



Burlington **hydro** inc.

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

October 18, 2024

Dear Ms. Marconi,

**Re: Burlington Hydro Inc.  
2025 IRM Application for Electricity Distribution Rates (EB-2024-0010)**

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Burlington Hydro Inc. ("BHI") submits its responses to interrogatory questions in proceeding EB-2024-0010 in accordance with the Ontario Energy Board's ("Board's") Procedural Order ("PO") No. 1 issued on September 24, 2024.

The submission contains BHI's responses to Interrogatories from Board Staff and Vulnerable Energy Consumers' Coalition ("VECC").

BHI also provides updated live versions of the following models:

- Attachment 1\_2025 IRM Model\_BHI\_20241018
- Attachment 2\_2025 ICM Model\_BHI\_20241018
- Attachment 3\_2025 Project Cost Breakdown\_BHI\_20241018

BHI confirms that the responses do not include any personal information, as identified in the certification requirements for personal information in Chapter 1 of the filing requirements.

The submission and supporting materials are being filed through Board's RESS system.

Yours truly,

Adam Pappas  
Director, Regulatory Affairs, Supply Chain & Capital Planning  
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Attachments

**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.

**Response**

- a) BHI does not have a low voltage service rate. BHI has updated cell F58 in Tab 1 of the 2025 IRM Rate Generator Model to "No".

An updated IRM model has been filed as Attachment 1\_2025 IRM Model\_BHI\_20241018.

**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).

**Response**

- a) The 2020 DVA rate riders were effective until April 30, 2021 not April 30, 2023 as referenced in the preamble (Decision and Rate Order, EB-2019-0023, issued April 16, 2020). The transactions recorded for 2022 and 2023 are related to billing adjustments, not to the collection of the rate rider, which had expired. Billing adjustments can be either positive (a payment to the ratepayer) or negative (a charge to the ratepayer).

**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.

## Response

- a) Cells BE36 & BJ36 do correspond to the total approved for disposition in Ref. 3, inclusive of the approved LRAMVA disposition on page 13 of the Decision and Order (EB-2022-0018), as shown below.

| OEB-Approved Disposition (2023) | Principal Balance  | Interest Balance | Total Transfer to a/c 1595 (2023) |
|---------------------------------|--------------------|------------------|-----------------------------------|
| Group 1 Accounts                | \$1,204,927        | \$204,714        | \$1,409,641                       |
| LRAMVA                          | \$163,478          | \$5,628          | \$169,106                         |
| <b>Total 1595 (2023)</b>        | <b>\$1,368,405</b> | <b>\$210,342</b> | <b>\$1,578,747</b>                |

Cells BM37 & BN37 have been updated to include the amounts approved for disposition in EB-2023-0008 inclusive of the LRAMVA approved to be recorded in account 1595 on page 11 of the Decision and Order (EB-2023-0008), as shown below.

| OEB-Approved Disposition (2024) | Principal Balance  | Interest Balance | Total Transfer to a/c 1595 (2024) |
|---------------------------------|--------------------|------------------|-----------------------------------|
| Group 1 Accounts                | \$5,829,102        | \$360,800        | \$6,189,902                       |
| LRAMVA                          | (\$13,888)         | (\$579)          | (\$14,467)                        |
| <b>Total 1595 (2024)</b>        | <b>\$5,815,214</b> | <b>\$360,221</b> | <b>\$6,175,435</b>                |

- b) BHI has updated Tab 3 of the 2025 IRM Rate Generator Model for the approved disposition for Account 1595 (2018) and filed as Attachment 1\_2025 IRM Model\_BHI\_20241018.
- c) The updated IRM Rate Generator Model has been filed as Attachment 1\_2025 IRM Model\_BHI\_20241018.

**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.

**Response**

- a) BHI does not use the actual GA price to bill any non-RPP Class B customers. It uses the IESO "1st Estimate" published GA rate to bill all non-RPP Class B customers as 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.

**Response**

- a) BHI would like to clarify that account 1595 (2020) is the residual balance on the amounts approved for disposition in BHI's 2020 rate application (EB-2019-0023). BHI confirms the percentage allocations for 1595 (2020) match those applied to the DVA Accounts in the 2020 rate application as used during the initial disposal of the 2018 balances for the calculation of the rate riders.
- b) Please refer to response to Staff-5 a).
- c) No update to the Rate Generator Model is required.

**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.

**Response**

- a) BHI confirms it 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.

**Response**

- a) BHI entered *Utility Income Before Income Taxes* instead of *Regulatory Taxable Income* in cell H18 on Tab 8 of the 2025 Rate Generator Model in error. BHI has corrected the value and attached an updated model as Attachment 1\_2025 IRM Model\_BHI\_20241018.

