #19

In accordance with the OEB's March 31, 2025 report *Electric Vehicle Charging Rate Overview - Final Report* and the Decision and Order rendered on May 12, 2026, Hydro Ottawa confirms eligible customers were enrolled in the Retail Transmission Service - Electric Vehicle Charging Rate as of the implementation date of its 2026 Distribution Rates and Charges.

11. CONDITIONS OF SERVICE

The current version of Hydro Ottawa's Conditions of Service is publicly available on the Hydro Ottawa website here: 's website:
https://www.hydroottawa.com/en/about-us/policies/conditions-service

12. SPECIFIC RELIEF REQUESTED

This Application is submitted pursuant to section 78 of the *Ontario Energy Board Act, 1998*.

Herein, Hydro Ottawa is seeking the following approvals, which are also separately identified in Attachment 1-1-3(A) - OEB Appendix 2-A - List of Request Approvals and clearly documented throughout applicable sections of this Application:

1. Approval of 2027 revenue requirement, as detailed in Schedule 6-1-1 - Calculation of Revenue Deficiency or Sufficiency;
2. Approval of 2027 distribution rates and charges, effective January 1, 2027, as outlined in Schedule 8-5-1 - Bill Impacts and Tariff of Rates and Charges;
3. Approval of the 2027 Cost Allocation Model as detailed in Schedule 7-1-1 - Cost Allocation;
4. Approvals related to deferral and variance accounts, as thus proposed throughout Exhibit 9. In particular:
    a. Approval of the use of 1595 sub accounts, as proposed in Schedule 9-2-1 - New Deferral and Variance Accounts

b. Disposition of balances in Group 1 deferral and variance accounts, as detailed in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

5. Approval of other items or amounts that may be requested by Hydro Ottawa in the course of the proceeding, and any such other relief or entitlements that the OEB may grant.

Attachment 1-1-3(A) - OEB Workform - OEB Appendix 2-A - List of Requested Approvals

(Refer to the attachment in Excel format)

Administration

CERTIFICATION OF EVIDENCE

I, Angela Collier, Executive Vice-President, Finance and Chief Financial Officer of Hydro Ottawa Limited (Hydro Ottawa), hereby certify that, to the best of my knowledge, the evidence filed in support of Hydro Ottawa's 2027 Custom Incentive Rate-setting Annual Update Application is accurate, consistent, and complete.

I furthermore attest that Hydro Ottawa has processes and internal controls in place for the preparation, review, verification and oversight of account balances being disposed.

In accordance with s. 9.03 of the OEB's *Rules of Practice and Procedure*, as well as Chapters 1 and 3 of the Ontario Energy Board's *Filing Requirements for Electricity Distribution Rate Applications*, I certify that artificial intelligence was not used to generate content, but was used solely as a writing and language assistance tool in preparing this application.

As per 9A of the *Rules of Practice and Procedure* and Chapter 1 of the Ontario Energy Board's Filing Requirements, I certify that any evidence filed in support of this Application does not include any personal information.

These certifications are provided pursuant to the Ontario Energy Board's most recently published versions of Chapters 1, 2, and 3 *Filing Requirements for Electricity Distribution Rate Applications* and *Rules of Practice and Procedure*.

DocuSigned by:
Angela Collier
B4A2B7295A07420...

2026-08-12

Angela Collier
Executive Vice-President, Finance, and Chief Financial Officer
Hydro Ottawa Limited

Date

APPLICATION SUMMARY

1. INTRODUCTION

The Applicant, Hydro Ottawa Limited (Hydro Ottawa or the utility), is a corporation incorporated pursuant to the *Business Corporation Act,* R.S.O. 1990, c. B. 16, and is licensed under Ontario Energy Board (OEB) Electricity Distributor License No. ED-2002-0556. As of the end of 2025, Hydro Ottawa distributed electricity to approximately 376,500 customers within the City of Ottawa and the Village of Casselman.

This Application represents Hydro Ottawa's year 2 rate update under its five-year Custom Incentive Rate-setting (Custom IR) plan. The adjustments to Hydro Ottawa's rates and other charges set forth herein are consistent with Hydro Ottawa's 2026-2030 Approved Settlement Agreement[1] and the OEB's Decision and Rate Order in EB-2024-0115 issued on June 4, 2026.[2]

The OEB articulated its policies and practices regarding the Custom IR rate-setting method in its 2012 report entitled *Renewed Regulatory Framework for Electricity: A Performance-Based Approach* (RRF Report). The RRF Report states that, under a Custom IR approach, "rates are set based on a five year forecast of a distributor's revenue requirement and sales volumes."[3] In addition, the RRF Report stipulates that "the specifics of how the costs approved by the Board will be recovered through rates over the term will be determined in

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 16, 2026).
[2] Ontario Energy Board, *Decision and Order,* EB-2024-0015 (June 4, 2026).
[3] Ontario Energy Board, *Renewed Regulatory Framework for Electricity: A Performance-Based Approach,* (October 18, 2012), page 18.

individual rate applications…" and that "[t]his rate-setting method is intended to be customized to fit the specific applicant's circumstances."[4]

Under Hydro Ottawa's approved Custom IR plan for the 2026-2030 period, its capital spending and operating expenses have been set for a five-year period, pursuant to specific requirements and formulas set forth in the 2026-2030 Approved Settlement Agreement. Consistent with the 2026-2030 Approved Settlement Agreement, this Application seeks approval of targeted adjustments to rates and other charges, effective January 1, 2027 as well as approval for the proposed 2027 demand profiles.

Both the OEB's Custom IR method and the 2026-2030 Approved Settlement Agreement require Hydro Ottawa to submit annual updates on the progress of capital spending in key categories.[5] This reporting requirement is a separate obligation to this Application that requires, among other things, the disclosure of spending results from a full year of the Custom IR period. At the same time, once a full year of results is known, Hydro Ottawa will also report on its Custom Performance Scorecard. Hydro Ottawa will submit its first custom incentive rate progress report, related to the 2026-2030 term, including its Custom Performance Scorecard update in 2027.

In this Application, references to the years 2026-2030 represent the following:

- 2026: Approved amounts;

[4] Ibid., pages 18-19.
[5] Ontario Energy Board, *Renewed Regulatory Framework for Electricity: A Performance-Based Approach,* (October 18, 2012), p. 20; Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (refiled January 16, 2026) Attachment 1.

- 2027: Proposed amounts;[6] and
- 2028-2030: Amounts approved in the Approved Settlement Agreement and Draft Rate Order submission of EB-2024-0115.

2. BACKGROUND - HYDRO OTTAWA'S 2026-2030 CUSTOM IR APPLICATION & OEB DECISION

Hydro Ottawa filed a Custom IR Application with the OEB on April 15, 2025, where the utility sought approval for changes to the rates that it charges for electricity distribution to be effective January 1, 2026 through December 31, 2030.

The following ten parties participated as intervenors in that proceeding:[7]

- Building Owners and Managers Association (BOMA)
- Coalition of Concerned Manufacturers and Business of Canada (CCMBC)
- Community Action for Environmental Stability (CAFES)
- Consumers Council of Canada (CCC)
- Distributed Resource Coalition (DRC)
- Environmental Defence (ED)
- Energy Probe Research Foundation (Energy Probe)
- Pollution Probe (PP)
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

[6] Specific rate riders and rates were approved as part of the Approved Settlement Agreement and Decision and Order, as part of this rate application they have been discussed and are incorporated in the proposed draft rate orders.
[7] Enbridge Gas Inc. was an approved intervenor in the proceeding but did not participate in the Settlement Conference.

Hydro Ottawa, the ten intervenors of record (the Parties), and OEB Staff[8] attended a virtual Settlement Conference on November 4-7 and 10-12, 2025. Mr. Andrew Pride acted as facilitator. Over the course of the seven day Settlement Conference, the Parties came to an agreement on all issues with the exception of the 2026 Test Year Operations, Maintenance and Administration (OM&A) amount, as well as two items related to other revenue: the elimination of Net-Metering Service Charge and the proposed Shared Savings Mechanism (SSM) for Non-Wires Solutions (NWS). A Settlement Proposal was filed with the OEB on December 19, 2025 where the Parties proposed to proceed with an oral hearing on two of the three outstanding issues, and a written hearing on the third. Pursuant to Procedural Order No. 6, the in-person oral hearing was held in-person on January 14-16, 2026.

On January 14, 2026, prior to the commencement of the oral hearing, Hydro Ottawa presented the Settlement Proposal, which the OEB verbally accepted as filed. Hydro Ottawa subsequently corrected and refiled the proposal on January 16, 2026 prior to the end of the oral hearing. Following the three day in-person hearing, the proceeding went through the argument and reply phase of the process, with Hydro Ottawa submitting its final Reply Argument on March 23, 2026. The OEB issued a Decision and Order on May 12, 2026, which set the approved 2026 OM&A amount at $129.0M, approved the removal of the Net Metering service charge and denied the application for SSM related to NWS. The Decision also reiterated the OEB's approval of the Settlement Agreement in writing.

[8] OEB Staff was represented by a team that included the case manager, legal counsel and additional staff Subject Matter Experts.

3. CUSTOM IR APPLICATION UPDATE

Hydro Ottawa hereby submits this Application, which serves as the Year Two update of its five-year framework, seeking OEB approval of its proposed distribution rates and other charges, effective January 1, 2027. This Application is submitted pursuant to section 78 of the *Ontario Energy Board Act, 1998* (the "OEB Act"), the OEB's Decision issued May 12, 2026 regarding Hydro Ottawa's 2026-2030 Custom IR Application, and relevant OEB guidelines and requirements. In particular, the preparation of this Application has been guided by the provisions set forth in the *Chapter 2* and *Chapter 3 Filing Requirements for Electricity Rate Applications* issued by the OEB on December 16, 2025 and July 14, 2026 respectively (Filing Requirements), as well as the *Handbook for Utility Rate Applications* issued in 2016.

Consistent with the previous annual rate adjustment applications filed under Hydro Ottawa's previous Custom IR plan for the 2016-2020 and 2021-2025 period, Hydro Ottawa has opted to structure this Application using a Cost of Service format. The intended objective of this approach is to facilitate comparisons which Board members and staff, intervenors and consumers may wish to make between this Application and Hydro Ottawa's original 2026-2030 Custom IR Application. The utility believes that this is in the interest of all parties to ensure such ease of reference for the principal pieces of evidence on the record for this proceeding.

In addition, in the interest of supporting similar efficiencies, Table 1 below summarizes relevant forward looking actions and commitments which were agreed upon by the Parties and set out in the 2026-2030 Approved Settlement Agreement.

Table 1 - Summary of Remaining Actions from 2026-2030 Approved Settlement Agreement

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2027 Rate Application Reference
1	Effective Date	Hydro Ottawa will file annual applications to implement the OEB’s approval of the Custom IR framework for the years 2027-2030. Initial effective date of rates arising from the Approved Settlement Proposal to be January 1, 2026.	Pages 10 and 16	Exhibit 1 - Administration
2	Custom Revenue OM&A Factor (CROF)	CROF of ***I - X + G*** will apply to OM&A expenditures only, where: “***I***” is updated annually and corresponds to the OEB’s annual inflation rate for incentive rate-setting under Price Cap IR and Annual Index plans; “***X***” is 0.45% - calculated as 0% Total Productivity Factor plus 0.45% Stretch Factor, and is fixed for the duration of the Custom IR term; and “***G***” is 0.95% - which is in consideration of settlement and intended to acknowledge the growth in Hydro Ottawa’s service territory, including both customer and demand.	Page 21	Exhibit 4 - Operating Expenses
3	Capital Stretch Factor	For 2027-2030, an annual capital stretch factor of 0.45% and an incremental capital stretch factor of 0.225%, resulting in a combined total capital stretch factor of 0.675%, is to be applied to the capital related revenue requirement annually.	Page 22	Exhibit 6 - Calculation of Revenue Deficiency or Surplus
4	Performance Monitoring and Reporting	Hydro Ottawa will report annually on two primary elements: • A Custom Performance Scorecard; and • Annual reporting on capital expenditures by defined capital and budget programs Reporting will occur after the full year has concluded.	Pages 22 and Attachment 1	Exhibit 1 - Administration

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2027 Rate Application Reference
5	Working Capital Allowance (WCA)	Hydro Ottawa will calculate the 2027-2030 WCA using the OEB Generic WCA of 7.5% applied to the annual cost of power expenses submitted in Appendix 2-ZA and 2-ZB as part of the Approved Settlement Agreement and OM&A amounts updated based on the Test Year OM&A amount escalated annually by CROF.	Pages 25-26	Exhibit 2 - Rate Base and Capital
6	Rate Base	Capital Additions have been set for the rate term, the WCA will be updated annually. Rate Base per year: ● 2026: $1.5B (Approved) ● 2027: $1.7B (Proposed)	Page 27 and 28	Exhibit 2 - Rate Base and Capital
7	2026-2030 Capital Expenditures, net	Capital Expenditures per year: ● 2026: $218.6M ● 2027: $237.3M ● 2028: $199.5M ● 2029: $196.2M ● 2030: $167.4M These amounts reflect a $214M agreed reduction over the 2026-2030 rate term.	Pages 23-24	Exhibit 2 - Rate Base and Capital
8	2026-2030 Capital Additions	Capital Additions per year: ● 2026: $183.7M ● 2027: $266.2M ● 2028: $248.7M ● 2029: $185.4M ● 2030: $178.4M	Pages 24-25	Exhibit 2 - Rate Base and Capital
9	Commitments	The parties agreed to 16 items (studies, reports and other commitments) detailed in the Approved Settlement Agreement, Section H.	Pages 56-60	Exhibit 1 - Application Overview and Administration
10	Revenue Load Forecast	● Set for the five year Custom IR term. ● Use of 1.2% population growth in the customer count starting in 2026. ● Reduction of the COVID Variable value by 50%.	Pages 23-24; Attachment 10	Exhibit 3 - Operating Revenue

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2027 Rate Application Reference
		• A gradual increase in electrification intensification starting in 2026 for all GS >50 rate classes based on the baseline load forecast.		
11	OM&A	Opening balance for 2026: $129.0 Million. For the years starting 2027, OM&A will be escalated on an annual basis using the CROF described in Item #2 above.	Decision and Order EB-2024-0115 Page 7	Exhibit 4 - Operating Expenses
12	Cost of Capital and Return on Equity (ROE)	ROE, short-term and long-term debt rates will remain fixed over the 2026-2030 period. ROE and short-term debt rates based on the OEB's 2026 Cost of Capital Parameters as published on October 31, 2026. Cost of long-term debt rate reflects Hydro Ottawa's weighted average rate of existing embedded debt and forecasted debt.	Page 28	Exhibit 5 - Cost of Capital and Capital Structure
14	Payments in Lieu of Taxes (PILS)	The parties agreed to remove the proposed PILS contribution amounts in 2026 and 2027 and set the amounts for all five years, which include the recovery of accelerated CCA for 2026 and 2027.	Page 31	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus
15	Cost Allocation	Hydro Ottawa will file annual Cost Allocation Models • Bill and Collecting Weighting Factors set for all five years; • Demand factors updated annually based on a rolling 3 year average; and • Trial balance updated annually based on annual adjustments per Approved Settlement Agreement. • Standby Service Charge approved on a Final basis effective January 1,2026	Page 31	Exhibit 7-1-1 - Cost Allocation
16	Low Voltage (LV) Rates	The Parties agreed to the rate design methodology and annually forecasted amounts to set LV rates.	Pages 27-28; Attachment 23	Exhibit 8 - Rate Design

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2027 Rate Application Reference
17	Retail Transmission Service Rates (RTSRs)	To be updated annually throughout the Custom IR rate term through the RSTR model.	Pages 28; Attachment 22	Exhibit 8 - Rate Design
18	Specific Service Charges	Agreed to the rates of Specific Service Charges set for 2027-2030, based on an inflationary increase of 2.1%. With the exception of: ● Easement Certificate, Duplicate Invoices, Credit Reference, Unprocessed Payment, and Account Set-up Charge held at the 2026 rate for 2027-2030. ● Access Power Poles - Wireline charge will continue to use the OEB generic charge. ● Removal of the Arrears Certificate Charge.	Pages 28-31	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus & Exhibit 8 - Rate Design
19	Other Revenue	● For 2027-2030, adjust Hydro Ottawa's Total Other Revenue forecast included in revenue requirement based on I-X as defined in the CROF formula. ● Hydro Ottawa will utilize the OEB's prescribed Standard Supply Service Administration Charge (SSS Charge) of $0.25 per customer per month. ● Elimination of the Net Metering Service Charge effective January 1, 2026.	Pages 28-31 & Decision and Order EB-2024-0115 Page 19	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus & Exhibit 8 - Rate Design
19	Disposition of Deferral and Variance Accounts (DVAs) related to the 2021-2025 rate term	● Continuation of LRAM Rate Rider for Streetlighting Class until December 31, 2026. ● Parties agreed Hydro Ottawa will dispose of LRAM Variance Account balances, however the balances for 2024 or 2025 will not be recoverable as the Parties agreed to discontinue the use of the LRAM Accounts for 2024 and 2025. ● Hydro Ottawa will not dispose of the Getting Ontario Connected Act recorded amounts	Page 33	Exhibit 9 - Deferral and Variance Accounts

#	Item	Description of Agreed Action	Settlement Agreement Page Number	2027 Rate Application Reference
20	Maintained, new, updated and removed DVAs	• Cumulative ESM for the 2026-2030 rate term, with modifications; • A new Growth-Related Variance Account; • A new Non-Wires Solutions Variance Account; • Continuation of existing Connection Cost Recovery (CCRA) Variance Account; • Continuation of existing Gains and Loss on disposal of Fixed Assets Variance Account; and • Discontinuation of the Performance Outcomes Accountability Mechanism (POAM) Deferral Account.	Pages 34-36 & Page 55; Attachment 5	Exhibit 9 - Deferral and Variance Accounts
20	Disposition of DVAs for the 2026-2030 Custom IR term	DVAs will be cleared during the Custom IR term in accordance with OEB policies that are in effect during each year of the Custom IR term.	Attachment 4	Exhibit 9 - Deferral and Variance Accounts
21	Z-factor	Hydro Ottawa may apply for Z-factor relief in the event that the utility incurs costs arising from unforeseen events, decisions, or activities the results of which cannot reasonably be anticipated or qualified at this time and where the costs exceed the utility's $1.0M materiality threshold.	Pages 10 and 19	Exhibit 4 - Operating Expenses & Exhibit 9 - Deferral and Variance Accounts
22	Annual Adjustments	A limited number of annual rate adjustments will be required over the course of Hydro Ottawa's 2026-2030 rate term.	Page 17-19; Attachment 4	

4. ANNUAL ADJUSTMENTS

Table 2 below provides the summary of annual and mid-term adjustments for 2027-2030. Hydro Ottawa has calculated its adjustments to the 2027 revenue requirement, consistent with the 2026-2030 Approved Settlement Agreement. Additionally, summarized information for the 2027 Application is provided in the following sections of this Schedule:

5. Revenue Requirement Summary
6. Revenue Load Forecast Summary
7. Rate Base and Distribution System Plan Summary
8. Operations, Maintenance and Administration Expense Summary
9. Cost of Capital Summary
10. Cost Allocation and Rate Design Summary
11. Deferral and Variance Accounts Summary
12. Bill Impacts Summary

Table 2 - Annual Rate Adjustments

#	Item	Timing	Adjustment Description
1	Working Capital Allowance	Annual	Impacted by annual update to OM&A
2	OM&A	Annual	Use of OEB's annual inflation factor
3	Other Revenue	Annual	Inflated by formulaic I minus X, I component to be updated by Annual OEB inflation
4	Low Voltage Charges	Annual	Based on updated Transmission Connection rates
5	Retail Transmission Service Rates	Annual	Based on OEB-approved adjustments to the Hydro One Networks' Uniform Transmission Rates (UTRs) using the RTSR model
6	Deferral Accounts	In accordance with OEB policy	Disposition of Group 1 and Group 2 accounts will be in accordance with applicable OEB policy
7	Third Party Non-Distribution Charges	Ad hoc	Further to OEB direction

5. REVENUE REQUIREMENT SUMMARY

As presented in Table 1 below, Hydro Ottawa's 2027 proposed Service Revenue Requirement is $310.7M.

Table 3 – Service Revenue Requirement - Change and Drivers ($'000s)[9]

	OEB-Approved 2026	Proposed 2027	Change $	Change %	Drivers
Return on Rate Base	$ 90,590	$ 99,947	$ 9,357	10%	Capital amounts set for all 5 years, updated WCA
Distribution Expenses (not including amortization)	$ 129,000	$ 133,515	$ 4,515	4%	Increase per CROF
Amortization	$ 65,488	$ 72,828	$ 7,340	11%	Amounts set for all 5 years per Approved Settlement Agreement
Payment in Lieu of Taxes	$ 7,663	$ 5,633	$ (2,030)	-26%	Amounts set for all 5 years per Approved Settlement Agreement
Capital Stretch Factor	$ -	$ (1,204)	$ (1,204)	-%	Annual capital stretch factor applied starting in 2027
Service Revenue Requirement	**$ 292,741**	**$ 310,719**	**$ 17,978**	**6%**	

For further details on Hydro Ottawa's 2027 revenue requirement, please see Schedule 6-1-1 - Calculation of Revenue Deficiency or Sufficiency and Attachment 6-1-1(A) - OEB Workform - 2027 Revenue Requirement Model.

6. REVENUE LOAD FORECAST SUMMARY

Table 4 below provides a high-level summary of Hydro Ottawa's approved revenue load forecast for the 2026-2030 Custom IR term.

[9] Totals may not sum due to rounding.

Table 4 – 2026-2030 Approved Revenue Load Forecast Summary

Year	Total Sales (MWh)	MWh % Change from Prior Year	Total Sales Demand (kW)	kW % Change from Prior Year	Average Customers	Customers % Change from Prior Year
2026	7,495,363		9,781,095		378,596	
2027	7,548,026	0.70%	9,830,626	0.51%	383,187	1.21%
2028	7,668,260	1.59%	10,014,220	1.87%	387,841	1.21%
2029	7,790,463	1.59%	10,257,205	2.43%	392,567	1.22%
2030	7,932,034	1.82%	10,486,431	2.23%	397,361	1.22%

7. RATE BASE AND DISTRIBUTION SYSTEM PLAN (DSP) SUMMARY

7.1. DSP SUMMARY

Hydro Ottawa's 2026-2030 DSP outlined an increase in capital investments, driven by the necessity to modernize and expand the grid to meet evolving community needs and address climate change. This plan refined through customer feedback and system analysis, and agreed to by the Parties through the Approved Settlement Agreement, prioritized four investment priorities:

- Growth & Electrification - Powering a Growing Community
- Renewing Deteriorating Infrastructure
- Grid Modernization - Enabling the Energy Transition
- Enhancing Resilience

Capital Expenditures for 2026-2030 were approved in the following OEB-defined categories: System Access, System Renewal, System Service, and General Plant. Table 5 below provides a summary of the total capital expenditures per the Approved Settlement Agreement. For further details, please see Schedule 2-4-1 - Capital Expenditure Summary.

Table 5 – Summary of Approved 2026-2030 Net Capital Expenditures ($'000,000s)

Investment Category	2026	2027	2028	2029	2030
System Access	$ 38.2	$ 34.1	$ 21.2	$ 29.2	$ 25.5
System Renewal	$ 70.3	$ 68.7	$ 66.5	$ 71.6	$ 78.5
System Service	$ 84.5	$ 105.8	$ 68.6	$ 67.5	$ 54.9
General Plant	$ 25.6	$ 28.8	$ 43.2	$ 27.9	$ 8.5
Net Capital Expenditures	**$ 218.6**	**$ 237.3**	**$ 199.5**	**$ 196.2**	**$ 167.4**

7.2. RATE BASE SUMMARY

Table 6 below details the approved 2026 and proposed 2027 rate base. For 2026-2030, the capital assets, capital additions and depreciation/amortization were set for the five-year period. WCA amount is updated annually for the change in OM&A and settled cost of power expenses. Refer to Schedule 2-1-1 - Rate Base Overview and Schedule 2-3-1 - Working Capital Allowance for further details.

Table 6 - 2026 Approved and 2027 Proposed Rate Base ($'000s)

	2026 Approved	2027 Proposed	Change $	Change %
Rate Base	$ 1,514,470	$ 1,670,907	$ 156,437	10.3%

8. OPERATIONS, MAINTENANCE, AND ADMINISTRATION EXPENSE SUMMARY

The proposed 2027 OM&A expense of $133.5M, an increase of $4.5M or 3.5% over the 2026 approved OM&A expense, has been updated based on the CROF formula described in

Table 1. Please refer to Schedule 1-2-1 - Rate Setting Framework and Schedule 4-1-1 - Operations, Maintenance and Administration for more details.

9. COST OF CAPITAL SUMMARY

Table 7 below summarizes the 2026-2030 capital structure, cost of capital parameters, and Weighted Average Cost of Capital (WACC) based on the Approved Settlement Agreement. Further information is provided in Schedule 5-1-1 - Cost of Capital and Capital Structure.

Table 7 – 2026-2030 Weighted Average Cost of Capital

Year	Short-Term Debt Weight	Short-Term Debt Rate	Long-Term Debt Weight	Long-Term Debt Rate	Equity Weight	Return on Equity	WACC
2026-2030	4%	2.72%	56%	3.98%	40%	9.11%	5.98%

10. COST ALLOCATION AND RATE DESIGN SUMMARY

10.1. COST ALLOCATION

Hydro Ottawa has included Attachment 7-1-1(A) - 2027 Cost Allocation Model (Cost Allocation Model) with this Application. The Cost Allocation Model has been updated with 2027 revenue requirement and revenue load forecast inputs as described in the sections above. Demand factors have also been updated to the three year rolling average based on historical hourly data from 2023-2025. For further details, refer to Schedule 7-1-1 - Cost Allocation.

10.2. RATE DESIGN

The 2027 proposed revenue requirement has been allocated to rate classes based on the results of the 2027 Cost Allocation Model. The resulting revenue-to-cost ratios require adjustments to the Streetlighting and Unmetered Scattered Load classes to bring them within the OEB-approved upper limit of 120%. Consistent with the Approved Settlement Agreement, the Streetlighting class is being moved within the upper-limit by 2030. Refer to Schedule 7-1-1 - Cost Allocation and Schedule 8-1-2 - Fixed Variable Proportion for further details.

11. DEFERRAL AND VARIANCE ACCOUNTS SUMMARY

As of January 1 2027, Hydro Ottawa is proposing to dispose of a total Group 1 (including Global Adjustment) credit balance of $41.0M over a 12 month disposition period as detailed in Attachment 9-3-1(A) - OEB Workform - Deferral and Variance Account (Continuity Schedule). For further information regarding DVAs, the amounts proposed for clearance, and proposals for new DVAs, please refer to Schedule 9-1-1 - Summary of Current Deferral and Variance Accounts, Schedule 9-2-1 - New Deferral and Variance Accounts, and Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

The 2026 Global Adjustment and Foregone Revenue rate riders implemented on June 1, 2026 continue to be applied until May 31, 2027, in alignment with the approved 12 month disposition period. Furthermore, in accordance with the Approved Settlement Agreement, the 2026 Lost Revenue Adjustment Mechanism (LRAM) rate rider for GS 50-1455 kW class will be effective January 1, 2027 to December 31, 2027.

12. BILL IMPACTS SUMMARY

Table 8 below provides a summary of the total bill impacts for typical customers in all classes. Further details regarding Hydro Ottawa's proposed bill impacts are available in

Schedule 8-5-1 - Bill Impacts and Tariff of Rates and Charges and Attachments 8-5-1(A) and (B) - 2026 Current and 2027 Proposed Tariff of Rates and Charges.[10]

Table 8 – Summary of Bill Impacts

Rate Class		Approved 2026	Proposed 2027
Residential (750 kWh)	Distribution Charge	$39.81	$43.04
	Change in Distribution Charge		$3.23
	% Distribution Increase		8.11%
	% Increase of Total Bill		1.14%
General Service <50 kW (2000 kWh)	Distribution Charge	$96.13	$102.69
	Change in Distribution Charge		$6.56
	% Distribution Increase		6.82%
	% Increase of Total Bill		0.59%
General Service 50 kW - 1,499 kW (185 kW)	Distribution Charge	$1,648.98	$1,789.87
	Change in Distribution Charge		$140.90
	% Distribution Increase		8.54%
	% Increase of Total Bill		-5.05%
General Service 1,500 kW - 4,999 kW (1,925 kW)	Distribution Charge	$17,300.30	$20,039.96
	Change in Distribution Charge		$2,739.66
	% Distribution Increase		15.84%
	% Increase of Total Bill		-4.54%
Large Use (7,500 kW)	Distribution Charge	$70,943.07	$83,768.07
	Change in Distribution Charge		$12,825.00
	% Distribution Increase		18.08%
	% Increase of Total Bill		-4.65%
Sentinel Lighting (0.4 kW)	Distribution Charge	$23.23	$25.34
	Change in Distribution Charge		$2.11
	% Distribution Increase		9.09%
	% Increase of Total Bill		4.77%

[10] Attachment 8-5-1(A) is the Excel version, and Attachment 8-5-1(B) is the PDF version.

Rate Class		Approved 2026	Proposed 2027
Street Lighting (50kW)	Distribution Charge	$898.80	$732.26
	Change in Distribution Charge		($166.54)
	% Distribution Increase		-18.53%
	% Increase of Total Bill		-10.53%
Unmetered Scattered Load (470 kWh)	Distribution Charge	$25.88	$28.35
	Change in Distribution Charge		$2.47
	% Distribution Increase		9.52%
	% Increase of Total Bill		1.49%

All of which is respectfully submitted this 14th day of August 2026.

DISTRIBUTION SYSTEM OVERVIEW

1. INTRODUCTION

Hydro Ottawa, incorporated under the Ontario Business Corporations Act, holds Electricity License No. ED-2002-0556 from the OEB. Serving over 376,000 customers across the City of Ottawa and the Municipality of Casselman, it ranks among Ontario's largest Local Distribution Customers (LDCs) by customer count and geographic size.

Established in November 2000 following municipal amalgamations in the Ottawa region, Hydro Ottawa expanded its service territory in April 2002 through the acquisition of Casselman Hydro Inc. These two service areas are non-contiguous, separated by Hydro One Network Inc. 's (Hydro One) territory. A detailed map of Hydro Ottawa's service territory is provided in Attachment 1-1-5(A) - Distribution System Map.

Hydro Ottawa operates under the regulatory oversight of the OEB. However, its expansive service territory creates a unique operating environment. Encompassing 1,116 square kilometers, 662 km^2 rural and 454 km^2 urban, as of the end of 2025. Hydro Ottawa operates within one of the largest service territories in the province, ranking fifth in geographic size behind Hydro One, Algoma Power Inc., Alectra Utilities Corporation and ERTH Power Corporation. Hydro Ottawa's diverse territory includes the densely populated urban core of Ottawa, with its mix of residential, commercial, and government customers, rapidly growing suburban areas with expanding residential and commercial developments, and distinct rural communities. This unique blend of urban and rural landscapes presents Hydro Ottawa with a diverse set of challenges and opportunities in delivering reliable and efficient electricity service.

Hydro Ottawa serves a diverse customer base of 376,506 customers, categorized as follows: 347,402 residential; 25,813 small commercial; 3,280 commercial and 11 Large Users.[1] Hydro Ottawa is the third largest municipally-owned electricity distributor in Ontario and is one of the largest LDCs in Ontario in terms of customer count, ranking fourth largest behind Hydro One, Alectra Utilities Corporation, and Toronto Hydro Electric-System Limited in this category. Serving within the City of Ottawa and Municipality of Casselman, Hydro Ottawa provides service to, among others, a significant number of institutional customers, such as the Canadian Parliament Buildings, many federal government facilities and campuses, four hospitals, and three post-secondary educational institutions.

The City of Ottawa and its surrounding areas have experienced significant growth in recent years, including the highest growth rate (8.9%) among large municipalities between 2016 and 2021 according to the Statistics Canada national censuses. During this period, the City's population surpassed 1 million, making it the fourth-largest city in Canada.

This rapid growth is projected to continue in the coming years. The City of Ottawa's Official Plan anticipates a 15% population increase between 2021 and 2031, with total growth of 32% over the full term of the Plan (2021-2046)[2]. This expansion will take several forms, including the development of new mixed-use commercial and residential communities, intensification of urban core development, and ongoing suburban growth in the east, west,

[1] As of the end of 2025.
[2] City of Ottawa. (n.d.). Population, housing, and employment projections for Ottawa, 2018-2046. Retrieved August 5, 2026, from https://ottawa.ca/en/living-ottawa/statistics-and-demographics/growth-projections-ottawa-2018-2046/population-housing-and-employment-projections-ottawa-2018-2046

and southern regions. Additionally, Ottawa has committed to building 151,000[3] new homes by 2031 to meet provincial housing targets, equating to approximately 15,100 new units annually. This surge in development will coincide with major infrastructure projects, such as the planned expansion of Ottawa's Light Rail Transit system, which is expected to intersect with Hydro Ottawa's 2026-2030 rate term.

2. HOST VS. EMBEDDED DISTRIBUTOR

As noted above, Hydro Ottawa's service area is surrounded by the service territory of Hydro One. There are no licensed distributors embedded within Hydro Ottawa's service area. Hydro Ottawa's load is primarily delivered through transmission connection points. However, there are a number of delivery points embedded in the Hydro One distribution system.

