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July 11, 2022

Sent by EMAIL, RESS e-filing

Ms. Nancy Marconi
Registrar
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2022-0028: EPCOR Electricity Distribution Ontario Inc. (“EEDO”)
Responses to OEB Staff Clarification Questions**

In response to the OEB Staff clarifying questions received June 29, 2022, please find enclosed responses and supporting attachments.

Note that the attachments have been referenced according to the related question for ease of reference. For example, attachment 1 is related to question 1, and attachment 3 is related to question 3. For questions that did not require an attachment, there is no numerical reference.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Hesselink".

Tim Hesselink, CPA, CGA
Senior Manager, Regulatory Affairs
EPCOR Electricity Distribution Ontario Inc.
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Encl.

EPCOR Electricity Distribution Ontario Inc.
Responses to OEB Staff Clarification Questions
2023 Cost of Service Application
EB-2022-0028
July 11, 2022

Question-1

Ref: Exhibit 1 / Tab 1 / Schedule 1 / page 11 – Table 1.2.4; Chapter 2 Appendices Tab 2-AB

Please confirm the figures in columns A and B in the above referenced table represent Capital Expenditures on a net basis as a few figures do not reconcile to the amounts in the Chapter 2 Appendices Tab 2-AB.

EEDO Response:

Refer to: Attachment 1 - Exhibit 1 / Tab 1 / Schedule 1 / page 11 – Table 1.2.4

EEDO confirms that the figures in column B in Table 1.2.4 represent capital expenditures on a net basis. The System Access is calculated by taking the gross spend for System Access in Appendix 2-AB and netting contributions against it. EEDO has revised the figures in column A so that the gross spend for System Access net of contributions reconciles to Appendix 2-AB.

Question-2

Ref: Chapter 2 Appendices Tab 2-AA and Tab 2-AB

The System Access sub-total figures reported in Chapter 2 Appendices 2-AA for 2013 to 2023 do not match the amounts entered in Tab 2-AB. Please review and make necessary updates if required. Otherwise, please provide explanation for the discrepancies.

EEDO Response:

The System Access sub-total figures in Appendix 2-AA for 2013 to 2023 represent the net of contributions expenditures whereas the System Access figures in Appendix 2-AB represent the gross of contributions expenditures. When contributions in Appendix 2-AA are excluded, the System Access matches the figures in Appendix 2-AB.

Question-3

Ref: Exhibit 2 / Tab 1 / Schedule 1 / page 2

The 2023 rate base values noted in the last paragraph on this page do not reconcile to Table 2.1-1 and the Revenue Requirement Workform (RRWF). Please confirm and make necessary updates.

EEDO Response:

Refer to Attachment 3 - Exhibit 2 / Tab 1 / Schedule 1 / page 2

The reference above was updated to align rate base with both RRWF and Table 2.1-1.

Question-4

Ref: Exhibit 1 / Tab 1 / Schedule 1 / page 10 - Table 1.2-3; Exhibit 2 / Tab 1 / Schedule 1 / page 4 - Table 2.1.1-1; Chapter 2 Appendices Tab 2-BA; Revenue Requirement Workform

It's noted that the Opening and Closing Net Fixed Assets figures in the above two noted tables do not reconcile with Chapter 2 Appendices Tab 2-BA Fixed Asset Continuity Schedule 2023 table.

EEDO Response:

To reconcile the Net Fixed Asset figures to the Appendix 2-BA 2023 table please refer to the reconciliation below; Tangible property, Work in Progress, and Intangibles/ Goodwill are reconciling items from Fixed Assets to rate base.

	Opening 2023	Closing 2023
Total NFA per 2-BA	31,217,410	33,672,825
Less: Tangible property	(86,603)	(86,603)
Less: Work in progress	(976,671)	(976,671)
Less: Intangibles/Goodwill	(276,704)	(276,704)
Reconciled Total	29,877,432	32,332,847
Average rate base		31,105,140

Also, in Tab 4 of the RRWF, the Gross Fixed Assets (average) value does not reconcile with the Chapter 2 Appendices Tab 2-BA.

EEDO Response:

Refer to the table above for Gross Fixed Assets to Appendix 2-BA.

Question-5

Ref: Exhibit 2 / Tab 1 / Schedule 1 / page 7 - Table 2.2-1; Chapter 2 Appendices Tab 2-BA;

In Table 2.2-1 noted above, the Opening and Closing Gross Fixed Assets balances from 2014 to 2023 do not match the balances in Chapter 2 Appendices Tab 2-BA. Also the Fixed Assets Additions and Disposals for 2014, and the Disposals for 2015 and 2016 do not match Chapter 2 Appendices Tab 2-BA.

Please review and make necessary updates if required. Otherwise, please provide explanation for the discrepancies.

EEDO Response:

Refer to Attachment 5 - Exhibit 2 / Tab 1 / Schedule 1 / page 7

EEDO has corrected table 2.2-1 on Exhibit 2 / Tab 1 / Schedule 1 / page 7 to match the balances in Chapter 2-BA with the following reconciling items, USoA 1990 Other Tangible Property, 2055 Construction Work in Process, and 2060 Intangibles/Goodwill are excluded from the balances in Table 2.2-1 to align with the net fixed assets proposed in rate base.

Question-6

Ref: Chapter 2 Appendices Tab 2-AB and Tab 2-JA; Exhibit 4 / Tab 1 / Schedule 1 / page 3 - Table 4.1.-2

The System O&M figures entered in Chapter 2 Appendices Tab 2-AB for 2013 to 2023 do not match the sub-totals of Operations and Maintenance in Tab 2-JA. Please review and make necessary updates if required. Otherwise, please provide explanation for the discrepancies.

EEDO Response:

Refer to: EEDO_2023 Chapter 2 Appendices_20220711 – Appendix 2-AB

The System O&M figures in Appendix 2-AB have been adjusted to align with the O&M in Appendix 2-JA.