**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           |
| <b>Total</b> | <b>3,197,310</b> | <b>\$ 5.48</b> | <b>\$ 17,507,630</b> | <b>3,389,459</b> | <b>\$ 0.90</b> | <b>\$ 3,045,350</b> | <b>3,389,459</b>          | <b>\$ 3.04</b> | <b>\$ 10,288,467</b> | <b>\$ 13,333,817</b> |

**Question(s)**

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

**Response**

- a) The IESO charged BHI based on the old rates (Network: \$5.60, Line Connection: \$0.92 and Transformation Connection: \$3.10) in July 2023. The IESO corrected the rates in August 2023 and provided BHI with a credit. BHI had previously shown the values based on the invoice amounts in the respective months but has now corrected the values accordingly in July and August 2023. The updated IRM Rate Generator Model has been filed as Attachment 1\_2025 IRM Model\_BHI\_20241018.

**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.

**Response**

a) BHI referenced the wrong values for Specific Service Charges, Other Distribution Income, and Other Income and Deductions from its EB-2020-0007, Decision and Order (April 15, 2021), Revenue Requirement Workform. BHI has corrected the values and attached an updated model as Attachment 2\_2025 ICM Model\_BHI\_20241018.

**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.

**Response**

- a) BHI has filled out the missing CAPEX for the Cost of Service Test Year, and Price Cap IR Years 1, 2 and 3 and has attached an updated model as Attachment 2\_2025 ICM Model\_BHI\_20241018.

**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.

**Response**

- a) BHI confirms it has updated the Q4 2024 interest rate to 4.40% to record carrying charges for Q4 2024 and has reflected this change in the updated IRM Rate Generator Model filed as Attachment 1\_2025 IRM Model\_BHI\_20241018.

**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.

**Response**

a) BHI confirms this balance will be recovered from these transition customers in 12 equal monthly payments.

**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.

**Response**

- a) Since filing its application on August 15, 2024, BHI has updated its cost estimate for the 2025 Dundas St. Road Widening project from \$5,800,709 to \$5,563,693 (decrease of \$237,016) based on more recent information. This results in an updated 2025 capital forecast of \$16,891,993, which BHI confirms includes the requested ICM. The portion and quantum included, as well as the updated maximum eligible incremental capital, are provided in the tables below:

| Project Description  | Category      | Included in 2025 Capital Forecast Net Amount (updated) |
|--|---------------|--|
| Dundas St Road Widening - (Guelph line to Kerns Rd.)             | System Access | \$4,654,580  |
| Dundas St Road Widening - (Northampton Boulevard to Guelph line) | System Access | \$909,113  |
| <b>Total</b>   |               | <b>\$5,563,693</b>                                     |

| Description                                 | 2025               |
|---|--------------------|
| Capital Forecast                            | \$16,891,993       |
| Less: Materiality Threshold                 | \$11,771,200       |
| <b>Maximum Eligible Incremental Capital</b> | <b>\$5,120,792</b> |



BHI provides the updated models filed as Attachment 1\_2025 IRM Model\_BHI\_20241018 and Attachment 2\_2025 ICM Model\_BHI\_20241018. BHI has also used updated information throughout its responses to these interrogatories to reflect the updated cost of the ICM project.



## 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.

### Response

- a) BHI has updated its 2025 forecast as explained in response to Staff-13 a). BHI provides the following explanation of 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.

| Category                   | 2021-2025<br>forecast costs<br>(2021 DSP) | 2021-2025<br>Actual/Forecast<br>costs (updated) | Variance (\$)       | Variance %   |
|----------------------------|---|---|---------------------|--------------|
| System Access              | \$66,272,598                              | \$92,265,764                                    | \$25,993,166        | 39.2%        |
| System Renewal             | \$15,415,000                              | \$24,014,154                                    | \$8,599,154         | 55.8%        |
| System Service             | \$3,675,000                               | \$1,609,847                                     | (\$2,065,153)       | (56.2%)      |
| General Plant              | \$7,660,870                               | \$10,297,882                                    | \$2,637,012         | 34.4%        |
| <b>Total Gross Capital</b> | <b>\$93,023,468</b>                       | <b>\$128,187,648</b>                            | <b>\$35,164,180</b> | <b>37.8%</b> |
| Contributed Capital        | (\$39,084,334)                            | (\$65,017,962)                                  | (\$25,933,628)      | 66.4%        |
| <b>Total Net Capital</b>   | <b>\$53,939,134</b>                       | <b>\$63,169,686</b>                             | <b>\$9,230,552</b>  | <b>17.1%</b> |

The variances are primarily driven by:

System Access:

- Higher expenditures on the Metrolinx Corridor Electrification project to electrify corridors associated with the Lakeshore West GO Line expansion. These costs were fully funded by Metrolinx, as reflected in the higher capital contributions;
- Higher expenditures for the relocation of BHI's distribution assets as part of the Dundas St. Road widening project (Guelph Line to Kerns Rd. and Northampton Boulevard to Guelph Line), as requested by Halton Region;
- Relocation and construction of distribution assets as part of the Burloak Grade Separation project. These costs were fully funded by Metrolinx, as reflected in the higher capital contributions;
- Higher than planned expenditures due to higher demand for customer connections, upgrades, and relocations; and
- BHI replaced/upgraded its revenue metering system at Burlington TS due to safety concern raised by Hydro One for its revenue metering potential transformers. BHI was not aware of the need for this mandatory upgrade when it filed its 2021 Cost of Service application.