3. HIGH VOLTAGE DISTRIBUTION ASSETS

The following list of substations includes all of Hydro Ottawa's assets that operate at or above 50kV and form part of the distribution system.[4] Piperville MTS was successfully energized in July 2026 and has been transitioned from the planned station additions list to Hydro Ottawa's active assets below.

- Bridlewood MS (2 substations)
- Cambrian MTS
- Centrepointe DS
- Cyrville MTS

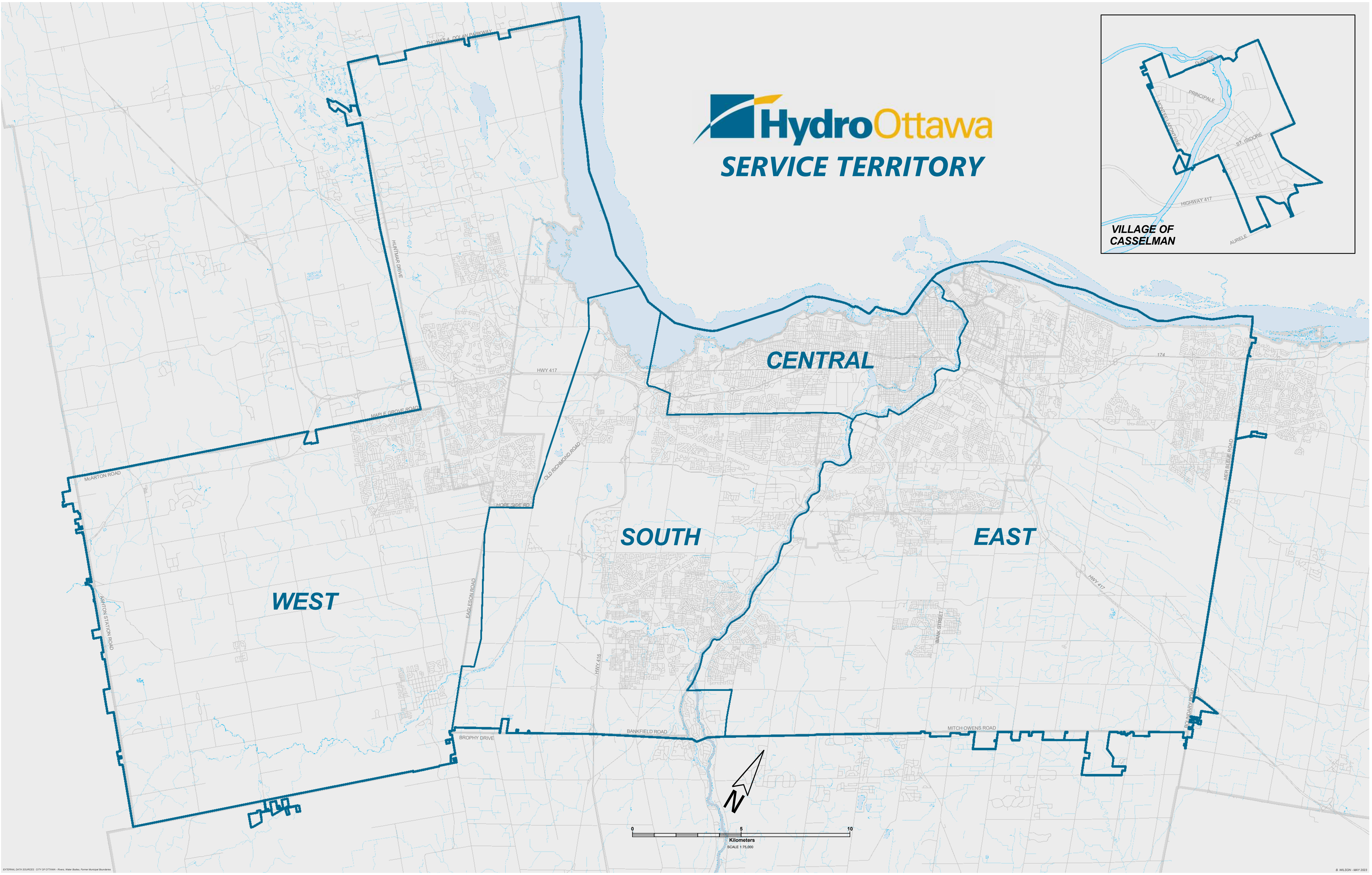
[3] *2031 Municipal Housing Pledge - Report to Committee* (March 2023)
[4] "DS" means distribution station; "MS" means municipal station, and "MTS" means municipal transformer station. This terminology is historical, often based on past ownership arrangements.

- Ellwood MTS
- Epworth DS
- Fallowfield MS
- Kanata MTS
- Limebank MS
- Manordale DS
- Marchwood MTS
- Merivale MTS
- Moulton MS
- Piperville MTS
- Richmond South MTS
- Terry Fox MTS
- Uplands MTS

Over the 2026-2030 period, the following substations >50kV will be added to Hydro Ottawa's distribution network:

- Bronson MTS[5]
- Greenbank MTS
- Hydro Road MTS
- Mer Bleue MTS
- Old Second Line Road MTS

[5] Bronson MTS will be constructed during the 2026-2030 period; however, it is planned to be energized in 2031.


HydroOttawa
SERVICE TERRITORY
CENTRAL
SOUTH
EAST
WEST
VILLAGE OF CASSELMAN
HIGHWAY 417
PRINCIPALE
ST. ISIDORE
AURELE
THOMAS A. DOLAN PARKWAY
HUNTMAR DRIVE
HWY 417
MAPLE GROVE ROAD
McARTON ROAD
OLD RICHMOND ROAD
HOPE SIDE RD
ASHTON STATION ROAD
EAGLESON ROAD
HWY 416
BANKFIELD ROAD
BROPHY DRIVE
MITCH OWENS ROAD
BANK STREET
HWY 417
MER BLEUE ROAD
BOUNDARY ROAD
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RATE SETTING FRAMEWORK

1. INTRODUCTION AND OVERVIEW

This Schedule details the mechanics and specific parameters of Hydro Ottawa's Custom Incentive Rate-setting (Custom IR) framework applicable to the 2027 rate year.

Hydro Ottawa utilizes a multi-year revenue cap methodology based on the parameters set out in Table 4 of the Approved Settlement Agreement, which has been updated for the results of the Decision and Order and summarized in Table 1 below.[1]

Table 1 - 2026-2030 Custom IR Rate Framework

	Custom IR Rate Framework	2027 Application Reference
Year 1 Capital Related Funding	Capital Forecast with inflation, stretch ($6.9M) embedded through identified efficiencies, and SR&ED tax credits. Standard Rebasing for WCA, Cost of Capital and PILs (including accelerated CCA for test year 2026).	Exhibit 4 - Operating Expenses
Years 2-5: Capital Related Funding	Capital Forecast with inflation and stretch embedded through identified efficiencies and SR&ED tax credits, and a stretch factor of 0.45% and an incremental capital stretch factor of 0.225% to be applied to the annual capital related revenue requirement which will be added to the previously calculated stretch value.	This Schedule below and Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus
	Working Capital: OEB Generic WCA factor of 7.5% applied to annual estimated Power Purchases (utilizing revenue load forecast inclusive of electrification) and test year OM&A escalated by inflation and growth (I - X + G).	Exhibit 2 - Rate Base

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

	Custom IR Rate Framework	2027 Application Reference
	Cost of Capital: Fixed for all 5 years based on OEB's 2026 Cost of Capital parameters which were published October 31, 2025 and reflected in the figures presented in this Settlement Proposal.	Exhibit 5 - Cost of Capital and Capital Structure
	Payments in Lieu of Taxes: Fixed for all 5 years with no adjustments. Recovery of accelerated CCA for 2026 and 2027.	Exhibit 9 - Status of Deferral and Variance Accounts
Year 1 OM&A Funding	**2026 = $129.0M** (includes OM&A SR&ED as a reduction to OM&A in base year)	Exhibit 4 - Operating Expenses
Years 2-5 OM&A Funding	Year 1 escalated by annual **Custom Revenue OM&A Factor (CROF)** composed of **I – X + G** where:	This Schedule below and Exhibit 4 - Operating Expenses
	I = OEB Inflation Factor	
	X = 0.45%, based on the outputs of the adjusted PEG Model which is estimated to be cohort 4 over the majority of the period (reflecting adjustment for under-reporting of secondary lines).	
	G = 0.95%, which is in consideration of settlement and intended to acknowledge the growth in the Hydro Ottawa service territory, including both customer and demand related elements.	
Other Revenue	Set rates for 5 years. Where rates are adjusted in years 2 to 5 it will be based on inflation set at 2.1% for all four years (no adjustment based on the OEB approved inflation factor). The Other Revenue amount is rebased in 2026 and incorporates the above adjustments in addition to a forecasted amount of $100K related to interest income and $200k related to revenues from merchandising, thereafter adjusted by I - X for the 2027-2030 test period. Elimination of net metering charge.	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus and Exhibit 8 - Rate Design

<table>
<tr><th></th><th>Custom IR Rate Framework</th><th>2027 Application Reference</th></tr>
<tr><td>Earnings Sharing Mechanism</td><td rowspan="2">Asymmetrical ESM account on a 50/50 basis above a dead band of 150 basis points if the utility’s efficiency cohort determined by the adjusted PEG model (to reflect unreported secondary lines) remains constant (cohort 4) or reduces over the rate period. Should Hydro Ottawa move into cohort 5, no dead band will be used. Please see Attachment 15 of the Approved Settlement Agreement for an updated adjustment PEG model.</td><td rowspan="2">Exhibit 9 - Deferral and Variance Accounts</td></tr>
<tr><td>Performance Incentives</td></tr>
<tr><td>Off-Ramp and Z-Factor</td><td>In accordance with standard OEB policy.</td><td>N/A</td></tr>
<tr><td>Capital Variance Accounts</td><td>Symmetrical sub-account to record over/underspending in System Access investments related to Plant Relocation and Upgrade, Residential Subdivision and New Commercial Development that enables housing developments and in System Service investments related to Capacity Upgrades, subject to a 15% dead band, and to be referred to as the Growth-Related Capital Variance Account.</td><td rowspan="3">Exhibit 9 - Deferral and Variance Accounts</td></tr>
<tr><td>CCRA Variance Account</td><td>Symmetrical account for CCRA payments to HONI including both new contributions and true-ups</td></tr>
<tr><td>Non-Wires Solutions Variance Account</td><td>Symmetrical account to capture NWS costs in other revenue and OM&A, net of any external funding related to NWS</td></tr>
</table>

This 2027 annual application updates the formulaic parameters of the framework, as detailed below.

2. CUSTOM REVENUE OM&A FACTOR

Hydro Ottawa's rate framework provides OM&A funding in years two through five of the rate period (i.e. 2027-2030), using the approved Custom Revenue OM&A Factor (CROF) formula:

$$CROF = I - X + G$$

In accordance with the Approved Settlement Agreement, the productivity/stretch factor (*X*) and the growth factor (*G*) remain fixed for the duration of the rate term. The inflation factor (*I*) is updated to reflect the OEB's updated parameter each year. For the 2027 rate year, the inflation factor has been updated to 3.0% in accordance with the OEB's 2027 inflation parameter for electricity distributors.[2]

Table 2 below outlines the structural components and final calculation of the 2027 CROF.

Table 2 - Custom Revenue OM&A Factor (CROF) Components

Component	Term Status	Value
Inflation factor ("I")	Updated Annually	3.0%
Productivity factor ("X")	Fixed for Term	0.45%
Growth factor ("G")	Fixed for Term	0.95%
Total CROF Value (I - X + G)	Effective 2027	(3.0 - 0.45 + 0.95) = **3.5%**

Hydro Ottawa's 2027 OM&A is shown in Table 3 below, based on the OEB's updated inflation parameter, and the OEB's Decision and Order.

[2] Ontario Energy Board, *2027 Inflation Parameters* (June 11, 2026).

Table 3 - 2027 CROF Adjustment

2026	CROF (%)	2027
$129.0M	3.5%	$133.5M

3. CAPITAL STRETCH FACTOR

In accordance with the Approved Settlement Agreement, capital-related revenue requirement is funded on a fixed forecast basis and is not escalated by an annual inflationary index. Rather, for Years 2 through 5 of the 2026-2030 rate term (i.e. 2027-2030), capital related funding is subject to a 0.45% Stretch Factor and an Incremental Capital Stretch Factor of 0.225%, for a total capital stretch factor of 0.675%.

The capital stretch factor of 0.675% is applied to the gross capital-related revenue requirement determined for each specific rate year. The newly calculated annual value is then added to the cumulative sum of the previously calculated capital stretch amounts from prior years in the Custom IR term.

The resulting cumulative total stretch amount for the given rate year is directly subtracted from that year's capital-related revenue requirement.

For the 2027 rate year (Year 2 of the term), this represents the first annual application of the compounding capital stretch framework. The 0.675% capital stretch is applied directly to the 2027 baseline capital related revenue requirement of $178.4M.

Table 4 - Capital Related Revenue Requirement ($'000s)[3]

	2026 Approved	2027 Proposed
Amortization/Depreciation	$ 65,488	$ 72,828
Income Taxes (Grossed up)	$ 7,663	$ 5,633
Deemed Interest Expense	$ 35,402	$ 39,059
Return on Deemed Equity	$ 55,187	$ 60,888
Capital related revenue requirement	**$ 163,741**	**$ 178,407**
Return on Deemed Equity	0.00%	0.675%
Annual Reduction Calculation	**-**	**$ 1,204**
Annual Cumulative Reduction	**-**	**$ 1,204**

4. PERFORMANCE MONITORING AND REPORTING

In accordance with the Approved Settlement Agreement, Hydro Ottawa will report on the measures outlined in Schedule 1-3-2 - Proposed Annual Reporting - 2026-2030, with the updates agreed upon in the Approved Settlement Agreement in 2027 for the 2026 calendar year.

5. STUDIES, REPORTS AND OTHER COMMITMENTS

In addition to the performance monitoring and reporting as outlined above, the Parties agreed to a number of other studies, reports and other commitments. These items are listed in section 10 “OEB Directives From Previous Decisions And/Or Orders” within Schedule - 1-1-3 Administration, and referenced where appropriate through this Application.

[3] Totals may not sum due to rounding.

Most of the studies, reports and commitments have a reporting requirement in Hydro Ottawa's next rebasing application.[4] In order to achieve these commitments in a meaningful way, Hydro Ottawa will be working on these deliverables throughout the rate term.

6. Z FACTOR

In its Handbook for Utility Rate Applications, the OEB affirmed its policy that "[a]n acceptable adjustment during a Custom IR term is a Z factor mechanism for cost recovery of unforeseen events."[5]

Hydro Ottawa is not requesting a Z factor at this time. However, as per the Approved Settlement Agreement, Hydro Ottawa reserves the right to use a Z factor cost recovery mechanism in the future. This mechanism will be strictly limited to instances where costs exceed Hydro Ottawa's established materiality threshold ($1M) and arise from unforeseen events, decisions, or activities that cannot be reasonably anticipated or qualified at this time. Examples include severe weather events, legislative or regulatory changes, or other circumstances driving a significant, unexpected cost increase.

[4] Please note all studies, reports and commitments will be discussed in Hydro Ottawa's next rebasing application.
[5] Ontario Energy Board, *Handbook for Utility Rate Applications* (October 13, 2016), page 27.

CUSTOMER ENGAGEMENT OVERVIEW

Hydro Ottawa’s customer-centric strategy uses customer engagement as an important tool to help inform business strategy, planning and decision making. Continuous engagement enables the utility to identify and understand critical insights regarding existing and evolving customer needs and preferences, including with respect to the energy transition and electrification. These insights help inform and shape Hydro Ottawa’s investment strategies, program delivery and communication platform improvements, allowing Hydro Ottawa to better serve its diverse customer base and align decisions with the energy needs and preferences of the communities it serves.

Multiple internal groups support these efforts, including Customer Service, Communications and Public Affairs, Key Accounts, Customer Energy Solutions, Service Desk, Distribution Design, and Distribution Engineering and Asset Management.

ACCOUNTING ORDERS

1. INTRODUCTION

Hydro Ottawa confirms that it maintains compliance with the Uniform System of Accounts (USofA), as set out in the OEB's Accounting Procedures Handbook[1] (APH) and with utility-specific and generic regulated accounting orders.

2. EXISTING UTILITY SPECIFIC ACCOUNTING ORDERS

The following sections list Hydro Ottawa's open, utility-specific accounting orders from the OEB's Decisions and Orders. Refer to Schedule 9-1-1 - Summary of Deferral and Variance Accounts for more information. These are organized chronologically by distribution rate application, from oldest to most recent.

2.1. 2012 DISTRIBUTION RATE APPLICATION (EB-2011-0054)

- Sub-Account 1508 - Other Regulatory Assets - Other Post-Employment Benefits (OPEB) Deferral Account, to record cumulative actuarial gains or losses in Hydro Ottawa's post-retirement benefits.

2.2. 2016-2020 CUSTOM INCENTIVE RATE APPLICATION (EB-2015-0004)

- Sub-Account 1508 - Other Regulatory Assets - Gains and Losses on Disposal of Fixed Assets Variance Account is a symmetrical account to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant.

[1] Ontario Energy Board, *Accounting Procedures Handbook for Electricity Distributors*, January 1, 2012

2.3. 2021-2025 CUSTOM INCENTIVE RATE APPLICATION (EB-2019-0261)

- Sub-Account 1508 - Connection Cost Recovery Agreement (CCRA) Payments Differential Variance Account is a symmetrical account to recover the difference between the forecasted new (known and unknown) and true-up CCRA payments to Hydro One and actual CCRA payments made to Hydro One.
- Sub-Account 1508 - Other Regulatory Assets - Performance Outcomes Accountability Mechanism (POAM) Deferral Account, to link the execution of certain aspects of Hydro Ottawa's 2021-2025 Distribution System Plan (DSP) to the recovery of amounts included in the agreed-upon revenue requirement. There are five performance metrics linked to specific outcomes identified in the DSP, each of which have an annual target.
- Sub-Account 1508 - Capital Additions Revenue Requirement (excluding sub-set of System Access) Differential Variance Account is an asymmetrical account to record the revenue requirement impact of underspending on Hydro Ottawa's capital plan by specific categories excluding the sub-set of System Access.
- Sub-Account 1508 - Other Regulatory Assets - Subset of System Access Capital Additions (net of contributions) Revenue Requirement Differential Variance Account is a symmetrical account to record the revenue requirement impact of overspending or underspending in the utility's capital plan during 2021-2025 for a subset of the System Access category. This subset will consist of third party-driven plant relocation and residential expansion capital additions. Effective January 1, 2021, this account has been separated from the existing Revenue Requirement Differential Variance Account related to Capital Additions described above.
- Sub-Account 1508 - Earnings Sharing Mechanism (ESM) Variance Account, is an asymmetrical account to record amounts related to any cumulative earnings above

Hydro Ottawa's approved Return on Equity (ROE) to be shared on a 50/50 basis between Hydro Ottawa and its ratepayers with no dead band.

2.4. 2026-2030 CUSTOM INCENTIVE RATE APPLICATION (EB-2024-0115)

- Sub-Account 1508 - Earnings Sharing Mechanism (ESM) Variance Account, is an asymmetrical account to records amounts related to any cumulative earnings above Hydro Ottawa's approved Return on Equity (ROE) to be shared on a 50/50 basis above a dead band of 150 basis points if the utility's efficiency cohort determined by the agreed adjusted PEG Benchmarking Analysis remains constant or reduces over the rate period. Should the utility move to a less efficient cohort within the agreed-upon adjusted PEG model, no deadband would apply and all over-earning would be shared on a 50/50 basis. In that case, the ratepayer's share of the earnings would be grossed-up for any tax impacts and credited to this account.
- Sub-Account 1508 - Growth-Related Capital Variance Account (GRCVA) is a symmetrical sub-account to record over/underspending in System Access investments related to Plant Relocation and Upgrade, Residential Subdivision and New Commercial Development that enables housing developments and in System Service investments related to Capacity Upgrade, subject to a 15% dead band. Hydro Ottawa shall record the revenue requirement impact associated with the difference between cumulative in-service additions, net of capital contributions for the period 2026–2030, and the forecasted amount, where the difference amount exceeds the 15% dead band.

- Sub-Account 1508 - Symmetrical Non-wires solutions (NWS) variance account is to record the revenue requirement impact associated with the difference between projected and actual NWS costs for NWS projects, offset by any external funding.

3. EXISTING GENERIC ACCOUNTING ORDERS

The following list outlines generic accounting orders that are available industry wide.

- Sub-Account 1508 - Other Regulatory Assets - OPEB Differential - Variance Tracking Account related to Pension and OPEB.[2]
- Sub-Account 1508 - Other Regulatory Assets - Designated Broadband Project Impacts, to record the variance between locate costs resulting from Bill 93 and the approved cost included in base rates.[3]
- Sub-Account 1508 - Other Regulatory Assets - Low-Income Energy Assistance Program Financial Assistance (LEAP EFA), to record incremental LEAP EFA contributions made on and after March 1, 2024 that are beyond the amounts embedded in distribution rates.[4]
- Sub-Account 1508 - Other Regulatory Assets - Extended Horizons Variance Account (EHVA), to record the incremental revenue requirement impacts resulting from reductions in the forecasted customer capital contributions embedded in distribution rates.[5]

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[2] Ontario Energy Board, *Report of the Ontario Energy Board: Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs*, EB-2015-0040 (September 14, 2017), Section B - Variance Tracking Account.
[3] Ontario Energy Board, Letter RE: *Getting Ontario Connected Act Variance Account*, EB-2023-0143 (October 31, 2023).
[4] Ontario Energy Board, Letter RE: *Changes to the Low-Income Energy Assistance Program Emergency Financial Assistance and Accounting Orders*, EB-2023-0135 (February 12, 2024).
[5] Ontario Energy Board, *Decision and Order in the matter of Extended Horizons Variance Account effective December 23, 2024*, EB-2024-0092 (March 20, 2025).

- Sub-Account 1508 - Other Regulatory Assets - Electric Vehicle Charging (EVC) Rate Implementation Costs to record the incremental revenue requirement impacts directly attributable to the one time material costs of implementing the EVC rate.
- Sub-Account 1508 - Other Regulatory Assets, Sub-account OEB Cost Assessment Variance - to capture material differences between cost assessments embedded in rates and those and those resulting from the updated model.[6]

For additional information on the accounts described in Section 3, please refer to Schedule - 9-1-3 - Group 2 Accounts.

[6] Ontario Energy Board, Letter RE: *Cost Assessment - Fiscal Year (FY) 2025/2026,* (October 1, 2025).

FINANCIAL INFORMATION

1. ACCOUNTING STANDARDS USED

Hydro Ottawa adopted International Financial Reporting Standards (IFRS) for financial reporting purposes on January 1, 2015.

2. ACCOUNTING TREATMENT FOR UTILITY-OWNED GENERATION

Hydro Ottawa confirms that the accounting for utility-owned generation, other than behind-the-meter generation, has been segregated from its rate-regulated activities.

3. ACCOUNTING TREATMENT OF NON-UTILITY BUSINESS

Hydro Ottawa confirms that the accounting treatment used by the utility segregates the business activities of its non-utility business from its rate-regulated business.

4. CHANGES TO ACCOUNTING POLICIES USED IN PREVIOUS APPLICATIONS

Hydro Ottawa adopted the following, which were accepted as part of the 2026-2030 Approved Settlement Agreement:[1]

- International Accounting Standards (IAS) 1 – Presentation of Financial Statements related to the Disclosure of Accounting Policies.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

RATE BASE OVERVIEW

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's distribution rate base. In accordance with the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025, this Schedule provides 2027 rate base information, which consists of approved net fixed assets along with the proposed Working Capital Allowance (WCA). Net fixed assets are gross assets in service minus accumulated amortization and contributed capital, all of which are calculated on an average basis.

2. SUMMARY OF RATE BASE

The Parties to the Approved Settlement Agreement[1] agreed upon Hydro Ottawa's opening rate base as proposed. For 2026-2030, the capital assets, capital additions and depreciation/amortization were set for the five-year period.[2] Refer to Schedule 2-4-1 - Capital Expenditure Summary for more details on the approved capital expenditure plan for the 2026-2030 period.

Rate base is updated annually due to the annual change to the WCA[3] amount. Hydro Ottawa calculates the WCA using the OEB-approved rate of 7.5%, applied to the revenue load forecast and commodity expenses (Appendix 2-ZA and Appendix 2-ZB) set for 2026-2030 per the Approved Settlement Agreement and updated for the annually adjusted

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), page 23
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026)
[3] Ibid

Operating, Maintenance, and Administration expenses. Details regarding WCA can be found in Schedule 2-3-1 - Working Capital Requirement.

Table 1 below provides a summary of Hydro Ottawa's approved and proposed rate base for 2026 and 2027 respectively.

Table 1 – Summary of 2026 Approved and 2027 Proposed Rate Base ($'000s)

	2026 Approved	2027 Proposed
Opening Gross Assets	$ 1,915,749	$ 2,095,774
Closing Gross Assets	$ 2,095,774	$ 2,355,890
Average Gross Assets	**$ 2,005,761**	**$ 2,225,832**
Opening Accumulated Depreciation	$ (543,838)	$ (607,160)
Closing Accumulated Depreciation	$ (607,160)	$ (675,910)
Average Accumulated Depreciation	**$ (575,499)**	**$ (641,535)**
Opening Net Book Value	$ 1,371,911	$ 1,488,614
Closing Net Book Value	$ 1,488,614	$ 1,679,980
Average Net Fixed Assets	**$ 1,430,263**	**$ 1,584,297**
Working Capital Allowance	$ 84,207	$ 86,610
RATE BASE	**$ 1,514,470**	**$ 1,670,907**

ASSETS – PROPERTY PLANT AND EQUIPMENT AND ACCUMULATED DEPRECIATION

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's Approved Gross/Net Assets and Accumulated Depreciation for its 2026-2030 Custom Incentive Rate-setting (Custom IR) period as required under section 2.2.1 of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025. Net fixed assets (gross assets in service minus accumulated depreciation/amortization and contributed capital) is used in the determination of rate base. For the calculation of rate base, please see Schedule 2-1-1- Rate Base Overview.

2. 2026-2030 NET ASSETS AND ACCUMULATED DEPRECIATION

As per the 2026-2030 Approved Settlement Agreement,[1] Hydro Ottawa's Net Assets are fixed for the five year rate term. The Parties to the Settlement Agreement agreed to a reduction in Hydro Ottawa's proposed capital additions of approximately $206M over the 2026-2030 rate term, from approximately $1.269B to $1.063B.[2]

Table 1 below provides Hydro Ottawa's Approved Net Assets balance for the Test Years 2026-2030.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Ibid, Table 9.

Table 1 – 2026-2030 Approved Closing Net Assets Breakdown ($'000s)[3]

Net Assets	2026	2027	2028	2029	2030
Total PP&E, gross	**$ 2,107,977**	**$ 2,368,094**	**$ 2,610,220**	**$ 2,788,027**	**$ 2,957,963**
Less Other Non Rate-Regulated Utility Assets	$ (12,204)	$ (12,204)	$ (12,204)	$ (12,204)	$ (12,204)
Total PP&E, gross for Rate Base Purposes	**$ 2,095,773**	**$ 2,355,890**	**$ 2,598,016**	**$ 2,775,823**	**$ 2,945,759**
Accumulated Depreciation	$ (607,160)	$ (675,910)	$ (749,803)	$ (827,643)	$ (909,505)
TOTAL PP&E, NET BOOK VALUE FOR RATE BASE PURPOSES	**$ 1,488,613**	**$ 1,679,980**	**$ 1,848,213**	**$ 1,948,180**	**$ 2,036,254**

For details regarding regulatory accounts that will track any revenue requirement associated with certain variances, please see Schedule 1-2-1 - Rate Setting Framework and Schedule 9-1-3 - Group 2 Accounts.

[3] Totals may not add due to rounding.

WORKING CAPITAL REQUIREMENT

1. INTRODUCTION

This Schedule provides a summary of the components of the Working Capital Requirement agreed to in Hydro Ottawa's 2026-2030 Approved Settlement Agreement.[1]

Table 1 presents the 2026 approved and 2027 proposed working capital allowance (WCA).

Table 1 – 2026 Approved and 2027 Proposed Working Capital Allowance ($'000s)[2]

	2026 Approved	2027 Proposed
Power Supply Expenses	$993,762	$1,021,282
OM&A Expenses	$129,000	$133,515
Total Expenses for Working Capital	**$1,122,762**	**$1,154,797**
Working Capital %	7.50%	7.50%
TOTAL WCA	**$84,207**	**$86,610**

2. WORKING CAPITAL PERCENTAGE

The Parties to the 2026-2030 Settlement Approved Agreement agreed that Hydro Ottawa would incorporate the OEB's default WCA percentage of 7.5% for the WCA included in the rate base calculation.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Totals may not sum due to rounding.

3. OPERATIONS, MAINTENANCE AND ADMINISTRATION

As part of the Agreement, Operations, Maintenance & Administration (OM&A) expenses incorporated into the WCA will be annually adjusted on the same basis as OM&A itself. Specifically by the Custom Revenue OM&A Factor.

For more details on the OM&A expenses summarized in Table 1, please see Schedule 4-1-1 - Operations, Maintenance and Administration Summary.

4. POWER SUPPLY EXPENSES

The Power Supply Expense was set using the approved revenue load forecast and the commodity expenses as detailed in Appendix 2-ZA and Appendix 2-ZB by year, and set for 2026-2030 period as presented in the Approved Settlement Agreement.

Please see Schedule 3-1-1 - Revenue Load and Customer Forecast for details on the billing determinants underpinning the estimated 2027 Power Supply Expenses.

CAPITAL EXPENDITURE SUMMARY

This Schedule provides a summary of the approved capital expenditures for the 2026-2030 rate period.[1] Expenditures were planned in the following OEB-defined categories: System Access, System Renewal, System Service, and General Plant. Under the 2026-2030 Approved Settlement Agreement, Hydro Ottawa's total capital expenditures for the five-year rate term was set with an agreed-upon reduction in the proposed capital expenditures of approximately $214M over the 2026-2030 rate term, reducing the five-year total from $1.233B to $1.019B.[2]

In addition, refer to Schedule 2-2-1 - Gross Assets - Property Plant and Equipment and Accumulated Depreciation and Schedule 2-1-1 - Rate Base Overview for the approved capital assets used for rate making purposes and for the calculation of rate base, respectively.

Table 1 below provides a summary of the approved capital expenditures for the 2026-2030 by Investment Category.

[1] As agreed to in: Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 refiled January 16, 2026), Table 7

1 **Table 1 – Summary of 2026-2030 Approved Capital Expenditures ($'000s)[3]**

Investment Category	Year					Total
	2026	2027	2028	2029	2030	2026-2030
System Access	$ 38,170	$ 34,083	$ 21,193	$ 29,220	$ 25,466	$ 148,133
System Renewal	$ 70,299	$ 68,691	$ 66,481	$ 71,580	$ 78,531	$ 355,582
System Service	$ 84,539	$ 105,797	$ 68,612	$ 67,521	$ 54,875	$ 381,344
General Plant	$ 25,582	$ 28,772	$ 43,174	$ 27,882	$ 8,531	$ 133,942
Total Settled	**$ 218,590**	**$ 237,344**	**$ 199,460**	**$ 196,203**	**$ 167,403**	**$ 1,019,000**

[3] Totals may not add due to rounding.
[5] The General Plant settled amount includes the removal of the PILS capital contribution in 2026 and 2027.

DEPRECIATION, AMORTIZATION AND DISPOSAL

1. INTRODUCTION

This Schedule provides a summary of the depreciation/amortization and disposal for the 2026-2030 rate period. Capital assets, capital additions and depreciation/amortization were set for the five-year period[1] for rate making purposes.

2. ANNUAL DEPRECIATION AND AMORTIZATION

Table 1 provides the approved depreciation for 2026-2030.

Table 1 – 2026-2030 Approved Depreciation Expense ($'000s)[2]

	2026	2027	2028	2029	2030
Depreciation and Amortization	$ 77,570	$ 86,267	$ 93,704	$ 100,023	$ 106,285
Contributions and Grants	$ (12,082)	$ (13,439)	$ (15,218)	$ (16,651)	$ (17,907)
TOTAL	**$ 65,488**	**$ 72,828**	**$ 78,485**	**$ 83,372**	**$ 88,378**

3. DISPOSITIONS BY ASSET GROUP

Table 2 provides the approved accumulated depreciation disposals for 2026-2030.

Table 2 – 2026-2030 Approved Disposals ($'000s)

Asset Group	2026	2027	2028	2029	2030
Total	$ (2,166)	$ (4,077)	$ (4,593)	$ (5,532)	$ (6,516)

4. DEPRECIATION AND AMORTIZATION RATES

Hydro Ottawa uses the half-year rule for calculating depreciation/amortization in the year

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Totals may not sum due to rounding.

that capital additions are added to the rate base for both actual and budgeted pooled assets, except in the case of discrete material assets, such as a station. In those specific cases, the actual or forecasted in-service month is used to calculate the depreciation/ amortization.

5. ITEMS NOT INCLUDED IN BASE REVENUE REQUIREMENT DEPRECIATION/ AMORTIZATION AND DISPOSALS

As part of the 2026-2030 Approved Settlement Agreement,[3] a Growth-Related Capital Variance account and a Non-Wires Solutions Variance account were established to track certain capital variances and the associated revenue requirement impacts. The Parties also agreed to continue the use of the Loss on Disposal Variance Account to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant.

The Parties agreed to the continued use of the Connection Cost Recovery Agreement (CCRA) Payment Deferral Account to record the revenue requirement difference between what Hydro Ottawa has included in base rates and what is actually paid for in both new and true-up CCRA payments made to Hydro One Networks Inc.