Question-7

Ref: Exhibit 1 / Tab 1 / Schedule 1 / page 52 – Table 1.6.3 and last paragraph on this page

The first sentence of the last paragraph on page 52 of Exhibit 1 notes that “seven out of ten categories” amounts have been lower than the Ontario average. But Table 1.6.3 shows six items with “below average” status. Please confirm and make necessary updates.

EEDO Response:

Refer to: Attachment 7 - Exhibit 1 / Tab 1/ Schedule 1 / Page 52

The verbiage was adjusted to read six rather than seven items.

Question-8

Ref: Exhibit 2 / Tab 1 / Schedule 1 / page 1; Chapter 2 Appendices Tab 2-BA

It states that a reconciliation between CGAAP and IFRS has been provided further in the Exhibit. It does not appear that the reconciliation has been provided. Please confirm and provide the reconciliation as necessary.

Please also provide the 2014 CGAAP Appendix 2-BA to support the reconciliation as well.

EEDO Response:

Refer to: Appendix 2-BA

The 2014 CGAAP Fixed Asset Continuity was originally submitted; the 2014 MIFRS Fixed Asset Continuity schedule has been added starting at row 186 of the App.2-BA_Fixed Asset Cont tab.

Refer to: Exhibit 2 / Tab 1 / Schedule 1 / page 7-8

A reconciliation has been provided between CGAAP and IFRS for the 2014 period in Exhibit 2.

Question-9

Ref: Chapter 2 Appendices Tab 2-BA

The closing Gross Cost for 2018 does not agree to the opening Gross Cost for 2019.
Please revise as needed.

EEDO Response:

Refer to: EEDO_2023 Chapter 2 Appendices_20220711 – Appendix 2-BA
Attachment 9 - Adjusted Exhibit 2 / Tab 1/ Schedule 1 / Page 16

The 2018 Fixed asset continuity has been corrected to include the additions for account 2060 Goodwill/Intangibles and the closing 2018 gross cost now agrees to opening gross cost for 2019. Table 2.2-10 in Exhibit 2 page 16 has also been updated as a result of this change.

Question-10

Please adjust the 2024 System Service Capital Expenditure Summary as Appendix 2-AB does not reconcile with the table on page 61 “Material Investments 2023-2027” of Exhibit 2 / Tab 2 / Appendix A.

EEDO Response:

Refer to: EEDO_2023 Chapter 2 Appendices_20220711 – Appendix 2-AB
Attachment 10 - Exhibit 2 / Tab 2 / Appendix A / page 53

The 2024 System Service capital expenditures per Appendix 2-AB has been corrected to align with the Material Investments 2023-2027.

Question-11

Please reconcile the capital expenditure for 2025 for the System Service – Grid Modernization – WMS Implementation Project on page 114 of Exhibit 2 / Tab 2 / Appendix A with the project list on page 61 of Exhibit 2 / Tab 2 / Appendix A (and anywhere else necessary).

EEDO Response:

Refer to Attachment 11-12 - Exhibit 2 / Tab 2 / Appendix A / page 61

The 2025 System Service Grid Modernization capital expenditures per the Material Investments 2023-2027 project list has been corrected to align with the WMS Implementation Project spending.

Question-12

Please reconcile the capital expenditure for 2024 for the General Plant IT Hardware on page 127 of Exhibit 2 / Tab 2 / Appendix A with the project list on page 61 of Exhibit 2 / Tab 2 / Appendix A (and anywhere else necessary).

EEDO Response:

Refer to Attachment 11-12 - Exhibit 2 / Tab 2 / Appendix A / page 61

The 2024 General Plant IT Hardware capital expenditures per the Material Investments 2023-2027 project list has been corrected to align with the WMS Implementation Project spending.

Question-13

Ref: EEDO_2023 Load forecast Model_20220527, Sheet Residential Normalized, Gslt50 Normalized and GSgt50 Normalized

Please note that the 10-year average is not being used for the HDD and CDD in the forecast years (2022 and 2023). Please also correct the historical HDD and CDD values within these sheets.

EEDO Response:

The HDD and CDD values used in the ‘Residential Normalized’, ‘GSlt50 Normalized’, and ‘GSgt50 Normalized’ are 10-year averages. The 10-year HDD and CDD figures and averages are provided below, and in columns AZ:CN of the ‘Weather’ tab of the Load Forecast. Please confirm if the question was misinterpreted in our response.

HDD and CDD values used in ‘Residential Normalized’:

HDD16	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	571.7	493.6	304.4	318.7	89.2	21.6	0	0	53.8	179.6	386.0	481.4
2013	576.9	591.8	520.2	309.4	120.1	39.4	0.2	1.8	63.2	175.4	416.7	655.5
2014	764.1	684.1	668.0	329.7	125.5	24.3	6.3	7.6	46.0	181.9	418.3	518.1
2015	762.7	804.7	584.7	306.8	111.5	29.1	4.8	0.4	11.3	199.1	281.1	374.6
2016	620.3	565.5	451.3	379.8	156.2	28.5	0	0	19.5	147.6	257.0	534.4
2017	552.0	456.4	547.1	240.9	167.7	34.1	0	5.9	40.9	111.2	384.8	653.7
2018	654.2	498.2	535.1	412.4	95.5	30.9	0	1.1	43.7	235.6	443.0	526.3
2019	715.9	578.4	549.3	331.1	179.6	53.6	0	0	25.8	192.6	463.2	521.1
2020	551.8	563.7	424.1	338.6	198.3	29.7	0	0.7	47.2	218.1	259.9	506.6
2021	574.7	583.6	398.9	258.6	154.2	7.3	2.3	0.2	21.9	96.4	352.5	464.3
Avg.	634.4	582.0	498.3	322.6	139.8	29.9	1.4	1.8	37.3	173.8	366.3	523.6
CDD16	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	0	0	6.8	0.8	42.1	118.6	187.5	147	48	5.5	0	0
2013	0	0	0	0.7	34.1	65.9	153.9	113.9	43.8	2.6	0	0
2014	0	0	0	0	14	68.6	88.9	91.4	41.1	6.3	0	0
2015	0	0	0	0	42.5	25.3	129.2	115.8	113.7	6.8	3.5	0
2016	0	0	0	0	30.6	67.5	182.4	198.1	75.5	15.8	0.1	0
2017	0	0	0	2.5	17.3	70.7	119.9	93.2	83.9	20.5	0	0
2018	0	0	0	0	45.5	54.4	166.5	181.5	82.6	17.1	0	0
2019	0	0	0	0	4.6	34.4	163.3	111.4	39	5.8	0	0
2020	0	0	0	0	28.5	78.8	201.4	138	45.6	0.2	13.2	0
2021	0	0	0	3.8	26.2	127.6	113.3	189.9	47.9	35.3	0	0
Avg.	0	0	0.7	0.8	28.5	71.2	150.6	138.0	62.1	11.6	1.7	0.0

