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

Ontario

BY E-MAIL

June 30, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Mr. Murray:

Re: Burlington Hydro Inc. (Burlington Hydro)
2026 Cost of Service Rate Application
Ontario Energy Board (OEB) File Number: EB-2025-0051

In accordance with Procedural Order No. 2, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Burlington Hydro's responses to interrogatories are due by July 24, 2025.

Any questions relating to this letter should be directed to Petar Prazic at Petar.Prazic@oeb.ca or at 416-440-7682. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Petar Prazic
Digitally signed by Petar Prazic
Date: 2025.06.30 15:23:00 -04'00'

Petar Prazic
Senior Advisor, Applications

Attach.

OEB Staff Interrogatories
2026 Electricity Distribution Rates Application
Burlington Hydro Inc.
EB-2025-0051
June 30, 2025

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

Exhibit 1 – Administration

1-Staff-1
Updated Revenue Requirement Work Form (RRWF) and Models

Upon completing all interrogatories from OEB staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the populated version of the RRWF filed in the initial applications. Entries for changes and adjustments should be included in the middle column on sheet 3 Data_Input_Sheet. Sheets 10 (Load Forecast), 11 (Cost Allocation), and 13 (Rate Design) should be updated, as necessary. Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note. Such notes should be documented on Sheet 14 Tracking Sheet and may also be included on other sheets in the RRWF to assist understanding of changes.

In addition, please file an updated set of models that reflects the interrogatory responses. Please ensure the models used are the latest available models on the OEB's 2022 Electricity Distributor Rate Applications webpage.

1-Staff-2
Letters of Comment

Following publication of the Notice of Application, the OEB received nineteen letters of comment. Section 2.1.7 of the Filing Requirements states that distributors will be expected to file with the OEB their response to the matters raised within any letters of comment sent to the OEB related to the distributor's application. If the applicant has not

received a copy of the letters or comments, they may be accessed from the public record for this proceeding.

Please file a response to the matters raised in the letters of comment referenced above. Going forward, please ensure that responses to any matters raised in subsequent comments or letter are filed in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.

Exhibit 2 – Rate Base

2-Staff-3
System Access – Overspending in 2024 and 2025
Ref 1: Exhibit 2, pp. 117-118

Preamble:

From 2021 to 2025, actual System Access expenditures totaled $93.5 million, surpassing the budgeted $66.3 million by $27.3 million, or 41%. In 2024 and 2025, actuals exceeded the budget by 73% and 198%, respectively.

Question(s):

a) For the years 2024 and 2025, please provide the planned and actual costs (gross and net) for System Access for each of the variance explanations noted in Table 5.4-6 and 5.4-7.
b) Burlington Hydro stated that in 2024 and 2025 there were, “higher General Service expenditures driven by increased customer demand for new connections and upgrades.”
    i. What specific customer segments drove the increased demand for new connections and upgrades?
    ii. How many new connections and upgrades were completed in 2024 and 2025 compared to forecast?
c) For the 2025 system access variance explanation, Burlington Hydro stated that higher true-up contribution payments by Burlington Hydro for the Tremaine TS Connection Cost Recovery Agreement as 100% of the forecasted load on the TS did not materialize, resulting in Burlington Hydro having to pay a higher capital contribution as mandated under the Transmission System Code.
    i. Please provide a copy of the CCRA agreement with Hydro One and the bill from Hydro One.
    ii. What was the load forecast in the CCRA agreement?
    iii. What load was realized at the Termaine TS?

iv. Why was the realized load less than the forecast load?
v. How did Burlington Hydro establish the original load forecast and has Burlington Hydro changed it's load forecasting for this application?

2-Staff-4
Capital Contributions
Ref 1: Chapter 2 Appendices, Tab 2-AB

From 2021-2024 actuals and the 2025 bridge forecast show that capital contributions accounted for 65.1% of total capital expenditures for System Access. For the forecast period, capital contributions only accounts for 51.7% of total capital expenditures for the System Access.

Question(s):

a) Please explain the drivers for forecasting a lower amount of capital contributions for the forecast period in comparison to historical for System Access.

2-Staff-5
Smart Meters
Ref 1: Exhibit 2, DSP Appendix A: Material Investment Summary Documents, Smart Meter Replacement/Reverification
Ref 2: Chapter 2 Appendices, Tab 2-AA
Ref 3: Exhibit 1, PDF Part 1 of 2, pp. 105-106

Questions:

a) Please explain how Burlington Hydro projected that 15% of its meter population will have failed by the end of 2025.
b) Over what time frame did Burlington Hydro initially roll out its smart meters?
c) Please provide the failure rate for smart meters for the last five years.
d) What did the manufacturer advise is the expected life of the smart meters?
e) Will Burlington Hydro use internal or external contracted resources to execute this program? If Burlington Hydro is using internal labour resources, have these resources already been hired and onboarded?
f) How will Burlington Hydro track and report on benefits such as improved billing accuracy, reduced outages, or customer engagement?
g) What level of confidence does Burlington Hydro have in the accuracy of the project cost estimates, and what steps have been taken to validate or benchmark these costs?