System Renewal

- Higher than planned expenditures to replace failed underground primary and secondary cables;
- Increased expenditures to replace transformers, overhead and underground switches to address failures and faults;
- Higher than planned costs to replace station transformers due to increased material costs; and
- Higher than planned cost of replacement for wood poles due to increased material costs.

System Service

- Lower than planned expenditures on the NE Burlington T.S. Egress project to mitigate higher than planned expenditures in System Access and System Renewal.

### General Plant

- Higher than planned costs for BHI's Customer Information System (CIS) implementation caused by delays due to COVID-19;
- Increased costs for upgrading BHI's Outage Management System (OMS) to enhance safety and improve outage management and communication; and
- Higher than planned expenditures for building upgrades including end-of-life HVAC systems, security upgrades and roof replacements.
- These were partially offset by deferring a planned ERP replacement to the next DSP period, as BHI elected to upgrade its existing ERP to a newer version to mitigate cost increases.

### Contributed Capital

- BHI's contributed capital is higher due to an increase in the number and dollar value of projects for which BHI receives contributed capital, including electrification projects, road widening projects, and the Burloak Grade Separation project.

**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?

**Response**

- a) BHI first became aware of Halton Region's plans to make road improvements along Dundas Street in 2015, through the Dundas Corridor Study<sup>1</sup>. The Region shared some preliminary plans about the road improvements with BHI in 2018. However, BHI did not receive the necessary details regarding the design or timelines of this project until 2024.

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<sup>1</sup> [https://www.halton.ca/For-Residents/Roads-Construction/Municipal-Class-Environmental-Assessment-Studies/Dundas-Corridor-Study-Brant-St-to-Bronte-Rd-\(1\)](https://www.halton.ca/For-Residents/Roads-Construction/Municipal-Class-Environmental-Assessment-Studies/Dundas-Corridor-Study-Brant-St-to-Bronte-Rd-(1))

- b) BHI provides a detailed breakdown of the material, labour, and equipment costs in the table below and in Excel format as Attachment 3\_2025 Project Cost Breakdown\_BHI\_20241018.

| Description                                 | Material Costs     | Labour Costs       | Equipment Costs    | Total               |
|---|--------------------|--------------------|--------------------|---------------------|
| <b>Guelph Line to Kerns Rd.</b>             |                    |                    |                    |                     |
| Poles                                       | \$2,920,604        | \$1,615,885        | \$996,223          | <b>\$5,532,713</b>  |
| Transformers                                | \$240,232          | \$346,758          | \$213,783          | <b>\$800,772</b>    |
| Ducts and Cables                            | \$545,408          | \$727,619          | \$448,591          | <b>\$1,721,618</b>  |
| <b>Subtotal</b>                             | <b>\$3,706,244</b> | <b>\$2,690,262</b> | <b>\$1,658,597</b> | <b>\$8,055,103</b>  |
| <b>Northampton Boulevard to Guelph Line</b> |                    |                    |                    |                     |
| Poles                                       | \$618,635          | \$138,376          | \$85,312           | <b>\$842,323</b>    |
| Transformers                                | \$31,365           | \$40,468           | \$24,949           | <b>\$96,782</b>     |
| Ducts and Cables                            | \$698,993          | \$238,720          | \$147,174          | <b>\$1,084,888</b>  |
| <b>Subtotal</b>                             | <b>\$1,348,993</b> | <b>\$417,564</b>   | <b>\$257,435</b>   | <b>\$2,023,992</b>  |
| <b>Total</b>                                | <b>\$5,055,237</b> | <b>\$3,107,826</b> | <b>\$1,916,032</b> | <b>\$10,079,095</b> |

- c) BHI arrived at the cost estimate based on the road widening design from Halton Region and according to O. Reg. 22/04, Canadian Standards Association (CSA) standards, and BHI standards and specifications. Material costs were estimated by referencing the bill of materials from the utility relocation design and BHI's most recent purchase prices. BHI obtained a quote for the labour and equipment costs from a contractor who had successfully completed a relocation project for BHI in the past.

BHI has not yet decided whether the work will be performed in-house or contracted out. If BHI decides to contract this work out, it will initiate a competitive Request for Proposal (RFP) process to select a contractor for the project.

BHI expects actual costs for this project to be within 75%-125% of the estimate, subject to factors outside of BHI's control such as unforeseen site conditions or changes to the scope or project timeline from the road authority.