HDD and CDD values used in 'GSIt50 Normalized':

HDD14	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	509.7	435.6	247.9	262.0	52.1	7.5	0	0	24.4	124.7	326.0	419.4
2013	514.9	535.8	458.2	252.8	80.2	14.4	0	0	32.4	126.0	356.7	593.5
2014	702.1	628.1	606.0	269.7	78.3	8.3	0	1.3	25.0	128.9	358.3	456.1
2015	700.7	748.7	522.7	246.8	75.8	14.7	0	0	2.5	141.1	225.0	312.6
2016	558.3	507.5	389.3	319.8	108.8	10.2	0	0	4.4	104.9	199.0	472.4
2017	490.0	400.4	485.1	185.2	117.6	13.2	0	0	18.1	78.7	324.8	591.7
2018	592.2	442.2	473.1	352.4	59.6	9.3	0	0	20.0	182.4	383.0	464.3
2019	653.9	522.4	487.3	271.1	126.3	23.2	0	0	7.0	134.7	403.2	459.1
2020	489.8	505.7	362.1	278.6	148.4	14.9	0	0	21.7	159.3	211.9	444.6
2021	512.7	527.6	339.3	205.6	108.6	1.6	0	0	6.1	65.9	292.6	402.3
Avg.	572.4	525.4	437.1	264.4	95.6	11.7	0	0.1	16.2	124.7	308.1	461.6
CDD14	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	0	0	12.3	4.1	67.0	164.5	249.5	209.0	78.6	12.6	0	0
2013	0	0	0	4.1	56.2	100.9	215.7	174.1	73.0	15.2	0	0
2014	0	0	0	0	28.8	112.6	144.6	147.1	80.1	15.3	0	0
2015	0	0	0	0	68.8	70.9	186.4	177.4	164.9	10.8	7.4	0
2016	0	0	0	0	45.2	109.2	244.4	260.1	120.4	35.1	2.1	0
2017	0	0	0	6.8	29.2	109.8	181.9	149.3	121.1	50.0	0	0
2018	0	0	0	0	71.6	92.8	228.5	242.4	118.9	25.9	0	0
2019	0	0	0	0	13.3	64.0	225.3	173.4	80.2	9.9	0	0
2020	0	0	0	0	40.6	124.0	263.4	199.3	80.1	3.4	25.2	0
2021	0	0	2.4	10.8	42.6	181.9	173.0	251.7	92.1	66.8	0.1	0
Avg.	0	0	0.3	2.2	42.5	108.2	205.9	200.1	107.2	27.2	4.4	0

HDD and CDD values used in 'GSgt50 Normalized':

HDD16	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	571.7	493.6	304.4	318.7	89.2	21.6	0	0	53.8	179.6	386.0	481.4
2013	576.9	591.8	520.2	309.4	120.1	39.4	0.2	1.8	63.2	175.4	416.7	655.5
2014	764.1	684.1	668.0	329.7	125.5	24.3	6.3	7.6	46.0	181.9	418.3	518.1
2015	762.7	804.7	584.7	306.8	111.5	29.1	4.8	0.4	11.3	199.1	281.1	374.6
2016	620.3	565.5	451.3	379.8	156.2	28.5	0	0	19.5	147.6	257.0	534.4
2017	552.0	456.4	547.1	240.9	167.7	34.1	0	5.9	40.9	111.2	384.8	653.7
2018	654.2	498.2	535.1	412.4	95.5	30.9	0	1.1	43.7	235.6	443.0	526.3
2019	715.9	578.4	549.3	331.1	179.6	53.6	0	0	25.8	192.6	463.2	521.1
2020	551.8	563.7	424.1	338.6	198.3	29.7	0	0.7	47.2	218.1	259.9	506.6
2021	574.7	583.6	398.9	258.6	154.2	7.3	2.3	0.2	21.9	96.4	352.5	464.3
Avg.	634.4	582.0	498.3	322.6	139.8	29.9	1.4	1.8	37.3	173.8	366.3	523.6
CDD18	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	0	0	2.8	0	24.4	77.8	125.7	89.7	24.4	1.5	0	0
2013	0	0	0	0	15.7	41.0	98.0	63.9	24.1	0.1	0	0
2014	0	0	0	0	7.2	41.5	50.3	45.9	21.4	1.2	0	0

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2015	0	0	0	0	25.0	6.0	79.8	65.6	70.0	2.8	1.5	0
2016	0	0	0	0	18.4	37.3	123.3	136.5	41.4	4.5	0	0
2017	0	0	0	0.5	8.6	40.9	61.8	44.6	52.0	5.5	0	0
2018	0	0	0	0	26.8	31.4	109.3	122.1	54.8	12.6	0	0
2019	0	0	0	0	0	16.9	105.3	56.7	14.8	3.8	0	0
2020	0	0	0	0	19.4	45.2	139.4	81.3	23.0	0	5.4	0
2021	0	0	0	0.3	16.0	83.0	63.2	131.2	18.9	14.2	0	0
Avg.	0	0	0.3	0.1	16.2	42.1	95.6	83.8	34.5	4.6	0.7	0

Question-14

Ref: Exhibit 7 / Tab 1 / Schedule 1 / page 11, “The 2023 cost allocation study indicates the revenue to cost ratio for the Street Light and Unmetered Scattered Load classes are outside the Board’s acceptable range. For 2023, it is proposed that the ratio for Street Light be decreased to the maximum value of the Board’s acceptable range. To maintain revenue neutrality, EEDO proposes to increase revenues from USL and General Service > 50 kW, the two classes with the lowest Revenue to Cost Ratios.”

