

Decision on Toronto Hydro's Major Rates Application

On November 12, 2024, the Ontario Energy Board (OEB) issued its Decision and Order on a settlement proposal relating to most of Toronto Hydro-Electric System Limited's (Toronto Hydro) application to change the rates it charges for electricity distribution effective January 1, 2025.

The OEB approved a partial settlement proposal agreed upon by Toronto Hydro and certain intervenors, and that covered all the issues necessary to set Toronto Hydro's electricity distribution rates. The OEB is considering one remaining issue – Toronto Hydro's proposed Innovation Fund – separately.

As a result of this Decision and Order, for 2025 the estimated total bill impact for a typical residential customer with a monthly consumption of 750 kWh will be an increase of \$3.40 or 2.4% per month before taxes and the Ontario Electricity Rebate.

Key elements of the OEB-approved settlement proposal include the following estimated reductions as compared to Toronto Hydro's filed application:

- A \$66.1M reduction (9.07%) in the 2025 capital expenditures budget, resulting in a revised budget of \$662.4M
- A \$19.5M reduction (5.69%) in the 2025 Operations, Maintenance & Administration budget, resulting in a revised budget of \$323.5M
- A \$26.0M reduction (2.66%) to the 2025 base revenue requirement, resulting in a revised revenue requirement of \$951.8M

The OEB was satisfied that the partial settlement proposal represents reasonable outcomes for Toronto Hydro's customers and its shareholders, and appropriately addresses the uncertainty of the path to net zero and the unique aspects of Toronto Hydro's service territory.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. Intervenors in this proceeding were the Association of Major Power Consumers in Ontario, the Building Owners and Managers Association, the Consumers Council of Canada, the Coalition of Concerned Manufacturers and Businesses of Canada, the Distributed Resources Coalition, Enbridge Gas Inc., Energy Probe Research Foundation, Environmental Defence Canada Inc., Pollution Probe, Power Workers' Union, the School Energy Coalition, and the Vulnerable Energy Consumers Coalition. Not all intervenors participated in the settlement conference or agreed on all issues.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the delivery of clean, reliable and affordable energy for the people, farms and businesses of Ontario. Its goal is to deliver public value through prudent regulation and

independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at oeb.ca.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the [Memorandum of Understanding](#) between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued November 12, 2024, which is the official OEB document.