- d) BHI provides an estimated cost per pole replaced, per transformer replaced, and per km of underground cable replaced for the project in the table below. BHI has included a similar cost breakdown for the Waterdown Rd Road Widening project completed in 2024, however, BHI views each relocation project as unique, with varying design and scope differences that inherently affect the costs (e.g. number of circuits to be relocated, distance by which the utility infrastructure must be set back from the road, whether relocation can be accommodated on the same side of the road, site conditions, etc.).

| Project                      | Cost per pole | Cost per transformer | Cost per km of underground cable |
|------------------------------|---------------|----------------------|----------------------------------|
| 2025 Dundas St Road Widening | \$38,754      | \$42,741             | \$381,008                        |
| Waterdown Road Widening      | \$28,291      | \$12,062             | \$362,712                        |
| Variance (\$)                | \$10,463      | \$30,678             | \$18,296                         |

The higher estimated unit costs for this project are driven by the type of assets to be replaced (e.g. concrete poles vs. wood poles, pad-mount vs. pole-mount transformers, gauge and type of cable, etc.), the road widening design which incorporates upgrades to meet current standards (vs. Like for Like replacement), and inflationary increases for materials, labour, and equipment.

- e) The contributed capital for this project is \$4,515,403 and is based on the legislated formula under Chapter P.49 of the Public Service Works on Highways Act (PSWHA). This formula requires the municipal or provincial road authority to contribute 50% of the labour and vehicle costs for these projects.

Halton Region, as the municipal road authority for this project, will provide the contributed capital. The contributed capital applies to labour and vehicle costs for the overhead scope, and to material, labour, and vehicle costs for the underground scope.

Under the PSWHA, the Region of Halton is obligated to provide the contributed capital for this relocation project. If the contributed capital is not received, BHI will not proceed with the project.

**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.

**Response**

- a) BHI provides the forecasted versus actual capital expenditures for system access projects for the 2021-2023 years in the table below.
- b) BHI provides a variance explanation between forecasted and actual capital expenditures for system access projects for the 2021-2023 years in the table below.
- c) None of these projects were funded through ICM rate riders. BHI indicates which of these projects were funded through existing rates in the table below.

| System Access Project                                    | 2021-2023 DSP | 2021-2023 Actual | Variance (\$) | Variance % | Explanation  | Funded through              |
|--|---------------|------------------|---------------|------------|--|-----------------------------|
| General Service - Underground                            | \$4,600,000   | \$9,775,334      | \$5,175,334   | 112.5%     | Higher demand for underground customer connections, upgrades, and relocations.   | Existing rates              |
| General Service - Overhead                               | \$3,900,000   | \$4,495,548      | \$595,548     | 15.3%      | Higher demand for overhead customer connections, upgrades, and relocations.  | Existing rates              |
| Dundas St Road Widening - (Walkers Line to Appleby Line) | \$3,789,275   | \$0              | (\$3,789,275) | (100.0%)   | Project delayed by road authority.   | Existing rates <sup>1</sup> |
| Dundas St Road Widening - (Appleby line to Tremaine)     | \$869,530     | \$1,285,725      | \$416,195     | 47.9%      | Additional scope of work identified during project construction, which was fully funded by the road authority.   | Existing rates <sup>1</sup> |
| Dundas St Road Widening - (Guelph Line to Walkers Line)  | \$1,500,000   | \$0              | (\$1,500,000) | (100.0%)   | Project delayed by road authority.   | Not in rates                |
| Dundas St Road Widening - (Walkers Line to Brant St.)    | \$1,500,000   | \$0              | (\$1,500,000) | (100.0%)   | Project delayed by road authority.   | Not in rates                |
| Waterdown Road Widening                                  | \$3,500,000   | \$3,731,289      | \$231,289     | 6.6%       | Additional scope of work identified during project construction, which was partially funded by the road authority.   | Existing rates <sup>1</sup> |
| Fairview Street Rebuild                                  | \$0           | \$1,645,507      | \$1,645,507   | 100%       | Unplanned external request to convert BHI infrastructure from overhead to underground, funded by capital contributions.  | Not in rates                |
| Burloak Grade Separation                                 | \$4,599,457   | \$1,023,160      | (\$3,576,297) | (77.8%)    | Customer delayed construction, which began in 2023 and is still on-going. Funded by capital contributions.   | Existing rates              |
| Metrolinx Corridor Electrification                       | \$9,094,706   | \$19,059,538     | \$9,964,832   | 109.6%     | Higher expenditures to electrify Metrolinx corridor along Lakeshore West GO line. Funded by capital contributions.   | Existing rates              |
| Other - MTO/City/Region/M X Projects                     | \$1,759,630   | \$1,672,477      | (\$87,153)    | (5.0%)     | Higher expenditures to relocate assets to accommodate road work, partially funded by the road authority.   | Existing rates              |
| Subdivisions   | \$7,350,000   | \$7,827          | (\$7,342,173) | (99.9%)    | BHI did not assume any completed Subdivisions over the 2021-23 period due to customer defects in construction. BHI plans to assume these once defects are rectified. | Existing rates              |