2-Staff-6
Pole Replacement Program
Ref 1: Exhibit 2, DSP Appendix A: Pole Replacement Program
Ref 2: EB-2020-0007, Exhibit 2, DSP

Preamble:

The following is the wood pole health index algorithm used in the asset condition assessment for poles in the current application.

Degradation Factor	Weight	Ranking	Numerical Grade	Max Score
Service Age	8	A,B,C,D,E	4,3,2,1,0	32
Pole Treatment	2	A,C,E	4,2,0	8
Remaining Strength	16	A,C,E	4,2,0	64
Wood Rot	5	A,E	4,0	20
Out of Plumb	3	A,C,E	4,2,0	12
Defects	2	A,B,C,D,E	4,3,2,1,0	8
Cracks	3	A,B,C,E	4,3,2,0	12
			Total score	156

Please see below for the wood pole health index algorithm used in the asset condition assessment for poles provided in Burlington Hydro's 2021 cost of service application.

Condition Parameter	Weight	Ranking	Numerical Grade	Max Score
Remaining Strength	8	A,B,C,D,E	4,3,2,1,0	32
Wood Rot	6	A,B,C,D,E	4,3,2,1,0	24
Mechanical Defects	4	A,B,C,D,E	4,3,2,1,0	16
Service Age	3	A,B,C,D,E	4,3,2,1,0	12
Out of Plumb	2	A,B,C,D,E	4,3,2,1,0	8
			Total Score	**92**

Question(s):

a) Please explain why Burlington Hydro replaced 33% less wood poles during the 2021-2025 than initially planned while the costs were 48% higher than the 2021 approved budget of $850k.
b) How frequently is the remaining strength tested for poles over 30 years old, and what percentage of those poles are tested on average annually?

c) Please explain how Burlington Hydro determines the acceptable threshold for the percentage of wood poles in very poor or poor condition? Please explain.
d) How does the cost of reinforcement using PoleEnforcer compare to full replacement over the asset lifecycle?
e) The ACA indicates that 93% of wooden poles are in fair or better condition. Please clarify how the ACA findings support the decision to increase the annual pole replacement rate from 87 to 104, along with the reinforcement of an additional 50 poles per year using PoleEnforcer.
f) In the wood pole health index algorithm from the 2021 cost of service application, the weighting for service age was the second lowest while in the current algorithm service age receives the second highest weighting. Please explain the reasoning for this change.
g) In the wood pole health index algorithm from the 2021 cost of service application, the weighting for wood rot accounted for 26% of the maximum score (=24/92) while in the current algorithm it only accounts for 13% (=20/156). Please explain the reasoning for this change.

2-Staff-7
System Access - Underground
Ref 1: Chapter 2 Appendices, 2-AA
Ref 2: EB-2020-0007 (Burlington 2021 CoS), Chapter 2 Appendices, 2-AA

Preamble:

In Burlington Hydro's 2021 cost of service application, the OEB approved $850k of net capital expenditures for General Service – Underground work. From 2021-2025, the net actual capital expenditures is an average of $1.56M annually, approximately a $710k or 84% increase from OEB approved.

Question(s):

a) Was the increase in underground work driven by a shift from directly buried cables to the installation of new cables in conduits? If not, please explain.
b) Are back-to-back feeds being implemented in new subdivisions?

2-Staff-8
Subdivisions
Ref 1: Exhibit 2, DSP Appendix A: Subdivision

Question(s):

a) Has Burlington Hydro conducted any preliminary assessments or scenario planning to evaluate how the CAM amendments might apply to current or future development areas within its service territory? If yes, please provide a summary of the areas assessed and the criteria used.
b) Do the capital contributions forecast in the application include the impact of the changes to the DSC to extend the connection horizon and the revenue horizon?
c) Does Burlington Hydro intend on using the Extended Horizons Variance Account?

2-Staff-9
Gross Capital Costs
Ref 1: Chapter 2 Appendices, Tab 2-AA
Ref 2: Chapter 2 Appendices, Tab 2-AB

Question(s):

a) The subtotals for gross capital costs for each of System Access, System Renewal, System Service and General Plant do not match for all years. Please revise.

