



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL

October 4, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Burlington Hydro Inc. (Burlington Hydro)
Application for 2025 Distribution Rates
Ontario Energy Board (OEB) File Number: EB-2024-0010**

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. Burlington Hydro and the intervenor have been copied on this filing.

Burlington Hydro's responses to interrogatories are due by October 18, 2024.

Any questions relating to this letter should be directed to Yaroslav Paliy at yaroslav.paliy@oeb.ca or at 437-880-4365.

Yours truly,

Yaroslav Paliy
Advisor, Generation & Transmission

Encl.

OEB Staff Interrogatories
Distributor Full Name
EB-2024-0010

Please note, Burlington Hydro Inc. (Burlington Hydro) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff-1

Ref.: 2025 IRM Rate Generator Model, Tab 1. Information Sheet, Cell F58

Preamble

Cell F58 asks if the applicant wants to update its low voltage service rate. No selection has been made.

Question(s)

- a) Please confirm if Burlington Hydro would like to update its low voltage service rate. If so, please update the IRM Rate Generator Model.

Staff-2

Ref.: 2025 IRM Rate Generator Model, Tab 3. Continuity Schedule

Preamble

The 2020 Deferral and Variance Account (DVA) rate rider was effective until April 30, 2023. In the Continuity Schedule, there are transactions recorded for Account 1595 for the years 2022, and 2023 (cells AT33, BD33).

Question(s)

- a) Please explain why the transactions recorded for 2022 and 2023 are opposite signs (positive for 2022 and negative for 2023).

Staff-3

- Ref. 1:** 2025 IRM Rate Generator Model, Tab 3. Continuity Schedule
Ref. 2: Chapter 3 - Filing Requirements for Electricity Distribution Rate Applications Filed in 2024 for Rates Taking Effect in 2025, June 18, 2024, Page 16
Ref. 3: EB-2022-0018, Decision and Rate Order, Page 10
Ref. 4: EB-2023-0008, Decision and Rate Order, Page 8

Preamble

Chapter 3 of the Filing Requirements in Ref. 3 specifies that when the OEB approves the disposition of DVA balances, the approved principal amounts and carrying charges are to be transferred to Account 1595 for that rate year. This means that all OEB-approved dispositions from Burlington Hydro's 2023 and 2024 rate applications should be transferred to sub-account 1595 (2023 and 2024, respectively) for disposition and rate rider calculation.

For 2023, Cells BE36 and BJ36 do not match the amounts approved for disposition as per Ref. 3.

For 2024, Cells BM37 and BN37 do not match the amounts approved for disposition as per Ref. 4.

Question(s)

- a) OEB staff notes that the amounts in cells BE36 & BJ36 and BM37 & BN37 should correspond to the total approved for disposition in Ref. 3 and Ref. 4 respectively, but with the opposite sign. Please explain the discrepancy.
- b) OEB staff also notes that an approved disposition for Account 1595 (2018), referenced in Ref. 3, is missing from the Continuity Schedule. Please clarify how this amount will be addressed for disposition.
- c) Please update the Rate Generator Model, as appropriate to address the items noted in (a) and (b) above.

Staff-4

Ref.: Manager's Summary, Exhibit 1, Page 17

Preamble

Burlington Hydro states it settles Global Adjustment (GA) costs with Class A customers on the basis of actual GA prices.

Question(s)

- a) Please confirm whether or not Burlington Hydro uses the actual GA price to bill any non-RPP Class B customers for an entire class. If so, please confirm that this is reflected in the GA Analysis Workform.

Staff-5

Ref. 1: 2025 IRM Rate Generator Model, Tab 4. Billing Det. For Def-Var

Ref. 2: EB-2021-0010, 2022 IRM Application, Exhibit I, Page 18

Preamble

As per Ref. 1, in column N, the distributor needs to populate the percentage allocations by customer class for any residual balances of Account 1595 sub-accounts that are being requested for disposition. These percentage allocations should be derived from the information used to establish the rate riders originally. Hence, the percentage allocations for 1595 (2020) should match those applied to the DVA Accounts in the 2022 rate application, as used during the initial disposal of the 2020 balances for the calculation of the rate riders.