| System Access Project                 | 2021-2023 DSP       | 2021-2023 Actual    | Variance (\$)        | Variance %     | Explanation   | Funded through                   |
|---------------------------------------|---------------------|---------------------|----------------------|----------------|---|----------------------------------|
| Downtown Core Underground Development | \$3,000,000         | \$1,542,060         | (\$1,457,940)        | (48.6%)        | Lower requests for customer connections and upgrades in downtown area.  | Existing rates                   |
| Meters                                | \$2,682,000         | \$2,321,284         | (\$360,716)          | (13.4%)        | Lower demand for suite metering.  | Existing rates                   |
| Burlington TS Wholesale Metering      | \$0                 | \$638,510           | \$638,510            | 100%           | Unplanned replacement of BHI's revenue metering system at Burlington TS due to safety concerns raised by Hydro One.   | Not in rates                     |
| Transformers – New Connections        | \$1,980,000         | \$1,198,813         | (\$781,187)          | (39.5%)        | Lower demand for transformer connections and upgrades.  | Existing rates                   |
| Renewable Generation (FIT) SCADA      | \$0                 | \$39,686            | \$39,686             | 100%           | Immaterial.   | Not in rates                     |
| Tremaine TS Breakers                  | \$0                 | (\$252,680)         | (\$252,680)          | 100%           | Driven by true-up of Tremaine TS Breakers CCRA with Hydro One.  | Not in rates                     |
| <b>Total Gross System Access</b>      | <b>\$50,124,598</b> | <b>\$48,184,079</b> | <b>(\$1,940,519)</b> | <b>(3.9%)</b>  |   |                                  |
| Contributed Capital                   | (\$31,074,334)      | (\$34,755,874)      | (\$3,681,540)        | 11.8%          | Higher due to an increase in the number and dollar value of projects for which BHI receives contributed capital (electrification projects, road widening projects, and the Burloak Grade Separation project). | Partially through existing rates |
| <b>Total Net System Access</b>        | <b>\$19,050,263</b> | <b>\$13,428,205</b> | <b>(\$5,622,059)</b> | <b>(29.5%)</b> |   |                                  |

<sup>1</sup> Approved via an asymmetrical capital variance account in BHI's 2021 Cost of Service application (EB-2020-007). BHI will settle the credit variance in the accounts in its next rebasing application.

**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.

**Response**

- a) BHI confirms that it is proposing the Upgrade alternative.
  
- b) BHI conducted a thorough design and methodology review in accordance with O. Reg. 22/04 and current BHI standards, and based on loading calculations using non-linear design analysis as per Canadian Standards Association (CSA) requirements. The recommendation that came from this analysis did not support a Like for Like relocation (i.e. using the same class and size of poles, clearances etc.) and was selected by Burlington Hydro and Halton Region as the only viable option for the relocation work. Maintaining the 'Status Quo' was not an option as utilities must comply with the requirements of the Road Authority under the Public Service Work on Highway Act ("PSWHA").

No customer outages are expected as a direct result of this relocation project.

- c) The existing overhead line was designed and built based on standards which have since become outdated, and linear design methodology which does not meet the current line loading criteria of the latest CSA Overhead Standard C22.3 No. 1-15 (R2020). BHI would not be in compliance with mandatory standards and regulations if it selected the Like for Like alternative. Further, the design called for “undergrounding” along certain sections of the line where a right-of-way is not available to install equivalent overhead infrastructure.
- d) The Like for Like alternative would have entailed installation of the same height and class of poles using the same clearances and installation standards as the existing pole line. As mentioned in part c), this installation would not be compliant with current standards and regulations. As such, a cost breakdown for the Like for Like alternative was not carried out.

Please refer to Staff-15 b) for a cost breakdown of the recommended solution.

- e) See tables below for the age and condition of the 164 poles and 21 transformers that must be relocated. The associated hardware, cable and wire would be of similar vintage and condition as the poles.

| Age          | 10-20 Years | 21-30 Years | 31+ Years | Total      |
|--------------|-------------|-------------|-----------|------------|
| Poles        | 22          | 55          | 87        | <b>164</b> |
| Transformers | 2           | 4           | 15        | <b>21</b>  |

| Condition    | Very Good | Good | Fair | Poor | Very Poor | Total      |
|--------------|-----------|------|------|------|-----------|------------|
| Poles        | 42        | 73   | 45   | 4    | -         | <b>164</b> |
| Transformers | 11        | 8    | 1    | 1    | -         | <b>21</b>  |

**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.

**Response**

- a) BHI notes that it has already deferred some discretionary capital expenditures from 2025, including the installation of an intelligent switch and pole replacements, to mitigate the impact of the incremental capital from the ICM project.

BHI would have to do a more thorough analysis of its planned 2025 capital expenditures to properly assess which investments could be deferred beyond 2025. Candidate investments could include certain System Renewal programs, which would mean refurbishing or replacing fewer assets at end of service life and at risk of failure or functional obsolescence. This could lead to (i) worsening reliability and increased safety risk due to asset failure, (ii) reactively replacing failed assets at a higher cost compared to proactive replacement, and (iii) an increased number of assets in poor or very poor condition.

**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.

**Response**

- a) The re-based depreciation expense of \$7,006,404 (Cell C20, Tab 5 of the 2025 ICM model) is calculated in a different manner than the Amortization expense of \$8,146,553 (Cell C47, Tab 5 of the 2025 ICM model). Re-based depreciation expense of \$7,006,404, which is used to calculate accumulated depreciation for rate base, excludes certain adjustments. This accumulated depreciation of \$180,634,252 (Cell C23, Tab 5 of the 2025 ICM model) balances to the OEB approved accumulated depreciation.