As per table 7.3-1 in Exhibit 7 and the cost allocation tab in the RRWF, USL is not outside the Boards acceptable target and revenue from residential rate class has also been increased. Please reconcile this discrepancy.

EEDO Response:

Refer to: Attachment 14 - Exhibit 7 / Tab 1 / Schedule 1 / page 11

EEDO confirms the excerpt referenced above is incorrect. The RRWF and table 7.3-1 are correct.

The first sentence of the referenced excerpt should not include the Unmetered Scattered Load class, and the second sentence should include the Residential class. The excerpt has been revised to state:

The 2023 cost allocation study indicates the revenue to cost ratio for the Street Light class is outside the Board’s acceptable range. For 2023, it is proposed that the ratio for Street Light be decreased to the maximum value of the Board’s acceptable range. To maintain revenue neutrality, EEDO proposes to increase revenues from Residential, USL, and General Service > 50 kW, the three classes with the lowest Revenue to Cost Ratios.

Attachment 1

Exhibit 1 / Tab 1 / Schedule 1 / page 11 – Table 1.2.4

Table 1.2-4

Proposed 2023 Test Year Capital Expenditures and 2013 Board Approved (\$)

	Category	A 2013 Board Approved	B 2023 Test Year	C D Change		E Annualize d % Change
				\$	Percen t	
1	System Access	500,500	601,079	525,579	696%	23%
2	System Renewal	1,050,708	2,066,743	591,035	40%	3%
3	System Service	40,000	1,372,616	1,332,616	3332%	42%
4	General Plant	382,000	255,400	-126,600	-33%	-4%
5	Total	1,973,208	4,295,838	2,322,630	118%	8%

(Source: Exhibit 2, Distribution System Plan)

1.2.5 Operations, Maintenance and Administration Expense (OM&A)

Refer to Exhibit 4 – Operating Expenses for further detail and analysis.

EEDO's 2023 Test Year OM&A costs are forecast to be \$6,530,315, which represents an increase of \$1,945,155 from its' 2013 Board Approved amount, or equivalent to an increase at an annualized rate of 3.6%.

Table 1.2-5 Proposed 2023 Test Year Capital Expenditures and 2013 Board Approved (\$)

Description	2013 OEB Approved	2023 Test Year	Variance	Annualized % Change
Operations & Maintenance	2,073,000	2,617,272	544,272	2.6%
Billing & Collecting	993,862	1,109,304	151,465	1.1%
Community Relations	138,000	188,553	50,553	3.2%
General & Administrative	1,380,298	2,615,186	1,234,888	6.6%
Total	4,585,160	6,530,315	1,945,155	3.6%

(Source: Exhibit 4, Section 4.2.1)

Attachment 3

Exhibit 2 / Tab 1 / Schedule 1 / page 2



1 For rate base, EEDO has included the opening and closing balances for each year, and the
2 average of the opening and closing balances for gross fixed assets and accumulated
3 depreciation.

4

5 Note that the gross fixed assets and accumulated depreciation balances used correspond directly
6 to the Fixed Asset Continuity Schedules that can be found within this document and further in
7 excel form in Chapter 2 Appendix 2-BA Fixed Asset Continuity.

8

9 Capital expenditures do vary from in-service additions for historical years and work-in-progress
10 items have been clearly identified in any variance explanations. For the 2022 bridge year and
11 2023 test year, capital expenditures are assumed to equal in-service additions.

12

13 Table 2.1-1 below presents a summary of EEDO's historical and projected rate base. Rate base
14 for the 2023 Test Year is calculated at \$34,226,778, which is a \$14,583,922 increase between
15 the 2013 OEB Approved amounts and the 2023 Test Year, representing a total increase of 74.2%
16 or a 5.7% compound annual growth rate (CAGR).

17

18

Attachment 5

Exhibit 2 / Tab 1 / Schedule 1 / Page 7

Table 2.2-1 Fixed Asset Continuity Schedule Summary (\$ 000's)

	A	B	C	D	E	F	G	H	I	J	K	L	
	2013	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	Test	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Bridge	Test	
	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
1	Gross Fixed Assets ⁽¹⁾												
2	Opening Balance	30,980	31,426	14,927	16,363	17,364	20,243	22,993	24,664	29,205	32,149	34,793	40,506
3	Additions	1,789	1,625	1,625	1,227	3,062	2,840	1,769	4,697	3,169	2,644	5,801	4,296
4	Disposals	0	(544)	(189)	(226)	(183)	(90)	(99)	(155)	(225)	0	(89)	(65)
5	Closing Balance	32,770	32,507	16,363	17,364	20,243	22,993	24,664	29,205	32,149	34,793	40,506	44,736
6													
7	Average Gross Fixed Assets	31,875	31,966	15,645	16,863	18,804	21,618	23,829	26,934	30,677	33,471	37,649	42,621
8													
9	Accumulated Depreciation ⁽¹⁾												
10	Opening	(15,757)	(16,499)	-	(1,020)	(1,962)	(2,965)	(3,986)	(5,021)	(6,207)	(7,543)	(9,073)	(10,628)
11	Additions	(1,094)	(1,010)	(1,010)	(966)	(1,016)	(1,092)	(1,102)	(1,333)	(1,446)	(1,529)	(1,644)	(1,840)
12	Disposals	(30)	345	(10)	25	13	71	66	147	109	0	89	65
13	Closing Balance	(16,881)	(17,164)	(1,020)	(1,962)	(2,965)	(3,986)	(5,021)	(6,207)	(7,543)	(9,073)	(10,628)	(12,403)
14													
15	Average Accumulated Depreciation	(16,319)	(16,832)	(510)	(1,491)	(2,463)	(3,475)	(4,504)	(5,614)	(6,875)	(8,308)	(9,850)	(11,516)
16													
17	Net Fixed Assets ⁽¹⁾	15,556	15,135	15,135	15,372	16,340	18,143	19,325	21,320	23,802	25,163	27,799	31,105

1 – These balances exclude USoA 1990 Other Tangible Property, 2055 Construction Work in Process, and 2060 Intangibles/Goodwill, which reconciles to the net fixed assets included in rate base.