Question(s)

- a) Please explain the basis and show the calculations for the percentage allocations for each rate class as seen in column N as per Ref. 1.
- b) Please explain any discrepancies if the percentage allocations do not match the percentage allocations originally used to establish the rate riders in the vintage year application as per Ref. 2.
- c) Please update the Rate Generator Model to reflect the correct allocations, if required, and verify the impact on subsequent tabs.

Staff-6

Ref.: Manager's Summary, Exhibit 1, Page 21

Preamble

Burlington Hydro is requesting rate riders for 2025 rates to settle the 2025 LRAM-eligible amounts approved in EB-2023-0008. The calculation for the GS<50kW rate class results in a volumetric rate rider that rounds to zero at five significant digits. The calculation for the GS>50kW rate class results in a volumetric rate rider that does not round to zero at five significant digits

Burlington Hydro requests the 2025 LRAM-eligible amounts (in 2025 \$) be recorded in Account 1595 for disposition in a future rate-setting proceeding.

Question(s)

- a) Please confirm that Burlington Hydro is not requesting rate riders to settle the 2025 LRAM-eligible amounts for either the GS<50kW or GS>50kW rate classes.

Staff-7

Ref. 1: 2025 IRM Rate Generator Model, Tab 8. STS - Tax Change

Ref. 2: EB-2020-0007, Revenue Requirement Workform (March 17, 2021), Tab 6. Taxes_PILs

Preamble

Cell H18 on Tab 8 of the 2025 Rate Generator Model indicates the OEB-Approved Regulatory Taxable Income is \$5,312,013.

Cell O20 on Tab 6 of the EB-2020-0007 Revenue Requirement Workform indicates that OEB-Approved Regulatory Taxable Income is \$1,453,667.

Question(s)

- a) Please explain the variance in taxable income between the 2025 Rate Generator Model and the EB-2020-0007 Revenue Requirement Workform.

Staff-8

Ref. 1: 2025 IRM Rate Generator Model, Tab 11. RTSR – UTRs & Sub-Tx

Ref. 2: 2025 IRM Rate Generator Model, Tab 12. RTSR – Historical Wholesale

Preamble

The Uniform Transmission Rates for 2023 from Tab 11 do not match the Uniform transmission rates for 2023 on Tab 12 for all Network, Line Connection, and Transformation Connection Rates.

IESO	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	235,498	\$5.60	\$ 1,318,789	255,039	\$0.92	\$ 234,636	255,039	\$3.10	\$ 790,621	\$ 1,025,257
February	231,455	\$5.60	\$ 1,296,148	238,901	\$0.92	\$ 219,789	238,901	\$3.10	\$ 740,593	\$ 960,382
March	224,443	\$5.60	\$ 1,256,881	255,354	\$0.92	\$ 234,926	255,354	\$3.10	\$ 791,597	\$ 1,026,523
April	198,765	\$5.60	\$ 1,113,084	219,563	\$0.92	\$ 201,998	219,563	\$3.10	\$ 680,645	\$ 882,643
May	269,396	\$5.60	\$ 1,508,618	274,146	\$0.92	\$ 252,214	274,146	\$3.10	\$ 849,853	\$ 1,102,067
June	310,336	\$5.60	\$ 1,737,882	322,657	\$0.92	\$ 296,844	322,657	\$3.10	\$ 1,000,237	\$ 1,297,081
July	351,745	\$5.60	\$ 1,969,772	387,727	\$0.92	\$ 356,709	387,727	\$3.10	\$ 1,201,954	\$ 1,558,663
August	303,899	\$5.10	\$ 1,551,036	321,484	\$0.83	\$ 267,397	321,484	\$2.84	\$ 911,495	\$ 1,178,892
September	336,744	\$5.37	\$ 1,808,315	339,760	\$0.88	\$ 298,989	339,760	\$2.98	\$ 1,012,485	\$ 1,311,474
October	271,961	\$5.37	\$ 1,460,431	278,925	\$0.88	\$ 245,454	278,925	\$2.98	\$ 831,197	\$ 1,076,651
November	239,295	\$5.37	\$ 1,285,014	255,253	\$0.88	\$ 224,623	255,253	\$2.98	\$ 760,654	\$ 985,277
December	223,773	\$5.37	\$ 1,201,661	240,650	\$0.88	\$ 211,772	240,650	\$2.98	\$ 717,137	\$ 928,909
Total	3,197,310	\$ 5.48	\$ 17,507,630	3,389,459	\$ 0.90	\$ 3,045,350	3,389,459	\$ 3.04	\$ 10,288,467	\$ 13,333,817