BHI provides a reconciliation of re-based depreciation expense to amortization in the below table and confirms the numbers in tab 5 of the ICM model are correct. Consequently, the 2025 ICM model has not been updated.

| <b>Reconciliation of Depreciation Expense</b>                       | <b>\$</b>        |
|---|------------------|
| 2021 Depreciation Expense - per 2021 FA Continuity Schedule         | 6,878,004        |
| ICM Depreciation Included in 2021 FA Continuity Schedule            | 128,400          |
| <b>Re-based Depreciation Expense per cell C20 of 2025 ICM Model</b> | <b>7,006,404</b> |
| Remove ICM Depreciation Prior Yrs (2019/2020)                       | (85,600)         |
| Add Back Deferred Revenue Amortization Recorded in a/c 4245         | 1,198,080        |
| Reclassify Loss on Disposal of Pooled Assets                        | 27,669           |
| <b>Amortization per cell C47 of 2025 ICM Model</b>                  | <b>8,146,553</b> |

**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.

**Response**

- a) BHI transitioned to a new CIS in July 2021. In 2022 it automated the IESO settlement process in its new CIS, including the allocation of consumption to RPP buckets. This calculation did not produce accurate results – total consumption was correct but not allocated to the RPP buckets in the correct proportions.

The major driver of the true-up adjustment is that, for the purposes of the IESO's RPP versus Market Price settlement claim, more consumption was allocated to the Off-Peak bucket versus the Mid- and On-Peak buckets, which understated revenue and consequently understated the amount owing to the IESO. (Customers were not impacted and were billed correctly).

- b) BHI confirms that the CT1142/142 true-up for 2022 is related to the true-up of CT1142 settlements in 2022.
  
- c) There should not be any current year principal adjustments for Account 1589 in 2023 related to this adjustment. All 2023 activity, including the year-end true-up for Account 1589, is recorded in the “Transaction Debit / (Credit) during 2023” column of the Continuity Schedule as it was recorded in 2023 and reported in BHI’s 2023 RRRs.
  
- d) There are no current year adjustments for CT148 True-up GA charges based on non-RPP volumes on Tab “GA 2023” as all 2023 activity, including the year-end true-up, was recorded in 2023 and reported in BHI’s 2023 RRR balance for Account 1589.

There is an adjustment on the “GA 2022” Tab for the reason noted in BHI’s response to Staff-20 a) as well as a reversal of this 2022 adjustment in 2023.

**VECC-1****Question(s)**

Please provide a summary of BHI's previous requests for ICM funding for road widening projects and include a description of the scope of work of each project(s), the amount requested, the amount approved by the OEB and the docket #.

**Response**

BHI has not filed any requests for ICM funding for road widening projects prior to this application.



**VECC-2**

**Ref.:** Ex 1 p.26

**Question(s)**

BHI indicates its 2023 ROE was 8.11%.

Please provide BHI's ROE forecasts for 2024 and 2025.

**Response**

BHI's ROE forecasts for 2024 and 2025 are approximately 7% and 5% respectively.

**VECC-3**

**Ref.:** Ex 1 p.26

**Question(s)**

The 2025 Dundas Street Widening project (Guelph to Kerns Road; Northampton Boulevard to Guelph Line) was not included in the capital expenditures in BHI's 2021 Cost of Service Application (EB-2020-0007).

- a) When did BHI first become aware of the road widening project and the need to relocate its distribution assets?
- b) Please discuss any delays to the original road widening schedule and BHI's asset relocation project schedule and the reasons why.
- c) Please confirm the start date and in-service date of BHI's Dundas Street Widening project for Guelph to Kerns Road, and Northampton Boulevard to Guelph Line.

**Response**

- a) Please refer to BHI's response to Staff-15 a).
- b) There have been no delays to BHI's asset relocation project schedule for the 2025 Dundas Street Road Widening (Guelph Line West to Kerns Road and Guelph Line East to Northampton Boulevard).
- c) Per Appendix D of Exhibit 1, the project start date is January 1, 2025, and the in-service date is December 31, 2025.

**VECC-4**

**Ref.:** Ex 1 p.28

**Question(s)**

Table 21 includes two proposed Dundas Street Road Widening projects in 2021: Walkers Line to Appleby Line (\$3,789,275) and Appleby Line to Tremaine (\$869,530), as well as the Waterdown Road Widening (\$3,500,000).

- a) Please confirm the three projects are in response to requests from Halton region Road Authority.
- b) Please provide a description of each project based on the scope and volume of work.
- c) For each project, please provide the number of overhead and underground km.
- d) For each project, please provide a breakdown of costs based on the units of each distribution asset (overhead and underground).
- e) For each project, please provide a breakdown of costs based on internal and external: labour, non-labour, materials, equipment, overhead etc.
- f) Please explain why the Walkers Line to Appleby Line project was not completed in 2021 or subsequent years.
- g) When did BHI first become aware of the Appleby Line to Tremaine project?
- h) Please explain the cost overruns in 2021 on the Appleby Line to Tremaine project compared to the 2021 forecast.
- i) Please provide the forecast and actual in-service date for the Waterdown Road Widening project.
- j) Please provide the forecast and actual capital contributions for each project and explain any variances.