2-Staff-10
Underground cable testing and underground rebuild program
Ref 1: Exhibit 2, DSP Part 1 of 3, page 18
Ref 2: Exhibit 2, DSP Part 1 of 3, page 220 (Material Narrative, Underground Rebuilds)
Ref 3: Exhibit 2, DSP Part 2 of 3, Asset Condition Assessment

Question(s):

a) Please provide the SAIDI and SAIFI for underground cables for years 2021-2024.
b) Please provide the costs for underground cable testing for 2021-2024 and forecasted for 2025. Where are these costs captured and shown in the application?
c) Has the number of cable faults trended down in areas where proactive replacement or rejuvenation has already occurred?
d) Does underground cable testing consider areas with high customer impact and critical load served?
e) What is the estimated cost per km for cable replacement vs. rejuvenation, and how do these compare over the lifecycle of the asset?

f) Of the $2.1 million budget proposed for underground rebuild work in the 2026 test year, how much is allocated for cable replacement vs. cable rejuvenation?
g) What are the projected cost savings from cable rejuvenation, and how is success measured (e.g., reduction in repeat failures, extended life)?
h) Are underground rebuild projects coordinated with municipal roadwork or other planned utility upgrades to optimize costs and minimize disruption? If so, how is this coordination managed and factored into project planning and prioritization?
i) How will the effectiveness of the 2025 cable rejuvenation pilot program be tracked and reported?
j) Does Burlington Hydro anticipate that the increased capital investment in underground rebuilds will lead to a reduction in OM&A costs related to underground cable maintenance?
k) Please estimate the portion of the increase in the underground rebuild program costs is attributable to the deterioration of asset conditions, as opposed to rising unit costs for underground rebuild work.
l) Burlington Hydro stated that upgrading from direct buried to conduit installation is to meet current standards. Please confirm which standards this is referring to.

2-Staff-11
Transformer Replacements
Ref 1: Exhibit 2, DSP Part 1, p. 137
Ref 2: Exhibit 2, DSP Part 1, p. 37
Ref 3: Exhibit 2, DSP Part 1, p. 118
Ref 4: EB-2020-0007, Response to 2-Staff-15c

Preamble:

Burlington Hydro provided the following table on reactive vs. proactive asset replacements from 2021 to 2024.

Table 5.2-6: Reactive vs Proactive Asset Replacements

Program	Reactive/ Proactive	2021		2022		2023		2024	
		Qty	$000	Qty	$000	Qty	$000	Qty	$000
MS Feeders Cable Replacement (meters)	Proactive	1,784	129	0	12	1,381	135	0	0
	Reactive	520	95	3,113	293	0	0	0	4
Pole Replacement Program (units)	Proactive	69	915	51	711	77	1,032	75	1,130
	Reactive	15	203	26	421	32	340	18	302
Replacement Substation Circuit Breakers (units)	Proactive	3	118	3	158	2	113	2	93
Station Transformer Replacement Program (units)	Proactive	1	319	1	1,011	0	205	1	476
	Reactive	0	0	0	0	0	0	0	32
Switch Replacement Program (units)	Proactive	17	205	3	38	29	146	9	141
	Reactive	15	144	16	338	27	471	17	272
Switchgear Replacement Program (units)	Proactive	2	293	1	100	0	2	2	159
	Reactive	0	0	0	0	0	0	0	0
Transformer Replacement (units)	Proactive	14	201	1	63	14	193	16	255
	Reactive	32	421	37	285	32	420	75	734
Underground Rebuilds (meters)	Proactive	1,038	181	90	106	0	18	1,788	246
	Reactive	1,549	634	3,856	894	7,675	1,957	1,199	1,035

Question(s):

a) For 2024, Burlington Hydro exceeded the System Renewal budget by $2.4M, representing a 75% increase. Part of its explanation for the variance was increased expenditures to replace faulty and leaking transformers. The table above shows that in 2024 the total number of transformer replacements was 91, over twice the number which were replaced in the historical period. Was the increase in transformer replacements directly attributed to faulty and leaking transformers? If not, please explain.

b) Burlington Hydro sates that very few of its transformers are currently in poor or very poor condition, based on its most recent Asset Condition Assessment, consistent with its 2020 ACA. However, the utility notes that transformers can deteriorate quickly from fair to poor condition. How frequently are inspections performed on transformers rated as "Fair"?

c) Does Burlington Hydro notice a decrease in costs as a result of efforts to increase proactive replacements and reduce the number of reactive replacements?