Question(s)

- a) Please explain the variance and, if necessary correct, Tab 12 in the IRM Rate Generator Model.

Staff-9

- Ref. 1:** 2025 ICM Model, Tab 5. Rev_Requ_Check
- Ref. 2:** EB-2020-0007, Decision and Order (April 15, 2021), Revenue Requirement Workform, Page 97

Preamble

Specific Service Charges, Other Distribution Income, and Other Income and Deductions in the 2025 ICM Model do not match the amounts in the Revenue Requirement Workform from the EB-2020-0007 Decision and Order.

Question(s)

- a) Please explain the discrepancy and update the ICM Model, as necessary.

Staff-10

- Ref.:** 2025 ICM Model, Tab 9b. Proposed ACM ICM Projects

Preamble

The CAPEX in row 16 is not filled out for the Cost of Service Test Year, and Price Cap IR Years 1, 2 and 3.

For the Cost of Service Test Year, CAPEX refers to the CAPEX approved in the DSP. For subsequent Price Cap IR years, the CAPEX to be entered is the actual CAPEX.

Question(s)

- a) Please fill out the missing CAPEX for the Cost of Service Test Year, and Price Cap IR Years 1, 2 and 3.

Staff-11

Ref.: Manager's Summary, Exhibit 1, Page 9

Preamble

The application states that the interest rates used to record carrying charges are 4.73% for Q1 2023, 4.98% for Q2-Q3 of 2023, 5.49% for Q4 2023 to Q2 2024 and 5.20% for Q3-Q4 2024.

The Q4 2024 interest rate has been updated to 4.40%.

Question(s)

- a) Please confirm that Burlington Hydro will update the interest rates used to record carrying charges for the updated Q4 2024 value of 4.40%, and reflect the update in the Rate Generator Model.

Staff-12

Ref.: Manager's Summary, Exhibit 1, Page 20

Preamble

The application states that the Account 1580 CBR Class B Sub-account balance allocated to customers who transitioned between Class A and Class B during 2023 was \$3,146.

Question(s)

- a) Please confirm how this balance will be disposed of.

Staff-13

Ref.: Manager's Summary, Exhibit 1, Page 25
EB-2020-0007, Decision and Order, Settlement Proposal, Page 12

Preamble

The application states that the capital 2025 forecast used to calculate the Maximum Eligible Incremental Capital is \$17,129,009.

Question(s)

- a) Please confirm if the 2025 capital forecast in the current application of \$17,129,009 includes any portion of the requested ICM. If so, please identify what portion and the quantum.

Staff-14

Ref. 1: Manager's Summary, Exhibit 1, Page 28
Ref. 2: EB-2020-0007, Decision and Order, Settlement Proposal, Page 12 (page 40 of the pdf document)

Preamble

As per Ref. 1, Table 20 shows historical and forecasted capital expenditures by category for 2021-2025.

As per Ref. 2, Table 1.1A shows the capital expenditures by category for the 2021-2025 Distribution System Plan period.

Question(s)

- a) Please explain the variances between the 2021-2023 actual costs and the 2024-2025 forecast costs included in the current application as per Ref. 1 and the 2021-2025 forecast costs included as per Ref. 2.

Staff-15

Ref.: Manager's Summary, Exhibit 1, Page 26

Preamble

Table 19 shows the gross amount, contributed capital, and net amount of the incremental capital project.