Hydro Ottawa is not requesting clearance of any of the above variance accounts as part of this Application, and confirms that these accounts do not impact Hydro Ottawa's proposed 2027 distribution rates. Details on reporting of these variance accounts can be found in Schedule 9-1-3 - Group 2 Accounts.

[3] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Attachment 5 - Accounting Orders.

REVENUE LOAD AND CUSTOMER FORECAST

1. INTRODUCTION

Hydro Ottawa engaged Itron Inc. to complete a weather-normal sales and energy forecast for the utility for its 2026-2030 Custom Incentive Rate-setting Application.[1] The approved revenue load forecast includes total energy and demand sales by rate class, total number of customers and connections, and billing demand.

2. 2026-2030 REVENUE LOAD FORECAST

Tables 1 and 2 below present the revenue load forecast including the baseline forecast, electrification, large load requests and eDSM assumptions. Table 1 below provides Hydro Ottawa's sales forecast by MWh for 2026-2030.

Table 1 – 2026-2030 Revenue Energy Sales Forecast by Customer Class (MWh)[2]

	2026 Approved	2027 Approved	2028 Approved	2029 Approved	2030 Approved
Residential	2,589,318	2,623,212	2,664,821	2,689,491	2,727,104
General Service < 50 kW	723,247	724,386	728,370	727,992	728,893
General Service 50 to 1,000 kW	2,495,566	2,500,336	2,525,831	2,555,016	2,599,817
General Service 1,000 to 1,499 kW	372,053	363,574	359,057	363,225	369,612
General Service 1,500 to 4,999 kW	734,588	731,154	733,419	737,132	745,007
Large Use	544,196	568,792	620,013	680,679	724,495
Street Lighting	21,962	22,060	22,158	22,257	22,355
Unmetered Scattered Load	14,392	14,472	14,552	14,633	14,713
Sentinel Lighting	41	40	39	38	38
TOTAL MWh SALES	**7,495,363**	**7,548,026**	**7,668,260**	**7,790,463**	**7,932,034**

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Distribution Rate Application*, EB-2024-0115 (April 15, 2025).
[2] This forecast does not include the Dry Core Transformer Charge.

Table 2 below provides Hydro Ottawa's revenue demand forecast by kW for 2026-2030.

Table 2 – 2026-2030 Demand Sales Forecast by Customer Class (kW)[3]

	2026 Approved	2027 Approved	2028 Approved	2029 Approved	2030 Approved
General Service 50 to 1,000 kW	6,286,426	6,293,482	6,345,743	6,399,740	6,486,680
General Service 1,000 to 1,499 kW	788,681	771,965	763,825	770,166	780,465
General Service 1,500 to 4,999 kW	1,636,543	1,626,911	1,628,402	1,630,823	1,641,013
Large Use	963,359	1,032,277	1,170,218	1,350,668	1,472,628
Street Lighting	61,129	61,402	61,676	61,949	62,184
Sentinel Lighting	120	114	108	108	108
Standby Power	44,837	44,475	44,248	43,751	43,353
TOTAL KW DEMAND SALES	**9,781,095**	**9,830,626**	**10,014,220**	**10,257,205**	**10,486,431**

3. CUSTOMER AND CONNECTION FORECAST

Tables 3 and 4 below provide Hydro Ottawa's approved monthly average number of customers and connections for the 2026-2030 period. The customer forecast has been derived based on historical figures up to June 2025, future population growth assumption of 1.2%, and adjustments for customers reclassifying as result of large load electrification.

[3] Totals may not sum due to rounding.

Table 3 – 2026-2030 Monthly Average Number of Customers by Class[4]

	2026 Approved	2027 Approved	2028 Approved	2029 Approved	2030 Approved
Residential	349,394	353,827	358,323	362,887	367,517
General Service < 50 kW	25,939	26,096	26,254	26,415	26,578
General Service 50 to 1,000 kW	3,076	3,076	3,076	3,076	3,076
General Service 1,000 to 1,499 kW	90	91	90	90	91
General Service 1,500 to 4,999 kW	80	79	79	79	79
Large Use	11	12	13	14	14
Standby Power	6	6	6	6	6
TOTAL CUSTOMERS	**378,596**	**383,187**	**387,841**	**392,567**	**397,361**

Table 4 – 2026-2030 Monthly Average Number of Connections by Customer Class[5]

	2026 Approved	2027 Approved	2028 Approved	2029 Approved	2030 Approved
Street Lighting	65,686	66,596	67,505	68,415	69,324
Unmetered Scattered Load	4,247	4,366	4,485	4,604	4,724
Sentinel Lighting	47	46	45	44	43
TOTAL CONNECTIONS	**69,980**	**71,008**	**72,035**	**73,063**	**74,091**

[4] Totals may not sum due to rounding.
[5] Totals may not sum due to rounding.

OPERATIONS, MAINTENANCE AND ADMINISTRATION SUMMARY

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's total operating expenses. Operating expenses include Operations, Maintenance and Administration (OM&A) expenditures. As per the 2026-2030 Approved Settlement Agreement, OM&A will be annually adjusted based on a Custom Revenue OM&A Factor (CROF).

The 2026 amount was set in the Decision and Order EB-2024-0115.[1] The 2027 proposed OM&A uses Hydro Ottawa's CROF of 3.5%, which incorporates the OEB's 2027 inflation rate of 3.0%.

Table 1 below provides Hydro Ottawa's total operating expenses as approved for 2026 and proposed for 2027.

Table 1 – OM&A Expenses ($'000s)

	2026 Approved	2027 Proposed
OM&A excluding Property Tax	$127,842	$132,316
Property Tax	$1,158	$1,199
TOTAL OM&A including Property Tax	**$129,000**	**$133,515**

2. OM&A SUMMARY

Hydro Ottawa's OM&A planned expenses include costs that are incurred to continue providing a safe and reliable electricity distribution system, meeting legislative and regulatory compliance requirements, and satisfying other operational and maintenance needs.

[1] Ontario Energy Board, Decision and Order EB-2024-0115 (May 12, 2026).

The OM&A costs are necessary to enable the utility to address the maintenance needs of the distribution system, prepare the system to accommodate emerging needs resulting from customer growth, evolving customer expectations and the energy transition, and proactively adapt to quickly evolving technological advancements and cyber security needs.

2.1. OM&A BUDGET PROCESS

Hydro Ottawa's approach to the OM&A planning and budgeting for the 2026–2030 period was guided by the utility's comprehensive planning and performance management framework. This framework aligns corporate strategies with operational planning, performance objectives, and a commitment to continuous improvement. The framework ensures that spending aligns with business priorities, achieves performance targets, and supports Hydro Ottawa's core strategic objectives.

Hydro Ottawa employed both top-down and bottom-up methodologies to develop the 2026–2030 OM&A budget. Funding requests were evaluated and prioritized based on their alignment with Hydro Ottawa's core strategic objectives and their impact on ratepayers. Adjustments were made to ensure the final budget reflected these priorities while meeting Hydro Ottawa's operational needs to deliver a safe and reliable distribution system. This approach also ensured compliance with legislative and regulatory obligations, including the conditions specified in the utility's OEB-Approved license. The OM&A budget was subjected to a review of customer rate impacts by Hydro Ottawa's senior management team and Board of Directors.

2.2. *OM&A 2026 BASE YEAR AND 2027 IR TERM*

As per the 2026-2030 Decision and Order, the 2026 approved OM&A envelope was set at $129.0M,[2] which is less than Hydro Ottawa requested and as a result will need to adjust its plans. For the 2027-2030 Years, Hydro Ottawa proposed using a CROF to align with the

[2] Ibid.

principles of incentive regulation, as set out in the Renewed Regulatory Framework (RRF). Setting rates based on a CROF results in the utility bearing the risk associated with any shortfall between revenues collected through rates and regularly incurred costs. This difference was intended to be recovered through productivity initiatives and operational efficiencies.

As part of the 2026-2030 Approved Settlement Agreement, the Parties agreed to an adjusted CROF. The CROF applies to OM&A expenditures only. The CROF equation is explained in Table 2 below, with the inflation factor being updated annually.

Table 2 - Custom Revenue OM&A Factor (CROF) Components

Component	As per Settlement Proposal
Inflation factor "**I**"	• 3.0%[3] • Standard OEB inflation factor methodology; to be updated annually based on OEB parameters. • Updated Annually
Productivity factor "**X**"	• 0.45% • Two components: Productivity factor of 0%; Stretch Factor of 0.45% • Fixed for duration of Custom IR term
Growth factor "**G**"	• 0.95% • Fixed for duration of Custom IR term
Total CROF Value **(I - X + G)**	• 3.0% - 0.45% + 0.95% = 3.5%

2.3. PRODUCTIVITY

Under a Custom Incentive Rate-Setting (Custom IR) approach, the annual rate adjustment must be based on a custom index supported by empirical evidence that can be tested. The annual adjustment must include explicit financial incentives for continuous improvement

[3] Ontario Energy Board, *Letter Re: 2027 Inflation Parameters* (June 11, 2026), page 1.

and cost control targets. As noted in the OEB's Handbook for Utility Rate Applications, "these incentive elements, including a productivity factor, must be incorporated through a custom index or an explicit revenue reduction over the term of the plan (not built into the cost forecast)." [4] The Parties to the 2026-2030 Approved Settlement Agreement agreed that the 2026-2030 Custom IR CROF, as modified through the Settlement Proposal and described in Table 2 above, met this requirement.

For details on performance monitoring and performance and productivity related to other components of the revenue requirement, please see Schedule 1-2-1 - Rate Setting Framework and Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency.

3. PROPERTY TAXES

Property taxes are paid to the City of Ottawa annually based on the value of its buildings and substations and the associated municipal tax rates. Property Taxes are included in the funding envelope for OM&A.

4. Z-FACTOR

Recognizing that Hydro Ottawa cannot accurately predict all potential OM&A funding requirements that may emerge during the 2026-2030 Custom IR term, unforeseen costs may arise. In such cases, Hydro Ottawa may leverage the Z-factor application mechanism to recover costs, provided they meet OEB criteria, exceed the materiality threshold, and are the result of unforeseen events such as extreme weather or regulatory changes requiring significant investment. Please also see Schedule 1-2-1 - Rate Setting Framework and Schedule 9-2-1 - New and Updated Deferral and Variance Accounts.

[4] Ontario Energy Board, Handbook for Utility Rate Applications (October 13, 2016), page 25.

COST OF CAPITAL AND CAPITAL STRUCTURE

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's capital structure and cost of capital parameters incorporated into its 2027 revenue requirement as per the 2026-2030 Hydro Ottawa Limited Decision and Order[1] and 2026-2030 Approved Settlement Agreement.[2]

2. CAPITAL STRUCTURE

Hydro Ottawa's approved capital structure is in accordance with the OEB guidelines provided in the *Decision and Order, Generic Proceeding - Cost of Capital and Other Matters* (EB-2024-0063) issued on March 27, 2025 (2025 OEB Cost of Capital Decision and Order).[3] Hydro Ottawa targets a 60:40 debt to equity capital structure. The 60% debt component is comprised of a targeted split between 56% long-term debt and 4% short-term debt.

3. DEBT RATES

3.1 SHORT-TERM DEBT

Per the 2026-2030 Approved Settlement Agreement, Hydro Ottawa's short-term debt rate will be fixed for the 2026-2030 Custom IR term. The Parties agreed that the short-term debt rate would be set using the OEB's 2026 Cost of Capital Parameters,[4] as published on October 31, 2025, at 2.72%.

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[1] Ontario Energy Board, *Decision and Order, Hydro Ottawa Limited, Application for electricity distribution rates and other charges beginning January 1, 2026*, EB-2024-0115, (May 12, 2026).
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal* , EB-2024-0115 (refiled January 16, 2026), page 28.
[3] Ontario Energy Board, *Decision and Order, Generic Proceeding - Cost of Capital and Other Matters,* EB-2024-0063, (March 27, 2025), page 55.
[4] Ontario Energy Board, *2026 Cost of Capital Parameters*, EB-2025-0303, page 2.

3.2 LONG-TERM DEBT

Per the 2026-2030 Approved Settlement Agreement, Hydro Ottawa's long-term debt rate will be fixed at 3.98% for the 2026-2030 Custom IR term.

4. RETURN ON EQUITY

Per the 2026-2030 Approved Settlement Agreement, Hydro Ottawa's Return on Equity (ROE) will be fixed for the 2026-2030 Custom IR term. The Parties agreed that the ROE would be set using the OEB's 2026 Cost of Capital Parameters,[5] as published October 31, 2025, at 9.11%.

[5] Ibid.

Cost of Capital and Capital Structure

REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

1. INTRODUCTION

This Schedule provides a summary of the revenue requirement requested by Hydro Ottawa for 2027 as well as the calculation of revenue deficiency/sufficiency in alignment with the 2026-2030 Approved Settlement Agreement[1].

1.1. REVENUE REQUIREMENT

Service Revenue Requirement (SRR) consists of operating, maintenance and administrative expenses (OM&A), depreciation/amortization, cost of capital, and payments in lieu of taxes (PILS). Hydro Ottawa's agreed SRR is reduced by a capital stretch factor. Base Revenue Requirement (BRR) is SRR offset by revenues obtained by sources other than distribution rates (i.e. other revenue). BRR is used to calculate Hydro Ottawa's proposed distribution rates.

As part of the 2026-2030 Approved Settlement Agreement, the Parties agreed to specific annual adjustments over the Custom Incentive Rate-setting (Custom IR) term. Refer to Schedule 1-4-1 - Application Summary for the approved annual adjustments. Table 1 below summarizes Hydro Ottawa's proposed 2027 revenue requirements.

[1] Hydro Ottawa Limited, 2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement, EB-2024-0115 (January 16, 2026).

Table 1 – Revenue Requirement for 2026-2027 ($'000s)[2]

	2026 Approved	2027 Proposed	Cost Drivers	2027 Rate Application Exhibit
OM&A Expenses (excluding property Tax)	$ 127,842	$ 132,316	Annually escalated by I - X + G	Exhibit 4 - Operating Expenses
Property Taxes	$ 1,158	$ 1,199	Annually escalated by I - X + G	Exhibit 4 - Operating Expenses
Amortization/Depreciation	$ 65,488	$ 72,828	Set for 2026-2030	Exhibit 2 - Rate Base and Capital
Income Taxes (Grossed up)	$ 7,663	$ 5,633	Set for 2026-2030	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus
Deemed Interest Expense	$ 35,402	$ 39,059	Updated for change in rate base	Exhibit 5 - Cost of Capital and Capital Structure
Return on Deemed Equity	$ 55,187	$ 60,888	Updated for change in rate base	Exhibit 5 - Cost of Capital and Capital Structure
Capital Stretch Factor	-	$ (1,204)	Updated for change in rate base	Exhibit 1 - Application Overview and Administration
Service Revenue Requirement	**$ 292,741**	**$ 310,718**		
Revenue Offsets	$ (5,894)	$ (6,044)	Annually escalated by I - X + G	Exhibit 6 - Revenue Requirement and Revenue Deficiency or Surplus
Base Revenue Requirement	**$ 286,847**	**$ 304,674**		

Within the 2026-2030 Approved Settlement Agreement, Hydro Ottawa's cost of capital and capital amounts are illustrative for the 2026-2030 term. For more details, refer to Schedule 5-1-1 - Cost of Capital and Capital Structure. The adjustment to OM&A and updated cost of power expenses impact the 2027 working capital allowance, which alters total rate base for 2027. This, in turn, updates both the cost of capital and the capital stretch factor values.

In accordance with the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025 (Filing Requirements), Hydro Ottawa has appended the 2027 revenue requirement detail calculation, the Revenue Requirement Workform (RRWF), to this Schedule as Attachment 6-1-1(A) - OEB Workform - 2027 Revenue Requirement Workform.

[2] Totals may not sum due to rounding.

2. CALCULATION OF DEFICIENCY OR SUFFICIENCY

The calculation of the revenue deficiency/sufficiency does not include the recovery of deferral and variance accounts, as outlined in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts, or Low Voltage Charges as outlined in Schedule 8-2-1 - Retail Transmission and Low Voltage Service Rates. As directed in the Filling Requirements, costs and revenues related to the cost of power are kept separate from the determination of the distribution revenue deficiency/sufficiency.[3]

2.1. REVENUE DEFICIENCY/SUFFICIENCY

Revenue deficiency/sufficiency is the difference between the proposed base revenue requirement and the approved billing determinants using current rates. It is calculated using the following inputs:

- 2026 Approved rates;
- 2027 Approved revenue load and customers/connections forecast;
- 2027 Proposed revenue requirement.

This calculation results in year-over-year requirement deficiency. Table 2 below outlines the revenue deficiency for 2026-2027. Further details on the 2027 revenue load and customer forecasts and cost allocation can be found in Schedule 3-1-1 - Revenue Load and Customer Forecast and Schedule 7-1-1 - Cost Allocation respectively.

[3] Ontario Energy Board, *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications*, (December 16, 2025), Page 41.

1 **Table 2 – Revenue Deficiency/Sufficiency for 2026-2027 ($'000s)[4]**

	2026 Approved	2027 Proposed
Return on Rate Base	$ 90,590	$ 99,947
Distribution Expenses (not including amortization)	$ 129,000	$ 133,515
Depreciation, amortization	$ 65,488	$ 72,828
Payment in Lieu of Taxes	$ 7,663	$ 5,633
Capital Stretch Factor	$ -	$ (1,204)
Service Revenue Requirement Net of Capital Stretch Factor	**$ 292,741**	**$ 310,718**
Less Revenue Offsets	$ 5,894	$ 6,044
Revenue Requirement from Rates	**$ 286,847**	**$ 304,674**
Forecasted Load at Prior Year Rates	$ 251,041	$ 289,598
Yearly Revenue Deficiency	**$ (35,806)**	**$ (15,076)**

[4] Totals may not sum due to rounding.

Attachment 6-1-1(A) - OEB Workform - 2027 Revenue Requirement Workform

(Refer to the attachment in Excel format)

PAYMENT IN LIEU OF TAXES

1. INTRODUCTION

Hydro Ottawa is required to make Payments in Lieu of Taxes (PILS) based on its taxable income. The amount of PILS included in the revenue requirement for the 2027 Year is summarized in Table 1. The calculation of the 2027 PILS amount can be found in the 2026 - 2030 PILS Workform submitted as part of the Draft Rate Order stage of EB-2024-0115 and appended to this schedule as Attachment 6-2-1(A) - HOL_Attachment 7_2026-2030 Income Tax PILS Workfrom DRO_20260521.

Table 1 - Approved Grossed Up PILS for 2027 Year ($'000s)

Test Year	Income Taxes/PILS Grossed Up
2027	$ 5,633

As per the Approved Settlement Agreement,[1] PILS were settled as being fixed for all 5 years with no annual adjustments. Please see Schedule 9-1-4 - Account 1592 PILS and Tax variance for further discussion on Bill C-15 regarding Immediate Expensing and Reaccelerated Investment Incentive (RII) Program (or Reaccelerated CCA).

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026)

Attachment 6-2-1(A) - OEB Workform - HOL Attachment 7 - 2026-2030

Income Tax PILS Workform DRO

(Refer to the attachment in Excel format)

OTHER REVENUE SUMMARY

1. INTRODUCTION

This Schedule provides a summary of the proposed Other Revenue as agreed to in the Approved Settlement Agreement.[1]

Other Revenue, also referred to as Revenue Offsets, relates to all utility revenues other than distribution and cost of power revenues. Hydro Ottawa has classified these into categories, each of which is described in more detail within the following Schedules:

Schedule 6-3-2 - Specific Service Charge Revenue: Specific Service Charges are applied for service requests or activities which primarily benefit or are attributed to the requesting customer or are necessitated by customer inaction.

Schedule 6-3-3 - Late Payment Charge Revenue: Revenue generated from the OEB-approved monthly interest rate applied to outstanding account balances.

Schedule 6-3-4 - Other Operating Revenue: Revenue associated from the provision of Standard Supply, Retailer, and Generator services, as well as rent from electric property.

Schedule 6-3-5 - Other Income and Deductions: Revenue through the provision of services to customers and third parties, property rental income from leased plant, gains (or losses) on the disposal or retirement of utility property, the provision of services to Hydro Ottawa's affiliates, and earning interest income on short-term investments.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

2. OTHER REVENUE SUMMARY

Table 1 below outlines the approved 2026[2] and proposed 2027 Other Revenue, including annual updates using an I - X formula, where I is the OEB approved inflation rate and X is Hydro Ottawa's stretch factor. For the year 2027 the escalation rate is 2.55% (3.0% - 0.45%). Please see Schedule - 1-2-1 Rate Setting Framework for more details on the 2026-2030 Custom framework.

Table 1 – Other Revenue Summary 2026 & 2027 ($'000s)[3]

Other Revenue	2026 Approved	2027 Proposed
Specific Service Charges (4235)	$ 1,008	
Late Payment Charges (4225)	$ 1,751	
Other Operating Revenue (4082, 4084, 4086, 4090, 4210)	$ 6,658	
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4380, 4405)	$ (3,524)	
TOTAL OTHER REVENUE	**$ 5,894**	**$ 6,044**

For the calculation of 2027 revenue required from distribution rates and revenue deficiency, please see Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency.

Please see Schedule 8-3-2 - Standard Supply Service Charge, Schedule 8-4-1 - Specific Service Charges, Schedule 8-4-2 - Generation Charges and Schedule 8-4-3 Retail Service Charges for a presentment of the rates and charges incorporated into other revenue.

[2] Hydro Ottawa Limited, *2026-2030 Decision and Rate Order* EB-2024-0115 (June 4, 2026).
[3] Totals may not sum due to rounding.

SPECIFIC SERVICE CHARGE REVENUE

1. INTRODUCTION

Specific Service Charges (SSCs) cover the costs for service requests or activities that primarily benefit the requesting customer, are directly attributable to them, or are required due to their inaction. SSCs apply to services that are over and above Hydro Ottawa's standard level of service offerings. Examples include setting up an account for a new customer or special billing service requests.

2. PROPOSED SPECIFIC SERVICE CHARGE REVENUE IMPACT

Hydro Ottawa's SSC revenue charges for 2027 are discussed in more detail below. As per Hydro Ottawa's 2026-2030 Approved Settlement Agreement,[1] Other Revenue, which includes SSCs, is updated annually by using an I - X formula. The revenue from these charges is included in Other Revenue and offset the total revenue requirement.

Please see Schedule 6-3-1 - Other Revenue Summary, and Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency for more details regarding revenue requirement and revenue offsets. The approved SSC rates can be found in Schedule 8-4-1 - Specific Service Charges.

3. SPECIFIC SERVICE CHARGES

3.1. *EASEMENT CERTIFICATE FOR UNREGISTERED EASEMENTS*

The Easement Certificate for Unregistered Easements service involves researching and presenting findings to the customer. An Easement Certificate provides confirmation of any property easements Hydro Ottawa may have on a property.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

3.2. *DUPLICATE INVOICES FOR PREVIOUS BILLING*

When customers request duplicate invoices, Hydro Ottawa provides them by email to eliminate printing and postage costs. To avoid this fee, customers can use *MyAccount,* the utility's online customer portal, where they can access, download, and view historical billing statements at no cost.

3.3. *SPECIAL BILLING SERVICE*

The Special Billing Service charge was introduced as part of Hydro Ottawa's 2016-2020 rate application.[2] This special billing service requires Hydro Ottawa staff to gather, organize, and present months or even years of past billing records to customers or their representatives. This labour intensive process necessitates a fee that reflects the effort and current labour costs.

3.4. *CREDIT REFERENCE / CREDIT CHECK*

This service charge is designed to recover the internal labor costs associated with completing reference checks. The fee accounts for the administrative staff time required to verify customer payment history, contact external credit agencies or third-party references.

3.5. *UNPROCESSED PAYMENT CHARGE*

This service charge recovers the internal costs associated with processing unprocessable payments, such as non-sufficient funds (NSF). These expenses include banking fees as well as the internal labor required to administer each occurrence. To optimize operational efficiency, a portion of this process has been transitioned to our external contact center. This transition led to cost saving for customers. For 2026 to 2030, Hydro Ottawa is maintaining the rate to ensure predictability and stability for customers.

[2] Hydro Ottawa Limited, *2016-2020 Custom Incentive Rate-setting Distribution Rate Application*, EB-2015-0004 (April 29, 2015).

3.6. *ACCOUNT SET UP/CHANGE OF OCCUPANCY CHARGE*

A portion of customer moves (new service start, and service transfers) are automated from an online intake form through to customer confirmation emails. The remaining moves are primarily handled by the contact centre to optimize operational efficiency. This strategy allowed Hydro Ottawa to reduce costs associated with handling high-volume, routine tasks. By outsourcing certain routine tasks, Hydro Ottawa has leveraged its internal team's expertise to address more complex customer needs and provide higher-value support. These operational improvements have generated cost savings, resulting in approval for a reduced rate in 2026 through to 2030.

3.7. *INTERVAL METER - FIELD READING*

While some commercial customers choose to utilize their own communication infrastructure, Hydro Ottawa provides dedicated, utility-owned communication equipment specifically for these commercial services. Deploying utility-owned hardware has proven highly effective in mitigating technical friction and significantly reducing communication disruptions. To support the maintenance and reliability of this infrastructure, a specialized service charge applies.

3.8. *HIGH BILL INVESTIGATION - IF BILLING IS CORRECT*

The high bill investigation service is a comprehensive process that involves dispatching a specialized field agent on-site to test and verify physical meter infrastructure, alongside internal staff who facilitate the intake request and compile the final investigation results.

3.9. *RECONNECT AT METER - REGULAR HOURS AND AFTER REGULAR HOURS*

This service charge applies to service reconnections completed at the meter. Hydro Ottawa continues to roll out remote meter reconnection technology. This technology is particularly valuable in areas with limited accessibility and high customer turnover. It also offers customers greater convenience and faster service restoration. As a result of remote meter cost efficiencies, Hydro Ottawa was able to reduce the Reconnect at the meter costs over the 2026-2030 period.

3.10. *RECONNECT AT POLE - REGULAR HOURS AND AFTER REGULAR HOURS*

This service charge applies to service reconnections completed at the distribution pole by a qualified linesperson. Reconnection at the pole incurs higher operational costs than a standard reconnection at the meter due to the complexity and safety requirements inherent to working on overhead distribution infrastructure. To meet utility safety standards and regulatory compliance, these procedures require the dispatch of a two-person crew.

3.11. *TEMPORARY SERVICES INSTALL & REMOVE*

The temporary service charges cover the connection, metering, installation, and removal of required assets to supply electricity on a planned temporary basis, as outlined in Hydro Ottawa's Conditions of Service.

Hydro Ottawa charges separate rates for the below Temporary Service - Install and Remove (TS-I&R) activities:

- TS-I&R overhead with no transformer
- TS-I&R underground with no transformer
- TS-I&R overhead with transformer

3.12. *DRYCORE TRANSFORMER CHARGE*

Dry Core transformer charges are applied to recover energy lost in the operation of dry core transformers. A specific charge is calculated for each transformer size and specifically charged where the dry core transformer is situated downstream of the primary transformer and where the revenue meter is on the customer's side of the dry core transformer.

3.13. *ENERGY RESOURCE FACILITY ADMINISTRATION CHARGE*

Energy Resource Facility Administration Charges are applied to recover costs associated with generator ownership changes. These changes are far more complex than typical consumer account changes, requiring detailed reviews by both legal and engineering departments to ensure proper handling of contracts and technical specifications. This increased workload necessitates a dedicated charge to fairly recover costs.

The charge applies solely to complex FIT contract assignments that require legal expertise. Simpler transactions, like those typical of MicroFIT projects, involve straightforward name changes and would not incur this charge.

LATE PAYMENT CHARGE REVENUE

An OEB-approved monthly interest rate of 1.5% (representing an effective annual rate of 19.56% per annum, or 0.04896% compounded daily rate) is applied to outstanding account balances that exceed 20 calendar days from the date on which the bill was issued to the customer.

Pursuant to the Approved Settlement Agreement,[1] Other Revenue, including Late Payment Charge (LPC) Revenue, is adjusted using the *I - X* formula for the 2027 rate year. Applying the OEB's updated inflationary parameter *(I)* of 3.0%[2] results in an escalation factor of 2.55%.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Ontario Energy Board, *2027 Inflation Parameters* (June 11, 2026).

OTHER OPERATING REVENUE

1. INTRODUCTION

Other Operating Revenues include revenue associated from the provision of Standard Supply, Retailer and Generator services, as well as rent from electric property. As per the 2026-2030 Approved Settlement Agreement,[1] Other Revenue values will be escalated by the I-X formula for the 2027-2030 period, where I is the annual inflation rate provided by the OEB and X is Hydro Ottawa's stretch factor. For the year 2027 the escalation rate is 2.55%. Hydro Ottawa has incorporated the agreed upon 2027 revenue into its proposed base revenue requirement.

2. STANDARD SUPPLY SERVICE ADMINISTRATION CHARGE

The Standard Supply Service Administration Charge (SSS Charge) is an administrative charge that allows Hydro Ottawa to recover its costs of providing standard supply service to all customers who are not enrolled with a Retailer. The SSS Charge was introduced on May 11, 2005 as part of the 2006 Electricity Distribution Rate Handbook.[2] Detailed information of the standard supply service charge is outlined in Schedule 8-3-2 - Standard Supply Service Charge.

The monthly SSS Charge of $0.25 per customer per month has not been adjusted to reflect actual costs or inflation since its implementation 21 years ago.

3. RETAILER SERVICES

Retailer Service Charges (RSCs) recover the costs of services that Hydro Ottawa provides to electricity retailers or their customers in relation to the competitive supply of energy. The revenue generated from the RSCs has declined due to a reduction in the number of

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

[2] Ontario Energy Board, *2006 Electricity Distribution Rate Handbook* (May 11, 2005), page 126.

customers enrolled with a Retailer. Notwithstanding the decrease in retailer-enrolled customers, Hydro Ottawa's expenses related to these services have remained constant.

As agreed to as part of the 2026-2030 Approved Settlement Agreement, Hydro Ottawa will continue to apply the OEB generic rates for RSCs for the five-year Custom Incentive Rate-setting (Custom IR) term. Please see Schedule 8-4-3 - Retail Service Charges for more information on the 2027 RSCs.

4. GENERATOR SERVICES

Monthly fixed charges for generation customers, other than the microFIT charge, were introduced in Hydro Ottawa's 2016-2020 Custom IR Application[3] to reflect the cost of managing these accounts. At that time, the microFIT charge was requested to be a utility-specific charge in order to reflect the cost of managing related accounts. The Parties agreed to the continuation of the utility-specific generation charges for the 2026-2030 Custom IR term.

Please see Schedule 8-4-1 - Specific Service Charges for more information related to these charges.

5. RENT FROM ELECTRIC PROPERTY

To support utility efficiency and the efficient use of Hydro Ottawa assets, Hydro Ottawa engages with other utilities to jointly operate assets where possible. However, in order to support multiple utility use, Hydro Ottawa incurs expenses. These costs are recorded in Hydro Ottawa's OM&A.

[3] Hydro Ottawa Limited, *2016-2020 Custom Incentive Rate-Setting Distribution Rate Application*, EB-2015-0004 (April 29, 2015).

The types of revenue under Rent from Electric Property includes pole attachments, duct rental and property rental. Table 2 below summarizes the revenues by type for 2026 and 2027.

5.1. SPECIFIC ACCESS TO POWER POLES - WIRELINE POLE ATTACHMENTS

Hydro Ottawa generates joint use revenue from third parties who place attachments on the utility's poles. Hydro Ottawa will continue to use the provincially approved rate annually. The generic provincial rate is adjusted on January 1st each year, based upon the OEB-approved inflation factor. Please refer to Schedule 8-4-1 - Specific Service Charges for complete details.

5.2. SPECIFIC ACCESS TO POWER POLES - WIRELESS POLE ATTACHMENTS

Hydro Ottawa has existing wireless pole attachment agreements with third parties and will continue to use the rates negotiated with these third parties.

5.3. DUCT RENTAL AGREEMENTS

Hydro Ottawa rents out its underground civil capacity to third parties, on a temporary basis, through access agreements.

5.4. PROPERTY RENTAL INCOME

Property rental relates primarily to rental fees paid by Hydro One for land and buildings owned by Hydro Ottawa. Hydro Ottawa and Hydro One have joint facilities for transformer stations in several locations throughout the City of Ottawa.

OTHER INCOME & DEDUCTIONS

1. INTRODUCTION

This Schedule provides an overview of the revenue Hydro Ottawa earns through Other Income and Deductions. Hydro Ottawa earns revenue through the provision of services to customers and third parties, property rental income from leased plant, gains (or losses) on the disposal or retirement of utility property, the provision of services to Hydro Ottawa's affiliates, and earning interest income on short-term investments. These activities are classified under the Other Income and Deductions category as follows:

- Services to Third Parties, net of costs;
- Gains and Losses on Disposal of Utility Property;
- Shared Services to Hydro Ottawa Affiliates, net of costs; and
- Interest and Dividend Income.

As part of its 2026-2030 Approved Settlement Agreement,[1] Other Revenue values are escalated annually by the I-X formula for the 2027-2030 period, where I is the annual inflation rate provided by the OEB and X is Hydro Ottawa's stretch factor. For the year 2027 the escalation rate is 2.55%.