2-Staff-12
ACM – SCADA/ADMS Upgrade
Ref 1: Exhibit 2, Appendix B, Business Case
Ref. 2: Exhibit 2, DSP Part 1 of 3, p. 150

Question(s):

a) Please provide a high-level cost breakdown of the SCADA/ADMS project costs of the preferred option that does not divulge commercially sensitive unit costs.
b) Burlington Hydro's business case estimates the investment for SCADA replacement and ADMS acquisition at approximately $3.5 million. However, the overall project budget is listed as $3.64 million. Please clarify the reason for the $110k difference.
c) Has a net present value or cost-benefit analysis been conducted on the preferred investment and the alternatives that were considered? If yes, please provide the analysis. If not, please explain why.
d) Burlington Hydro states that the proposed integrated SCADA and ADMS solution is being sourced from the same vendor as Burlington Hydro's existing OMS provider. Please clarify whether a competitive procurement process was conducted for this project. If not, please explain how this aligns with the Burlington Hydro's procurement policy.
e) The vendor estimation includes costs associated with ADMS maintenance for years 1-9.
    i. Please describe these costs.
    ii. Are these costs part of the total cost of $3.64M?
    iii. Will these costs be capitalized or included as part of the proposed OM&A budget?
f) The business case states that the vendor costs do not include costs associated with integrating with Burlington Hydro's existing applications or the cost of field hardware and that Burlington Hydro will be in a better position to accurately forecast these costs as part of the project preparation phase.
    i. Does Burlington Hydro have a preliminary budget for integrating existing field hardware with existing applications, and procuring the necessary new field hardware?
    ii. Would it be more prudent to install the ADMS after the necessary field hardware has been installed? Please explain.

iii. What percentage of field hardware is already in place?
iv. What are the potential risks if the costs associated with integration and new field hardware are significantly higher than anticipated, and how does Burlington Hydro plan to manage these uncertainties given that these costs are not yet included in the current estimate?

g) At a high-level, when does Burlington Hydro expect each phase of the project noted in the project implementation section to be completed?
h) The implementation plan only mentions the ADMS portion of the implementation. Please provide a rough timeline of when the SCADA system will be replaced.
i) Are any internal staff assigned to this project? If so, have they already been hired and onboarded?

2-Staff-13
DER Integration
Ref 1: Exhibit 2, Appendix A DSP, Part 1 of 3, p.15
Ref 2: Exhibit 2, Appendix A DSP, Part 1 of 3, pp. 141-143
Ref 3: Exhibit 2, Appendix A DSP, Part 1 of 3, p. 33

Preamble:

Burlington Hydro, in its Distribution System Plan, indicates that expenditures related to system service are partially driven by operational objectives aimed at integrating Distributed Energy Resources (DERs). The plan further states that system service investments involve modifications to Burlington Hydro's distribution system to, among other purposes, enhance DER integration. Under the section titled "Renewable Energy Generation (REG)," Burlington Hydro notes that it does not anticipate any significant investments to facilitate new DER connections during the 2026–2030 period.

Question(s):

a) Given that not all DERs involve energy generation, please identify and describe the types of DERs that Burlington Hydro anticipates this increased expenditure will support the integration of.
b) Please provide an estimate of the number of DERs that Burlington Hydro expects this increased expenditure will support the integration of over the applicable rate period.
c) Please describe the value that this expenditure is expected to deliver to ratepayers, including any anticipated operational, reliability, or economic benefits.

2-Staff-14

Consideration of Non-Wire Solutions (NWS) to address system needs
Ref 1: Exhibit 2, Appendix A DSP, Part 1 of 3, p. 107
Ref 2:

Preamble:

Burlington Hydro states that it conducted an Energy Storage Feasibility Study in 2024 to evaluate the potential for integrating Battery Energy Storage Systems (BESS) into its distribution grid. In section 5.3.5, "Non-Wires Solutions (NWS) to Address System Needs," Burlington Hydro concludes that BESS does not present a suitable NWS option for any of the Midtown Transit Station Area (MTSA) projects.

Question(s):

a) Please provide an overview of the 2024 Energy Storage Feasibility Study, including the scope of the study, key findings, and conclusions.

2-Staff-15
Dundas Street Widening – Walkers Line by Appleby Line
Ref 1: EB-2020-0007, VECC-4 f)
Ref 2: EB-2020-0007, Draft Rate Order Reply Submission

Preamble:

At reference 1, Burlington Hydro stated that 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.

At reference 2, Burlington Hydro clarified that while the full scope of the 2021 Dundas Street Road Widening Project was not completed as originally budgeted, a portion of the project was completed, resulting in the construction and energization of capital assets—including 20 poles and 2 transformers—at a cost of $517,315. Burlington Hydro stated that these assets are currently in use, which makes the asset "used and useful".

Burlington Hydro stated that the capital expenditures were necessary to relocate infrastructure in compliance with the Public Service Works on Highways Act, due to road widening by the local authority. The installed line, fed by two 27.6 kV circuits from Palermo TS, is critical to supplying electricity to northeast Burlington.