EEDO transferred to IFRS reporting in 2015, which contributes to the large variance of accumulated depreciation shown in 2015. While the balance is presented in IFRS above, a reconciliation and continuity schedules comparison is provided further in this exhibit. EEDO elected to follow the rate-regulated deemed cost exemption in converting from CGAAP to MIFRS at January 1, 2014. As a result, the deemed cost under CGAAP became the new IFRS cost basis with accumulated depreciation recognized under CGAAP set to nil. A reconciliation has been provided below in Table 2.2-1A

Attachment 7

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1
 2 Using these improved calculations along with the results of a limited data survey, OEB staff has
 3 updated all the unit cost results for fiscal 2018, 2019, and 2020 in a new Report to the Ontario
 4 Energy Board – Activities and Program Benchmarking: 2020 Results⁵. The project’s consultant,
 5 Pacific Economics Group Research LLC, has also updated all of the econometric model results
 6 to incorporate new data and align with the 2018 to 2020 time period.

7
 8 As noted in Chapter 2 of the OEB’s filing requirements for electricity distribution rate applications,
 9 distributors submitting 2023 Cost of Service rate applications must review the most current APB
 10 results and discuss their performance for each program.

11 **Table 1.6-3 – APB Summary**

	A	B	C	D	E	F
	Item	Cost (\$1,000)	Scale	Unit Cost (\$/Cust)	Ontario Average	Average?
1	Billing O&M	499	18	28	36	Below
2	Metering O&M	459	18	26	20	Above
3	Vegetation Management O&M	147	5	28	35	Below
4	Lines O&M	720	373	1,929	1,814	Above
5	Stations O&M	118	6	19,659	68,109	Below
6	Poles Towers O&M	89	5	17	11	Above
7	Stations CAPEX	-	6	-	223,325	Below
8	Poles, Towers CAPEX	1,626	151	11,439	7,523	Above
9	Lines Transformers CAPEX	213	59	4,036	10,970	Below
10	Meters CAPEX	120	18	7	13	Below

12
 13 EEDO notes that 2018-2020 average amounts have been lower than the Ontario average for six
 14 out of the ten categories currently being measured by the APB Program. EEDO does not have
 15 any specific remedial actions to take as a result of this information, but will continue to monitor
 16 and better understand measures. As there are many differences between LDC’s (customer
 17 count/geography/historical capital investment levels etc.), EEDO plans to use future APB results
 18 as a ranking benchmark to influence future planning.

⁵ <https://www.oeb.ca/sites/default/files/APB-PEG-Report-2020-Results.pdf>

Attachment 8

Exhibit 2 / Tab 1 / Schedule 1 / page 7-8



Table 2.2-1 Fixed Asset Continuity Schedule Summary (\$ 000's)

	A	B	C	D	E	F	G	H	I	J	K	L	
	2013	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	Test	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Bridge	Test	
	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
1	Gross Fixed Assets ⁽¹⁾												
2	Opening Balance	30,980	31,426	14,927	16,363	17,364	20,243	22,993	24,664	29,205	32,149	34,793	40,506
3	Additions	1,789	1,625	1,625	1,227	3,062	2,840	1,769	4,697	3,169	2,644	5,801	4,296
4	Disposals	0	(544)	(189)	(226)	(183)	(90)	(99)	(155)	(225)	0	(89)	(65)
5	Closing Balance	32,770	32,507	16,363	17,364	20,243	22,993	24,664	29,205	32,149	34,793	40,506	44,736
6													
7	Average Gross Fixed Assets	31,875	31,966	15,645	16,863	18,804	21,618	23,829	26,934	30,677	33,471	37,649	42,621
8													
9	Accumulated Depreciation ⁽¹⁾												
10	Opening	(15,757)	(16,499)	-	(1,020)	(1,962)	(2,965)	(3,986)	(5,021)	(6,207)	(7,543)	(9,073)	(10,628)
11	Additions	(1,094)	(1,010)	(1,010)	(966)	(1,016)	(1,092)	(1,102)	(1,333)	(1,446)	(1,529)	(1,644)	(1,840)
12	Disposals	(30)	345	(10)	25	13	71	66	147	109	0	89	65
13	Closing Balance	(16,881)	(17,164)	(1,020)	(1,962)	(2,965)	(3,986)	(5,021)	(6,207)	(7,543)	(9,073)	(10,628)	(12,403)
14													
15	Average Accumulated Depreciation	(16,319)	(16,832)	(510)	(1,491)	(2,463)	(3,475)	(4,504)	(5,614)	(6,875)	(8,308)	(9,850)	(11,516)
16													
17	Net Fixed Assets ⁽¹⁾	15,556	15,135	15,135	15,372	16,340	18,143	19,325	21,320	23,802	25,163	27,799	31,105

1 – These balances exclude USoA 1990 Other Tangible Property, 2055 Construction Work in Process, and 2060 Intangibles/Goodwill, which reconciles to the net fixed assets included in rate base.