2. SERVICES TO THIRD PARTIES

These revenues, net of expenses, relate to services provided to customers or third parties beyond the standard temporary services included in Specific Service Charges, as detailed in Schedule 6-3-2 - Specific Service Charge Revenue. Services to Third Parties may include isolating and re-energizing services, mutual aid services, transformer vault shutdown access services, inspection services, and generator services. Services to the City of Ottawa and to affiliates for the aforementioned services are included in Uniform System of

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 16, 2026).

Accounts (USofA) 4325 Revenues from Merchandise and USofA 4330 Costs and Expenses of Merchandising.

As agreed-upon in the Approved Settlement Agreement, Hydro Ottawa no longer charges Residential customers for Electrical Isolations/Re-energizations for electrical work.

For the 2026-2030 period, Hydro Ottawa forecasted customer incentive costs within Other Revenue for its Non-Wires Customer Solutions Program. This investment targets local programs expected to be in collaboration with IESO, where viable, to address system needs, initially in the area of Kanata North, Core 13 KV and West 13 KV planning regions.

3. GAINS AND LOSSES ON DISPOSAL OF UTILITY PROPERTY

Hydro Ottawa periodically disposes of assets that are no longer necessary or re-usable in serving the public (e.g. end-of-life assets, asset failure, damaged beyond repair, relocation requests from third parties, surplus inventory, obsolescence, scrap sales etc.). Disposals for assets damaged beyond repair due to storms and other adverse weather events are also captured here. Where the proceeds vary from the net book value of an asset, Hydro Ottawa treats the variances as a debit or credit to income.

As per Hydro Ottawa’s 2026-2030 Approved Settlement Agreement, the Parties agreed to continue the use of a variance account. For more details related to USofA 1508 Other Regulatory Assets - Sub-Account - Gains and Loss on Disposal of Fixed Assets Variance Account. Please refer to Schedule 9-1-3 - Group 2 Accounts for further details on Account 1508.

4. SHARED SERVICES TO HYDRO OTTAWA AFFILIATES AND ASSOCIATED COST

Hydro Ottawa provides shared services to its affiliates under the terms of Service Level Agreements (SLA), which are updated annually based on transfer prices determined according to the Affiliate Relationship Code for Electricity Transmitters and Distributors (ARC) requirements.

Hydro Ottawa provides Human Resources, Safety, Environment, Business Continuity, Facilities, Information Technology, Finance, Regulatory, Legal, Customer Service, Communications, Engineering, Meter data reporting, and Mechanic Services to its affiliates.

Consistent with section 2.4.3.2 of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025, both revenue and costs are recorded in other revenue under USofA 4325 Revenues from Merchandise and USofA 4330 Costs and Expenses of Merchandising.

5. INTEREST AND DIVIDEND INCOME

Interest income refers to interest earned on cash balances within the year.

COST ALLOCATION

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's allocation of costs to its customer rate classes. This Schedule includes information on cost allocation study requirements, class revenue requirements, and revenue-to-cost ratios.

2. COST ALLOCATION MODEL

Hydro Ottawa submitted five OEB Cost Allocation Models in the 2026-2030 Custom Incentive Rate-setting (Custom IR) Application.[1] Each model uses the relevant approved revenue load forecast to more accurately allocate costs, accounting for forecasted load increases and changing demand profiles.

As part of the 2026-2030 Approved Settlement Agreement,[2] the Parties agreed to specific annual adjustments over the Custom IR term. To determine 2027's revenue requirement, the 2026 Operating, Maintenance and Administrative (OM&A) amount was adjusted using the Custom Revenue OM&A Factor (CROF), while the 2026 Other Revenue amount was adjusted via the I-X formula. Please see Schedule 4-1-1 - Operations, Maintenance and Administration and Schedule 6-3-1 - Other Revenue Summary n, for more details.

The 2027 Cost Allocation Model (2027 Model), submitted as Attachment 7-1-1(A) - OEB Workform - 2027 Cost Allocation Model, incorporates these adjustments by applying the

[1] Hydro Ottawa used the 2026 version of the OEB Cost Allocation Model, released on February 5, 2025
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

respective CROF (to OM&A amounts) or I-X factors (to Other Revenue amounts) to the Uniform System of Accounts (USofA) Account values from the 2026 cost allocation model (I3 TB data tab).

The 2027 Model has been updated with the 2027 proposed revenue requirement[3] and balances to the 2027 Revenue Requirement Workform (RRWF), included in this Application as Attachment 6-1-1(A) to Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency. The resulting cost allocation is the basis for determining distribution rates for 2027.

The 2027 Model is consistent with the OEB's policies outlined in *Report of the Board: Review of Electricity Distribution Cost Allocation Policy* (EB-2010-0219),[4] *Report of the Board: Review of the Board's Cost Allocation Policy for Unmetered Loads* (EB-2012-0383),[5] and the OEB's letter - *New Cost Allocation Policy for Street Lighting* (EB-2012-0383).[6]

The revenue load and customer forecast used in the 2027 Model is detailed in Schedule 3-1-1 - Revenue Load and Customer Forecast.

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[3] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Page 31 and related interrogatory response 7-VECC-59.
[4] Ontario Energy Board, *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*, EB-2010-0219 (March 31, 2011).
[5] Ontario Energy Board. *Report of the Board: Review of the Board's Cost Allocation Policy for Unmetered Loads,* EB-2012-0383 (December 19, 2023).
[6] Ontario Energy Board, *Letter re: Issuance of New Cost Allocation Policy for Street Lighting Rate Class*, EB-2012-0383 (June 12, 2015).

3. CHANGES TO THE 2027 MODEL

In accordance with the 2026–2030 Approved Settlement Agreement,[7] the 2027 Model incorporates specific modifications to the standard cost allocation framework. Except where explicitly noted in this section, Hydro Ottawa has utilized the OEB's default allocators throughout the model.

3.1. MISCELLANEOUS REVENUES

The 2027 Model includes allocator modifications agreed to by the Parties in the 2026-2030 Approved Settlement Agreement, on Tab 'E2 Allocators.' The customer allocator "Total Number of Customers Excluding Standby - CCA ESB" and the composite allocator "5005-6225 Excluding Standby - OM&A ESB" have been created. Both mirrored the two preceding allocators on the E2 Allocator Tab, with the sole exception being the removal of Standby customer counts from the calculation.

On Tab 'I3 TB Data', these approved allocators were applied to USofA Other Revenue and expense accounts ranging from USofA 4080 - Distribution Services Revenue to USofA 4415 - Equity in Earnings of Subsidiary Companies.

Additionally, as approved, the allocator for USofA 4210 - Rent From Electric Property has been changed from the default allocator "Pole" to the new allocator "5005-6225 Excluding Standby - OM&A ESB."

[7] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Page 31.

3.2. COSTS AND EXPENSES NON-WIRES SOLUTIONS

USofA 4330 - Costs and Expenses of Merchandising records all expenses incurred in relation to the sale of merchandise, whereas the expense related to Non-Wires Solutions (NWS) is more directly related to establishment of Station support for those solutions. In alignment with the Approved Settlement Agreement, USofA 4330_1 has been used on Tab 'I3 TB Data' to allocate the $2.0M that was part of USofA 4330 and that relates to support for NWS. It is assigned a new allocator on Tab E2 Allocators, labelled "DEMAND 1808 Excluding Standby -1808 D ESB". The new allocator mirrors the allocator (1808 D) used to assign Station costs to customer classes, with the exception that Standby classes have been removed from the calculation.

3.4. TAB I3 TB DATA - RATE BASE FLAG

For 2027-2030, Hydro Ottawa is subject to a Capital Stretch Factor (CSF) as part of its revenue requirement calculation. Further information on the CSF is detailed in Schedule 1-2-1 - Rate Setting Framework. The 2027 CSF is included in USofA 6225 on Tab 'I3 TB Data' of the 2027 Model. The 2027 Model includes the CSF grouped as an OM&A cost. As a result, the calculation of rate base on Tab I3 of the 2027 Model will not match the input value from Tab 4 - of the RRWF and triggers a "Rate Base does not match" validation flag in cell H16. This difference does not impact the results of the cost allocation model as the rate base flag is solely a model validation flag. The total revenue requirement in the 2027 Model aligns with what is proposed by way of this application.

4. COST ALLOCATION FACTORS

In accordance with Hydro Ottawa 2026-2030 the Approved Settlement Agreement,[8] Hydro Ottawa has used the OEB's default allocators in the Model, unless otherwise noted in this section.

4.1. I5.2 WEIGHTING FACTORS

4.1.1. Billing and Collection

The cost of billing and collection is allocated to customer classes on the basis of weighted number of total customers. Weighting factors have been approved as part of the 2026-2030 Approved Settlement Agreement. The settled weighting factors are provided in Table 1 below.

[8] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Page 31

Table 1 – Billing and Collecting Weighting Factors 2026-2030

Class	Approved				
	2026	2027	2028	2029	2030
Residential	1.00000	1.00000	1.00000	1.00000	1.00000
GS<50 kW	1.18146	1.17606	1.17639	1.17546	1.17385
GS 50 to 1,499 kW	8.82451	8.83829	8.92395	9.08071	9.18476
GS 1,500 to 4,999 kW	8.75428	8.77398	8.85866	9.01565	9.12016
Large Use	8.71481	8.73650	8.82214	8.97987	9.08522
Street Light	8.85640	8.87382	8.96015	9.11807	9.22312
Sentinel	0.73930	0.75092	0.74917	0.74907	0.74991
Unmetered	1.51376	1.50655	1.51673	1.52239	1.52605
Standby Power - All	2.83837	2.78879	2.81942	2.84914	2.87208

4.1.2. Meter capital

Meter Capital weighting factors represent the relative average cost of meter installation that includes material, labour and other direct costs for each customer class; larger commercial customers have multiple meters. The average cost per meter installed, detailed in Table 2 below, are input to Tab I7.1 Meter Capital for each year of the cost allocation model.

Table 2 – Average Cost Per Meter (Installed) 2026-2030

Meter Types	2026-2030 Approved
Smart Meters	$197.50
Smart Meters - Suite	$540.17
Smart Meters - General Service < 50 kW	$486.48
Meters General Service 50 - 1,4999 kW	$2,891.62
Interval Meters General Service 1,500 - 4,999 kW	$8,142.41
Interval Meters Large Use	$13,650.26

4.1.3. Meter reading

Meter Reading weighting factors are established by analyzing contracted and in-house costs at the vendor level to determine the level of effort in providing meter reading for each customer class. Smart meters are assigned a weight of 1, and interval meters are assigned a weight based on proportionate costs assigned. The resulting approved weighting factors for 2026-2030 are summarized in Table 3 and input into the Cost Allocation model Tab I7.2 Meter Reading.

Table 3 – Meter Reading Weighting Factors 2026-2030

	Year	Smart Meter	Interval Meter
Approved	2026	1.00	5.43
	2027	1.00	4.78
	2028	1.00	4.30
	2029	1.00	3.83
	2030	1.00	3.40

5. DIRECTION ALLOCATION

Hydro Ottawa continues to allocate the cost of Hydro Ottawa's USofA 5510 - Demonstration and Selling Expense. The allocation is based on an analysis of direct support effort logged for each key account customer and includes playing a key role in Hydro Ottawa's NWS strategy. The costs are allocated using Tab I9 Direct Allocation and are in the amount of $1,260K for 2027 based on the allocation methodology discussed above.

6. DEMAND PROFILES

The OEB's Filing Requirements state that LDCs develop their own Coincident Peak (CP) and non-coincident peak (NCP) demand profiles for each customer class.[9] For this Custom IR, Hydro Ottawa developed a method to calculate in-house demand factors that reflect current and expected load requirements.

As part of the 2026-2030 Approved Settlement Agreement, the Parties agreed that Hydro Ottawa would use an average of the last three years to determine the customer class best fit for 1, 4, and 12 CP values using historical hourly load data.[10] Historical weather and load hourly data have been updated to include 2025. Hydro Ottawa used standard hourly demand profiles for unmetered classes - Streetlight, Sentinel and Unmetered Scattered Loads customers. For this Application, the best fit values utilizes data spanning 2023 to 2025, which is input into Tab I8 of the 2027 cost allocation model. Tables 4, 5 and 6 below provide the best fit CP and NCP values for each year from 2023-2025 and 2027.

[9] Including Secondary and Line Transformation sub classes necessary for calculating NCP values.
[10] Hydro Ottawa Limited, 2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement, EB-2024-0115 (January 16, 2026), Page 31.

Table 4 - Calculation of Best Fit CP Factors 2027

Coincident Peak	Year	Residential	GS <50kW	GS 50-1499kW	GS 1500-4999kW	Large Use	Street Lights	Sentinel Lights	USL	Standby C2	Standby C4	Standby LU
1CP	2023	687,405	127,903	468,249	114,678	76,023	0	0	1,487	335	206	0
	2024	687,868	132,889	482,571	112,685	75,342	0	0	1,538	0	0	0
	2025	683,794	136,679	492,601	114,651	80,522	0	0	1,542	7	0	0
	2027	**686,356**	**132,490**	**481,140**	**114,005**	**77,296**	**0**	**0**	**1,522**	**114**	**69**	**0**
4CP	2023	2,517,388	508,416	1,824,919	427,633	301,431	0	0	5,998	419	780	1,406
	2024	2,481,299	516,927	1,868,670	452,079	305,121	0	0	5,894	502	0	261
	2025	2,468,853	528,759	1,896,143	452,172	299,757	0	0	5,923	715	0	213
	2027	**2,489,180**	**518,034**	**1,863,244**	**443,961**	**302,103**	**0**	**0**	**5,938**	**545**	**260**	**627**
12CP	2023	6,096,239	1,399,102	5,133,230	1,204,384	887,770	19,605	29	18,971	3,030	798	2,950
	2024	5,815,300	1,353,875	5,070,900	1,204,200	877,807	17,289	25	18,718	1,846	0	804
	2025	5,875,413	1,365,114	5,049,811	1,195,893	889,585	19,499	31	18,964	2,326	0	937
	2027	**5,928,984**	**1,372,697**	**5,084,647**	**1,201,492**	**885,054**	**18,798**	**28**	**18,884**	**2,401**	**266**	**1,564**

1 **Table 5 - Calculation of Best Fit NCP Factors 2027**

Non-Coincident Peak	Year	Residential	GS <50kW	GS 50-1499kW	GS 1500-4999kW	Large Use	Street Lights	Sentinel Lights	USL	Standby C2	Standby C4	Standby LU
1NCP	2023	687,405	143,506	500,937	125,441	91,726	5,145	13	2,017	1,493	384	2,526
	2024	708,778	146,887	513,448	124,725	94,311	5,137	13	2,012	1,493	384	2,526
	2025	724,746	144,189	508,076	122,659	89,100	5,147	13	2,017	1,493	384	2,526
	2027	**706,976**	**144,861**	**507,487**	**124,275**	**91,712**	**5,143**	**13**	**2,015**	**1,493**	**384**	**2,526**
4NCP	2023	2,567,777	565,429	1,939,553	481,989	353,043	20,567	49	7,971	5,061	1,391	9,075
	2024	2,594,050	553,470	1,953,370	484,052	362,411	20,544	49	7,949	5,061	1,391	9,074
	2025	2,707,392	553,155	1,936,772	472,541	349,002	20,578	49	7,971	5,061	1,391	9,075
	2027	**2,623,073**	**557,351**	**1,943,232**	**479,527**	**354,819**	**20,563**	**49**	**7,964**	**5,061**	**1,391**	**9,075**
12NCP	2023	6,371,575	1,545,365	5,367,049	1,309,740	984,759	61,624	121	22,515	6,963	1,932	19,150
	2024	6,292,758	1,467,978	5,328,980	1,296,488	985,159	61,432	120	22,451	6,963	1,932	19,149
	2025	6,393,414	1,480,472	5,327,679	1,296,917	983,978	61,620	121	22,515	6,963	1,932	19,150
	2027	**6,352,582**	**1,497,938**	**5,341,236**	**1,301,048**	**984,632**	**61,559**	**121**	**22,494**	**6,963**	**1,932**	**19,150**

Table 6 - Calculation of Best Fit Secondary NCP Factors 2027

Non-Coincident Peak	Year	Residential Secondary	GS <50kW Secondary	GS 50-1499kW Secondary
1NCP	2023	618,421	112,344	13,737
	2024	630,617	91,650	10,011
	2025	660,312	94,274	10,643
	2027	**636,450**	**99,423**	**11,464**
4NCP	2023	2,311,962	393,733	53,121
	2024	2,307,720	345,032	38,127
	2025	2,442,312	357,341	40,010
	2027	**2,353,998**	**365,369**	**43,753**
12NCP	2023	5,610,345	997,137	143,697
	2024	5,447,218	920,184	98,889
	2025	5,675,137	936,676	106,789
	2027	**5,577,567**	**951,332**	**116,458**

The impact of adding 2025 hourly data and removing 2022 hourly data in determining the 2027 best fit CP and NCP values are shown in Tables 7, 8 and 9 below. The 12 CP results reveal consistent proportionate increase across all rate classes. In contrast, the 1 CP and 4 CP methodologies reveal that the Residential rate class accounts for an increased share of system demand during the top annual system peak and the top four system peaks when compared to other classes.

Table 7 - Difference of Best Fit CP Factors 2027

Coincident Peak	Source	Residential	GS <50kW	GS 50-1499kW	GS 1500-4999kW	Large Use	Street Lights	Sentinel Lights	USL	Standby C2	Standby C4	Standby LU
1CP	Original	661,190	127,717	465,751	113,945	75,415	0	0	1,499	112	69	0
	Updated	686,356	132,490	481,140	114,005	77,296	0	0	1,522	114	69	0
	Difference	**25,166**	**4,773**	**15,389**	**60**	**1,881**	**0**	**0**	**24**	**2**	**0**	**0**
4CP	Original	2,390,151	502,944	1,827,668	441,353	302,259	1,731	2	6,043	930	260	636
	Updated	2,489,180	518,034	1,863,244	443,961	302,103	0	0	5,938	545	260	627
	Difference	**99,029**	**15,090**	**35,576**	**2,608**	**-156**	**-1,731**	**-2**	**-105**	**-384**	**0**	**-10**
12CP	Original	5,887,472	1,349,359	5,004,946	1,184,145	875,764	19,408	28	18,897	2,248	269	1,455
	Updated	5,928,984	1,372,697	5,084,647	1,201,492	885,054	18,798	28	18,884	2,401	266	1,564
	Difference	**41,512**	**23,338**	**79,701**	**17,348**	**9,290**	**-610**	**0**	**-13**	**153**	**-3**	**109**

1 **Table 8 - Difference of Best Fit NCP Factors 2027**

Non-Coincident Peak	Source	Residential	GS <50kW	GS 50-1499kW	GS 1500-4999kW	Large Use	Street Lights	Sentinel Lights	USL	Standby C2	Standby C4	Standby LU
1NCP	Original	678,882	142,272	496,148	124,932	92,693	5,164	13	2,015	1,493	384	2,526
	Updated	706,976	144,861	507,487	124,275	91,712	5,143	13	2,015	1,493	384	2,526
	Difference	**28,094**	**2,589**	**11,339**	**-657**	**-981**	**-21**	**0**	**0**	**0**	**0**	**0**
4NCP	Original	2,530,962	546,190	1,920,582	483,984	356,081	20,647	49	7,964	5,061	1,391	9,075
	Updated	2,623,073	557,351	1,943,232	479,527	354,819	20,563	49	7,964	5,061	1,391	9,075
	Difference	**92,111**	**11,162**	**22,649**	**-4,457**	**-1,262**	**-84**	**0**	**0**	**0**	**0**	**0**
12NCP	Original	6,290,777	1,483,833	5,308,910	1,297,883	979,021	61,589	121	22,494	6,963	1,932	19,150
	Updated	6,352,582	1,497,938	5,341,236	1,301,048	984,632	61,559	121	22,494	6,963	1,932	19,150
	Difference	**61,806**	**14,106**	**32,326**	**3,165**	**5,611**	**-30**	**0**	**0**	**0**	**0**	**0**

1 **Table 9 - Difference of Best Fit Secondary NCP Factors 2027**

Non-Coincident Peak	Source	Residential Secondary	GS <50kW Secondary	GS 50-1499kW Secondary
1NCP	Original	608,104	94,881	12,542
	Updated	636,450	99,423	11,464
	Difference	**28,346**	**4,542**	**-1,078**
4NCP	Original	2,269,351	349,348	48,451
	Updated	2,353,998	365,369	43,753
	Difference	**84,647**	**16,021**	**-4,698**
12CP	Original	5,504,830	926,651	129,541
	Updated	5,577,567	951,332	116,458
	Difference	**72,737**	**24,682**	**-13,083**

7. ADJUSTMENTS TO COST ALLOCATION RESULTS

The 2027 cost allocation revenue-to-cost ratio results require adjustments to the Street Lighting (145.90%) and Unmetered Scattered Load (121.03%) rate classes to bring them within the OEB-approved upper limit of 120%. Due to the size of the adjustment necessary to bring the Street Lighting rate class to the OEB upper limit in 2026, the Parties agreed that Hydro Ottawa would bring them within the upper limit of 120% by 2030. The 2027 proposed revenue-to-cost ratio for the Street Lighting class will move from 145.90% to 137.27%, representing a continued step toward alignment with OEB policy, with the class reaching the target range in subsequent years. The revenue shortfall resulting from these adjustments were allocated to the GS 50-1499 kW rate class, which had the lowest R/C% (excluding the Sentinel rate class). The adjustment to GS 50-1499 kW rate class brings them closer to unity.

Table 10 below provides the approved and proposed rate class revenue requirement at Status Quo Rates.

Table 10 –Current and Proposed Revenue-to-Cost Ratios at Status Quo

Rate Class	2026 Approved	2027 Status Quo	Policy Range
Residential	97.51%	97.16%	85-115
GS <50kW	120.00%	119.79%	80-120
GS 50-1499kW	96.64%	96.87%	80-120
GS 1500-4999kW	105.54%	107.34%	80-120
Large Use	97.11%	99.27%	85-115
StreetLights	137.76%	145.90%	80-120
Sentinel Lights	89.34%	90.03%	80-120
USL	120.00%	121.03%	80-120
Standby GS 50-1,499 kW	48.24%	51.49%	
Standby GS 1,500-4,999 kW	61.45%	63.38%	
Standby Large Use	59.16%	61.16%	

Table 11 below provides the approved and proposed adjusted revenue-to-cost ratios.

Table 11 - Adjusted Current and Proposed Revenue-to-Cost Ratios

Rate Class	2026 Approved	2027 Proposed	Policy Range
Residential	97.51%	97.15%	85-115
GS <50kW	120.00%	119.88%	80-120
GS 50-1499kW	96.64%	97.02%	80-120
GS 1500-4999kW	105.54%	107.34%	80-120
Large Use	97.11%	99.27%	85-115
StreetLights	137.76%	137.27%	80-120
Sentinel Lights	89.34%	90.03%	80-120
USL	120.00%	119.96%	80-120
Standby GS 50-1,499 kW	48.24%	51.69%	
Standby GS 1,500-4,999 kW	61.45%	63.44%	
Standby Large Use	59.16%	61.81%	

8. CURRENT AND PROPOSED REVENUE REQUIREMENT PROPORTIONS

Table 12 below depicts the proportion of Revenue Requirement assigned to each customer class by the 2027 OEB Cost Allocation Model. Table 12 provides the current and proposed revenue requirement proportions.

Table 12 – Current and Proposed Revenue Requirement Proportions

Rate Class	2026 Approved	2027 Proposed
Residential	59.18%	59.55%
GS <50kW	9.45%	9.40%
GS 50-1499kW	22.04%	21.77%
GS 1500-4999kW	5.17%	5.00%
Large Use	3.39%	3.54%
StreetLights	0.37%	0.35%
Sentinel Lights	0.00%	0.00%
USL	0.28%	0.28%
Standby GS 50-1,499 kW	0.04%	0.04%
Standby GS 1,500-4,999 kW	0.01%	0.01%
Standby Large Use	0.07%	0.06%

Attachment 7-1-1(A) - OEB Workform - 2027 Cost Allocation Model

(Refer to the attachment in Excel format)

UNMETERED LOADS

1. INTRODUCTION

Hydro Ottawa continues to follow the OEB's cost allocation policy for the Street Lighting rate class and Unmetered loads as issued in its *Report of the Board: Review of the Board's Cost Allocation Policy for Unmetered Loads*.[1]

Hydro Ottawa submitted five cost allocation models using the OEB Cost Allocation Model (Model)[2] with its 2026-2030 Custom Incentive Rate-setting (Custom IR) Application. Refer to Schedule 7-1-1 - Cost Allocation for more details. The 2027 proposed rate design includes the necessary adjustments to bring the Street Lighting and Unmetered Scattered Load (USL) rate classes within OEB-approved ranges. As both classes exceeded the 120% Revenue-to-Cost upper limit, Hydro Ottawa has reallocated costs to the GS 50-1,499 kW customer rate class, which had the lowest R/C% (excluding the Sentinel rate class). This adjustment brings the USL rate class to 119.96% which falls within the upper band and supports Hydro Ottawa's goal of aligning the Street Lighting rate class by the next Cost of Service application, while maintaining the GS 50-1,499 kW customer rate class within their respective revenue-to-cost ratios (97.02%). The allocation outcomes are detailed in Table 4 of Schedule 7-1-1 - Cost Allocation.

[1] Ontario Energy Board, Letter RE: *Issuance of New Cost Allocation Policy for Street Lighting Rate Class*, EB-2012-0383 (June 12, 2015).
[2] Hydro Ottawa has used the 2026 version of the OEB Cost Allocation Model, released on February 5, 2025

2. UNMETERED LOADS

Hydro Ottawa has various types of unmetered loads connected throughout its service territory. These connections are classified in the Street Lighting, Sentinel Lighting or USL rate classes. For a detailed list of unmetered load types applicable to Hydro Ottawa, please refer to Table 1 below.

Table 1 – Unmetered Load Types

Load Type	Description	Rate Classification
Street Lighting	Street Lighting on municipal or public roads	Street Lighting
Sentinel Lighting	Utility owned lighting on private property	Sentinel Lighting
Traffic Signals	Traffic and pedestrian crosswalks signals on public roads	USL
Intersection Cameras	Speed and Red Light Cameras on municipal or public roads	USL
Transit Shelters	Transit shelters on municipal or public roads	USL
Parks & Pathway Lighting	Publicly owned park and/or pathway lighting	USL
Decorative Lighting	Privately owned occasional festive or decorative streetscape lighting on municipal or public roads	USL
Small Services	Telephone booths, small power supplies and communication amplifiers & antennas, road & utility cathodic protection, railway signals, flasher beacons, and similar small customer loads within the public road right-of-way	USL

STANDBY SERVICE CHARGE

1. INTRODUCTION

In accordance with the requirements set out in section 2.7.1.2 of the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025, this Schedule outlines Hydro Ottawa's approved standby rates effective January 1, 2026 and 2027 proposed standby rates.

2. STANDBY RATE DESIGN

Hydro Ottawa's standby rates were originally approved on an interim basis in 2006 with the expectation that a generic standby rate design would eventually be established. The OEB pursued this through its 2015 Consultation on Rate Design for Commercial and Industrial Customers,[1] which concluded in 2019 with a Staff Paper proposing a Capacity Reserve Charge for General Service >50kW and Large Use classes to replace existing standby rates.[2] The issue was revisited in 2023, during the OEB's Consultation on Policy for Standby Rates.[3] This consultation again considered the implementation of a standardized Capacity Reserve Charge. On March 28, 2024, the OEB concluded this consultation by issuing a letter that, rather than defining an industry-wide policy, directed distributors to finalize their interim standby rates in their next application.[4]

[1] Ontario Energy Board, *Rate Design for Commercial and Industrial Electricity Customers*, EB-2015-0043.
[2] Ontario Energy Board, *Staff Report to the Board, Rate Design for Commercial and Industrial Electricity Customers,* EB-2015-0043 (February 21, 2019).
[3] Ontario Energy Board, *Consultation on Policy for Standby Rates*, EB- 2023-0278 (March 28, 2024).
[4] Ibid.

Approved on a final basis in its recent 2026–2030 rebasing application,[5] Hydro Ottawa's standby rate charges are applied to load displacement generation with a nameplate rating of 500 kW or greater. In addition to a monthly standby charge, volumetric standby charges applied to any monthly billed backup demand exceeding 500 kW and is billed at 50% of the standard distribution volumetric rate of the customer's primary rate class (GS 50–1,499 kW, GS 1,500–4,999 kW, or Large Use). To ensure standby customers contract for an appropriate amount of backup overrun capacity, when a standby customer exceeds their contract backup demand, the backup overrun demand is billed at the Hydro Ottawa's distribution variable rate for that customer's class. To calculate the backup overrun amount, Hydro Ottawa measures the difference between the customer's monthly peak demand when the generator is offline (Metered Peak Generator OFF) and their monthly peak demand when the generator is running (Metered Peak Generator ON). The backup overrun adjustment charge is then applied to any portion of this difference that exceeds the customer's contracted backup capacity (if any).

In addition, in accordance with the 2026-2030 Approved Settlement Agreement, Hydro Ottawa has committed to evaluate alternative rate designs, those that differentiate between standby service being used within and outside the times of distribution system peaks.

Table 1 below displays the 2026 approved and 2027 proposed Standby fixed and variable rates by customer class, which includes the backup overrun charge that is set at the regular

[5] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 16, 2026).

variable rate. As outlined in the 2026-2030 Approved Settlement Agreement, the monthly service charge for all Standby customers is held at $186.89 for all 5 years.

Table 1 – 2026 Approved and 2027 Proposed Standby Service Charges

	Billing Determinant	2026 Approved	2027 Proposed
Monthly service Charge	$	$ 186.89	$ 186.89
General Service 50 to 1,499 KW	kW	$ 3.8272	$ 4.0615
General Service 50 to 1,499 KW - Backup Overrun	kW	$ 7.6543	$ 8.1230
General Service 1,500 to 4,999 KW	kW	$ 3.6460	$ 3.8984
General Service 1,500 to 4,999 KW - Backup Overrun	kW	$ 7.2920	$ 7.7968
Large Use	kW	$ 3.9560	$ 4.2162
Large Use - Backup Overrun	kW	$ 7.9119	$ 8.4323

RATE DESIGN SUMMARY

1. INTRODUCTION

This Schedule provides a list of Schedules throughout this Application that detail Hydro Ottawa's proposed rate design. This design incorporates the updated data from the recent cost allocation study, as well as the revenue to cost ratios from the 2027 cost allocation model to calculate Hydro Ottawa's 2027 proposed fixed and variable charges. Hydro Ottawa's proposed rate design aligns with the annual updates per the Approved Settlement Agreement[1] and Decision and Order.

The following Schedules provide further details on Hydro Ottawa's rate design:

- Schedule 1-2-1 - Rate Setting Framework
- Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency
- Schedule 7-1-1 - Cost Allocation
- Schedule 7-1-3 - Standby Service Charge
- Schedule 8-1-2 - Fixed/Variable Proportion
- Schedule 8-5-2 - Rate Mitigation

For information on the bill impact of this rate design, please refer to Schedule 8-5-1 - Bill Impacts and Tariff of Rates and Charges.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

FIXED / VARIABLE PROPORTION

1. INTRODUCTION

This Schedule details how Hydro Ottawa's proposed rates have been designed to collect the requested revenue requirement from 2027. In accordance with section 2.8.1 of the OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2026 Edition for 2027 Rate Applications,* dated December 16, 2025, the 2027 proposed fixed/variable proportion for each rate class is outlined below. The fixed/variable rates have been calculated using the proposed 2027 revenue load and customer forecast detailed in Schedule 3-1-1 - Revenue Load and Customer Forecast.

Hydro Ottawa is requesting approval of a $304.7M Base Revenue Requirement from distribution rates, as summarized in Table 1. Please see Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency for the calculation of revenue required from distribution rates and of revenue deficiency.

Table 1 – Revenue from Distribution Rates 2027 ($'000s)

	2026 Approved	2027 Proposed
Revenue from Distribution Rates	$ 286,847	$ 304,674

2. FIXED/VARIABLE PROPORTION

Hydro Ottawa has determined the 2027 distribution fixed/variable splits and charges for each rate class, which are comparable to the approved splits for 2026. Table 2 below provides the current and proposed fixed/variable split. Tables 3 through 5 below provide the current and proposed fixed/variable charges. Please refer to Schedule 8-5-1 - Bill Impacts and Tariff of Rates and Charges for the current approved 2026 and proposed 2027 Bill Impacts and Tariffs of Rates and Charges.

1 **Table 2 – Current and Proposed Fixed/Variable Split**

	2026 Approved		2027 Proposed	
	Fixed	Variable	Fixed	Variable
Residential	100%	0%	100%	0%
GS < 50 kW	25%	75%	25%	75%
GS 50 to 1,499 kW	12%	88%	12%	88%
GS 1,500 to 4,999 kW	25%	75%	24%	76%
Large Use	21%	79%	20%	80%
Street Lighting	65%	35%	65%	35%
Sentinel Lighting	50%	50%	51%	49%
Unmetered Scattered Load	43%	57%	43%	57%
Standby Power General Service 50 to 1,499 KW	8%	92%	8%	92%
Standby Power General Service 1,500 to 4,999 KW	23%	77%	22%	78%
Standby Power Large Use	4%	96%	4%	96%

Table 3 details current and proposed fixed and variable charges for 2026 and 2027 by rate class.