Question(s):

a) Please provide a detailed breakdown of the original project scope versus what was actually completed and put into service at a cost of $517,315.
b) Please provide the kms and a map of the Dundas Road Widening project that identifies the sections completed to date, planned for completion in 2025 and those planned for completion during the 2026-2030 period.
c) What specific components of the project were deferred or cancelled?
d) Please confirm which project the $517,315 portion of the Dundas Street Road Widening project is captured in Tab 2AA of the Chapter 2 Appendices spreadsheet in the current application.

2-Staff-16
Storm Hardening
Ref 1: Exhibit 2, DSP Part 1 of 3, p. 48
Ref 2: Exhibit 2, DSP Part 1 of 3, p. 17

Question(s):

a) Burlington Hydro states that it carried out key system hardening initiatives, including reinforcing poles and wires, vegetation management, replacing aging assets, and deploying smart grid technologies like SCADA reclosers, switches, and sensors to enhance system reliability during severe weather events. Please list all projects that were carried out as part of Burlington Hydro's grid hardening strategy.
    a. Of these projects, please confirm what percentage corresponds to typical annual System Renewal expenditure and what percentage was specifically allocated for grid hardening.
b) For each project type, please provide the criteria which Burlington Hydro uses to complete a cost-benefit analysis for system hardening projects.

2-Staff-17
Enterprise Resource Planning
Ref 1: Exhibit 2, page 43
Ref 2: Exhibit 2, DSP part 1 of 3, p. 115
Ref 3: Exhibit 2, DSP part 1 of 3, p. 152
Ref 4: EB-2020-0007, DSP, p. 16

Question(s):

a) In Burlington Hydro's last cost of service application for 2021 rates, it indicated that a new ERP system was required during the forecast period and was planning to request approval for an Advanced Capital Module. Burlington Hydro

states that it instead elected to upgrade its existing ERP in order to address immediate business needs. What were the specific reasons for the ERP replacement project being deferred in 2022 and 2023? In those years, why was it prudent to upgrade the existing ERP rather than carryout a complete replacement?

b) Has the scope of work changed since the project was initially proposed in the 2021 cost of service application?
c) Please provide a proposed timeline for implementation, including estimated milestones for the Request for Proposal process.
d) Please confirm when the $2.1M project cost estimate was developed and the process used to complete the estimate.
e) Will any internal labour be required for this project? If so, have these employees already been hired and onboarded?
f) Burlington Hydro states that the project is still in the early planning stages, and as a result a business case has not yet been developed to meet all the criteria for an Advanced Capital Module funding request. As such, Burlington Hydro is not seeking ACM approval for this project in this application but may consider applying for an ICM during the 2026–2030 period if it meets the ICM eligibility criteria. In which year does Burlington Hydro plan to apply for an ICM for the ERP replacement project?
g) Has Burlington Hydro considered deferring this project to the test year of the next cost of service application rather than planning to apply for an ICM during the IRM years?

2-Staff-18
Other Computer Hardware & Software
Ref 1: Exhibit 2, DSP 1 of 3, p. 264

In its 2021 cost of service application, Burlington Hydro was approved for $188k for its test year budget for Other Computer Hardware and Software expenditures. From 2021 to 2025, Burlington Hydro spent on average $381k annually, $193k or 103% higher than the approved amount.

Historical and Bridge Years						Test Year	
Projects	**2021**	**2022**	**2023**	**2024**	**2025 Bridge Year**	**Average**	**2026**
Other Computer Hardware & Software	98,105	380,257	617,764	356,473	457,200	381,960	484,500

For 2023 and 2025, Burlington Hydro had increased General Plant expenditures resulting from computer server replacements due to end-of-life equipment and lease expiry.

Question(s):

a) Please explain the higher spending for Other Computer Hardware & Software in 2023 and 2024.
b) The proposed budget for the forecast period varies significantly–the proposed 2026 test year budget is $485k while the average annual forecast budget is $361k, which is approximately 25.6% lower than the 2026 test year. Burlington Hydro states that investments in this program fluctuate annually based on evolving business needs and priorities identified throughout the year. Please explain why Burlington Hydro considers this level of year-over-year variability appropriate, especially the higher spending for the 2026 test year.

2-Staff-19
Addition of previously approved ICM project to rate base
Ref 1: Exhibit 2, p. 44
Ref 2: Chapter 2 Appendices, Tab-2BA

The OEB approved ICM project funding of $4,762,343 from its 2025 IRM application (EB-2024-0010) related to the relocation of distribution assets as part of the Dundas St Road Widening project (from Guelph Line to Kerns Road and from Northampton Boulevard to Guelph Line). Burlington Hydro states that this project is expected to be completed by the end of 2025 and as such it has incorporated these ICM project assets into its rate base calculations and 2026 Fixed Asset Continuity Schedule.