EEDO transferred to IFRS reporting in 2015, which contributes to the large variance of accumulated depreciation shown in 2015. While the balance is presented in IFRS above, a reconciliation and continuity schedules comparison is provided further in this exhibit. EEDO elected to follow the rate-regulated deemed cost exemption in converting from CGAAP to MIFRS at January 1, 2014. As a result, the deemed cost under CGAAP became the new IFRS cost basis with accumulated depreciation recognized under CGAAP set to nil. A reconciliation has been provided below in Table 2.2-1A



1

Table 2.2-1A CGAAP to MIFRS 2014 reconciliation

	A	B	C
	Cost	Accumulated Depreciation	Net Book Value
1 CGAAP Opening Balance 2014	31,619,035	(16,499,155)	15,119,880
2 CGAAP Additions 2014	1,801,231	(1,009,862)	791,370
3 CGAAP Disposals 2014	(554,255)	344,799	(209,456)
4 CGAAP Closing Balance 2014	32,866,012	(17,164,218)	15,701,793
5 IFRS 1 deemed cost election impact on opening balance	(16,499,155)	16,499,155	-
6 IFRS 1 deemed cost election impact on 2014 CGAAP disposals	344,799	(344,799)	-
7 Adjustment ⁽¹⁾	10,273	(10,273)	-
8 MIFRS Closing 2014	16,721,928	(1,020,135)	15,701,793

2

1 – Adjustment relates to F&G smart meter disposition adjustment

3

Attachment 9

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1

Table 2.2-10 2018 – Continuity Schedule – MIFRS

CCA Class 2	OEB Account 3	Description 3	Cost			Accumulated Depreciation				Net Book Value	
			Opening Balance 8	Additions 4	Disposals 6	Closing Balance	Opening Balance 8	Additions	Disposals 6		Closing Balance
	1609	Capital Contributions Paid	553,415	-	-	553,415	(6,149)	(12,298)	-	(18,447)	534,968
12	1611	Computer Software (Formally known as Account 1925)	175,441	8,000	(13,580)	169,860	(89,246)	(34,046)	10,801	(112,491)	57,369
CEC	1612	Land Rights (Formally known as Account 1906)	-	-	-	-	-	-	-	-	-
N/A	1805	Land	349,662	-	-	349,662	-	-	-	-	349,662
47	1808	Buildings	402,669	-	-	402,669	(37,103)	(9,237)	-	(46,340)	356,329
13	1810	Leasehold Improvements	-	-	-	-	-	-	-	-	-
47	1815	Transformer Station Equipment >50 kV	-	-	-	-	-	-	-	-	-
47	1820	Distribution Station Equipment <50 kV	3,472,169	-	-	3,472,169	(549,329)	(103,216)	-	(652,545)	2,819,624
47	1825	Storage Battery Equipment	-	-	-	-	-	-	-	-	-
47	1830	Poles, Towers & Fixtures	7,307,854	1,497,559	(12,580)	8,792,833	(502,617)	(191,069)	2,810	(690,876)	8,101,957
47	1835	Overhead Conductors & Devices	1,812,065	236,019	(8,740)	2,039,345	(225,823)	(57,866)	8,554	(275,135)	1,764,210
47	1840	Underground Conduit	762,518	95,597	(387)	857,728	(55,732)	(19,043)	153	(74,622)	783,107
47	1845	Underground Conductors & Devices	3,006,501	322,916	(532)	3,328,886	(307,525)	(94,798)	549	(401,775)	2,927,111
47	1850	Line Transformers	2,442,201	98,643	(1,226)	2,539,619	(331,868)	(90,324)	580	(421,612)	2,118,007
47	1855	Services (Overhead & Underground)	993,113	253,294	-	1,246,407	(77,887)	(29,701)	-	(107,587)	1,138,820
47	1860	Meters	507,291	33,257	(19,501)	521,048	(149,416)	(40,179)	9,751	(179,845)	341,203
47	1860	Meters (Smart Meters)	1,981,187	110,681	(14,132)	2,077,736	(592,770)	(165,512)	6,697	(751,585)	1,326,151
N/A	1905	Land	-	-	-	-	-	-	-	-	-
47	1908	Buildings & Fixtures	2,866	-	-	2,866	(300)	(103)	-	(403)	2,463
13	1910	Leasehold Improvements	-	-	-	-	-	-	-	-	-
8	1915	Office Furniture & Equipment (10 years)	85,332	2,135	(2,917)	84,550	(58,036)	(4,740)	1,328	(61,448)	23,102
8	1915	Office Furniture & Equipment (5 years)	-	-	-	-	-	-	-	-	-
10	1920	Computer Equipment - Hardware	132,990	8,243	(6,926)	134,307	(83,981)	(34,617)	6,926	(111,671)	22,636
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	-	-	-	-	-	-	-	-	-
50	1920	Computer Equip.-Hardware(Post Mar. 19/07)	-	-	-	-	-	-	-	-	-
10	1930	Transportation Equipment	1,833,631	-	-	1,833,631	(855,095)	(246,251)	-	(1,101,346)	732,285
8	1935	Stores Equipment	59,640	5,274	-	64,914	(13,527)	(6,683)	-	(20,210)	44,704
8	1940	Tools, Shop & Garage Equipment	-	-	-	-	-	-	-	-	-
8	1945	Measurement & Testing Equipment	45,623	817	-	46,440	(11,469)	(4,612)	-	(16,082)	30,359
8	1950	Power Operated Equipment	24,997	1,358	-	26,355	(5,557)	(2,575)	-	(8,131)	18,223
8	1955	Communications Equipment	42,660	-	(5,014)	37,646	(16,591)	(3,781)	5,014	(15,358)	22,288
8	1955	Communication Equipment (Smart Meters)	-	-	-	-	-	-	-	-	-
8	1960	Miscellaneous Equipment	18,282	-	-	18,282	(14,147)	(2,982)	-	(17,129)	1,153
47	1970	Load Management Controls Customer Premises	-	-	-	-	-	-	-	-	-
47	1975	Load Management Controls Utility Premises	-	-	-	-	-	-	-	-	-
47	1980	System Supervisor Equipment	345,704	-	(14,347)	331,357	(140,561)	(33,130)	14,347	(159,344)	172,013
47	1985	Miscellaneous Fixed Assets	-	-	-	-	-	-	-	-	-
47	1990	Other Tangible Property	148,642	184,538	(26,576)	306,603	-	-	-	-	306,603
47	1995	Contributions & Grants	-	-	-	-	-	-	-	-	-
47	2055	Construction Work in Process	292,992	93,735	-	386,726	-	-	-	-	386,726
2060		Intangibles / Goodwill	-	276,704	-	276,704	-	-	-	-	276,704
47	2440	Deferred Revenue5	(3,364,349)	(904,892)	1,108	(4,268,133)	138,827	84,826	(1,108)	222,545	(4,045,588)
2005		Property Under Finance Lease7	-	-	-	-	-	-	-	-	-
		Sub-Total	23,435,094	2,323,880	(125,350)	25,633,624	(3,985,901)	(1,101,935)	66,401	(5,021,435)	20,612,188
		Less Socialized Renewable Energy Generation Investments (input as negative)									
		Less Other Non Rate-Regulated Utility Assets (input as negative)									
		Total PP&E	23,435,094	2,323,880	(125,350)	25,633,624	(3,985,901)	(1,101,935)	66,401	(5,021,435)	20,612,188
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable6									
		Total						(1,101,935)			