Table 3 – Current and Proposed Fixed/Variable Charges

	2026 Approved		2027 Proposed	
	Fixed $	Variable $/kWh or $/kW	Fixed $	Variable $/kWh or $/kW
Residential	$ 39.20	-	$ 41.24	-
GS < 50 kW	$ 26.16	$ 0.0339	$ 27.52	$ 0.0357
GS 50 to 1,499 kW	$ 200.00	$ 7.6543	$ 200.00	$ 8.1230
GS 1,500 to 4,999 kW	$ 4,126.75	$ 7.2920	$ 4,126.75	$ 7.7968
Large Use	$ 14,946.93	$ 7.9119	$ 14,946.93	$ 8.4323
Street Lighting	$ 1.19	$ 8.3054	$ 1.18	$ 8.1593
Sentinel Lighting	$ 8.02	$ 37.6326	$ 8.44	$ 39.5797
Unmetered Scattered Load	$ 8.04	$ 0.0383	$ 8.39	$ 0.0399
Standby Power GS 50 to 1,499 kW	$ 186.89	$ 3.8272	$ 186.89	$ 4.0615
Standby Power GS 1,500 to 4,999 kW	$ 186.89	$ 3.6460	$ 186.89	$ 3.8984
Standby Power Large Use	$ 186.89	$ 3.9560	$ 186.89	$ 4.2162

3. FIXED CHARGES COMPARED TO COST ALLOCATION CEILING

Table 4 below details current and proposed fixed charges by customer class compared to 2027 upper and lower bounds (floor and ceiling) calculated on sheet O2 of the 2027 Cost Allocation model.

Table 4 – Comparison of 2026 Current and 2027 Proposed Fixed Charges to Cost Allocation Floor and Ceiling

Customer Class	2027 Cost Allocation		2026 Approved	2027 Proposed
	Floor	Ceiling		
Residential	$ 3.57	$ 19.42	$ 39.20	$ 41.24
GS < 50 kW	$ 5.75	$ 26.26	$ 26.16	$ 27.52
GS > 50 to 1,499 kW	$ 28.72	$ 82.35	$ 200.00	$ 200.00
GS > 1,500 to 4,999 kW	$ 55.52	$ 408.56	$ 4,126.75	$ 4,126.75
Large Use	$ 115.62	$ 2,090.58	$ 14,946.93	$ 14,946.93
Unmetered Scattered Load	$ 0.19	$ 8.18	$ 8.04	$ 8.39
Sentinel Lighting	$ 1.24	$ 19.12	$ 8.02	$ 8.44
Street Lighting	$ 0.13	$ 6.43	$ 1.19	$ 1.18
Standby Power GS 50 to 1,499 kW	$ 6.51	$ 20.46	$ 186.89	$ 186.89
Standby Power GS 1,500 to 4,999 kW	$ 6.51	$ 20.45	$ 186.89	$ 186.89
Standby Power Large Use	$ 6.51	$ 20.46	$ 186.89	$ 186.89

Hydro Ottawa continues to adhere to the OEB policy on distribution rate design for residential customers.[1] where the residential customers are subject to a 100% fixed distribution charge. For all other rate classes, Hydro Ottawa's proposed rate design is in line with the current fixed/variable split and as per the Approved Settlement Agreement.[2]

[1] Ontario Energy Board, *Board Policy - A New Distribution Rate Design for Residential Electricity Customers*, EB-2012-0410 (April 2, 2015).
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

4. CHARGING FIXED CHARGE ON A PER DAY BASIS

Effective January 1, 2026 but implemented June 1, 2026, Hydro Ottawa bills fixed monthly charges by entering a per day rate into the billing system. These daily rates are posted on Hydro Ottawa's website. Consequently, the fixed charge billed on a monthly bill will vary slightly depending on the number of days in the month.

The daily fixed charge is calculated by multiplying the proposed amount by 12 and then divided by the total number of days in the year. This daily rate value, rounded to four decimal places, is then multiplied by the number of days in the billing period to determine the billable fixed amount, which will subsequently be rounded to two decimal places. For example, where the number of days in a billing period is 30 days, Hydro Ottawa's monthly fixed charge to a residential customer is $40.67.

Table 5 provides a sample calculation of the rate per day on the proposed 2027's monthly fixed charge. As approved, this methodology would be applied to all 2027's fixed charges (including the Standard Supply Service Charge and the Smart Metering Charge).

1 **Table 5 - 2027 Fixed Rate Per Day Calculation**

	2027 Proposed Monthly Fixed Charge	2027 daily equivalent	# days in bill period	# days in bill period	# days in bill period
	A	A x 12 / 365	30	31	28
Residential	$ 41.24	$ 1.3558	$ 40.67	$ 42.03	$ 37.96
GS < 50 kW	$ 27.52	$ 0.9048	$ 27.14	$ 28.05	$ 25.33
GS 50 to 1,499 kW	$ 200.00	$ 6.5753	$ 197.26	$ 203.83	$ 184.11
GS 1,500 to 4,999 kW	$ 4,126.75	$ 135.6740	$ 4,070.22	$ 4,205.89	$ 3,798.87
Large Use	$ 14,946.93	$ 491.4059	$ 14,742.18	$ 15,233.58	$ 13,759.37
Unmetered Scattered Load	$ 8.39	$ 0.2758	$ 8.27	$ 8.55	$ 7.72
Sentinel Lighting	$ 8.44	$ 0.2775	$ 8.33	$ 8.60	$ 7.77
Street Lighting	$ 1.18	$ 0.0388	$ 1.16	$ 1.20	$ 1.09
Standby Power GS 50 to 1,499 kW	$ 186.89	$ 6.1443	$ 184.33	$ 190.47	$ 172.04
Standby Power GS 1,500 to 4,999 kW	$ 186.89	$ 6.1443	$ 184.33	$ 190.47	$ 172.04
Standby Power Large Use	$ 186.89	$ 6.1443	$ 184.33	$ 190.47	$ 172.04

REVENUE RECONCILIATION

1. INTRODUCTION

This Schedule outlines Hydro Ottawa's revenue per rate class under current and proposed rates and includes reconciliation of rate class revenue and other revenue to total revenue requirement.

2. CALCULATION OF REVENUE RECONCILIATION AND REVENUE DEFICIENCY

Revenue deficiency/sufficiency is the difference between the proposed 2027 base revenue requirement and the 2027 approved billing determinants using current rates. It is determined by calculating what the revenue would have been using 2026's Monthly Service Charge (SC) and Volumetric Rate (Vol. R), and the approved forecasted 2027 revenue load and customer/connection numbers.[1] This produces the amount of revenue Hydro Ottawa would collect at prior year rates with 2027's revenue load forecast. Refer to Table 1 below for the 2027 revenue deficiency calculation. For more information on revenue requirement and revenue deficiency, refer to Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency.

Detailed calculations of revenue reconciliation at proposed rates can be found in Sheet 13: Rate Design of Attachment 6-1-1(A) - OEB Workform - 2027 Revenue Requirement Workform.

[1] This calculation excludes the foregone revenue rate rider.

1 **Table 1 – Revenue per Rate Class and Reconciliation to 2027 Revenue Requirement[2]**

Rate Class	Average # Customers / Connections	2027 Consumption		2026 Rates		Revenues at 2026 Rates ($'000s)
		MWh	KW	Monthly SC	Vol. R (kWh/KW)	
Residential	353,827	2,623,212	n/a	$39.20	0.0000	$166,440
General Service < 50kW	26,096	724,386	n/a	$26.16	0.0339	$32,749
General Service > 50 to 1,499 kW	3,167	2,863,911	7,065,446	$200.00	7.6543	$61,682
General Service > 1,500 to 4,999 kW	79	731,154	1,626,911	$4,126.75	7.2920	$15,776
Large Use	12	568,792	1,032,277	$14,946.93	7.9119	$10,320
Standby Power GS 50 to 1,499 kW	2	n/a	12,986	$186.89	3.8272	$54
Standby Power GS 1,500 to 4,999 kW	2	n/a	4,045	$186.89	3.6460	$19
Standby Power Large Use	2	n/a	27,444	$186.89	3.9560	$113
Unmetered Scattered Load	4,366	14,472	n/a	$8.04	0.0383	$976
Sentinel Lighting	46	n/a	114	$8.02	37.6326	$9
Street Lighting	66,596	22,060	61,402	$1.19	8.3054	$1,461
Total Revenue at 2026 Rates						**$289,598**
				Other Revenue		6,044
				Total Revenue		$295,642
				2027 Revenue Requirement		$310,718
				2027 Revenue Deficiency		**$15,076**

[2] Totals may not sum due to rounding.

RETAIL TRANSMISSION AND LOW VOLTAGE SERVICE RATES

1. INTRODUCTION

On March 31, 2025 the OEB issued "*Guideline - Electricity Distribution Retail Transmission Service Rates and Low Voltage Charges*", related to the new Electric Vehicle Charging rate. This Guideline outlines information that electricity distributors must file to adjust their RTSRs.

The OEB also provides a workform (RTSR Workform) which distributors are required to complete and file as part of their rate applications. The RTSR Workform includes both calculation for RTSR and LV Rates by rate classification.

2. PROPOSED RTSR CHARGES FOR 2027

As per the 2026-2030 Approved Settlement Agreement,[1] Hydro Ottawa will update RTSRs as part of its mechanistic annual rate adjustment applications from 2026-2030. The RTSR Workform is designed to use a utility's billing determinants from the previous year, as reported through the Reporting and Record Keeping Requirements (RRRs). As such, the 2027 rates are derived from 2025 billing determinants, as these are the determinants that have been most recently reported through the utility's RRR filings.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 14, 2026).

To calculate Hydro Ottawa's proposed 2027 RTSRs, the 2026 OEB-approved Hydro One Sub-Transmission Rates[2] and Uniform Transmission Rates (UTRs)[3] have been used.

3. 2027 RTSR WORKFORM

Hydro Ottawa has included the 2027 RTSR Workform in Excel format as Attachment 8-2-1(A) - 2027_RTSR_Workform. The following changes were made to the OEB's 2027 RTSR Workform for the purpose of this application:

- On 'Tab 3 (RRR Data),' the instructions were revised to specify 2025 data instead of 2024.
- On 'Tab 4 (UTRs and Sub-Transmission)', the 2025-2026 UTR and Sub-Transmission rates were updated to reflect the approved rates.

Additionally, on 'Tab 5 (Historical Wholesale),' there are rate variances within the IESO Line Connection and Transformation Connection data, for April (row 9) and December (row 35) due to Gross Load Billing adjustments. The December adjustment reflects the incorporation of 2024 service charges that were not billed in 2024.

Adjustments to Hydro One UTRs typically occur after the implementation of Hydro Ottawa's rates on January 1st of each year. As such, the Parties[4] have agreed to set each year's RTSRs

[2] Ontario Energy Board, Rate Order, *Hydro One Networks Inc. Application for rates and other charges to be effective January 1, 2026,* EB-2025-0030 (December 23, 2025).
[3] Ontario Energy Board, Decision and Order, 2026 Uniform Transmission Rates EB-2025-0232 (January 15, 2026).
[4] Hydro Ottawa and the following intervenor groups: Building Owners and Managers Association Ottawa, Coalition of Concerned Manufacturers and Businesses of Canada, Community Action for Environmental Sustainability, Consumers Council of Canada, Distributed Resource Coalition, Environmental Defence, Energy Probe Research Foundation, Pollution Probe, School Energy Coalition, Vulnerable Energy Consumers Coalition.

using the most current UTRs. As part of the 2026-2030 Approved Settlement Agreement, the differences from the new rates will be captured in Uniform System of Accounts 1584 - Retail Settlement Variance Account (RSVA) Network and 1586 - Connection for future disposition.

Attachment 8-2-1(A) - OEB Workform - 2027 RTSR Workform

(Refer to the attachment in Excel format)

SMART METERING CHARGE

On September 8, 2022, the OEB issued a Decision and Order setting the Smart Metering Charge (SMC) at $0.42 per month for Residential and General Service <50 kW customers, effective January 1, 2023[1] until December 31, 2027.

The SMC is a pass-through amount that is charged by distributors to applicable customers in the Residential and General Service < 50 kW classes; any differences between what a distributor is charged and what it charges to customers are included in the Smart Metering Entity Charge Variance Account (SMECVA).[2] Hydro Ottawa hereby confirms that the impact of SMC differences are included in the SMECVA. Please see Schedule 9-1-1 - Summary of Current Deferral and Variance Accounts and Schedule 9-1-2 - Group 1 Accounts for the balance of the SMECVA.

The currently approved SMC is included in Excel Attachment 8-5-1(A) - OEB Workform - 2026 Current and 2027 Proposed Tariff of Rates and Charges.

[1] Ontario Energy Board, *Decision and Order - Application for Approval of a Smart Metering Charge for the years 2023-2027 and related matters*, EB-2022-0137 (September 8, 2022).
[2] Ontario Energy Board, *Updated Guidance on Smart Metering Entity Charge* (March 23, 2018).

WHOLESALE MARKET SERVICE RATE

This Application reflects the current Wholesale Market Service (WMS) rate of $0.0041/kWh, Capacity Based Recovery (CBR) rate of $0.0006/kWh, and Rural or Remote Electricity Rate Protection (RRRP) rate of $0.0006/kWh. These are the most recent rates approved by the OEB.[1]

The WMS and RRRP rates apply to both Class A and Class B customers. With regards to the CBR rate, Class B customers are charged the rate of $0.0006/kWh, as noted above, while Class A customers' costs are in proportion to the customer's contribution to peak demand.

Hydro Ottawa will update WMS rates in accordance with applicable OEB Decisions and Orders.

[1] Ontario Energy Board, *Decision and Order In the matter of regulatory charges effective January 1, 2026*, *for the Wholesale Market Services rate and the Rural or Remote Electricity Rate Protection charge,* EB-2025-0299 (December 11, 2025), page 1.

STANDARD SUPPLY SERVICE CHARGE

The Standard Supply Service Administration Charge (SSS Charge) is charged to customers who purchase electricity directly from their distributor. This charge is intended to recover the incremental costs of providing standard supply service to all customers not enrolled with a retailer.

As part of Hydro Ottawa's 2026-2030 Custom Incentive Rate-Setting Application, Hydro Ottawa sought approval for a utility-specific SSS Charge. Under the 2026-2030 Approved Settlement Agreement,[1] Hydro Ottawa agreed to utilize the OEB's prescribed SSS Charge of $0.25 per customer per month for the 2026-2030 period. The Parties to the Settlement Agreement, notwithstanding the agreement, acknowledged the charge had not been adjusted to reflect actual costs or inflation since it was first introduced in 2002 and noted that it would be beneficial for the OEB to initiate an open and transparent process to provide generic guidance regarding the ability for distributors to update this charge.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 16, 2026), page 28-29, 46

SPECIFIC SERVICE CHARGES

1. INTRODUCTION

Specific service charges (SSCs) apply to services that are over and above Hydro Ottawa's standard level of service offerings. These charges may apply if a customer's actions or inactions necessitate additional services. The revenue from these charges are recorded in Uniform System of Account (USofA) - 4235 Miscellaneous Service Revenues or 4210 - Rent from Electric Property.

2. SERVICE CHARGE CALCULATIONS

In preparation for its 2026-2030 Custom Incentive Rate-setting (Custom IR) Application, Hydro Ottawa completed a cost-based review of its SSCs in accordance with the Electricity Distribution Rate Handbook.[1] Under the 2026-2030 Approved Settlement Agreement,[2] Hydro Ottawa's SSCs rates were justified by cost-related evidence and were set and approved for 2026-2030, with the exception of the Distribution Pole Attachment charge,[3] where Hydro Ottawa uses the OEB generic charge updated annually by OEB inflation.

3. SERVICE CHARGE REVENUES

As per Hydro Ottawa's 2026-2030 Approved Settlement Agreement, total other revenue, which includes revenue from specific service charges, is updated annually using the *I - X* formula. Further revenue details are included in Schedule 6-3-1 - Other Revenue, Schedule 6-3-2 - Specific Service Charges and Schedule 6-3-4 - Other Operating Revenue.

[1] Ontario Energy Board, *Electricity Distribution Rate Handbook* (May 11, 2005).
[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (June 4, 2026) and Section 7.5. Of Settlement Proposal - Refiled January 16, 2026, Page 53.
[3] Ontario Energy Board, *Distribution Pole Attachment Charge for 2027*, EB-2026-0176 (June 16, 2026)

4. SUMMARY OF APPROVED SPECIFIC SERVICE CHARGES

Table 1 below summarizes the approved 2026 and 2027 SSC rates. All of the 2027 SSC rates are to be included in Hydro Ottawa's Tariff of Rates and Charges provided in Schedule 8-5-1 - Bill Impacts and Tariff of Rates and Charges.

Table 1 – Approved Specific Service Charges

	2026 Approved	2027 Proposed	
Customer Administration			
Easement Certificate for Unregistered Easements	$ 30.00	$ 30.00	Set for 2026 - 2030
Duplicate Invoices for Previous Billing	$ 7.00	$ 7.00	Set for 2026 - 2030
Special Billing Service, per hour	$ 141.00	$ 144.00	Annually adjusted by 2.1%
Credit Reference/Credit Check (+ credit agency costs)	$ 20.00	$ 20.00	Set for 2026 - 2030
Unprocessed Payment Charge (+ bank charges)	$ 25.00	$ 25.00	Set for 2026 - 2030
Account Set Up/Change of Occupancy Charge	$ 10.00	$ 10.00	Set for 2026 - 2030
Interval Meter - Field Reading	$ 366.00	$ 374.00	Annually adjusted by 2.1%
High Bill Investigation - If Billing is Correct	$ 322.00	$ 328.00	Annually adjusted by 2.1%
Non-Payment of Account			
Reconnect at Meter - Regular Hours	$ 70.00	$ 71.00	Annually adjusted by 2.1%
Reconnect at Meter - After Regular Hours	$ 94.00	$ 96.00	Annually adjusted by 2.1%
Reconnect at Pole - Regular Hours	$ 318.00	$ 325.00	Annually adjusted by 2.1%
Reconnect at Pole - After Regular Hours	$ 480.00	$ 490.00	Annually adjusted by 2.1%
Other			
Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer	$ 1,079.00	$ 1,102.00	Annually adjusted by 2.1%
TS-I&R - Underground - no transformer	$ 1,422.00	$ 1,452.00	Annually adjusted by 2.1%
TS-I&R - Overhead - with transformer	$ 5,010.00	$ 5,116.00	Annually adjusted by 2.1%
Specific Charge to Access Power Poles - Wireline	$ 40.59	$ 41.81	OEB Generic Rate
Drycore Transformer Charge	Refer to Attachments 8-4-1 (A) & 8-4-1 (B) - Dry Core Calculations		
Energy Resource Facility Administration Charge	$ 165.00	$ 168.00	Annually adjusted by 2.1%

5. DETAILS OF APPROVED SPECIFIC SERVICE CHARGES

The approved Specific Service Charges (SSCs) for the 2026-2030 period are detailed below.

5.1. EASEMENT CERTIFICATE FOR UNREGISTERED EASEMENTS

The Easement Certificate for Unregistered Easements service involves researching and presenting findings to the customer. The approved Easement Certificate fee is held constant at $30 for 2026 through to 2030.

5.2. DUPLICATE INVOICES FOR PREVIOUS BILLING

Duplicate Invoices fee was approved at $7 for 2026 through to 2030. This rate remains low due to the availability of electronically-formatted customer bills (from 2014 onwards) which enables duplicate bills to be disseminated by email rather than external mail, therefore eliminating the need for printing and postage. Customers are encouraged to use MyAccount (the utility's online customer service portal) where they are able to view past bills at no cost.

5.3. SPECIAL BILLING SERVICE

Special Billing Service is applied to all requests for customized billing information that involves sourcing, compiling, and presenting several months or years of billing information for customers or their agents. This rate reflects the labour time involved in providing these services and associated labour rate. Therefore this special billing service rate has been approved at $141 in 2026, with annual inflation adjustment of 2.10% for the years 2027 through 2030.

5.4. CREDIT REFERENCE / CREDIT CHECK

The Credit Reference/Credit Check service charge is to recover internal costs associated with completing reference checks, which is labour cost driven. The approved rate is set at $20 for 2026 through to 2030.

5.5. UNPROCESSED PAYMENT CHARGE

This service charge recovers the internal labor costs and bank fees associated with processing unprocessable payments, such as non-sufficient funds (NSF). A portion of this process is completed by an external contact center to increase operational efficiency. This process change has reduced costs, resulting in an approved rate of $25 for 2026. This rate will remain constant through 2030 to provide rate stability for customers.

5.6. ACCOUNT SET UP CHARGE

Hydro Ottawa has received approval to reduce the Account Set Up Charge from $29 in 2025 to $10 in 2026, maintaining this rate constant through 2030. This reduction is driven by the automation and streamlining of the customer move process.

5.7. INTERVAL METER - FIELD READING

The approved rate for field reading service for 2026 was $366 with annual inflation adjustment of 2.10% to be applied over the remaining 2027–2030 rate period.

5.8. HIGH BILL INVESTIGATION - IF BILLING IS CORRECT

Providing high bill investigation services is a labour-intensive process as it requires dispatching a field agent to the customer's location to physically inspect the meter. It also involves an office staff to facilitate the request, compile the results, and coordinate the site visit. The associated costs include not only labour costs but also fleet expenses incurred by sending a field agent on-site.

Hydro Ottawa received approval to increase the service charge to $322 in 2026 with a fixed annual inflation adjustment of 2.10% for 2027 through 2030. This charge is only applied to the customer if the bill and metering equipment are determined to be correct.

5.9. RECONNECT AT METER - REGULAR HOURS AND AFTER REGULAR HOURS

Hydro Ottawa remotely reconnects meters using Advanced Metering Infrastructure (AMI) equipped with the EnergyAxis Management System (EA_MS). These meters are deployed in hard-to-access locations and premises with high turnover rates. Remote operation eliminates on-site visits, which reduces labor costs, fleet maintenance, and fuel consumption. Hydro Ottawa increased the percentage of remote disconnections by 10% since its previous rebasing application, reaching a current rate of 70%. Due to these operational cost reductions, the approved 2026 rates are $70 for regular-hours meter reconnections and $94 for after-hours meter reconnections. For both charges, a fixed annual inflation adjustment of 2.10% is approved for 2027 through 2030.

5.10. RECONNECT AT POLE - REGULAR HOURS AND AFTER REGULAR HOURS

Reconnection at poles is more costly than at the meter, as it requires two highly-qualified employees due to the complexity and safety risks of pole work. The approved reconnections during regular hours was $318 and the approved after regular hours reconnections was $480 in 2026, respectively. For both charges, a fixed annual inflation adjustment of 2.10% has been approved for 2027 through 2030.

5.11. TEMPORARY SERVICES - INSTALL & REMOVE

Temporary services pertain to the supply of electrical energy (for up to one year) on a planned basis to assist with property upgrade and/or redevelopment. Hydro Ottawa has three types of installation and removal fee when providing temporary services: Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer, TS-I&R - Underground - no transformer, and TS-I&R - Overhead - with transformer. For all three categories, a fixed annual inflation adjustment of 2.10% has been approved for 2027 through 2030.

5.12. SPECIFIC ACCESS TO POWER POLES - WIRELINE ATTACHMENTS

Hydro Ottawa charges third-party pole attachment fees to eight telecommunications companies, two municipalities, and one local distribution company. Hydro Ottawa will continue to use the OEB's generic rate for pole attachments throughout the 2026-2030 period.

5.13. SPECIFIC ACCESS TO POWER POLES - WIRELESS ATTACHMENTS

On January 28, 2016, the OEB released a Decision and Order authorizing electricity distributors to charge market rates for wireless pole attachments.[4] Hydro Ottawa will continue to follow the direction in the OEB's decision when entering into any new wireless pole attachment agreements throughout the 2026-2030 period.

5.14. DRY CORE TRANSFORMER CHARGE

The dry core transformer charge is applied to recover unmetered energy lost in the operation of a dry core transformer. A specific charge is calculated for each transformer

[4] Ontario Energy Board, *Decision and Order - Amending Rate-Regulated Electricity Distributor Licenses to Authorize Market Rates for Wireless Pole Attachments*, EB-2016-0015 (January 28, 2016).

based on the Canadian Standards Association (CSA) standard C802-94 (CSA-C802-94).[5] For transformer sizes not included in CSA-C802-94, there are no load losses, or associated costs that are interpolated based on the transformer size. Hydro Ottawa will continue its practice of calculating the dry core transformer loss charge for any new size of transformer upon connection, based on the dry core rate design, and adding it to the drycore schedule during the following rate application.

The 2026-2030 dry core rates are established in Excel Attachment 8-4-1 (A) and 8-4-1 (B) - Dry Core Calculations, based on the proposed 2026-2030 distribution rates for >50kW commercial classes, forecasted RPP, transmission, low voltage, and regulatory rates. Attachment 8-4-1 (A) includes the Foregone Revenue Rate Rider (expiring May 31, 2027), while Attachment 8-4-1 (B) excludes it.

Hydro Ottawa is proposing to adjust these rates on an annual basis to reflect any changes in the distribution, RPP, and transmission rates. In addition, Regulatory rates will be updated as per any applicable OEB Decision and/or Order.

5.15. ENERGY RESOURCE FACILITY ADMINISTRATION CHARGE

The Energy Resource Facility Administration Charge - Without Account Set Up (One Time) is charged when there is an assignment of contracts which require legal services and service entrance assessments on the part of Hydro Ottawa. This charge applies to new generation facilities associated with a new or existing generation account, regardless of size.

[5] Standards Council of Canada, “CAN/CSA-C802-94 - Maximum Losses for Distribution, Power and Dry-Type Transformers,” https://scc-ccn.ca/standardsdb/standards/4005579.

The revised Energy Resource Facility Administration Charges reflect a reassessment of the costs associated with establishing these accounts. Hydro Ottawa received approval to increase the charge to $165 in 2026, with an increase annually by 2.10% through 2030. As noted above, this is consistent with the inflation rate applied to many of Hydro Ottawa's 2027-2030 other revenue rates where applicable.

Attachment 8-4-1(A) - Dry Core Calculations - Effective January to May 2027

(Refer to the attachment in Excel format)

Attachment 8-4-1(B) - Dry Core Calculations - Effective June to December 2027

(Refer to the attachment in Excel format)

GENERATION CHARGES

Hydro Ottawa has customer-owned generation facilities within its service territory. The Generation Service charges reflect the costs of managing generation accounts on a monthly basis. Generation service revenue is included in Other Revenue reported in Schedule 6-3-4 - Other Operating Revenue.

As per the 2026-2030 Decision and Order,[1] the OEB approved Hydro Ottawa's proposal to remove the Net-Metering Service Charge. Hydro Ottawa is maintaining the existing Micro Feed in Tariff (MicroFIT), Feed in Tariff (FIT), and Hydro Electric Contract Initiative (HCI), Renewable Energy Standard Offer Program (RESOP), and Other Energy Resource Service charges.

Per the Settlement Agreement, the generation service charges are adjusted with a set 2.10% inflationary increase each year, rounded to the nearest dollar. Using an estimated inflation rate allowed for the rates to be known for the 2026-2030 period. Table 1 below summarizes the Generator Service Charges for the 2026-2030 period.

[1] Ontario Energy Board, *Decision and Order* EB-2024-0115 (May 12, 2026).

Table 1 – Monthly Generator Service Charges

	Approved				
	2026	2027	2028	2029	2030
MicroFIT and Other Generation <10 kW	$ 11	$ 12	$ 12	$ 12	$ 12
FIT and Other Generation >10 kW	$ 87	$ 89	$ 91	$ 93	$ 95
HCI, RESOP, Other Energy Resource	$ 266	$ 272	$ 277	$ 283	$ 289
Net-Metering	$ -	$ -	$ -	$ -	$ -

RETAIL SERVICE CHARGES

Retail service charges (RSCs) apply to the services provided by a distributor to retailers or customers with respect to the supply of competitive electricity through retailer contracts in accordance with the OEB's Retail Settlement Code. As per the 2026-2030 Approved Settlement Agreement,[1] Hydro Ottawa will continue to use the OEB generic RSCs for 2026-2030. On June 16, 2026, the OEB released its Decision and Order for the generic 2027 RSCs effective January 1, 2027.[2] Those rates will be implemented by Hydro Ottawa as of January 1, 2027.

Table 1 below presents the 2027 charges consistent with those prescribed in the OEB's Decision and Order EB-2026-0175 and incorporated into Hydro Ottawa proposed tariffs of rates and charges are provided in Excel Attachment 8-5-1(A) - OEB Workform - 2026 Current and 2027 Proposed Tariff of Rates and Charges. Hydro Ottawa continues to opt out of applying a charge for the Notice of Switch Letter.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).
[2] Ontario Energy Board, *Decision and Order in the matter of the inflationary adjustment effective January 1, 2027 for energy retailer service charges for electricity distributors*, EB-2026-0175 (June 16, 2026).

Table 1 – Retail Service Charges

	2026 Approved	2027 Proposed
Standard charge, per retailer	$ 125.72	$ 129.49
Monthly fixed charge, per retailer	$ 50.29	$ 51.80
Monthly variable charge, per customer, per retailer	$ 1.24	$ 1.28
Distributor-consolidated billing monthly charge, per customer, per retailer	$ 0.74	$ 0.76
Retailer-consolidated billing monthly credit, per customer, per retailer	$ (0.74)	$ (0.76)
Service Transaction Requests, per request	$ 0.63	$ 0.65
Service Transactions Requests, per process	$ 1.24	$ 1.28
Electronic Business Transaction, up to two per year	no charge	no charge
Electronic Business Transaction, more than two, per request	$ 5.03	$ 5.18
Notice of switch letter charge, per letter	$ 2.51	$ 2.59

BILL IMPACTS AND CURRENT AND PROPOSED TARIFF OF RATES AND CHARGES

1. INTRODUCTION

This Schedule describes bill impacts for typical customers in each rate class arising from Hydro Ottawa's proposed revenue requirement and cost allocation.

Hydro Ottawa's 2026 current and 2027 proposed tariffs of rates and charges are provided in Attachment 8-5-1(A) - OEB Workform - 2026 Current and 2027 Proposed Tariff of Rates and Charges. A PDF version of the 2026 current and 2027 proposed tariff of rates and charges is provided as Attachment 8-5-1(B) - 2026 Current and 2027 Proposed Tariff of Rates and Charges.

Attachment 8-5-1(A) illustrates individual and combined impacts of the distribution, transmission connection and network charges, total bill impact, as well as all other components of the bill. Typical consumption levels are used for each rate class to illustrate bill impacts.

2. SUMMARY OF RATE IMPACTS

Table 1 below provides a summary of bill impacts per rate class including the total change in monthly bill, expressed in both monetary and percentage terms. The summary is inclusive of variance accounts. Bill impacts for residential and general service customers are shown using OEB's typical consumption usage of 750 kWh per month and 2,000 kWh per month respectively. Additional bill impacts are provided in Attachment 8-5-1(A) - OEB Workform - 2026 Current and 2027 Proposed Tariff of Rates and Charges.

1 **Table 1 – Summary of Rate Impacts**

Rate Class		Approved 2026	Proposed 2027
Residential (750 kWh)	Distribution Charge	$39.81	$43.04
	Change in Distribution Charge		$3.23
	% Distribution Increase		8.11%
	% Increase of Total Bill		1.14%
General Service <50 kW (2000 kWh)	Distribution Charge	$96.13	$102.69
	Change in Distribution Charge		$6.56
	% Distribution Increase		6.82%
	% Increase of Total Bill		0.59%
General Service 50 kW - 1,499 kW (185 kW)	Distribution Charge	$1,648.98	$1,789.87
	Change in Distribution Charge		$140.90
	% Distribution Increase		8.54%
	% Increase of Total Bill		-5.05%
General Service 1,500 kW - 4,999 kW (1,925 kW)	Distribution Charge	$17,300.30	$20,039.96
	Change in Distribution Charge		$2,739.66
	% Distribution Increase		15.84%
	% Increase of Total Bill		-4.54%
Large Use (7,500 kW)	Distribution Charge	$70,943.07	$83,768.07
	Change in Distribution Charge		$12,825.00
	% Distribution Increase		18.08%
	% Increase of Total Bill		-4.65%
Sentinel Lighting (0.4 kW)	Distribution Charge	$23.23	$25.34
	Change in Distribution Charge		$2.11
	% Distribution Increase		9.09%
	% Increase of Total Bill		4.77%
Street Lighting (50kW)	Distribution Charge	$898.80	$732.26
	Change in Distribution Charge		($166.54)
	% Distribution Increase		-18.53%
	% Increase of Total Bill		-10.53%
Unmetered Scattered Load (470 kWh)	Distribution Charge	$25.88	$28.35
	Change in Distribution Charge		$2.47
	% Distribution Increase		9.52%
	% Increase of Total Bill		1.49%

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Attachment 8-5-1(A) - OEB Workform - 2026 Current and 2027 Proposed Tariff of Rates and Charges

(Refer to the attachment in Excel format)

Bill Impacts and Tariff of Rates and Charges

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2026
Implementation Date June 1, 2026
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2024-0115

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triple or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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	$	39.20
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	1.80
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$	(1.19)
Smart Metering Entity Charge - effective until December 31, 2026	$	0.42
Low Voltage Service Rate	$/kWh	0.00007
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kWh	(0.0010)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0007
Rate Rider for disposition of Global Adjustment Account Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kWh	0.0138
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0078

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts taking electricity at 750 volts or less 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	26.16
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	0.97
Smart Metering Entity Charge - effective until December 31, 2026	$	0.42
Distribution Volumetric Rate	$/kWh	0.0339
Low Voltage Service Rate	$/kWh	0.00006
Rate Rider for dispostion of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kWh	(0.0009)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0008
Rate Rider for disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Rate Rider for Disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kWh	(0.0014)
Rate Rider for disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2026) - effective until December 31, 2026	$/kWh	0.0006
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kWh	0.0014
Retail Transmission Rate - Network Service Rate	$/kWh	0.0107
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0061

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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

GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	200.00
Rate Rider for Recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	(0.61)
Distribution Volumetric Rate	$/kW	7.6543
Low Voltage Service Rate	$/kW	0.02332
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kW	0.0130
Rate Rider for disposition of Deferral/Variance Accounts Applicable only for Non-Wholesale Market Participants (2026) - effective until December 31, 2026	$/kW	(0.3757)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0007
Rate Rider for disposition of Global Adjustment Account Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
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Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kW	(0.2634)
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kW	0.4447
Retail Transmission Rate - Network Service Rate	$/kW	4.5787
Retail Transmission Rate - Network Service Rate - EV CHARGING*	$/kW	0.7784
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.5918
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING*	$/kW	0.4406

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

* In accordance with the OEB's March 31, 2025 report, Electric Vehicle Charging Rate Overview - Final Report, Hydro Ottawa Limited will provide eligible customers with the option to elect to be charged Retail Transmission Service Rates on the basis of the Electric Vehicle Charging Rate, subject to the standard terms and conditions set out in Appendix A of the report.