In Chapter 2 Appendices, Tab-2AA Capital Projects includes a line item for Dundas St Road Widening - (Northampton Boulevard to Guelph line) with $2,064,473 noted for the 2026 test year.

Question(s):

a) Please confirm that Northampton Boulevard to Guelph Line section of the Dundas Street Road Widening project will be fully energized by the end of 2025. If so, please explain why the 2026 test year includes planned cost for the Dundas St Road Widening - (Northampton Boulevard to Guelph line) project. Are these additional costs and/or carryover costs?

b) Please confirm that this section of the project is still expected to be completed in 2025 and provide any updates on the progress.
c) In the Asset Continuity Schedule provided in Chapter 2 Appendices, Tab 2BA, please confirm whether the 2025 amount shown in Column G, totaling ($4,762,343), is intended to reverse or offset the corresponding amounts recorded as “Additions” in Column E in 2025.

2-Staff-20
System Renewal - Defective Equipment
Ref 1: Exhibit 2, DSP Part 1 of 3, p. 47

Preamble:

Below is a table on customer hours of interruption by cause code.

Cause Code	2020	2021	2022	2023	2024	Total CHI	%
0-Unknown/Other	5,558	2,932	386	966	732	**10,574**	**2%**
1-Scheduled Outage	2,529	8,417	6,550	34,682	17,606	**69,784**	**13%**
2-Loss of Supply	3,775	48	7,396	2,357	1,881	**15,456**	**3%**
3-Tree Contacts	22,388	6,196	12,427	25,891	47,238	**114,139**	**21%**
4-Lightning	39	5,246	70	2,255	-	**7,610**	**1%**
5-Defective Equipment	25,733	24,900	44,105	39,881	58,917	**193,537**	**35%**
6-Adverse Weather	10,115	32,324	22,246	26,762	17,095	**108,541**	**20%**
7-Adverse Environment	-	-	-	89	305	**394**	**0%**
8-Human Element	-	661	61	389	409	**1,520**	**0%**
9-Foreign Interference	1,785	5,628	11,444	4,837	10,794	**34,489**	**6%**
Total	**71,923**	**86,351**	**104,684**	**138,110**	**154,976**	**556,043**	**100%**

Question(s):

a) Burlington Hydro states that defective equipment has been the leading cause of outages for Burlington Hydro, responsible for 32% of all interruptions since 2020. Please provide a breakdown of the defective equipment outages for each year from 2020 to 2024 by equipment for customer hours of interruption.
    I. What is the frequency and scope of regular inspections for the asset classes that have the top three outage durations?
b) Given that defective equipment has consistently been the leading cause of outages by customer hours of interruption from 2020-2024, what targets or improvements does Burlington Hydro expect to achieve over the forecast period?

c) Has Burlington Hydro identified any patterns or recurring issues in the types or locations of equipment failures?
d) Given that the frequency of outages caused by defective equipment has remained relatively flat from 2020 to 2024, could Burlington Hydro explain why it is still prudent to increase spending on System Renewal during the forecast period?

2-Staff-21
Reliability
Ref 1: Exhibit 1, Part 1 of 2, p. 33

Question(s):

a) How has Burlington Hydro integrated climate risk into its asset management and investment planning processes?
b) Has the utility conducted a localized climate vulnerability assessment? If so, can it be shared?
c) What specific climate scenarios or projections were used to inform Burlington Hydro's planning?
d) Burlington Hydro states that between 2021 and 2024, Burlington Hydro experienced a 218% increase in customer outages caused by adverse weather compared to the previous four-year period (2017–2020). Can Burlington Hydro provide a breakdown of the types of adverse weather events that contributed to the 218% increase?
e) How does Burlington Hydro track and categorize weather-related outages, and how is this data used to inform investment decisions?
f) How much of the proposed investments in System Renewal is directly attributable to climate adaptation versus general asset renewal?
g) Has Burlington Hydro set any targets for reducing weather-related outages over the forecast period?
h) Burlington Hydro points to the Government of Ontario's Vulnerability Assessment for Ontario's Electricity Distribution Sector report which highlights that climate change is already significantly impacting the province. Has Burlington Hydro adopted any best practices from the Government of Ontario's Vulnerability Assessment report, and if so, which ones?
i) Please explain how Burlington distinguishes between outage codes for tree contact and adverse weather. What specific criteria or guidelines are used to classify these events?