Less: Fully Allocated Depreciation

10	Transportation					Transportation	
8	Stores Equipment					Stores Equipment	
47	Deferred Revenue					Deferred Revenue	
	Net Depreciation						(1,101,935)

2

Attachment 10

Exhibit 2 / Tab 2 / Appendix A / page 53

5.4.1 Capital Expenditure Summary

Appendix 2-AB																			
Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated Distribution System Plan Filing Requirements																			
First year of Forecast Period: 2023																			
CATEGORY	Historical Period (previous plan ¹ & actual)														Forecast Period (planned)				
	2018		2019		2020			2021			2022		2023	2024	2025	2026	2027		
	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan						Actual ²	Var
\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%	\$ '000	%		
System Access	1,418,795	36.5%	779,089	1,168,871	50.0%	993,236	1,739,778	75.2%	1,008,318	1,543,583	53.1%	2,279,019	2,279,019	0.0%	1,331,751	1,361,747	1,393,275	1,426,425	1,461,301
System Renewal	1,306,416	-31.1%	2,117,880	2,376,731	12.2%	2,449,813	2,040,826	-16.7%	2,594,023	2,750,666	6.0%	2,025,599	2,106,671	4.0%	2,066,743	2,208,280	2,095,048	2,168,837	2,103,654
System Service	2,956	-94.2%	300,000	305,635	1.9%	75,000	8,085	-89.2%	101,875	71,150	-30.2%	103,979	103,979	0.0%	1,372,616	958,750	681,595	479,037	519,037
General Plant	138,927	-78.7%	569,210	1,094,796	92.3%	657,757	574,179	-12.7%	693,180	99,845	-85.6%	440,548	940,548	113.5%	255,400	709,126	420,764	476,759	579,770
TOTAL EXPENDITURE	2,867,094	-21.2%	3,766,179	4,946,033	31.3%	4,175,806	4,362,868	4.5%	4,397,396	4,465,244	1.5%	4,849,145	5,430,217	12.0%	5,026,510	5,237,903	4,590,682	4,551,058	4,663,762
Capital Contributions	-1,004,456	119.1%	-467,133	-811,666	73.8%	-476,009	-1,086,111	128.2%	-654,494	-690,144	5.4%	-1,391,830	-1,391,830	0.0%	-730,672	747,130	-764,428	-782,615	-801,750
Net Capital Expenditures	1,862,638	-41.4%	3,299,046	4,134,367	25.3%	3,699,797	3,276,757	-11.4%	3,742,902	3,775,100	0.9%	3,457,315	4,038,387	16.8%	4,295,838	4,490,774	3,826,255	3,768,443	3,862,012
System O&M	\$ 2,310,043	--	\$ -	\$ 2,258,487	--	\$ -	\$ 2,785,865	--	\$ -	\$ 2,452,353	--	\$ 2,530,533	\$ 2,530,533	0.0%	\$ 2,617,273	\$ 2,708,877	\$ 2,803,688	\$ 2,901,817	\$ 3,003,381

Notes to the Table:
 1. Historical "previous plan" data is not required unless a plan has previously been filed. However, use the last OEB-approved, at least on a Total (Capital) Expenditure basis for the last cost of service rebasing year, and the applicant should include their planned budget in each subsequent historical year up to and including the Bridge Year.
 2. Indicate the number of months of "actual" data included in the last year of the Historical Period (normally a 'bridge' year):

Explanatory Notes on Variances (complete only if applicable)
Notes on shifts in forecast vs. historical budgets by category
 The increase in system access spend as compared to historical budget/actuals is a result of the AMI meters reaching OEB defined end of life requiring refurbishment or life extension. The increase in system service spend in the forecast vs historic budget reflects investments in grid modernization of aging grid municipality stations, and to keep pace with customer innovations and expectations of greater participation. General plant spend reflects vehicle inflationary cost increases.
Notes on year over year Plan vs. Actual variances for Total Expenditures
 EEDO was underspent in 2018 to plan as a result of going through the transition to EEDO from Collus.
Notes on Plan vs. Actual variance trends for individual expenditure categories
 General Plant costs varied from plan based on the timing of delivery of procured fleet vehicles. System access plan vs actual varied based on developer projects in year.

Capital Expenditure Summary 2018-2027

5.4.2 Previous 5 year Capital Variance Explanation

System Access

EEDO's System Access investments are driven by others. EEDO is obligated to connect new load and new renewable generation. EEDO uses an economic evaluation methodology prescribed in the DSC to determine the level, if any, of capital contributions for each project with such levels incorporated into the annual capital budget. The scheduling of investments needs is usually coordinated to meet the needs of third parties.