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2026

Implementation Date June 1, 2026

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

GENERAL SERVICE 1,500 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less 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 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	4,126.75
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	(11.74)
Distribution Volumetric Rate	$/kW	7.2920
Low Voltage Service Rate	$/kW	0.02313
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kW	(0.3730)
Rate Rider for disposition of of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0007
Rate Rider for disposition of Global Adjustment Account Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kW	(0.2847)
Rate Rider for disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2026) - effective until December 31, 2026	$/kW	(0.6337)

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2026
Implementation Date June 1, 2026
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kW	0.4759
Retail Transmission Rate - Network Service Rate	$/kW	4.5424
Retail Transmission Rate - Network Service Rate - EV CHARGING*	$/kW	0.7722
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.5712
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING*	$/kW	0.4371

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

* In accordance with the OEB's March 31, 2025 report, Electric Vehicle Charging Rate Overview - Final Report, Hydro Ottawa Limited will provide eligible customers with the option to elect to be charged Retail Transmission Service Rates on the basis of the Electric Vehicle Charging Rate, subject to the standard terms and conditions set out in Appendix A of the report.

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand 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 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	14,946.93
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	(43.11)
Distribution Volumetric Rate	$/kW	7.9119
Low Voltage Service Rate	$/kW	0.02716
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kW	(0.4773)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0009
Rate Rider for disposition of Global Adjustment Account Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0043
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kW	(0.3033)
Rate Rider for disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2026) - effective until December 31, 2026	$/kW	(0.8863)

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2026
Implementation Date June 1, 2026
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Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kW	0.7496
Retail Transmission Rate - Network Service Rate	$/kW	5.334
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0193

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2026

Implementation Date June 1, 2026

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UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	8.04
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	0.36
Distribution Volumetric Rate	$/kWh	0.0383
Low Voltage Service Rate	$/kWh	0.00004
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kWh	(0.0008)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0007
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kWh	(0.0020)
Rate Rider for disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2026) - effective until December 31, 2026	$/kWh	(0.0009)
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kWh	0.0018
Retail Transmission Rate - Network Service Rate	$/kWh	0.0075
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0043

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	186.89
General Service 50 TO 1,499 kW customer	$/kW	3.8272
General Service 1,500 TO 4,999 kW customer	$/kW	3.6460
General Service Large User kW customer	$/kW	3.9560
General Service 50 TO 1,499 kW customer - Backup Overrun	$/kW	7.6543
General Service 1,500 TO 4,999 kW customer - Backup Overrun	$/kW	7.2920
General Service Large User kW customer - Backup Overrun	$/kW	7.9119
Rate Rider for recovery of 2026 Foregone Revenue General Service 50 TO 1,499 kW customer (2026) - effective until May 31, 2027	$/kW	0.5559
Rate Rider for recovery of 2026 Foregone Revenue General Service 1,500 TO 4,999 kW customer (2026) - effective until May 31, 2027	$/kW	0.5670
Rate Rider for recovery of 2026 Foregone Revenue General Service Large User kW customer (2026) - effective until May 31, 2027	$/kW	0.5926
Rate Rider for recovery of 2026 Foregone Revenue General Service 50 TO 1,499 kW customer (2026) - effective until May 31, 2027	$	(0.56)
Rate Rider for recovery of 2026 Foregone Revenue General Service 1,500 TO 4,999 kW customer (2026) - effective until May 31, 2027	$	(0.56)
Rate Rider for recovery of 2026 Foregone Revenue General Service Large User kW customer (2026) - effective until May 31, 2027	$	(0.56)

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Effective Date January 1, 2026

Implementation Date June 1, 2026

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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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 connection)	$	8.02
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	0.36
Distribution Volumetric Rate	$/kW	37.6326
Low Voltage Service Rate	$/kW	0.00435
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kW	(0.2661)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0008
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kW	(2.2843)
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kW	1.7788
Retail Transmission Rate - Network Service Rate	$/kW	0.8545
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	0.4837

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

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TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers is 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	1.19
Rate Rider for Recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	0.02
Distribution Volumetric Rate	$/kW	8.3054
Low Voltage Service Rate	$/kW	0.01099
Rate Rider for disposition of Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2026) - effective until December 31, 2026	$/kW	(0.3805)
Rate Rider for disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2026) - effective until December 31, 2026	$/kWh	0.0008
Rate Rider for disposition of Global Adjustment Account (2026) - Applicable to Non-RPP Customers Only - effective until May 31, 2027	$/kWh	0.0045
Rate Rider for disposition of Group 2 Deferral/Variance Account Balances (2026) - effective until December 31, 2026	$/kW	(0.7165)
Rate Rider for disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2026) - effective until December 31, 2026	$/kW	(1.0437)
Rate Rider for disposition of Account 1595 (2026) - effective until December 31, 2026	$/kW	4.8925
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$/kW	0.1979
Retail Transmission Rate - Network Service Rate	$/kW	2.1576
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.2213

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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

MicroFIT AND OTHER GENERATION <10kW SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program or other generation <10kW and connected to the distributor's distribution system. This charge would not apply to customers with generation who are considered a load customer within another rate classification that receive a monthly fixed service charge. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	11.00
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	(2.12)

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TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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FIT AND OTHER GENERATION >10kW SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's FIT program or other generation >10kW (but does not meet the requirements of HCI, RESOP, OTHER ENERGY RESOURCE SERVICE CLASSIFICATION) and connected to the distributor's distribution system. This charge would not apply to customers with generation who are considered a load customer within another rate classification that receive a monthly fixed service charge. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	87.00
Rate Rider for Recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	0.99

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HCI, RESOP, OTHER ENERGY RESOURCE SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's HCI, RESOP and Other Energy Resource programs and connected to the distributor's distribution system. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	266.00
Rate Rider for recovery of 2026 Foregone Revenue (2026) - effective until May 31, 2027	$	(34.54)

Hydro Ottawa Limited

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Effective Date January 1, 2026

Implementation Date June 1, 2026

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ALLOWANCES

Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	-1.00

SPECIFIC SERVICE CHARGES

APPLICATION

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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

Arrears Certificate	$	0.00
Easement Certificate for Unregistered Easements	$	30.00
Duplicate invoices for previous billing	$	7.00
Special billing service per hour (min 1 hour, 15 min incremental billing thereafter)	$	141.00
Credit reference/credit check (plus credit agency costs)	$	20.00
Unprocessed payment charge (plus bank charges)	$	25.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	10.00
Interval meter - field reading	$	366.00
High bill investigation - if billing is correct	$	322.00

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate	%	1.50
Reconnection at meter - during regular hours	$	70.00
Reconnection at meter - after regular hours	$	94.00
Reconnection at pole - during regular hours	$	318.00
Reconnection at pole - after regular hours	$	480.00

Other

Temporary service - install & remove - overhead - no transformer	$	1,079.00
Temporary service - install & remove - underground - no transformer	$	1,422.00
Temporary service - install & remove - overhead - with transformer	$	5,010.00
Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments)	$	40.59
Dry core transformer distribution charge		Per Attached Table
Energy resource facility administration charge (account set-up charge separately if applicable)	$	165.00

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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RETAIL SERVICE CHARGES (if applicable)

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	125.72
Monthly fixed charge, per retailer	$	50.29
Monthly variable charge, per customer, per retailer	$/cust.	1.24
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.74
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	-0.74
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.63
Processing fee, per request, applied to the requesting party	$	1.24
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)	$	5.03
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	$	2.51

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	1.0332
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0228
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0048

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2026

Implementation Date June 1, 2026

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EB-2024-0115

Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			$ 7.5703	$ 0.1363		$ 8.1761	
1.5 KVA 1PH, 1.2kV BIL	58	243	$ 0.43	$ 4.65	$ 5.08	$ 0.46	$ 5.54
25 KVA 1 PH, 1.2kV BIL	150	900	$ 1.22	$ 12.39	$ 13.60	$ 1.31	$ 14.92
37.5 KVA 1 PH, 1.2kV BIL	200	1200	$ 1.62	$ 16.52	$ 18.14	$ 1.75	$ 19.89
50 KVA 1 PH, 1.2kV BIL	250	1600	$ 2.07	$ 20.78	$ 22.85	$ 2.23	$ 25.08
75 KVA 1 PH, 1.2kV BIL	350	1900	$ 2.76	$ 28.64	$ 31.40	$ 2.98	$ 34.37
100 KVA 1 PH, 1.2kV BIL	400	2600	$ 3.33	$ 33.30	$ 36.62	$ 3.59	$ 40.21
112.5 kVA 1 PH, 1.2kV BIL	447	2936	$ 3.73	$ 37.25	$ 40.98	$ 4.03	$ 45.01
*150 KVA 1 PH, 1.2kV BIL	525	3500	$ 4.40	$ 43.82	$ 48.22	$ 4.75	$ 52.97
167 KVA 1 PH, 1.2kV BIL	650	4400	$ 5.47	$ 54.34	$ 59.82	$ 5.91	$ 65.73
175 KVA 1PH, 1.2kV BIL	665	4496	$ 5.60	$ 55.59	$ 61.19	$ 6.05	$ 67.23
*200 KVA 1 PH, 1.2kV BIL	696	4700	$ 5.86	$ 58.17	$ 64.03	$ 6.33	$ 70.35
*225 KVA 1 PH, 1.2kV BIL	748	5050	$ 6.29	$ 62.52	$ 68.81	$ 6.80	$ 75.61
250 KVA 1 PH, 1.2kV BIL	800	5400	$ 6.73	$ 66.86	$ 73.59	$ 7.27	$ 80.86
300 KVA 1 PH, 1.2kV BIL	920	6123	$ 7.71	$ 76.77	$ 84.48	$ 8.32	$ 92.80
333 KVA 1PH 1.2kV BIL	1000	6600	$ 8.35	$ 83.38	$ 91.73	$ 9.02	$ 100.75
*10 kVA 3 PH, 1.2kV BIL	83	400	$ 0.63	$ 6.72	$ 7.36	$ 0.68	$ 8.04
*15 KVA 3 PH, 1.2kV BIL	125	650	$ 0.97	$ 10.19	$ 11.16	$ 1.05	$ 12.21
30 kVA 3PH, 1.2kV BIL	250	1300	$ 1.95	$ 20.38	$ 22.33	$ 2.10	$ 24.43
45 KVA 3 PH, 1.2kV BIL	300	1800	$ 2.43	$ 24.77	$ 27.21	$ 2.63	$ 29.84
75 KVA 3 PH, 1.2kV BIL	400	2400	$ 3.24	$ 33.03	$ 36.28	$ 3.50	$ 39.78
*90 KVA 3 PH, 1.2kV BIL	480	2800	$ 3.86	$ 39.53	$ 43.39	$ 4.17	$ 47.56
112.5 KVA 3 PH, 1.2kV BIL	600	3400	$ 4.78	$ 49.28	$ 54.07	$ 5.17	$ 59.24
125 KVA 3PH, 1.2kV BIL	633	3767	$ 5.12	$ 52.23	$ 57.35	$ 5.53	$ 62.88
150 KVA 3 PH, 1.2kV BIL	700	4500	$ 5.80	$ 58.20	$ 64.00	$ 6.26	$ 70.27
*175 KVA 3PH, 1.2kV BIL	766	4767	$ 6.28	$ 63.48	$ 69.77	$ 6.78	$ 76.55
*200 KVA 3PH, 1.2kV BIL	833	5033	$ 6.77	$ 68.84	$ 75.61	$ 7.31	$ 82.92
225 KVA 3 PH, 1.2kV BIL	900	5300	$ 7.26	$ 74.19	$ 81.45	$ 7.84	$ 89.29
*250 KVA 3 PH, 1.2kV BIL	967	5633	$ 7.77	$ 79.63	$ 87.41	$ 8.40	$ 95.80
300 KVA 3 PH, 1.2kV BIL	1100	6300	$ 8.80	$ 90.44	$ 99.24	$ 9.50	$ 108.74
400 KVA 3 PH, 1.2kV BIL	1750	6950	$ 12.75	$ 139.81	$ 152.56	$ 13.77	$ 166.34
*450 KVA 3PH, 1.2kV BIL	2075	7275	$ 14.73	$ 164.49	$ 179.22	$ 15.91	$ 195.13
500 KVA 3 PH, 95kV BIL	2400	7600	$ 16.71	$ 189.18	$ 205.88	$ 18.04	$ 223.93
750 KVA 3 PH, 95kV BIL	3000	12000	$ 21.90	$ 239.79	$ 261.68	$ 23.65	$ 285.34
1000 KVA 3 PH, 95kV BIL	3400	13000	$ 24.57	$ 270.96	$ 295.54	$ 26.54	$ 322.08
1500 KVA 3 PH, 95kV BIL	4500	18000	$ 32.85	$ 359.68	$ 392.53	$ 35.48	$ 428.00
2000 KVA 3 PH, 95kV BIL	5400	21000	$ 39.17	$ 430.82	$ 469.99	$ 42.31	$ 512.30
2500 KVA 3 PH, 95kV BIL	6500	25000	$ 47.04	$ 518.21	$ 565.25	$ 50.80	$ 616.06
3000 KVA 3PH, 95kV BIL	7700	29000	$ 55.48	$ 613.07	$ 668.54	$ 59.91	$ 728.46
3750 KVA 3PH, 95kV BIL	9500	35000	$ 68.13	$ 755.35	$ 823.47	$ 73.58	$ 897.05
5000 KVA 3PH, 95kV BIL	11000	39000	$ 78.27	$ 872.59	$ 950.85	$ 84.53	$ 1,035.38

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.

Average load factor = 0.46 average loss factor = 0.2489

*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

Hydro Ottawa 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-2026-0051

RESIDENTIAL SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triple or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. 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	$	41.24
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	1.80
Smart Metering Entity Charge - effective until December 31, 2026	$	0.42
Low Voltage Service Rate	$/kWh	0.00007
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kWh	(0.0032)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kWh	0.0141
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.008

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa 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-2026-0051

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts taking electricity at 750 volts or less 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 Board approval, such as the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	27.52
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	0.97
Smart Metering Entity Charge - effective until December 31, 2026	$	0.42
Distribution Volumetric Rate	$/kWh	0.0357
Low Voltage Service Rate	$/kWh	0.00006
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kWh	0.0014
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kWh	(0.0031)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kWh	0.011
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0062

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa 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-2026-0051

GENERAL SERVICE 50 TO 1,499 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,500 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	200
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	(0.61)
Distribution Volumetric Rate	$/kW	8.123
Low Voltage Service Rate	$/kW	0.02393
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kW	0.4447
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2027) - effective until December 31, 2027	$/kWh	0.0295
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) - NON-WMP (2027) - effective until December 31, 2027	$/kW	(0.8646)

Hydro Ottawa 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-2026-0051

Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kW	(0.4186)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kW	4.6857
Retail Transmission Rate - Network Service Rate - EV CHARGING*	$/kW	0.7966
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.6522
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING*	$/kW	0.4509

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

* In accordance with the OEB's March 31, 2025 report, Electric Vehicle Charging Rate Overview - Final Report, Hydro Ottawa Limited will provide eligible customers with the option to elect to be charged Retail Transmission Service Rates on the basis of the Electric Vehicle Charging Rate, subject to the standard terms and conditions set out in Appendix A of the report.

Hydro Ottawa 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-2026-0051

GENERAL SERVICE 1,500 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 1,500 kW but less 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 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	4,126.75
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	(11.74)
Distribution Volumetric Rate	$/kW	7.7968
Low Voltage Service Rate	$/kW	0.02374
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kW	0.4759
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kW	(1.4775)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005

Hydro Ottawa 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

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Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kW	4.6486
Retail Transmission Rate - Network Service Rate - EV CHARGING*	$/kW	0.7903
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.6311
Retail Transmission Rate - Line and Transformation Connection Service Rate - EV CHARGING*	$/kW	0.4473

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

* In accordance with the OEB's March 31, 2025 report, Electric Vehicle Charging Rate Overview - Final Report, Hydro Ottawa Limited will provide eligible customers with the option to elect to be charged Retail Transmission Service Rates on the basis of the Electric Vehicle Charging Rate, subject to the standard terms and conditions set out in Appendix A of the report.

Hydro Ottawa 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-2026-0051

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand 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 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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, the rate rider for the disposition of 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.

Note: A Customer shall be billed for Demand based on the greater of the measured kilowatts or ninety percent (90%) of the measured kilovolt-amperes.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	14,946.93
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	(43.11)
Distribution Volumetric Rate	$/kW	8.4323
Low Voltage Service Rate	$/kW	0.02787
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kW	0.7496
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kW	(1.6964)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005

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Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0043
Retail Transmission Rate - Network Service Rate	$/kW	5.4587
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	3.0897

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa Limited

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2027

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EB-2026-0051

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Class B consumers are defined in accordance with O. Reg. 429/04. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its 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 connection)	$	8.39
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	0.36
Distribution Volumetric Rate	$/kWh	0.0399
Low Voltage Service Rate	$/kWh	0.00004
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kWh	0.0018
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kWh	(0.0031)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Retail Transmission Rate - Network Service Rate	$/kWh	0.0077
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0044

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa 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-2026-0051

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service. 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.

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 asthe Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component - Approved on an Interim Basis

Service Charge	$	186.89
General Service 50 TO 1,499 kW customer	$/kW	4.0615
General Service 1,500 TO 4,999 kW customer	$/kW	3.8984
General Service Large User kW customer	$/kW	4.2162
General Service 50 TO 1,499 kW customer - Backup Overrun	$/kW	8.123
General Service 1,500 TO 4,999 kW customer - Backup Overrun	$/kW	7.7968
General Service Large User kW customer - Backup Overrun	$/kW	8.4323
Rate Rider for Recovery of 2026 Foregone Revenue General Service 50 TO 1,499 kW customer - effective until May 31, 2027	$/kW	0.5559
Rate Rider for Recovery of 2026 Foregone Revenue General Service 1,500 TO 4,999 kW customer - effective until May 31, 2027	$/kW	0.5670
Rate Rider for Recovery of 2026 Foregone Revenue General Service Large User kW customer - effective until May 31, 2027	$/kW	0.5926
Rate Rider for Recovery of 2026 Foregone Revenue General Service 50 TO 1,499 kW customer - effective until May 31, 2027	$	(0.56)
Rate Rider for Recovery of 2026 Foregone Revenue General Service 1,500 TO 4,999 kW customer - effective until May 31, 2027	$	(0.56)
Rate Rider for Recovery of 2026 Foregone Revenue General Service Large User kW customer - effective until May 31, 2027	$	(0.56)

Hydro Ottawa 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-2026-0051

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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 connection)	$	8.44
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	0.36
Distribution Volumetric Rate	$/kW	39.5797
Low Voltage Service Rate	$/kW	0.00447
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kW	1.7788
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kW	(1.1062)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Retail Transmission Rate - Network Service Rate	$/kW	0.8745
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	0.4949

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa 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-2026-0051

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers is 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, assessements 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 connection)	$	1.18
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$	0.02
Distribution Volumetric Rate	$/kW	8.1593
Low Voltage Service Rate	$/kW	0.01128
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2027) - effective until December 31, 2027	$/kWh	(0.0082)
Rate Rider for Recovery of 2026 Foregone Revenue (2027) - effective until May 31, 2027	$/kW	0.1979
Rate Rider for Group 1 Deferral/Variance Account Balances (excluding Global Adj.) (2027) - effective until December 31, 2027	$/kW	(1.1190)
Rate Rider for Disposition of Capacity Based Recovery (CBR) Account Applicable only for Class B Customers (2027) - effective until December 31, 2027	$/kWh	0.0005
Rate Rider for Disposition of Global Adjustment Account - Applicable to Non-RPP Customers Only (2026) - effective until May 31, 2027	$/kWh	0.0045
Retail Transmission Rate - Network Service Rate	$/kW	2.208
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.2498

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	0.0006
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0006
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Hydro Ottawa 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-2026-0051

MicroFIT AND OTHER GENERATION <10kW SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program or other generation <10kW and connected to the distributor's distribution system. This charge would not apply to customers with generation who are considered a load customer within another rate classification that receive a monthly fixed service charge. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	12
Rate Rider for Recovery of 2026 Foregone Revenue - effective until May 31, 2027	$	(2.12)

Hydro Ottawa 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-2026-0051

FIT AND OTHER GENERATION >10kW SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's FIT program or other generation >10kW (but does not meet the requirements of HCI, RESOP, OTHER ENERGY RESOURCE

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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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	89
Rate Rider for Recovery of 2026 Foregone Revenue - effective until May 31, 2027	$	0.99

Hydro Ottawa 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-2026-0051

HCI, RESOP, OTHER ENERGY RESOURCE SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's HCI, RESOP and Other Energy Resource programs and connected to the distributor's distribution system. 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	272
Rate Rider for Recovery of 2026 Foregone Revenue - effective until May 31, 2027	$	(34.54)

ALLOWANCES

Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

Hydro Ottawa 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-2026-0051

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

Arrears Certificate	$	0
Easement Certificate for Unregistered Easements	$	30
Duplicate invoices for previous billing	$	7
Special billing service per hour (min 1 hour, 15 min incremental billing thereafter)	$	144
Credit reference/credit check (plus credit agency costs)	$	20
Unprocessed payment charge (plus bank charges)	$	25
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	10
Interval meter - field reading	$	374
High bill investigation - if billing is correct	$	328

Non-Payment of Account

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate	%	1.5
Reconnection at meter - during regular hours	$	71
Reconnection at meter - after regular hours	$	96
Reconnection at pole - during regular hours	$	325
Reconnection at pole - after regular hours	$	490

Other

Temporary service - install & remove - overhead - no transformer	$	1102
Temporary service - install & remove - underground - no transformer	$	1452
Temporary service - install & remove - overhead - with transformer	$	5116
Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments)	$	41.81
Dry core transformer distribution charge		Per Attached Table
Energy resource facility administration charge (account set-up charge separately if applicable)	$	168

Hydro Ottawa 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-2026-0051

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the 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 a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	129.49
Monthly fixed charge, per retailer	$	51.8
Monthly variable charge, per customer, per retailer	$/cust.	1.28
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.76
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	-0.76
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.65
Processing fee, per request, applied to the requesting party	$	1.28
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)	$	5.18
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	$	$2.59

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	1.0332
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0228
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0048

DRAFT - 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

Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			$ 7.7472	$ 0.1363		$ 8.6741	
1.5 KVA 1PH, 1.2kV BIL	58	243	$ 0.44	$ 4.65	$ 5.09	$ 0.49	$ 5.58
25 KVA 1 PH, 1.2kV BIL	150	900	$ 1.24	$ 12.39	$ 13.63	$ 1.39	$ 15.03
37.5 KVA 1 PH, 1.2kV BIL	200	1200	$ 1.66	$ 16.52	$ 18.18	$ 1.86	$ 20.03
50 KVA 1 PH, 1.2kV BIL	250	1600	$ 2.12	$ 20.78	$ 22.89	$ 2.37	$ 25.26
75 KVA 1 PH, 1.2kV BIL	350	1900	$ 2.82	$ 28.64	$ 31.46	$ 3.16	$ 34.62
100 KVA 1 PH, 1.2kV BIL	400	2600	$ 3.40	$ 33.30	$ 36.70	$ 3.81	$ 40.51
112.5 kVA 1 PH, 1.2kV BIL	447	2936	$ 3.82	$ 37.25	$ 41.07	$ 4.27	$ 45.34
*150 KVA 1 PH, 1.2kV BIL	525	3500	$ 4.50	$ 43.82	$ 48.32	$ 5.04	$ 53.36
167 KVA 1 PH, 1.2kV BIL	650	4400	$ 5.60	$ 54.34	$ 59.94	$ 6.27	$ 66.22
175 KVA 1PH, 1.2kV BIL	665	4496	$ 5.73	$ 55.59	$ 61.32	$ 6.41	$ 67.73
*200 KVA 1 PH, 1.2kV BIL	696	4700	$ 5.99	$ 58.17	$ 64.17	$ 6.71	$ 70.88
*225 KVA 1 PH, 1.2kV BIL	748	5050	$ 6.44	$ 62.52	$ 68.96	$ 7.21	$ 76.17
250 KVA 1 PH, 1.2kV BIL	800	5400	$ 6.89	$ 66.86	$ 73.75	$ 7.71	$ 81.46
300 KVA 1 PH, 1.2kV BIL	920	6123	$ 7.89	$ 76.77	$ 84.66	$ 8.83	$ 93.49
333 KVA 1PH 1.2kV BIL	1000	6600	$ 8.55	$ 83.38	$ 91.93	$ 9.57	$ 101.50
*10 kVA 3 PH, 1.2kV BIL	83	400	$ 0.65	$ 6.72	$ 7.37	$ 0.73	$ 8.10
*15 KVA 3 PH, 1.2kV BIL	125	650	$ 1.00	$ 10.19	$ 11.19	$ 1.12	$ 12.30
30 kVA 3PH, 1.2kV BIL	250	1300	$ 1.99	$ 20.38	$ 22.37	$ 2.23	$ 24.60
45 KVA 3 PH, 1.2kV BIL	300	1800	$ 2.49	$ 24.77	$ 27.26	$ 2.79	$ 30.05
75 KVA 3 PH, 1.2kV BIL	400	2400	$ 3.32	$ 33.03	$ 36.35	$ 3.72	$ 40.07
*90 KVA 3 PH, 1.2kV BIL	480	2800	$ 3.95	$ 39.53	$ 43.48	$ 4.42	$ 47.91
112.5 KVA 3 PH, 1.2kV BIL	600	3400	$ 4.90	$ 49.28	$ 54.18	$ 5.48	$ 59.66
125 KVA 3PH, 1.2kV BIL	633	3767	$ 5.24	$ 52.23	$ 57.47	$ 5.87	$ 63.34
150 KVA 3 PH, 1.2kV BIL	700	4500	$ 5.93	$ 58.20	$ 64.14	$ 6.64	$ 70.78
*175 KVA 3PH, 1.2kV BIL	766	4767	$ 6.43	$ 63.48	$ 69.91	$ 7.20	$ 77.11
*200 KVA 3PH, 1.2kV BIL	833	5033	$ 6.93	$ 68.84	$ 75.76	$ 7.76	$ 83.52
225 KVA 3 PH, 1.2kV BIL	900	5300	$ 7.43	$ 74.19	$ 81.62	$ 8.32	$ 89.94
*250 KVA 3 PH, 1.2kV BIL	967	5633	$ 7.96	$ 79.63	$ 87.59	$ 8.91	$ 96.49
300 KVA 3 PH, 1.2kV BIL	1100	6300	$ 9.01	$ 90.44	$ 99.45	$ 10.08	$ 109.53
400 KVA 3 PH, 1.2kV BIL	1750	6950	$ 13.05	$ 139.81	$ 152.86	$ 14.61	$ 167.47
*450 KVA 3PH, 1.2kV BIL	2075	7275	$ 15.07	$ 164.49	$ 179.57	$ 16.88	$ 196.45
500 KVA 3 PH, 95kV BIL	2400	7600	$ 17.10	$ 189.18	$ 206.28	$ 19.14	$ 225.42
750 KVA 3 PH, 95kV BIL	3000	12000	$ 22.41	$ 239.79	$ 262.20	$ 25.09	$ 287.29
1000 KVA 3 PH, 95kV BIL	3400	13000	$ 25.15	$ 270.96	$ 296.11	$ 28.16	$ 324.27
1500 KVA 3 PH, 95kV BIL	4500	18000	$ 33.61	$ 359.68	$ 393.29	$ 37.64	$ 430.93
2000 KVA 3 PH, 95kV BIL	5400	21000	$ 40.09	$ 430.82	$ 470.91	$ 44.88	$ 515.79
2500 KVA 3 PH, 95kV BIL	6500	25000	$ 48.14	$ 518.21	$ 566.35	$ 53.90	$ 620.25
3000 KVA 3PH, 95kV BIL	7700	29000	$ 56.77	$ 613.07	$ 669.84	$ 63.56	$ 733.40
3750 KVA 3PH, 95kV BIL	9500	35000	$ 69.72	$ 755.35	$ 825.07	$ 78.06	$ 903.13
5000 KVA 3PH, 95kV BIL	11000	39000	$ 80.09	$ 872.59	$ 952.68	$ 89.68	$ 1,042.36

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.
Average load factor = 0.46 average loss factor = 0.2489

*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

DRAFT - TARIFF OF RATES AND CHARGES
Effective and Implementation Date June 1, 2027

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

Dry Core Transformer Charges

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission and LV per kW	Cost of Energy and Wholesale Market per kWh	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			$ 7.7472	$ 0.1363		$ 8.1174	
1.5 KVA 1PH, 1.2kV BIL	58	243	$ 0.44	$ 4.65	$ 5.09	$ 0.46	$ 5.55
25 KVA 1 PH, 1.2kV BIL	150	900	$ 1.24	$ 12.39	$ 13.63	$ 1.30	$ 14.94
37.5 KVA 1 PH, 1.2kV BIL	200	1200	$ 1.66	$ 16.52	$ 18.18	$ 1.74	$ 19.92
50 KVA 1 PH, 1.2kV BIL	250	1600	$ 2.12	$ 20.78	$ 22.89	$ 2.22	$ 25.11
75 KVA 1 PH, 1.2kV BIL	350	1900	$ 2.82	$ 28.64	$ 31.46	$ 2.96	$ 34.42
100 KVA 1 PH, 1.2kV BIL	400	2600	$ 3.40	$ 33.30	$ 36.70	$ 3.57	$ 40.27
112.5 kVA 1 PH, 1.2kV BIL	447	2936	$ 3.82	$ 37.25	$ 41.07	$ 4.00	$ 45.06
*150 KVA 1 PH, 1.2kV BIL	525	3500	$ 4.50	$ 43.82	$ 48.32	$ 4.72	$ 53.04
167 KVA 1 PH, 1.2kV BIL	650	4400	$ 5.60	$ 54.34	$ 59.94	$ 5.87	$ 65.81
175 KVA 1PH, 1.2kV BIL	665	4496	$ 5.73	$ 55.59	$ 61.32	$ 6.00	$ 67.32
*200 KVA 1 PH, 1.2kV BIL	696	4700	$ 5.99	$ 58.17	$ 64.17	$ 6.28	$ 70.45
*225 KVA 1 PH, 1.2kV BIL	748	5050	$ 6.44	$ 62.52	$ 68.96	$ 6.75	$ 75.71
250 KVA 1 PH, 1.2kV BIL	800	5400	$ 6.89	$ 66.86	$ 73.75	$ 7.22	$ 80.97
300 KVA 1 PH, 1.2kV BIL	920	6123	$ 7.89	$ 76.77	$ 84.66	$ 8.26	$ 92.92
333 KVA 1PH 1.2kV BIL	1000	6600	$ 8.55	$ 83.38	$ 91.93	$ 8.96	$ 100.88
*10 kVA 3 PH, 1.2kV BIL	83	400	$ 0.65	$ 6.72	$ 7.37	$ 0.68	$ 8.05
*15 KVA 3 PH, 1.2kV BIL	125	650	$ 1.00	$ 10.19	$ 11.19	$ 1.04	$ 12.23
30 kVA 3PH, 1.2kV BIL	250	1300	$ 1.99	$ 20.38	$ 22.37	$ 2.09	$ 24.46
45 KVA 3 PH, 1.2kV BIL	300	1800	$ 2.49	$ 24.77	$ 27.26	$ 2.61	$ 29.87
75 KVA 3 PH, 1.2kV BIL	400	2400	$ 3.32	$ 33.03	$ 36.35	$ 3.48	$ 39.83
*90 KVA 3 PH, 1.2kV BIL	480	2800	$ 3.95	$ 39.53	$ 43.48	$ 4.14	$ 47.62
112.5 KVA 3 PH, 1.2kV BIL	600	3400	$ 4.90	$ 49.28	$ 54.18	$ 5.13	$ 59.31
125 KVA 3PH, 1.2kV BIL	633	3767	$ 5.24	$ 52.23	$ 57.47	$ 5.49	$ 62.96
150 KVA 3 PH, 1.2kV BIL	700	4500	$ 5.93	$ 58.20	$ 64.14	$ 6.22	$ 70.36
*175 KVA 3PH, 1.2kV BIL	766	4767	$ 6.43	$ 63.48	$ 69.91	$ 6.74	$ 76.65
*200 KVA 3PH, 1.2kV BIL	833	5033	$ 6.93	$ 68.84	$ 75.76	$ 7.26	$ 83.02
225 KVA 3 PH, 1.2kV BIL	900	5300	$ 7.43	$ 74.19	$ 81.62	$ 7.78	$ 89.40
*250 KVA 3 PH, 1.2kV BIL	967	5633	$ 7.96	$ 79.63	$ 87.59	$ 8.34	$ 95.92
300 KVA 3 PH, 1.2kV BIL	1100	6300	$ 9.01	$ 90.44	$ 99.45	$ 9.44	$ 108.88
400 KVA 3 PH, 1.2kV BIL	1750	6950	$ 13.05	$ 139.81	$ 152.86	$ 13.68	$ 166.54
*450 KVA 3PH, 1.2kV BIL	2075	7275	$ 15.07	$ 164.49	$ 179.57	$ 15.79	$ 195.36
500 KVA 3 PH, 95kV BIL	2400	7600	$ 17.10	$ 189.18	$ 206.28	$ 17.91	$ 224.19
750 KVA 3 PH, 95kV BIL	3000	12000	$ 22.41	$ 239.79	$ 262.20	$ 23.48	$ 285.68
1000 KVA 3 PH, 95kV BIL	3400	13000	$ 25.15	$ 270.96	$ 296.11	$ 26.35	$ 322.46
1500 KVA 3 PH, 95kV BIL	4500	18000	$ 33.61	$ 359.68	$ 393.29	$ 35.22	$ 428.52
2000 KVA 3 PH, 95kV BIL	5400	21000	$ 40.09	$ 430.82	$ 470.91	$ 42.00	$ 512.91
2500 KVA 3 PH, 95kV BIL	6500	25000	$ 48.14	$ 518.21	$ 566.35	$ 50.44	$ 616.79
3000 KVA 3PH, 95kV BIL	7700	29000	$ 56.77	$ 613.07	$ 669.84	$ 59.48	$ 729.32
3750 KVA 3PH, 95kV BIL	9500	35000	$ 69.72	$ 755.35	$ 825.07	$ 73.05	$ 898.12
5000 KVA 3PH, 95kV BIL	11000	39000	$ 80.09	$ 872.59	$ 952.68	$ 83.92	$ 1,036.60

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use.
Average load factor = 0.46 average loss factor = 0.2489

*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard

RATE MITIGATION

In accordance with Section 2.8.12 of OEB's *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications -2026 Edition for 2027 Rate Applications,* dated December 16, 2025, Hydro Ottawa confirms that its proposed 2027 total bill impacts remain below the 10% threshold for all rate classes.