2-Staff-22

Subdivisions
Ref 1: Exhibit 2 – Appendix A, p. 132

Question(s):

a) Please provide the methodology used by Burlington Hydro to determine the amount of $2.8 million per year for subdivisions.
    I. Burlington Hydro states that approximately 300 new subdivision dwelling units are forecasted to be built per year during the planning horizon. Please explain how Burlington Hydro arrives at this number.
b) Burlington Hydro states it is currently aware of 16 subdivisions at various stages of approval. Please confirm if each of the 16 subdivisions have a signed offer to connect and the expected year of each connection.
c) Please provide the number of subdivisions, subdivision units and related new connections completed to date in 2025 and forecasted for end of 2025.
d) Please provide the number of subdivisions, subdivision units and related new connections expected to be completed each year from 2026-2030.
e) Please provide a list of known subdivisions which will have connections in the 2026 test year.
f) Burlington Hydro states that the reason for variance in 2021 was due to the COVID-19 related economic slowdown. Please provide reasoning for the lack of subdivision development in 2022 and 2023.

2-Staff-23

Vehicles

Ref 1: Exhibit 2 – Appendix A, Table 5.4-7: Variance Explanations - 2025
Ref 2: Exhibit 2 – Appendix A, p. 147
Ref 3: Exhibit 2 – Appendix A, Table 5.4-14: Vehicle Replacements during Forecast Period

Preamble:

Below is a table showing the vehicle replacements during the forecast period.

Table 5.4-14: Vehicle Replacements during Forecast Period

Vehicle Classification	Vehicle Type	2026	2027	2028	2029	2030	Total
Rolling Stock (>4500 kg)	Single Bucket truck	1	1				2
	Dump Truck	1					1
	Flatbed Truck		1				1
	Radial Boom Derrick			1	1		2
	Cable Reel Trailer		1		1		2
	Equipment			1	1		2
	Single Bucket truck - Repair	1					1
Rolling Stock (>4500 kg) - Total		**3**	**3**	**2**	**3**	**0**	**11**
Rolling Stock (<4500 kg)	Pickup Truck	2	1				3
	Van	2	1				3
	Trucks/Vans/Cars		2	3	2	4	11
Rolling Stock (<4500 kg) - Total		**4**	**4**	**3**	**2**	**4**	**17**
Total		**7**	**7**	**5**	**5**	**4**	**28**

Question(s):

a) Burlington Hydro states a cause for variance in 2025 General Plant Expenditures was higher than planned expenditures for deferred investments in large fleet vehicles. Please list the vehicles that were purchased, its cost and the in-service date.

b) Burlington Hydro is replacing 11 large vehicles over the forecast period, with zero vehicles being replaced in 2030. Has Burlington Hydro considered deferring some of these purchases to 2030?

c) Burlington Hydro is replacing 17 small vehicles over the forecast period, including 3 pickup trucks and 3 vans. Has Burlington Hydro considered reducing the pace at which new vehicle purchases are made?

d) Please provide a detailed breakdown of the Matrix Scores of all the vehicles being replaced during the Forecast Period of 2026-2030.

e) Please provide additional details regarding the type of vehicles selected to replace the existing fleet (fuel powered or electric vehicle) and the business case or analysis used to determine the lowest cost options for Burlington Hydro.

f) Burlington Hydro states in 2024, Trucks 23 and 24 were out of service for a combined eight weeks, it further states that out of service vehicles place undue strain on the operations group to keep appointments and to maintain service levels for customers. Please provide a detailed explanation of the impact on the operations group and the effects on service levels for customers.

g) Which specific vehicles, and their associated cost, are to be replaced in each of the 2026-2030 forecast years? Will the old vehicles be put out of service upon arrival of their replacement?

h) Please confirm what year the bucket trucks will be put into service.

2-Staff-24
Buildings
Ref 1: Exhibit 2 – Appendix A, Table 5.3-14: Health Index Percentage Breakdown by Asset Class
Ref 2: Exhibit 2 – Appendix A, pp. 148-149

Question(s):

a) Please provide a breakdown of the costs for building upgrade costs by individual projects. If applicable, please identify if each project relates to any of the recommended repairs from the 2021 building condition assessment (pages 5-6, Table 1).
b) The proposed capital expenditure for the 2026 test year is $871k, $431k or 98% higher compared to the average annual spend of $441k forecasted for 2027 to 2030. Please explain why Burlington Hydro is unable to defer a portion of the proposed 2026 spending to later years in order to smooth out planned capital costs over the forecast period.
c) In Table 5.3-14, Burlington Hydro states that only 13% of buildings are in poor condition, and 38% are in fair condition. Please confirm the condition of all the buildings projects it plans to work on.
d) Burlington Hydro states that its previous spending of $330,000 per year is inadequate and unsustainable for addressing the needs of its aging facilities. Please describe in detail the changes between the historical and forecast period which can account for this.
e) Burlington Hydro states renovations and upgrades include the addition of new offices and workstations to accommodate new Full-Time Equivalent requirements. Please provide the current square footage per employee and detail if the changes being made will affect this number.
f) Please explain the need and prudence to upgrade the visitor parking lot from ~3,500sqft to 20,000sqft given that the main head office parking lot is currently ~37,000sqft. How many parking spaces are currently in the main and visitor lots respectively? How many parking spaces will be added to the main and visitor lots respectively?
g) Please confirm how many of the 40 HVAC units Burlington Hydro considers to be at, or approaching, the end of their useful lives. What does is the useful life Burlington Hydro uses for HVAC units? Please provide the asset condition for each of the HVAC units and confirm which ones are planned for replacement in the forecast period.