- k) Please explain how these road widening projects were considered in developing the forecast for the 2025 ICM project.

**Response**

- a) BHI confirms the two Dundas Street Road Widening projects from 2021 were in response to requests from Halton Region. The Waterdown Road Widening project was in response to a request from a different road authority.
- b) Please refer to Appendix 1 of BHI’s 2021 Distribution System Plan (EB-2020-0007) for *Material Investment Summary Documents* for the Dundas St Road Widening (Walkers to Appleby) and Waterdown Road Widening projects.

The Dundas St Road Widening (Appleby Line to Tremaine) project involved the relocation of BHI plant to accommodate road widening work along Dundas Street from Appleby Line to Tremaine Road as part of Halton Region’s Dundas Corridor Study. The project was nondiscretionary per BHI’s statutory obligations under the Public Service Works on Highways Act (“PSWHA”) related to the relocation of overhead and underground facilities installed within municipal or provincial road allowances.

- c) BHI provides the number of overhead and underground circuit kms for each project in the table below.

| Project  | Circuit km (OH) | Circuit km (UG) |
|--|-----------------|-----------------|
| Dundas St Road Widening - (Walkers Line to Appleby Line) | 21              | 19              |
| Dundas St Road Widening - (Appleby line to Tremaine)     | 19              | -               |
| Waterdown Road Widening                                  | 12              | 6               |

- d) BHI provides a breakdown of costs based on the circuit kms of overhead and underground relocation for each project in the tables below:

**Dundas St Road Widening - (Walkers Line to Appleby Line)**

| Description  | Material Costs     | Labour Costs       | Equipment Costs  | Total              |
|--------------|--------------------|--------------------|------------------|--------------------|
| Overhead     | \$1,362,877        | \$195,029          | \$126,216        | \$1,684,122        |
| Underground  | \$745,347          | \$825,545          | \$534,261        | \$2,105,153        |
| <b>Total</b> | <b>\$2,108,224</b> | <b>\$1,020,574</b> | <b>\$660,477</b> | <b>\$3,789,275</b> |

**Dundas St Road Widening - (Appleby line to Tremaine)**

| Description | Material Costs | Labour Costs | Equipment Costs | Total     |
|-------------|----------------|--------------|-----------------|-----------|
| Overhead    | \$200,000      | \$406,475    | \$263,055       | \$869,530 |

**Waterdown Road Widening**

| Description  | Material Costs   | Labour Costs       | Equipment Costs    | Total              |
|--------------|------------------|--------------------|--------------------|--------------------|
| Overhead     | \$340,041        | \$1,308,885        | \$763,428          | \$2,412,354        |
| Underground  | \$121,960        | \$611,792          | \$353,893          | \$1,087,646        |
| <b>Total</b> | <b>\$462,001</b> | <b>\$1,920,678</b> | <b>\$1,117,321</b> | <b>\$3,500,000</b> |

- e) BHI provides a breakdown of the cost of internal and external labour, non-labour, materials and equipment for each project in the tables below:

| Description  | Internal     |                 | External       |              |                 | Total       |
|--|--------------|-----------------|----------------|--------------|-----------------|-------------|
|  | Labour Costs | Equipment Costs | Material Costs | Labour Costs | Equipment Costs |             |
| Dundas St Road Widening - (Walkers Line to Appleby Line) | \$25,000     | \$2,000         | \$2,108,224    | \$995,574    | \$658,477       | \$3,789,275 |

| Description  | Internal     |                 | External       |              |                 | Total     |
|--|--------------|-----------------|----------------|--------------|-----------------|-----------|
|  | Labour Costs | Equipment Costs | Material Costs | Labour Costs | Equipment Costs |           |
| Dundas St Road Widening - (Appleby line to Tremaine) | \$5,000      | \$1,518         | \$200,000      | \$401,475    | \$261,538       | \$869,530 |

| Description             | Internal     |                 | External       |              |                 | Total       |
|-------------------------|--------------|-----------------|----------------|--------------|-----------------|-------------|
|                         | Labour Costs | Equipment Costs | Material Costs | Labour Costs | Equipment Costs |             |
| Waterdown Road Widening | \$46,000     | \$4,000         | \$462,001      | \$1,874,678  | \$1,113,321     | \$3,500,000 |

- f) The Dundas St Road Widening (Walkers Line to Appleby Line) project was not completed in 2021 or subsequent years because the project was delayed by the road authority.
- g) BHI first became aware of the Appleby Line to Tremaine project in 2021.
- h) The actual net expenditures on the Appleby Line to Tremaine project were \$517,315 vs. \$509,765 forecasted. The cost overrun on gross expenditures was due to additional scope of work identified during project construction, which was funded through capital contributions by Halton Region.