To mitigate impacts and ensure more levelized bill impacts for Street Lighting class, rates have been designed to transition this class within the OEB-approved revenue-to-cost ratio range over a multi-year transition period, concluding by 2030. Supplementary information regarding this transition is available in section 7 of Schedule 7-1-1 - Cost Allocation.

Additionally, pursuant to the 2026–2030 Approved Settlement Agreement,[1] to facilitate levelized bill impacts for 2026 and 2027, Hydro Ottawa is disposing of the balance of Uniform System of Accounts 1568 for General Service 50-1,499 kW in 2027. Further details are provided in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2024-0115 (January 16, 2026).

SUMMARY OF CURRENT DEFERRAL AND VARIANCE ACCOUNTS

1. INTRODUCTION

This Schedule provides a summary of currently held deferral and variance accounts (DVAs), as of December 31, 2025.

In addition, the following other schedules provide additional information on DVAs:

- Schedule 9-1-2 - Group 1 Accounts;
- Schedule 9-1-3 - Group 2 Accounts;
- Schedule 9-1-4 - Account 1592 PILS and Tax Variance;
- Schedule 9-2-1 - New Deferral and Variance Account; and
- Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

The continuity schedule for current DVAs can be found in Attachment 9-3-1(A) - 2027 OEB Workform - Deferral and Variance Account Continuity Schedule. Details of new accounts for which approval is being sought as part of this Application are included in Schedule 9-2-1 - New Deferral and Variance Accounts. Details of the accounts for which Hydro Ottawa is seeking disposition are discussed in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

2. DETAILS OF DVAs

Tables 1 and 2 below present a complete list of Hydro Ottawa's active DVAs. The DVAs are categorized based on the OEB's report on the *Electricity Distributors' Deferral and Variance Account Review Initiative*[1] (EDDVAR Report), which categorizes the DVAs into Group 1 and Group 2 Accounts. In Table 1, Uniform System of Accounts (USofA) Account 1595 has a

[1] Ontario Energy Board, *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR),* EB-2008-0046 (July 31, 2009).

Sub-Account for each year from 2023-2026. In Hydro Ottawa's 2026-2030 Approved Settlement Agreement,[2] the Sub-Account 1595 (2021) and Sub-Account 1595 (2022) were cleared on a final basis. Hydro Ottawa is not proposing to clear any 1595 on a final basis. Sub-Accounts 1595 (2023), 1595 (2024), 1595 (2025) and 1595 (2026) will be dealt with in future rate applications as it has not been two years since their balances have been cleared.

Hydro Ottawa confirms that DVAs are being used as prescribed in the OEB's *Accounting Procedures Handbook*[3] (APH). Please refer to Schedule 9-1-2 - Group 1 Accounts and Schedule 9-1-3 - Group 2 Accounts for additional information on these Accounts.

Table 1 – Group 1 DVAs

Group 1 Account – Description	USofA
Low Voltage (LV) Variance Account	1550
Smart Meter Entity Charge Variance Account	1551
Retail Settlement Variance Account (RSVA) – Wholesale Market Service Charge	1580
RSVA – Retail Transmission Network Charge	1584
RSVA – Retail Transmission Network Charge, Sub-account Double-Peak Billing Refunds from Transmitters	1584
RSVA – Retail Transmission Connection Charge	1586
RSVA – Retail Transmission Connection Charge, Sub-account Double-Peak Billing Refunds from Transmitters	1586
RSVA – Power (excluding Global Adjustment)	1588
RSVA – Global Adjustment	1589
Disposition and Recovery/Refund of Regulatory Balances (2016-2026)	1595

[2] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Attachment 5 - Accounting Orders.
[3] Ontario Energy Board, *Accounting Procedures Handbook for Electricity Distributors*, January 1, 2012.

Table 2 – Group 2 DVAs

Group 2 Account – Description	Account
Other Regulatory Assets	1508
Pension & Other Post-Employment Benefits (“OPEB”) Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522
PILS and Tax Variance	1592

3. CONTINUITY SCHEDULE

A complete continuity schedule for all DVAs, including Sub-Accounts, can be found in Excel Attachment 9-3-1(A) - 2027 OEB Workform - Deferral and Variance Account Continuity Schedule. Hydro Ottawa is using the DVA Workform, updated on May 15th, 2026. Hydro Ottawa has completed the model using audited balances to the end of 2025.

The disposition of the 2025 Group 2 balances will be proposed in the next rebasing rate application.

For more details on Hydro Ottawa’s proposed disposition of DVAs, please see Schedule 9-3-1 - Disposition of Deferral and Variance Accounts.

4. CARRYING CHARGES

The interest rate used for the calculation of all carrying charges to applicable Accounts is prescribed by the OEB and published quarterly on its website. Table 3 below includes the interest rates up to Q3 2026. Hydro Ottawa confirms that it uses these interest rates where applicable.

Table 3 – Interest Rates for Carrying Charges on DVAs

Prescribed Interest Rate		
Period(s) Used	Approved for Deferral and Variance Accounts	CWIP Account - Prescribed Interest Rate
Q3 2026	2.55%	4.19%
Q2 2026	2.55%	3.94%
Q1 2026	2.55%	4.23%
Q3 2025 to Q4 2025	2.91%	4.23%
Q2 2025	3.16%	4.23%
Q1 2025	3.64%	4.23%
Q4 2024	4.40%	4.55%
Q3 2024	5.20%	4.98%
Q2 2024	5.49%	4.98%

5. RECONCILIATION OF CONTINUITY SCHEDULE VS. REPORTING AND RECORD KEEPING REQUIREMENTS

Appendix A of Attachment 9-3-1(A) - 2027 OEB Workform - Deferral and Variance Account Continuity Schedule provides a list of differences between account balances as of December 31, 2025 as reported in the Continuity Schedule and 2.1.7 of the OEB’s Reporting and Record Keeping Requirements.

Differences in Accounts 1588 and 1589 relate to current year principal adjustments on RPP/non-RPP volume true-ups made in 2026 on 2024 and 2025 balances. The adjustments are consistent with the OEB’s accounting guidance related to commodity pass-through Accounts 1588 and 1589. Refer to details provided in the tab titled: “Principal adjustments” in Attachment 9-3-1-B - OEB Workform - Commodity_Accounts_Analysis_Workform.

The difference in Account 1586 relates to a 2024 Gross Load Billing adjustment, which will be submitted by Hydro One with the 2027 Transmission Service charges for Embedded

Generation for 2026. The 2024 adjustment has been added as a principal adjustment in cell BF30 on Tab '2a. Continuity Schedule Group 1' as part of the 2025 balance. The 2025 Gross Load Billing was charged as part of the 2026 IESO invoice process after Hydro One provided the annual charge amounts. The 2025 charge requires the same adjustment, however will be cleared within the 2026 balance, per normal process.

6. NEW DVAs AND SUB-ACCOUNTS

Please see Schedule 9-2-1 - New Deferral and Variance Accounts for information on new DVAs and Sub-Accounts.

7. ADJUSTMENTS TO DVAs

Hydro Ottawa confirms that there are no adjustments made to accounts previously approved by the OEB on a final basis.

8. GROUP 2 ACCOUNTS

A more detailed list of the Group 2 Accounts identified in Table 2 above is provided in Table 4 below, including which accounts are OEB generic accounts versus Utility-Specific. For information on these Accounts, please see Schedule 9-1-3 - Group 2 Accounts.

Please note, Group 2 Accounts that were discontinued per Hydro Ottawa's 2026-2030 Approved Settlement Agreement have been removed from these Tables.[4] Their balances will be written off in 2026 and reflected in the next annual OEB's Reporting and Record-Keeping Requirements.

[4] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026) Page 35.

Table 4 – Detailed listing of Group 2 Accounts

Group 2 Account - Description	Account	Type
Other Regulatory Assets - Sub-Accounts		
Designated Broadband Project Impacts	1508	Generic
Low-Income Energy Assistance Program Emergency Financial Assistance (LEAP EFA) Funding Deferral	1508	Generic
Pension & OPEB	1508	Generic
Gains and Loss on Disposal of Fixed Assets Variance	1508	Utility-Specific
Earnings Sharing Mechanism (ESM) Variance Account	1508	Utility-Specific
Connection Cost Recovery Agreement (CCRA) Payments Differential Variance Account	1508	Utility-Specific
OEB Cost Assessment Variance	1508	Generic
OEB Rate Application Deferral Account	1508	Utility-Specific
Performance Outcomes Account Mechanism Deferral Account (POAM)[5]	1508	Utility-Specific
Capital Variance Account - Existing[6]	1508	Utility-Specific
Growth-Related Capital Variance Account (GRVCA)	1508	Utility-Specific
Non-Wires Solutions Variance Account	1508	Utility-Specific
Electric Vehicle Charging Rate Deferral Account	1508	Utility-Specific
Extended Horizons Variance Account[7]	1508	Generic
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges	1522	Generic
PILS and Tax Variances	1592	Generic

[5] After December 31, 2025 (except for interest), and will be disposed of in accordance with the OEB's direction regarding the disposition of Group 2 accounts.
[6] Ibid.
[7] This account will remain open to record eligible variances up to December 31, 2025 and resulting interest. For the 2026-2030 rate period, variances related to the existing scope of the Extended Horizon Variance Account will be recorded within the newly established GRCVA. However, should the OEB generically expand the scope of the Extended Horizons Variance Account, nothing in the Approved Settlement Proposal will preclude Hydro Ottawa from being eligible to use the Extended Horizons Variance Account for the expanded scope only. This Account will be disposed of in accordance with the OEB's direction regarding the disposition of Group 2 accounts.

GROUP 1 ACCOUNTS

1. INTRODUCTION

As per the OEB's report on the *Electricity Distributors' Deferral and Variance Account Review Initiative* (EDDVAR Report), Group 1 accounts include account balances that are cost pass-through and accounts whose original balances were approved by the OEB in a previous proceeding.[1] Please see Table 1 in Schedule 9-1-1: Summary of Current Deferral and Variance Accounts for a list of Hydro Ottawa's active Group 1 deferral and variance accounts ("DVAs").

2. ENERGY SALES AND COST OF POWER AND EXPENSE BALANCES

The sale of energy and the purchase of power are pass-through transactions. Hydro Ottawa records monthly retail settlement variance entries related to any difference between the Power Recovery revenue and Purchased Power expense. Under International Financial Reporting Standards (IFRS), and specifically of IFRS 14 - Regulatory Deferrals Accounts (IFRS 14), the impact of regulatory deferral account balances including retail settlement variance accounts are presented as "Net movements in regulatory balances, net of tax" on Hydro Ottawa's statements of profit and loss.

Totals for Energy Sales (Power Recovery Revenue) and Cost of Power (Purchased Power), per the Uniform System of Accounts (USofA), are reconciled to the 2025 audited financial statements; in addition 2025 totals for Power Recovery Revenue and Purchased Power by USofA net to zero. These balances are proposed to be cleared as part of this rate application.

[1] Ontario Energy Board, *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)*, EB-2008-0046 (July 31, 2009).

3. CLASS A & CLASS B GLOBAL ADJUSTMENT AND COMMODITY

Total wholesale purchases include purchases from the Independent Electricity System Operator (IESO), Hydro One Networks Inc. (Hydro One) and various embedded generators. On a monthly basis, Hydro Ottawa accrues purchased power cost, which includes cost for charge type (CT) 147 - Class A Global Adjustment (GA), CT 148 - Class B GA and CT 1115 - Real-Time Energy Settlement Amount for Non-Dispatchable Loads. Hydro Ottawa records such amounts into pass-through Class B GA expense (Account 4707 - Charges GA) and Commodity expense account (Account 4705 - Power Purchased), respectively. Hydro Ottawa also accrues unbilled Power Recovery Revenue, which includes revenue for Class B GA and Commodity. The utility records amounts into pass-through Class B GA revenue and Commodity revenue accounts (Accounts 4006-4055), respectively.

Hydro Ottawa bills all Class B non-Regulated Price Plan (RPP) customers on the GA 1st Estimate posted on the IESO's website. For Commodity, Hydro Ottawa bills RPP customers based on their choice of Standard Time of Use (TOU), Tiered RPP (Tiered) or Ultra-Low Overnight (ULO) price plans. Non-RPP customers are billed the weighted average hourly price composed of the Day-Ahead Ontario Zonal Price (DAM-OZP) plus the Load Forecast Deviation Adjustment (LFDA). The RPP portion of the CT 148 GA Charge is recorded into the Commodity expense account. Hydro Ottawa confirms that journal entries are recorded as instructed in the OEB's accounting guidance related to commodity pass-through Accounts 1588 and 1589.[2]

The estimates for unbilled Power Recovery Revenue are based on preliminary metered data. An interval class customer's unbilled estimate is based on preliminary metered hourly data, while a non-interval class customer's unbilled data is based on preliminary smart metered data. Where meter data is missing, a class average is used as an estimate.

[2] Ontario Energy Board, *Accounting Procedures Handbook Update - Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589* (Re-Issued April 28, 2025), pages 11-37.

By the sixth business day of the following month, Hydro Ottawa submits its RPP settlement claim to the IESO. The amount submitted is the difference between the fixed price for TOU, Tiered and ULO, the estimated weighted average price for RPP customers, and the estimated RPP portion of the GA Charge (which is based upon the GA 2nd Estimate posted on the IESO's website, multiplied by the estimated TOU, Tiered and ULO volume (inclusive of billed and unbilled kWh). The RPP portion of the GA Charge is recorded into USofA 1588. The RPP proration is based on billed and estimated unbilled kWh. This is requested through CT 142 - Regulated price plan settlement amount (RPP settlement).

RPP settlement first true-up claim is completed the month following the initial settlement claim and consists of updating the GA 2nd Estimate to actual GA rate paid. At the same time, the updates are made to the wholesale purchased power cost (price and volume). For price, the first true-up will update the estimated DAM-OZP and LFDA used in the initial settlement with the final energy price charged by the IESO comprising DAM-OZP and LFDA. Subsequent true-up claims are completed when additional actual kWh sales for RPP customers vs. non-RPP customers is available. All changes are recorded in the general ledger. Typically actual kWh volumes are known by the third month after the initial purchase month and therefore the majority of the true up settlement are finalized at that time. In addition, as of May 1, 2023 the IESO introduced additional settlement statements into the market, known as Recalculated Settlement Statements (RCSS). The final potential impact of IESO's resettlement amounts will not be known until the final recalculated settlement statement has been issued for the last trade day of each initial calendar month. Typically, final remaining true-up between 1588 and 1589 will be completed up to and as at Q2 of each subsequent year for the previous calendar year. Final reviews for 2024 were completed and are reported as part of this Application.

Hydro Ottawa bills its Class A customers the amount the utility pays for Class A global adjustment. Class A customers are charged a GA amount that is based on their individual peak demand factor multiplied by the total Class A global adjustment amount paid by Hydro Ottawa.

Hydro Ottawa has no embedded distributors in its service territory. Wholesale metered customers are billed directly from the IESO for Commodity and Global Adjustment charges. Hydro Ottawa submits kWh to the IESO for embedded generation within its service territory.

Hydro Ottawa calculates and maintains both GA Retail Settlement Variance Accounts for Class A and Class B separately in Sub-Accounts of Account 1589.

GROUP 2 ACCOUNTS

1. INTRODUCTION

As per the OEB's report on the *Electricity Distributors' Deferral and Variance Account Review Initiative* (EDDVAR Report),[1] Group 2 Accounts include deferral and variance accounts (DVAs) that require a prudency review by the OEB. Please see Tables 2 and 4 in Schedule 9-1-1 - Summary of Current Deferral and Variance Accounts for a list of Hydro Ottawa's active Group 2 DVAs.

This Schedule discusses Group 2 Accounts, with the exception of the following:

- Account 1592 (for details on this Account, please see Schedule 9-1-4 - Account 1592 PILS and Tax Variance); and
- 1508 Sub-Accounts, which are now closed.

More information on the disposition of these accounts is available in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts. Additional details on the 2025 balances of Group 2 Accounts can be viewed in Excel Attachment 9-3-1(A) - OEB Workform - Deferral and Variance Account (Continuity Schedule).

Group 2 balances as of December 31, 2024 with interest forecasted to May 31, 2026, have been approved for disposal as per the Decision and Order of EB-2024-0115.[2] Information related to 2024 and 2025 are outlined in this Schedule. The proposed disposition of 2025 balances will be addressed in Hydro Ottawa's next rebasing rate application.

[1] Ontario Energy Board, *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)*, EB-2008-0046 (July 31, 2009).
[2] Ontario Energy Board, *Decision and Order* EB-2024-0115 (May 12, 2026).

2. UTILITY SPECIFIC GROUP 2 ACCOUNTS

As part of the Approved 2021-2025 Settlement Agreement,[3] and the Approved 2026-2030 Settlement Agreement[4], a number of new DVAs were established. Each of the Accounts is recorded into a Sub-Account of 1508. Sub-Accounts that have been fully disposed of are not discussed in this Application. Active accounts are discussed below.

- Sub-Account 1508 - Other Regulatory Assets - Gains and Losses on Disposal of Fixed Assets Variance Account, to record the difference between the forecast and actual loss on the disposal of fixed assets, related to retirement of assets or damage to plant. This Sub-Account was approved to continue. See further details below in Section 2.1.
- Sub-Account 1508 - Other Regulatory Assets - Earnings Sharing Mechanism (ESM) Variance Account, to record amounts related to any earnings above Hydro Ottawa's approved Return on Equity (ROE) from 2021-2025 to be shared on a 50/50 basis between Hydro Ottawa and its ratepayers with no dead band. This Sub-Account is modified effective January 1, 2026 to record amounts related to any earnings above Hydro Ottawa's approved ROE from 2026-2030 to be shared on a 50/50 sharing above a 150 basis point dead band if the Utility's efficiency cohort determined by the adjusted PEG (to reflect unreported secondary lines) remains at or below cohort 4 over the rate period. Should Hydro Ottawa move into cohort 5, no dead band will be used. This is a newly established Sub-Account. See further details below in Section 2.2.
- Sub-Account 1508 - Other Regulatory Assets - Connection Cost Recovery Agreement (CCRA) Payments Differential Variance Account, to record the revenue requirement difference between what Hydro Ottawa has included in base rates and what is actually paid for in both new and true-up CCRA payments made to Hydro One Networks Inc. This Sub-Account was approved to continue. See further details below in Section 2.3.

[3] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020)
[4] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026), Attachment 5 - Accounting Orders

- Sub-Account 1508 - Other Regulatory Assets - Revenue Requirement Differential Variance Account related to Capital Additions for 2021-2025, to record the revenue requirement impact of underspending on Hydro Ottawa's capital plan by specific categories. This Sub-Account is discontinued at the end of 2025. See further details below in Section 2.4.
- Sub-Account 1508 - Other Regulatory Assets - Performance Outcomes Accountability Mechanism (POAM) Deferral Account, to link the execution of certain aspects of Hydro Ottawa's 2021-2025 Distribution System Plan (DSP) to the recovery of amounts included in the agreed-upon revenue requirement. There are five performance metrics linked to specific outcomes identified in the DSP, each of which will have an annual target. This Sub-Account is discontinued at the end of 2025. For further details, refer to Section 2.5 below.
- Sub-Account 1508 - Other Regulatory Assets - Other Post-Employment Benefits (OPEB) Deferral Account is used to track cumulative actuarial gains or losses in Hydro Ottawa's post-retirement benefits. This Sub-Account was approved to continue. Refer to Section 2.6 below.
- Sub-Account 1508 - Other Regulatory Assets - Growth-Related Capital Variance Account (GRCVA) for 2026-2030, to record over/underspending in System Access investments related to certain Residential Subdivision and New Commercial Development and specific System Service investments related to Capacity Upgrade. This is a newly established Sub-Account. See Section 2.7 for more details.
- Sub-Account 1508 - Other Regulatory Assets - Non-Wires Solutions (NWS) Variance Account, to record revenue requirement impact associated with the projected and actual NWS costs for the 2026-2030 period. This is a newly established Sub-Account. Refer to Section 2.8 below.

2.1. GAINS AND LOSSES ON DISPOSAL OF FIXED ASSETS VARIANCE ACCOUNT

The purpose of this 1508 Sub-Account is to record the difference between the forecast and actual gain or loss recorded in Account 4362 - Loss from Retirement of Utility and Other Property Uniform System of Accounts (USofA) 4362. Account 4362 tracks the disposal of fixed assets related to scheduled retirements or unforeseen damage to Hydro Ottawa plant, including costs associated with weather related damage as well as damages incurred by third parties. Examples recorded into this account include losses on meters, station equipment, transformers, poles, vehicles, scrap sales and inventory obsolescence. As part of the 2026-2030 Approved Settlement Agreement, the Parties agreed to the continuation of this 1508 Sub-Account.

Balances related to this 1508 Sub-Account for years 2024-2025 is outlined in Table 1 below, as well as in Excel Attachment 9-1-1(A) - OEB Workform - Deferral and Variance Account (Continuity Schedule). Balances accumulated up until December 31, 2024, have been approved for disposal. The disposition of the debit 2025 balances of $116K will be proposed for disposition in the next rebasing rate application.

Table 1 – 2024 to 2025 Loss from Retirement of Utility and Other Property ($'000s)

	Historical Years	
	2024	2025
USofA 4362 OEB-Approved (gain)/loss	$ 336	$ 445
USofA 4362 Actual (gain)/loss	$ 132	$ 561
USofA 1508 Variance (Principle)	**$ (203)**	**$ 116**

2.2. EARNINGS SHARING MECHANISM VARIANCE ACCOUNT

For 2021-2025,[5] the ESM Account credits ratepayers for 50% of any cumulative earnings above Hydro Ottawa's approved regulatory ROE, with no dead band. The ratepayer share of the earnings shall be grossed up for any tax impacts and credited to this account. The account is asymmetrical, meaning if Hydro Ottawa under earns, no amount will be collected from ratepayers. If there is a balance, it will be cleared and credited on a final basis to customers at the end of the five-year rate term. For the 2021-2025 historical period, no amount has been recorded into this account.

For 2026-2030, Hydro Ottawa will record amounts related to any cumulative earnings above Hydro Ottawa's approved ROE to be shared on a 50/50 basis above a deadband of 150 basis points. This sharing mechanism will apply if the utility's efficiency cohort, as determined by the agreed-upon and adjusted PEG Benchmarking Analysis (to reflect unreported secondary lines) remains at cohort 4 or reduces over the rate period. Should the utility move to cohort 5 within the agreed-upon adjusted PEG model, no deadband would apply and all over-earnings would be shared on a 50/50 basis. In that case, the ratepayer share of the earnings shall be grossed-up for any tax impacts and credited to this account. The account is asymmetrical, meaning if Hydro Ottawa under earns, no amount will be collected from ratepayers. Table 2 below provides a summary of the 2026-2030 Approved ESM treatment.

The regulatory net income for the purpose of earnings sharing is to be calculated in the same manner as net income for regulatory purposes under the Reporting and Record Keeping Requirements (RRR) filings. This will exclude revenue and expenses that are not otherwise included for regulatory purposes, such as settlement of any regulatory assets or regulatory liabilities, including the GRVA, NWS Variance Account and changes in taxes/PILS

[5] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020), pages 34-35.

to which the USofA 1592 – PILS and Tax Variance for 2006 and Subsequent Years applies. In addition, the ESM calculation may require adjustments to ensure there is an appropriate treatment of amounts recorded and/or recovered by way of other DVAs.

Table 2 - 2026-2030 Approved ESM Treatment

Earnings Results	Efficiency Test Met	Treatment
Below approved ROE	N/A	Borne entirely by utility/shareholder
0-150 basis points above approved ROE	Yes - Retain	Retained by utility/shareholder if the PEG cohort (adjusted by secondary lines) is maintained below cohort 5
0-150 basis points above approved ROE	No - Share	50:50 sharing between ratepayers/shareholder
Above 150 basis points	N/A - Share	50:50 sharing between ratepayers/shareholder

The above would be based on overall earnings at the end of the Custom IR rate term (i.e. end of 2030), as per the direction signalled in the *OEB's Handbook for Utility Rate Applications*.[6]

The ratepayer share of earnings will be credited to the variance account in any given year and subsequently adjusted as required. The final balance at the end of the Custom IR term will be based on a cumulative five years. In the event that Hydro Ottawa achieves cumulative over-earnings exceeding 150 basis points at the end of 2030, such determination will not be known at the time of the utility's next rebasing application. Therefore, any resulting balance will be returned to customers in accordance with the materiality levels prescribed by the OEB for Group 2 Accounts.

2.3. CONNECTION COST RECOVERY AGREEMENT PAYMENTS DEFERRAL ACCOUNT

Per the 2026-2030 Approved Settlement Agreement, Hydro Ottawa maintained the use of this 1508 Sub-Account, which records the difference between the forecasted new and

[6] Ontario Energy Board, *Handbook for Utility Rate Applications* (October 13, 2016), page 28.

true-up CCRA payments (known and unknown) and actual CCRA payments made to Hydro One.

With respect to new CCRA payments, Hydro Ottawa shall record the difference in depreciation, interest, return, and PILS components of the revenue requirement impact of new CCRA payments once the assets (to which the CCRA payment relates) provide services to Hydro Ottawa customers and are capitalized. With respect to true-up CCRA payments, Hydro Ottawa shall record the difference in depreciation, interest, return, and PILS components of the revenue requirement impact of true-up CCRA payments once capitalized.

Capital Cost Allowance (CCA) affects the amount of PILS to be recovered from ratepayers. Hydro Ottawa has used the CCA Class 14.1 rules for eligible capital property effective January 1, 2017 for the PILS calculation. As per OEB guidance, any impact of Bill C-97 prior to rebasing, or due to any other legislative or regulatory changes to tax rates, is being recorded in Sub-Account of 1592. Please see Schedule 9-1-4 - Account 1592 PILs and Tax Variance for further details.

Table 3 below provides a detailed breakdown of the yearly difference between actual and forecasted CCRA additions for 2025. The disposition of the credit 2025 balances of $800K will be proposed for disposition in the next rebasing rate application.

Table 3 – CCRA Revenue Requirement Calculation 2025 ($'000s)[7]

	2025
Opening Gross Cumulative Asset Balance	$ (9,155)
(Under)/Over additions	$ (7,016)
Closing Gross Cumulative Asset Balance	**$ (16,171)**
Opening Accumulated Depreciation	$ (508)
Current Year Depreciation	$ (220)
Closing Accumulated Depreciation	**$ (728)**
Average Cumulative Net Book Value	**$ (12,045)**
Financial Net Income	$ (444)
Add Depreciation	$ (220)
Deduct CCA	$ 875
Net Income For Tax Purposes	**$ 210**
Tax Rate	26.50%
PILS	$ 56
PILS Grossed-up	**$ 76**
Depreciation	$ (220)
Short Term Interest	$ (8)
Long-Term Interest	$ (223)
ROE	$ (444)
PILS Grossed-up	$ 76
Capital stretch factor	$ 20
TOTAL (RETURN) REVENUE REQUIREMENT	**$ (800)**

2.4. 2021-2025 CAPITAL RELATED VARIANCE ACCOUNT (CRVA)

For the years 2021-2025, the purpose of this Sub-Account is to record the annual revenue requirement associated with the difference between actual and forecasted cumulative capital additions (net of capital contributions). This Sub-Account was modified starting in 2021 to split a symmetrical subset of System Access Capital Additions net of contributions

[7] Totals may not sum due to rounding.

into a separate sub-account - System Access Capital Additions, that consist of third party-driven plant relocation and residential expansion capital additions.[8]

The remaining System Access spending, along with System Renewal/System Service and General Plant, continues to be tracked asymmetrically, meaning only amounts related to underspending in capital additions, net of contributions are recorded. Amounts would be recorded into this account until the earliest of actual cumulative net capital additions for 2021-2025 catching up to the forecasted cumulative net capital additions. Any overspending does not result in recording amounts to be recovered from customers during this period.

The 2021-2024 credit balance of $34K was approved for disposition in the 2026 rate application. The 2025 debit balance of $1,878K will be proposed for disposition in the next rebasing rate application.

Table 4 below provides a summary of the revenue requirements.

Table 4 - Summary of Revenue Requirement 2021-2025 ($'000s)[9]

CVA Category	Symmetrical or Asymmetrical	2025
System Access - Sub	Symmetrical	$ 2,259
System Access	Asymmetrical	$ (381)
General Plant	Asymmetrical	-
TOTAL (PRINCIPLE)		**$ 1,878**

[8] Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Proposal*, EB-2019-0261 (September 18, 2020), Attachment 6, Pages 5-8.
[9] Totals may not sum due to rounding.

2.4.1. System Renewal/System Service Differential Variance

For the historical period 2021-2025, Hydro Ottawa's annual and cumulative capital additions related to the asymmetrical System Renewal/System Service investment categories were over the approved settlement plan. As such, no revenue requirement has been recorded into this differential variance account. The 2021-2024 balance was addressed in the 2026 rate application.

2.4.2. General Plant Capital Additions Revenue Requirement (excluding CCRA) Differential Variance Account

No net revenue requirement was recorded into this differential variance account from 2021-2025. The 2021-2024 balance was addressed in the 2026 rate application.

2.4.3. System Access Capital Additions Revenue Requirement (excluding Residential and Plant Relocation) Differential Variance Account

The 2021-2024 balance was approved to be refunded as part of the 2026 rate application. Hydro Ottawa will dispose of the 2025 balance in its next rebasing application. Table 5 below provides a detailed breakdown of the 2025 yearly difference between actual and forecasted cumulative capital additions (net of capital contributions) as well as the annual revenue requirement amounts.

Table 5 – System Access Capital Additions Revenue Requirement (excluding Residential & Plant Relocation) Differential Variance Account ($'000s)[10]

	2025
Opening Gross Cumulative (Under)/Over Asset Addition	$ (8,206)
(Under)/Over additions	$ 3,153
Closing Gross Cumulative (Under)/Over Asset Addition	**$ (5,052)**
Opening Accumulated Depreciation	$ (1,159)
Current Year Depreciation	$ (63)
Closing Accumulated Depreciation	**$ (1,222)**
Average Cumulative Net Book Value	**$ (5,438)**
Financial Net Income	$ (200)
Add Depreciation	$ (63)
Deduct CCA	$ 227
Net Income For Tax Purposes	**$ (37)**
Tax Rate	26.50%
PILS	$ (10)
PILS Grossed-up	**$ (14)**
Depreciation	$ (63)
Short Term Interest	$ (4)
Long-Term Interest	$ (100)
ROE	$ (200)
PILS Grossed-up	$ (14)
Capital stretch factor	$ -
TOTAL (RETURN) REVENUE REQUIREMENT	**$ (381)**

[10] Totals may not sum due to rounding.

2.4.4. System Access Capital Additions Revenue Requirement (Residential and Plant Relocation) Differential Variance Account (2021-2025)

This is a symmetrical differential variance account. The 2021-2024 balance was approved to be recovered as part of the 2026-2030 Approved Settlement Agreement. Hydro Ottawa will request to dispose of the 2025 balance in its next rebasing application. Table 6 below provides a detailed breakdown of the 2025 yearly difference between actual and forecasted cumulative capital additions (net of capital contributions) as well as the annual revenue requirement amounts.