EEDO is required to install metering equipment and provide access to poles for 3rd party attachments as per its mandated service obligation. EEDO is also required to respond to the road authorities by obligations under the *Public Service Works on Highways Act*. The Act prescribes a formula for the apportionment of costs that allows for the road authority to contribute 50% of the "cost of labour and labour saving devices" towards the relocation costs. This formula was used to apportion costs for road authority projects requiring the relocation of EEDO plant.

The level of system access expenditures in each of 2018 to 2022 historical years has varied between \$232k and \$566k net of contributions. Spend fluctuated between the three area of new meters, customer initiated projects and road relocations. Variance to budget is impacted by the timing and commitment of customer initiated work and how accurate the budget estimate is to the economic evaluation closer to completing the work. Unplanned customer initiated work or time shifted customer initiated often impacts the resourcing available for system renewal projects.

Attachment 11-12

Exhibit 2 / Tab 2 / Appendix A / page 61

Project		2023	2024	2025	2026	2027
1	System Renewal					
1.1	Miscellaneous Pole Replacement	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540
1.2	Miscellaneous Underground Rebuilds	\$ 67,830	\$ 67,830	\$ 67,830	\$ 67,830	\$ 67,830
1.3	Pole Line Rebuilds 2023	\$ 1,276,043				
	Olser Bluff Road	\$551,887				
	Park Rd/East Trail	\$362,086				
	Clarkson Crescent West Rear Lot	\$362,070				
1.4	Pole Line Rebuilds 2024		\$ 1,430,010			
	MS1 Feeder 3 (Sunnidale and Center line)		\$653,300			
	MS2 Feeder 2 (Victoria and Huron)		\$446,835			
	MS1 Feeder 5 (Arthur and Victoria)		\$329,875			
1.5	Pole Line Rebuilds 2025			\$ 1,267,058		
	MS5 Feeder 4 Substation Pole Replacements			\$554,110		
	MS3 Feeder 2 (Pretty River to 280 Pretty River)			\$215,393		
	MS2 - Feeder 1 (Cty Rd 42 to Christopher St)			\$439,880		
1.6	Pole Line Rebuilds 2026				\$ 1,518,467	
	Bruce St South Thornbury				\$717,618	
	Arthur Street Pole Rehab				\$457,792	
	Hurontario East North & South of Third				\$343,057	
1.7	Pole Line Rebuild 2027					\$ 1,453,284
	Mountain Road					\$418,104
	Oak/Ferguson					\$230,985
	Elizabeth					\$327,575
	Campbell Street					\$272,686
	Wellington St West					\$203,934
1.8	Relay Replacements	\$ 140,330	\$ 127,900	\$ 177,620		
	Total	\$ 2,066,743	\$ 2,208,280	\$ 2,095,048	\$ 2,168,837	\$ 2,103,654
2	System Service					
2.1	Fault Line Indicators	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
2.2	SCADA Controlled Switches	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
2.3	ArcPro and UN Migration	\$ 508,602				
2.4	Stayner MS1 and MS2 Station Upgrades	\$ 689,014	\$ 723,750			
2.5	MS1 Thornbury Station Upgrade			\$ 344,037		
2.6	MS2 Thornbury Station Upgrade				\$ 344,037	
2.7	MS7 Collingwood Station Upgrade					\$ 344,037
2.8	Customer Experience Enhancement	\$ 40,000		\$ 40,000		\$ 40,000
2.9	WMS Implementation		\$ 100,000	\$ 162,558		
	Total	\$ 1,372,616	\$ 958,750	\$ 681,595	\$ 479,037	\$ 519,037
3	System Access					
3.1	Customer Additions	\$ 119,820	\$ 128,207	\$ 137,182	\$ 146,784	\$ 157,059
3.2	Road Relocations	\$ 103,381	\$ 105,449	\$ 107,558	\$ 109,709	\$ 111,903
3.3	Meter Installations and Refurbishments	\$ 377,878	\$ 380,962	\$ 384,108	\$ 387,317	\$ 390,589
	Total	\$ 601,079	\$ 614,618	\$ 628,848	\$ 643,810	\$ 659,551
4	General Plant					
4.1	Fleet Vehicle	\$ 210,000	\$ 600,000	\$ 380,000	\$ 430,000	\$ 500,000
4.2	IT Hardware Refresh	\$ 20,400	\$ 4,126	\$ 15,764	\$ 21,759	\$ 54,770
4.3	OT Cyber Security	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
4.4	OT Servers Refresh		\$ 80,000			
	Total	\$ 255,400	\$ 709,126	\$ 420,764	\$ 476,759	\$ 579,770
	Total	\$ 4,295,838	\$ 4,490,774	\$ 3,826,255	\$ 3,768,443	\$ 3,862,012

Material Investments 2023-2027

Attachment 14

Exhibit 7 / Tab 1 / Schedule 1 / page 11

1
2

Table 7.3-1

Revenue to Cost Ratios

Rate Class	2012 Board Approved	2023 Cost Allocation Study	2023-2027 Proposed Ratios	OEB Target Min to Max	
Residential	101.90%	98.67%	99.22%	85%	115%
GS < 50 kW	94.10%	103.43%	103.43%	80%	120%
GS > 50 kW	95.90%	92.43%	99.22%	80%	120%
Street Light	120.00%	278.61%	120.00%	80%	120%
USL	120.00%	82.67%	99.22%	80%	120%

3 The 2023 cost allocation study indicates the revenue to cost ratio for the Street Light class is
 4 outside the Board’s acceptable range. For 2023, it is proposed that the ratio for Street Light be
 5 decreased to the maximum value of the Board’s acceptable range. To maintain revenue neutrality,
 6 EEDO proposes to increase revenues from Residential, USL and General Service > 50 kW, the
 7 three classes with the lowest Revenue to Cost Ratios. The revenue to cost ratios of the General
 8 Service > 50 kW and USL classes are within the target range and remain the lowest revenue to
 9 cost ratios after the revenue reallocation from Street Light.

10 The following Table 7.3-2 provides information on calculated class revenue. The resulting 2023
 11 proposed base revenue will be the amount used in Exhibit 8 to design the proposed distribution
 12 charges in this application.