- i) The Waterdown Road Widening project was a separate and distinct project, initiated by a request from a different road authority than the Dundas Street Road Widening project. The forecasted and actual in-service dates of this project are outside of the scope of this application.
- j) BHI provides the forecast and actual capital contributions for each project along with variance explanation below:

| Projects   | Forecast Capital Contribution | Actual Capital Contribution | Variance (\$) |
|--|-------------------------------|-----------------------------|---------------|
| Dundas St Road Widening - (Walkers Line to Appleby Line) | (\$1,263,092)                 | \$0                         | \$1,263,092   |
| Dundas St Road Widening - (Appleby line to Tremaine)     | (\$359,765)                   | (\$768,410)                 | (\$408,645)   |
| Waterdown Road Widening                                  | (\$2,000,000)                 | (\$2,577,114)               | (\$577,114)   |

Dundas St Road Widening - (Walkers Line to Appleby Line) – project was not completed in 2021 or subsequent years because the project was delayed by the road authority; therefore, no capital contribution was received.

Dundas St Road Widening - (Appleby line to Tremaine) – additional scope of work was identified during project construction which was paid by Halton Region under the cost-sharing mechanism based on the Public Service Works on Highways Act.

Waterdown Road Widening – additional scope of work was identified during project construction which was partially paid for by the road authority under the cost-sharing mechanism based on the Public Service Works on Highways Act.

- k) BHI considered factors such as road authority design timelines, material cost, material lead times, and labour and equipment cost from the three road widening projects referenced above in developing the forecast for the 2025 ICM project.

**VECC-5**

**Ref.:** Ex 1 p.28

**Question(s)**

Table 21 includes the Fairview Street Rebuild with capital spending in 2021, 2022, 2023, 2024, and 2025.

- a) Please provide the driver for this project.
- b) Please provide the Project Summary document for the project.
- c) Please provide the number of overhead and underground km.

**Response**

- a) The driver for the Fairview Street Rebuild project was an external request to convert BHI infrastructure from overhead to underground.
- b) BHI did not develop a Project Summary document for this project.
- c) This project was not driven by a road widening project and is therefore not comparable to the 2025 Dundas St Road Widening project.

**VECC-6**

**Ref.:** Ex 1 p.28

**Question(s)**

Table 21 includes a proposed Dundas Street Road Widening project in 2024: Tremaine to Bronte (\$306,092).

- a) Please provide the Project Summary document for the project.
- b) Please provide the number of overhead and underground km.

**Response**

- a) A Project Summary document is not available for this project. This project required relocating 5 poles at the request of Halton Region, who contributed 100% of the project costs.
- b) This project did not require the replacement of any overhead wire or underground cable.



**VECC-7**

**Ref.:** Appendix D

**Question(s)**

Appendix D (page 2) includes a summary of costs for each segment of the Dundas St Road Widening project.

- a) For each segment, please provide the number of overhead and underground km.
- l) For each segment, please provide a breakdown of costs based on the units of each major distribution asset (overhead and underground) relocated or installed.
- m) For each segment, please provide a breakdown of costs based on internal and external: labour, non-labour, materials, equipment, overhead etc.
- n) Please confirm and explain the project alternative selected.
- o) Please provide the number of poles to be replaced that are in poor or very poor condition.
- p) Please provide the number of transformers to be replaced that are in poor or very poor condition.

**Response**

- a) BHI provides the number of overhead and underground circuit kms for each project in the table below.

| Project   | Circuit km (OH) | Circuit km (UG) |
|---|-----------------|-----------------|
| Dundas St Road Widening - (Guelph line to Kerns Rd.)        | 23              | 1               |
| Dundas St Road Widening - (Northampton Blvd to Guelph Line) | 20              | 4               |

*(BHI notes that questions for parts b) to k) were not provided by the intervenor)*

- l) Please refer to Staff-15 b) for a detailed breakdown of costs for each segment of the 2025 Dundas St. Road Widening project.

m) BHI provides a breakdown of internal and external labour, non-labour, materials and equipment costs for each project in the tables below:

| Description                                      | Internal     |                 | External       |              |                 | Total       |
|--|--------------|-----------------|----------------|--------------|-----------------|-------------|
|  | Labour Costs | Equipment Costs | Material Costs | Labour Costs | Equipment Costs |             |
| Dundas Road Widening (Guelph Line to Kerns Road) | \$25,000     | \$2,000         | \$3,706,244    | \$2,665,262  | \$1,656,597     | \$8,055,103 |

| Description   | Internal     |                 | External       |              |                 | Total       |
|---|--------------|-----------------|----------------|--------------|-----------------|-------------|
|   | Labour Costs | Equipment Costs | Material Costs | Labour Costs | Equipment Costs |             |
| Dundas St Road Widening - (Northampton Blvd to Guelph Line) | \$15,000     | \$1,200         | \$1,348,993    | \$402,564    | \$256,236       | \$2,023,993 |

n) Please refer to BHI's response to Staff-17 a), b) and c).

o) Please refer to BHI's response to Staff-17 e).

p) Please refer to BHI's response to Staff-17 e).