Table 6 – System Access Capital Additions Revenue Requirement (Residential & Plant Relocates) Differential Variance Account ($'000s)

	2025
Opening Gross Cumulative (Under)/Over Asset Addition	$ 21,704
(Under)/Over additions	$ 10,810
Closing Gross Cumulative (Under)/Over Asset Addition	**$ 32,514**
Opening Accumulated Depreciation	$ 1,584
Current Year Depreciation	$ 1,018
Closing Accumulated Depreciation	**$ 2,602**
Average Cumulative Net Book Value	**$ 25,017**
Financial Net Income	$ 922
Add Depreciation	$ 1,018
Deduct CCA	$ (2,231)
Net Income For Tax Purposes	**$ (292)**
Tax Rate	26.50%
PILS	$ (77)
PILS Grossed-up	**$ (105)**
Depreciation	$ 1,018
Short Term Interest	$ 18
Long-Term Interest	$ 462
ROE	$ 922
PILS Grossed-up	$ (105)
Capital stretch factor	$ (56)
TOTAL (RETURN) REVENUE REQUIREMENT	**$ 2,259**

2.5. PERFORMANCE OUTCOMES ACCOUNTABILITY MECHANISM DEFERRAL ACCOUNT

As part of the 2021-2025 Approved Settlement Agreement,[11] the Parties agreed to the establishment of a POAM Deferral Account. The POAM Deferral Account is based on specific performance-based outcomes and targets over the five-year Test period. The account relies on outcomes of certain aspects of Hydro Ottawa's 2021-2025 DSP.

There are five performance metrics which have an annual target. If the target is not met in any year of the five year term Hydro Ottawa will credit the deferral account up to $200K.

Per Attachment 5 of the 2021-2025 Approved Settlement Agreement,[12] these metrics use a "Green-Yellow-Red" band indicator system to determine if Hydro Ottawa has achieved its designated target. Each POAM metric has a unique threshold (e.g. >10% of target). For further information see Hydro Ottawa's Annual Custom Incentive Report Updates.

- **Green** indicates the target has been met
  - No amounts are added to the POAM deferral account
- **Yellow** denotes the target has been narrowly missed within a prescribed range
  - Each POAM metric has a unique threshold (e.g. <10% of target)
  - A scaling approach is used to calculate the credit obligation to add to the POAM deferral account,[13]
- **Red** indicates the target has been missed
  - The maximum amount of the credit obligation, $200k is to be added to the deferral account.

[11] Hydro Ottawa Limited, 2021-2025 *Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2019-0261 (September 18, 2020), pages 36-37 & Attachment 5
[12] Ibid, Pages 1-5.
[13] As per the Settlement Agreement, the scaling approach used within the "yellow" band for this metric will employ the following formula to calculate the credit obligation for Hydro Ottawa: $200,000*(1-((Target*(1+Threshold))-Actual)/(Target*Threshold))) where "Threshold" is defined as the threshold for the red band (e.g. 10%).

The five performance metrics that were measured over the five-year term are:

- Number of Interruptions Caused by Defective Equipment (Overhead System) - Excluding Major Event Days;
- Number of Interruptions Caused by Defective Equipment (Underground System) - Excluding Major Event Days and Leaking Padmount Transformers;
- System Average Interruption Duration Index (SAIDI)[14] - Excluding Major Event Days and Loss of Supply;
- Wood Pole Replacement Unit Cost; and
- Underground Cable Replacement Unit Cost.

Hydro Ottawa reports the annual POAM results as part of its Annual Custom Incentive Report. The final report that includes the POAM will be submitted later in 2026.

For year-end 2025, Hydro Ottawa did not meet the SAIDI - Excluding Major Event Days and Loss of Supply or the Wood Pole Replacement Unit Costs. The outcomes of these two metrics were in the red band, meaning that an annual amount of $200k was credited to the POAM Deferral Account for both of these POAM metrics for a total annual credit of $400k. This balance will be proposed for disposition as part of the next rebasing rate application.

2.6. PENSION & OTHER POST-EMPLOYMENT BENEFITS (OPEB) DEFERRAL ACCOUNT

Sub-Account 1508 - Other Regulatory Assets - OPEB Deferral Account is used to track cumulative actuarial gains or losses in Hydro Ottawa's post-retirement benefits. This Account was originally approved in Hydro Ottawa's 2012 rate application.[15] This

[14] The target for this metric is sourced from Table B in the response to interrogatory CCC-38, from Hydro Ottawa's 2021-2025 Custom IR Application. In addition, it is acknowledged that this approach deviates from the OEB's use of five-year averages to calculate a distributor's SAIDI target. However, the Parties agree to the use of a three-year average so as to maintain consistency across the three reliability-related performance metrics that are utilized under this accountability mechanism.
[15] Ontario Energy Board, *Decision and Order*, EB-2011-0054 (December 28, 2011).

Sub-Account is still active. Balances in this account are unrealized therefore these amounts are not subject to disposition. Only realized OPEB balances are included in base rates.

2.7 GROWTH-RELATED CAPITAL VARIANCE ACCOUNT (GRCVA) (2026-30)

As part of the 2026-2030 Approved Settlement Agreement, the Parties agreed to the establishment of the GRVA. This symmetrical account is to record over/underspending in System Access investments related to Plant Relocation and Upgrade, Residential Subdivision and New Commercial Development that enables housing developments and in System Service investments related to Capacity Upgrade, subject to a 15% dead band. Hydro Ottawa shall record the revenue requirement impact associated with the difference between cumulative in-service additions, net of capital contributions for the period 2026–2030, and the forecasted amount, where the difference amount exceeds the 15% dead band.

2.8 NON-WIRES SOLUTIONS (NWS) VARIANCE ACCOUNT (2026-2030)

As of January 1, 2026, this symmetrical account has been established to record the revenue requirement impact associated with the difference between projected and actual NWS costs for NWS projects, offset by any external funding.

Hydro Ottawa's forecasted NWS costs include funding for targeted marketing campaigns and potential customer incentives within the Non-Wires Customer Solutions Program, focusing on local projects and IESO collaboration, and increased OM&A expenses related to managing advanced grid technologies like Battery Energy Storage Systems (BESS), including monitoring and control, and overall safety compliance.

NWS projects are projects that support the objectives outlined in the Ontario Energy Board's "Non-Wires Solutions Guidelines for Electricity Distributors" and align with the broader Framework for Energy Innovation, ultimately promoting the effective implementation of NWS for a more resilient and an efficient electricity grid that benefits ratepayers.

Hydro Ottawa will dispose of any balances for 2026-2029 in its next rebasing application and any balance related to 2030 in accordance with OEB guidelines for Group 2 Accounts.

3. GENERIC DEFERRAL AND VARIANCE ACCOUNTS

This section discusses DVAs that were established by the OEB and remain open and active.

3.1. REGULATORY TREATMENT OF PENSION AND OTHER POST-EMPLOYMENT BENEFITS

On September 14, 2017, the OEB issued its final report on the regulatory treatment of pension and OPEB costs establishing the use of accrual accounting as the default method on which to set rates for pension and OPEB amounts in cost-based applications.[16] Moreover, this report also provides for the establishment of a variance account (Account 1522) to track the difference between the forecasted accrual amount in rates and actual cash payment(s) made, with an asymmetric carrying charge in favour of ratepayers applied to the differential.

Hydro Ottawa provides pension benefits for its employees through the Ontario Municipal Employees Retirement System (OMERS) Fund (the Fund). Although the plan is a defined benefit plan, sufficient information is not available to Hydro Ottawa to account for it as such because it is not possible to attribute the Fund assets and liabilities between the various employers who contribute to the Fund. As a result, Hydro Ottawa accounts for the plan as a defined contribution plan. Contributions payable as a result of employee service are expensed as incurred similar to short-term employee benefits.

[16] Ontario Energy Board, *Report of the Ontario Energy Board - Regulatory Treatment of Pension and Other Post-Employment Benefits Costs*, EB-2015-0040 (September 14, 2017).

Hydro Ottawa also provides other post-employment benefits. These plans provide benefits to certain employees when they are no longer providing active service to the utility. Other post-employment benefits are recorded on an accrual basis. The accrued benefit obligation and current service costs are calculated using the projected benefit method prorated on service and based on assumptions that reflect Hydro Ottawa's best estimates. The utility tracks the difference between the forecast accrual amount in rates and actual cash payments in a variance account, as set out in the OEB's final report on the regulatory treatment of pension and OPEB costs.

Hydro Ottawa confirms that it is recording amounts into the tracking account for the purpose of recording carrying charges. The utility further confirms that carrying charges are being calculated using the OEB-prescribed Construction Work in Progress (CWIP) rate.

3.11. REGULATORY ASSET FOR SUB-ACCOUNT - LEAP EFA FUNDING DEFERRAL ACCOUNT

In a letter dated February 12, 2024, the OEB established a new generic deferral account to record incremental Low-Income Energy Assistance Program (LEAP) Emergency Financial Assistance (EFA) contributions made on and after March 1, 2024 that are beyond the amounts embedded in distribution rates.[17] The letter indicated that these funding contributions are to be tracked at a detailed level. The accounting order states that amounts in this sub-account may be brought forward for its next cost-based rate application if they exceed the distributor's materiality threshold. At the time of disposition any amounts recorded within this deferral account will require a prudency review.

No incremental costs have been recorded into this account at this time.

[17] Ontario Energy Board, Letter RE: *Changes to the Low-Income Energy Assistance Program Emergency Financial Assistance and Accounting Orders*, EB-2023-0135 (February 12, 2024).

3.12. EXTENDED HORIZONS VARIANCE ACCOUNT

In late 2024, the Distribution System Code (DSC) was revised to facilitate housing development connections. The DSC was amended to extend the connection horizon to a maximum of 15 years for qualifying housing developments (as newly defined) and extend the revenue horizon to 40 years for all residential customers. These amendments, effective December 23, 2024, apply to initial connection offers made on or after November 18, 2024, and became mandatory on March 3, 2025. Subsequently, on March 20, 2025, the OEB mandated a new generic deferral account, retroactive to November 18, 2024, to track revenue requirement changes stemming from reduced customer capital contributions within distribution rates.[18]

Per the Approved Settlement Agreement, this account will remain open to record eligible variances up to December 31, 2025 and resulting interest. For the 2026-2030 rate period, variances related to the existing scope of the Extended Horizon Variance Account will be recorded within the newly established GRCVA. However, should the OEB generically expand the scope of the Extended Horizons Variance Account, nothing in Hydro Ottawa's Approved Settlement Agreement will preclude Hydro Ottawa from being eligible to use the Extended Horizons Variance Account for the expanded scope only. This Account will be disposed of in accordance with the OEB's direction regarding the disposition of Group 2 accounts.

3.13. OEB COST ASSESSMENT VARIANCE

As per the OEB letter issued October 1, 2025, Effective April 1, 2025, all applicable electricity distributors, natural gas distributors, Ontario Power Generation (OPG), and the Independent Electricity System Operator (IESO) were expected to re-establish and utilize Account 1508 – Sub-account OEB Cost Assessment Variance, or an equivalent account to record the cost assessment variances.[19]

[18] Ontario Energy Board, *Extended Horizons Variance Account,* EB-2024-0092 (March 20, 2025)
[19] Ontario Energy Board, Letter *Re: Cost Assessment - Fiscal Year (FY) 2025/2026* (October 1, 2025)

Account 1508 Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance is to record any material differences between OEB cost assessments that were built into rates and cost assessments that would result from the application of the new Cost Assessment Model.

4. OTHER ACCOUNTS

3.14. OEB RATE APPLICATION DEFERRAL ACCOUNT

This Account 1508 Other Regulatory Assets - Sub-Account - OEB Cost Assessment Variance has been approved to be continued[20] and is used as a tracking account to amortize one-time costs included in the Historical, Bridge and Test Years over the 2026-2030 period. This tracking account allows for the annual recording of one-time regulatory costs over the five-year Custom IR period.

[20] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026); Hydro Ottawa Limited, *Custom Incentive Rate-Setting Application*, EB-2024-0115, Schedule 4-2-3 - One Time Costs (April 15, 2025).

ACCOUNT 1592 PILS AND TAX VARIANCE

1. INTRODUCTION

Per the *Accounting Procedures Handbook for Electricity Distributors* (APH), Account 1592[1] is used to record the tax impact for the following differences that are not reflected in a distributor's rates:

1. Legislative or regulatory changes to tax rates; and
2. Rules or disclosure of a new assessing or administrative policy published by federal or provincial public tax bulletins.

For further information on the Payments in Lieu of Taxes (PILS) impact related to utility-specific Regulatory Assets which are unrelated to changes defined as part of Account 1592 per the APH (e.g. the Earnings Sharing Mechanism), please refer to Schedule 9-1-3 - Group 2 Accounts.

2. PILS ACCELERATED INVESTMENT INCENTIVE 2018 TO 2027

Bill C-97, also known as the *Budget Implementation Act, 2019*, was passed by the Parliament of Canada and received Royal Assent in June 2019. The legislation provides for Accelerated Investment Incentive (AII) or Accelerated Capital Cost Allowance (Accelerated CCA) deductions for eligible property available for use and acquired after November 20, 2018 and before 2028. The accelerated investment incentive is to be gradually phased out starting in 2024 and will not apply to capital property available for use after 2027. The OEB released guidance on July 25, 2019,[2] which instructed utilities to record 100% of the rule change in a Sub-Account of 1592 - PILS and Tax Variances - CCA Changes, if not already

[1] Ontario Energy Board, *Accounting Procedures Handbook for Electricity Distributors* (issued December 2011), page 75 of 511.
[2] Ontario Energy Board, Letter RE: *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance* (July 25, 2019).

recorded in base rates. The guidance states that "The OEB therefore expects that all Utilities will record the full revenue requirement impact of any changes in CCA rules that are not reflected in base rates."[3]

2.1. ACCELERATED CCA - 2026-2030 BASE RATES

The impact of Accelerated CCA is incorporated in the base rates for 2026 and 2027 as part of the 2026-2030 Approved Settlement Agreement.[4] Therefore, no amounts are required to be recorded in Sub-Account 1592 - PILs and Tax Variances - CCA Changes for 2026 and 2027.

Since Accelerated CCA is not enacted for tax years after 2027 under Bill C-97, it has not been incorporated into the approved PILS amounts for 2028, 2029 and 2030. This treatment is reflected in the 2026-2030 Approved Settlement Agreement.

3. PILS ACCELERATED INVESTMENT INCENTIVE EXTENSION (OR RE-ACCELERATED INVESTMENT INCENTIVE) 2025 TO 2033 & IMMEDIATE EXPENSING 2024 TO 2026

Bill C-15, *Budget Implementation Act, 2025, No. 1*, received Royal Assent on March 26, 2026. This Bill implemented certain provisions of the Federal Budget tabled on November 4, 2025. Please see below for the implementation details of Bill C-15.

3.1. RE-ACCELERATED CCA - 2026-2030 BASE RATES

Under the new Re-Accelerated Capital Cost Allowance (Re-Accelerated CCA) rules, eligible capital property that would normally be subject to the half-year rule would qualify for CCA equal to three times the normal first-year deduction if it becomes available for use from 2025 to before 2030. The phase out period from 2030 to 2033 would allow eligible capital

[3] Ibid., page 2.
[4] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026).

property that would normally be subject to the half-year rule to qualify for CCA equal to two times the normal first-year deduction. Normal CCA will resume for property that becomes available for use after 2033.

These rules allow enhanced first-year tax depreciation on eligible capital assets acquired and available for use after 2024 to before 2034. Under the Re-Accelerated CCA rules, Hydro Ottawa is able to deduct up to three times the amount of tax depreciation that would otherwise be available in the year that an asset is acquired and available for use. This is achieved by removing the "half-year" rule and then applying the prescribed CCA rate at 1.5 times on the net qualifying additions for the given year. A phase-out period will begin for property that becomes available for use after 2029 and before 2034. For assets acquired after 2029 and before 2034, the "half-year" rule is still not applied and the Re-Accelerated CCA rules will allow Hydro Ottawa to deduct tax depreciation that is two times the amount of tax depreciation that would otherwise apply in the year that an asset is acquired and available for use. The Re-Accelerated CCA rules will no longer be available for assets acquired after 2033 when the normal CCA rules will resume.

Similar to the Accelerated CCA rules for eligible assets available for use from November 20, 2018 to before 2028, the Re-Accelerated CCA does not change the total amount of CCA that Hydro Ottawa can deduct over the tax life of the eligible capital assets. Re-Accelerated CCA is only available to be claimed in the first tax year that the eligible capital assets are acquired and available for use. By claiming a larger CCA deduction in the first year, Hydro Ottawa will have smaller CCA deductions available in future years.

Hydro Ottawa confirms that the Accelerated CCA rules from Bill C-97 (eligible assets from 2018 to 2027 years) have been applied in the PILS calculations in the PILS Workform in Hydro Ottawa's Draft Rate Order originally submitted on May 21, 2026.[5] This is also

[5] Hydro Ottawa Limited, *Draft Rate Order,* EB-2024-0115, May 21, 2026.

attached as part of this Application as Attachment 6-2-1(A) - HOL_Attachment 7_2026-2030 Income Tax PILS Workform DRO_20260521. Further, Hydro Ottawa confirms that the Re-Accelerated CCA rules from Bill C-15 (eligible assets from 2025 to 2033 years) have not been applied in the approved 2026-2030 PILS tax calculations in the PILS Workform.

As noted above, the OEB released a guidance letter on July 25, 2019,[6] which instructed utilities to record 100% of the rule change in a Sub-Account of 1592 - PILS and Tax Variances - CCA Changes, if not already recorded in base rates related to the original Accelerated CCA rules of Bill-97.

The OEB released an additional guidance letter on May 6, 2026 related to Bill C-15 and the Re-Accelerated Investment Incentive for Capital Cost Allowance[7]. In this guidance, the OEB expects utilities to continue to follow the OEB's July 25, 2019 accounting direction and to continue the use of Account 1592 to address the revenue requirement impacts of the Re-Accelerated Investment Incentive (RII) and any future CCA changes. The OEB expects utilities to continue to bring forward any amounts tracked in their applicable CCA-related sub-account for review and disposition in accordance with the OEB's filing requirements for electricity distributor cost-based rate applications.[8]

Hydro Ottawa also confirms that the revenue requirement impacts from Re-Accelerated CCA rules for years 2025 to 2027 are being recorded in Sub-Account 1592. Any balance in this Sub-Account will be disposed of in a future rate application.

3.2. IMMEDIATE EXPENSING ON PRODUCTIVITY ENHANCING ASSETS OF CLASS 44, 46 and 50

Bill C-15 also provides Immediate Expensing for new additions of property in respect of

[6] Ontario Energy Board, Letter RE: *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance* (July 25, 2019).
[7] Ontario Energy Board, Letter RE: *Accounting and Rates Direction Regarding Bill C-15 and Other Changes for Reaccelerated Investment Incentive for Capital Cost Allowance* (May 6, 2026)
[8] Ibid., page 2

Classes 44, 46, and 50 if the property is acquired after April 15, 2024 and becomes available for use before January 1, 2027. Eligible property for Immediate Expensing is property that meets the definition of AII Property (previously discussed). This provision provides a 100% first-year CCA deduction on Classes 44, 46 and 50 eligible additions and is available only in the first year in which the property becomes available for use. Therefore, no CCA for these assets would be available in later years. The total amount of CCA that would be deducted over the life of the asset remains the same, except all the CCA would have been deducted in the first year.

Similar to Re-Accelerated CCA, Hydro Ottawa confirms that Immediate Expensing on Class 44, 46 and 50 assets has not been applied in the PILS tax calculations in the PILS Workform in Hydro Ottawa's Draft Rate Order submitted on May 21, 2026. Hydro Ottawa also confirms that revenue requirement impacts from Immediate Expensing for years 2024 to 2026 are being recorded in Sub-Account 1592. Any balance in this Sub-Account will be disposed of in a future rate application.

Please note that Immediate Expensing on class 44, 46, and 50 assets impacts years 2024, 2025, and 2026 only as Immediate Expensing is available on class 44, 46, and 50 eligible assets from April 15, 2024 to before 2027. Re-Accelerated CCA is available for eligible assets only starting in 2025 to 2033 with a phase out period starting in 2030. Please also note that the Bill C-15 Re-Accelerated CCA for years 2025, 2026, and 2027 where CCA is three times the amount of tax depreciation that would otherwise be available in those years supersedes Bill C-97 Accelerated CCA for years 2025, 2026, and 2027 where CCA is two times the amount of tax depreciation that would otherwise be available in those years.

Values related to these tax changes will be incorporated into Hydro Ottawa's next rebasing application.

NEW DEFERRAL AND VARIANCE ACCOUNTS

1. INTRODUCTION

This Schedule describes Hydro Ottawa's proposal for establishing the use of one new deferral and variance account (DVA).

2. ACCOUNT 1595 (2026)

As per the OEB's Accounting Procedures Handbook (APH)[1] and the OEB's Frequently Asked Questions from July 2012,[2] Hydro Ottawa will open a new sub-account for Account 1595 for each year that the deferral or variance balances are approved for disposition. For this Application, a sub-account will be opened for Uniform System of Accounts (USofA) 1595 (2026). DVA balances being disposed of will be transferred into Account 1595.

The OEB's Chapter 3 Filing Requirements for Electricity Distribution Rate Applications, as updated on July 14, 2026, maintains a disposition threshold of $0.001 per kWh (debit or credit).[3] In addition, pursuant to a letter from the OEB dated July 25, 2014, distributors may elect to dispose of Group 1 Account balances below the threshold.[4] Hydro Ottawa's balances meet the above-mentioned threshold for Group 1 Accounts.

3. Z FACTOR

Hydro Ottawa is not requesting a Z-Factor Account as part of this Application.

[1] Ontario Energy Board, *Accounting Procedures Handbook for Electricity Distributors* (December 2011), Article 220 pages 39-40.
[2] Ontario Energy Board, *Accounting Procedures Handbook, Frequently Asked Questions* (July 2012), Question 3, page 5.
[3] Ontario Energy Board, *Chapter 3 Filing Requirements for Electricity Distribution Rate Applications Filed in 2024 for Rates Taking Effect in 2025* (June 18, 2024), page 10.
[4] Ontario Energy Board, Letter RE: *Process for 2015 Incentive Regulation Mechanism ("IRM") Distribution Rate Applications* (July 25, 2014), page 1.

New Deferral and Variance Accounts

DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

1. INTRODUCTION

In this Schedule, Hydro Ottawa is requesting disposition of its Group 1 deferral and variance accounts (DVAs), in compliance with the *Electricity Distributors' Deferral and Variance Account Review Initiative* (EDDVAR Report).

Details regarding DVAs can be found in the following Schedules:

- Schedule 9-1-1 - Summary of Current Deferral and Variance Accounts;
- Schedule 9-1-2 - Group 1 Accounts;
- Schedule 9-1-3 - Group 2 Accounts; and
- Schedule 9-1-4 - Account 1592 PILS and Tax Variance;

The below rate riders have been included in the 2027 bill impact model, which is filed in Schedule 8-5-1 Bill Impacts and Tariff of Rates and Charges.

2. ACCOUNTS FOR WHICH HYDRO OTTAWA IS SEEKING DISPOSITION

As part of this Application, Hydro Ottawa is requesting disposition of its Group 1 Accounts as presented in Attachment 9-3-1(A) - 2027 OEB Workform - Deferral and Variance Account Continuity Schedule (DVA Continuity Schedule) based on December 31, 2025 audited balances. Per the DVA Continuity Schedule, principal balances are up to December 31, 2025 and interest is forecasted to December 31, 2026.

Table 1 below provides a summary of the Group 1 DVAs by Uniform System of Accounts (USofA) for which Hydro Ottawa is seeking disposition. Hydro Ottawa is not requesting disposal of Group 2 DVAs.

Hydro Ottawa has also provided the Commodity Accounts Analysis Workform - Account 1588 and 1589 as Attachment 9-3-1 (B) -2027 OEB Workform - Commodity Accounts Analysis Workform. The unresolved difference as a percentage of expected Global Adjustment (GA) is below the materiality threshold of plus or minus 1%, and therefore further investigation is not required.

As detailed in Table 1, the total net credit balance of the Group 1 DVAs for which Hydro Ottawa is seeking disposition is $41.0M.

Hydro Ottawa's last audited Group 1 balances for the 2025 year-end are being cleared as part of the implementation of the utility's 2027 rates,[1] which include the disposition of USofA 1588 - Power and USofA 1589 - RSVA Global Adjustment.

[1] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026)

Table 1 – Proposed DVA Dispositions[2]

Group	USofA Number	Group 1 Deferral/Variance Account Description	Principal ($)	Interest ($)	Amount ($)
1	1550	LV Variance Account	$(84,305)	$(3,506)	$(87,810)
1	1551	Smart Metering Entity Charge Variance Account	$(188,006)	$(3,461)	$(191,467)
1	1580	RSVA - Wholesale Market Service Charge	$(12,722,094)	$(290,816)	$(13,012,910)
1	1580	Variance WMS - Sub-account CBR Class A	$0	$0	$0
1	1580	Variance WMS - Sub-account CBR Class B	$2,846,316	$64,171	$2,910,487
1	1584	RSVA - Retail Transmission Network Charge	$22,403	$(62,639)	$(40,237)
1	1586	RSVA - Retail Transmission Connection Charge	$(7,339,040)	$(250,150)	$(7,589,190)
1	1588	RSVA - Power (excluding Global Adjustment)	$(2,762,347)	$(137,058)	$(2,899,405)
1	1589	RSVA - Global Adjustment	$(19,147,000)	$(910,643)	$(20,057,643)
Group 1 Subtotal (Excluding Global Adjustment)			**$(20,227,073)**	**$(683,459)**	**$(20,910,532)**
TOTAL DVA BALANCE (Group 1) TO BE MOVED TO 1595 (2027) Global Adjustment			**$(39,374,073)**	**$(1,594,102)**	**$(40,968,175)**

3. UPDATES TO DVA MODEL

As part of this Application, no changes were made to the DVA Continuity Schedule.

4. ALLOCATION OF DVAs AND LENGTH OF DISPOSITION PERIOD

Hydro Ottawa is requesting a one-year rate rider for the refund of balances proposed for the Group 1 disposition in this rate application.

To help facilitate a more levelized rate impact between 2026-2027, Hydro Ottawa received approval in its 2026-2030 Custom Incentive Rate Application,[3] to dispose of the 2026 LRAM

[2] Totals may not sum due to rounding.
[3] Hydro Ottawa Limited, *2026-2030 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2024-0115 (January 16, 2026),

rate rider balance for the General Service 50-1,499 kW class over a one-year period in 2027. Similarly, the 2026 GA rate rider balance was approved to be disposed over a twelve month period, to May 31, 2027.

5. BILLING DETERMINANTS

Hydro Ottawa has used the 2025 Reporting and Record Keeping Requirements (RRR) billing determinants, as presented in RRR 2.1.5.4 - Demand and Revenue and RRR 2.1.2 Customer Numbers. This includes 2025 actuals for kWh, kW, billing determinants for Non-Regulated Price Plan (RPP) customers, Wholesale Market Participants, distribution revenue and customer numbers.

6. PROPOSED RATE RIDERS

Tables 2 to 5 below outline proposed rate riders to clear the DVA balances in the Group 1 for which Hydro Ottawa is seeking disposition in this rate application.

Table 2 - Proposed Rate Riders for Group 1 Accounts excluding Global Adjustment (2027)

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	kWh	2,638,136,125	$(8,424,445)	(0.0032)	$/kWh
General Service < 50 kW	kWh	745,888,963	$(2,344,769)	(0.0031)	$/kWh
General Service 50 to 1,499 kW	kW	7,084,971	$(2,965,544)	(0.4186)	$/kW
General Service 1,500 to 4,999 kW	kW	1,519,320	$(2,244,824)	(1.4775)	$/kW
Large Use	kW	973,796	$(1,651,924)	(1.6964)	$/kW
Unmetered Scattered Load	kWh	14,208,164	$(44,412)	(0.0031)	$/kWh
Sentinel Lighting	kW	120	$(133)	(1.1062)	$/kW
Street Lighting	kW	60,307	$(67,486)	(1.1190)	$/kW
TOTAL			**$(17,743,536)**		

Table 3 – Proposed Rate Riders for Group 1 Accounts excl. Global Adjustment NON-WMP (2027)

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	kWh	2,638,136,125	$0	0	$/kWh
General Service < 50 kW	kWh	745,888,963	$0	0	$/kWh
General Service 50 to 1,499 kW	kW	7,029,304	$(6,077,483)	(0.8646)	$/kW
General Service 1,500 to 4,999 kW	kW	1,519,320	$0	0	$/kW
Large Use	kW	973,796	$0	0	$/kW
Unmetered Scattered Load	kWh	14,208,164	$0	0	$/kWh
Sentinel Lighting	kW	120	$0	0	$/kW
Street Lighting	kW	60,307	$0	0	$/kW
TOTAL			**$(6,077,483)**		

Table 4 – Proposed Rate Riders for Account 1580 CBR Class B (2027)

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	kWh	2,638,136,125	$ 1,247,209	0.0005	$/kWh
General Service < 50 kW	kWh	745,888,963	$ 352,628	0.0005	$/kWh
General Service 50 to 1,499 kW	kWh	2,453,936,936	$ 1,160,127	0.0005	$/kWh
General Service 1,500 to 4,999 kW	kWh	84,320,369	$ 39,863	0.0005	$/kWh
Large Use	kWh	46,196,127	$ 21,840	0.0005	$/kWh
Unmetered Scattered Load	kWh	14,208,164	$ 6,717	0.0005	$/kWh
Sentinel Lighting	kWh	42,468	$ 20	0.0005	$/kWh
Street Lighting	kWh	21,589,953	$ 10,207	0.0005	$/kWh
TOTAL			**$ 2,838,611**		

Table 5 - Proposed Rate Riders for RSVA Global Adjustment (2027)

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	kWh	19,113,627	$ (156,051)	(0.0082)	$/kWh
General Service < 50 kW	kWh	112,002,875	$ (914,437)	(0.0082)	$/kWh
General Service 50 to 1,499 kW	kWh	2,112,825,480	$ (17,249,960)	(0.0082)	$/kWh
General Service 1,500 to 4,999 kW	kWh	84,320,369	$ (688,426)	(0.0082)	$/kWh
Large Use	kWh	46,196,127	$ (377,164)	(0.0082)	$/kWh
Unmetered Scattered Load	kWh	0	$ -	0.0000	$/kWh
Sentinel Lighting	kWh	0	$ -	0.0000	$/kWh
Street Lighting	kWh	21,589,953	$ (176,269)	(0.0082)	$/kWh
TOTAL			**$ (19,562,306)**		

7. CONTINUED RATE RIDERS

Tables 6 and 7 detail rate riders previously approved to be billed in 2027.

Table 6 - Approved Rate Riders for RSVA Global Adjustment (2026)[4]

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	kWh	20,847,526	92,829	0.0045	$/kWh
General Service < 50 kW	kWh	100,335,183	449,175	0.0045	$/kWh
General Service 50 to 1,499 kW	kWh	2,049,057,043	9,187,647	0.0045	$/kWh
General Service 1,500 to 4,999 kW	kWh	85,407,208	383,353	0.0045	$/kWh
Large Use	kWh	93,526,802	406,311	0.0043	$/kWh
Unmetered Scattered Load	kWh	-	-	0.0000	$/kWh
Sentinel Lighting	kWh	-	-	0.0000	$/kWh
Street Lighting	kWh	21,961,792	98,354	0.0045	$/kW
TOTAL			**$ 10,617,669**		

Table 7 - Approved Rate Rider for Disposition of Lost Revenue Mechanism Variance Account (2026)

Rate Class	Units	kW / kWh / # of Customers	Allocated Balance	Rate Rider	Billing Determinant
Residential	# of Customers	-	$ -	-	$
General Service < 50 kW	kWh	-	$ -	-	$/kWh
General Service 50 to 1,499 kW	kW	7,065,447	$ 208,345	0.0295	$/kW
General Service 1,500 to 4,999 kW	kW	-	$ -	-	$/kW
Large Use	kW		$ -	-	$/kW
Unmetered Scattered Load	kWh		$ -	-	$/kWh
Sentinel Lighting	kW		$ -	-	$/kW
Street Lighting	kW		$ -	-	$/kW
TOTAL			**$ 208,345**		

[4] Effective until May 31, 2027.

8. GA AND WHOLESALE MARKET SERVICE CAPACITY BASED RECOVERY CLASS A ADJUSTMENTS

Hydro Ottawa had Class A transitional customers in 2025. In order to calculate amounts to Class A transitioning customers for GA and CBR, Hydro Ottawa has provided customer level consumption in Excel Attachment 9-3-1(A)- 2027 OEB Workform - Deferral and Variance Account Continuity Schedule. The total amount allocated to Class A transitioning customers for GA is a credit of $495,337 and for CBR is a debit of $71,876. The monthly equal payment column has been grayed out in tab '6.2a CBR B_Allocation' in Attachment 9-3-1(A)- 2027 OEB Workform - Deferral and Variance Account Continuity Schedule, as Hydro Ottawa proposes to apply the customer-specific Class A GA adjustments and CBR as a one-time adjustment rather than monthly. Unlike the use of rate riders, these adjustments are a manual process for Hydro Ottawa.

9. PROPOSED ESTABLISHMENT OF NEW DVAs

Please see Schedule 9-2-1 - New and Updated Deferral and Variance Accounts for new accounts for which approval is being sought as part of this Application.

Attachment 9-3-1(A) - OEB Workform - Deferral and Variance Account

(Continuity Schedule)

(Refer to the attachment in Excel format)

Attachment 9-3-1(B) - OEB Workform - Commodity Accounts Analysis

Workform

(Refer to the attachment in Excel format)