Question(s)

- a) Please indicate when Burlington Hydro became aware of this project.
- b) Please provide a breakdown of the project cost. At a minimum, please include a detailed breakdown of the material, labour, and equipment costs in Excel format.
- c) Please confirm how Burlington Hydro arrived at the cost estimate. Does Burlington Hydro plan on doing the work in-house or will it contract the work out? How many contractors and suppliers were contacted for price estimates? Please provide an overview on the basis in which Burlington Hydro selected the contractors and suppliers. What is the cost certainty level for this estimate?
- d) Please provide a cost per pole replaced and per transformer replaced and compare it to any previous comparable relocation project done either by Burlington Hydro or a comparable distributor and explain the variances.
- e) Please indicate what the contributed capital is comprised of and how it is calculated. Who is providing the contributed capital? Which costs does the contributed capital apply to? What will happen to the project if the contributed capital is not received?

Staff-16

Ref.: Manager's Summary, Exhibit 1, Page 29

Preamble

Table 29 shows the historical and forecasted capital expenditures for system access projects.

Question(s)

- a) Please provide the forecasted versus actual capital expenditures for system access projects for the 2021-2023 years.
- b) Please explain any variances between forecasted and actual capital expenditures identified in part a).
- c) Please indicate which of these projects were funded through ICM rate riders and which were funded through existing rates.

Staff-17

Ref.: Manager's Summary, Exhibit 1, Appendix D

Preamble

Burlington Hydro explained that it evaluated three project alternatives in arriving at the proposed solution. The project alternatives were Status Quo, Like for Like, and Upgrade.

Question(s)

- a) Please confirm that Burlington Hydro is proposing the Upgrade alternative.
- b) Please provide reasoning, analysis, possible customer hours of interruption during the proposed relocation project and explanation used for determining the Burlington Hydro recommended solution.
- c) Please provide the analysis and criteria for rejecting the Like for Like option not selected by Burlington Hydro as the recommended solution.
- d) Please provide a detailed description of the Like for Like and Upgrade alternatives. Please include a cost breakdown of each alternative.
- e) Please indicate the age and condition of the 164 poles (and associated hardware, cable and wire) and the 21 transformers that must be relocated.

Staff-18

Ref.: Manager's Summary, Exhibit 1, Page 35

Preamble

Burlington Hydro explained that if ICM funding is not approved, it would need to review its 2025 capital expenditures and consider deferring discretionary system service or system renewal investments, which would impact safety, reliability and other customer outcomes.

Question(s)

- a) Please identify any 2025 discretionary capital expenditures that could be deferred and explain the impact on safety, reliability, and other customer outcomes in more detail.

Staff-19

Ref.1: 2025 ICM Model

Ref.2: EB-2020-0007, Decision and Order, Revenue Requirement Workform

Preamble

OEB staff notes that the OEB approved depreciation expense amount from Burlington Hydro's last Cost of Service is \$8,146,553. In the ICM Model in reference 1, tab 5, the depreciation line item is \$7,006,404. As noted in the same tab, the figures are based on the last approved Cost of Service for the distributor.

Question(s)

- a) Please explain the difference and update the depreciation expense to the OEB-approved amount of \$8,146,553 and refile the model, as applicable.

Staff-20

Ref.: 2025 GA Analysis Workform

Preamble

On the principal adjustments tab of the GA Analysis Workform, OEB staff notes that there is an adjustment of \$2,634,957 in Account 1588 in the 2022, described as CT1142/142 true-up based on actuals. The adjustment is reversed in 2023. In addition, there is no adjustment of such nature in 2023.

Question(s)

- a) OEB staff notes that this principal adjustment is quite large. Please explain in more detail the nature and major drivers of this true-up adjustment.
- b) Please confirm that the CT1142/142 true-up for 2022 is related to the true-up of CT1142 settlements (i.e. RPP settlements with the IESO) in 2022, and not related to any errors in BHI's RPP settlements in 2022 or prior years. If not confirmed, please provide the details of this adjustment.
- c) Please explain why there are no current year principal adjustments for Account 1589 in 2023.
- d) On Tab "GA 2023", please explain why there is no adjustment for CT148 True-up GA charges based on Non-RPP volumes (i.e., adjustment 1b) when there is such adjustment in the GA 2022 tab.