2-Staff-25
Miscellaneous
Ref 1: Chapter 2 Appendices – Tab AA, Capital Projects

Question(s):

a) Please explain the miscellaneous line item, including what this budget is comprised of and how it is estimated.

2-Staff-26
Loss Factors
Ref 1: Exhibit 8, p. 15
Ref 2: Exhibit 8, Appendix C
Ref 3: Chapter 2 Appendices, Tab 2-R – Loss Factors
Ref 4: EB-2020-007, Chapter 2 Appendices, Tab 2-R – Loss Factors

Preamble:

Below are loss factor in the distributor's system from 2015- 2024:

	2015	2016	2017	2018	2019	5-Year Average
Loss Factor in Distributor's system	1.0324	1.0323	1.0347	1.0366	1.0393	1.0350

	2020	2021	2022	2023	2024	5-Year Average
Loss Factor in Distributor's system	1.0403	1.0393	1.0360	1.0390	1.0388	1.0387

Question(s):

a) Please explain the factors contributing to the increase in the distribution system loss factor from 1.035 approved in the 2021 cost of service application to 1.0387 in the current application.
b) Burlington Hydro states that the year-over-year fluctuation in loss factors is due to the composition of Burlington Hydro's distribution network, which operates across three distinct voltage systems: 27.6kV, 13.8kV, and 4.16kV.
    i. Has Burlington Hydro conducted any scenario analysis to estimate how the loss factor would change if the 4.16kV system were fully converted to 27.6kV?
    ii. Does Burlington Hydro have any long-term plans for converting the remaining 4.16kV and 13.8kV systems to 27.6kV?

c) Based on the line loss mitigation projects completed to date and Burlington Hydro's current plan for future loss reduction initiatives, what is Burlington Hydro's forecast for the average distribution system loss factor over the next five years (2025-2029)?
    i. Please indicate whether the forecasted loss factor is expected to decline, stabilize, or increase, and explain the key drivers influencing the trend.

2-Staff-27
Fixed asset - Capitalization
Ref 1: Exhibit 1, Appendix G – 2024 Audited Financial Statements, Note 7, p.103
Ref 2: Exhibit 2, Section 2.2, Fixed asset continuity schedule
Ref 3: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.2.2, p.18

Preamble:

In Ref 1, Burlington Hydro states that no interest was capitalized to property, plant and equipment (PP&E) during the year.

In Ref 2, Burlington Hydro states that it does not capitalize interest during construction.

In Ref 3, Chapter 2 Filing Requirements states that:

"Continuity statements must provide year-end balances and include any capitalized interest during construction and any capitalized overhead costs."

Question(s):

a) Please explain why Burlington Hydro does not capitalize any interest during construction.
b) Please also clarify how Burlington Hydro treats the interests during construction in the rates.
c) Please update and resubmit Chapter 2 Appendices as applicable.

2-Staff-28
Fixed asset – Service life
Ref 1: Chapter2Appendices_2BB_Service Life_04162025, Table F-2
Ref 2: EB-2020-0007,
Settlement_Attachment_Main_OEB_Chapter2Appendices_20210317, 2-BB, Table F-2

Ref 3: Kinectrics Report (July 8, 2010), Table F, p.17~19
Ref 4: Exhibit 2, Section 2.4.1-Depreciation/Amortization Policy, p.27
Ref 5: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.2.4, p.20

Preamble:

In Ref 1, OEB staff has compiled Table (A) for certain assets as below, showing the useful lives are outside of the typical ranges outlined in Ref 3.

Table (A): Comparation of Useful Lives

Parent #	#	Asset Details	UsoA	MAX UL (Kinetrics)	Proposed	Variance
TS & MS	15	Station DC System-Battery Bank	1820	15	20	5
UG	25	Primary Ethylene-Propylene Rubber (EPR) Cables	1845	25	40	15
UG	26	Primary Non-Tree Retardant (Non-TR) Cross Linked	1845	30	40	10
UG	27	Primary Non-TR XLPE Cables in Duct	1845	30	40	10
UG	31	Secondary Cables Direct Buried	1855	40	60	20
	2	Vehicles-Vans	1930	10	12	2
	6	Computer Equipment-Software	1611	5	5-10	0-5

OEB staff notes the proposed useful lives of the assets identified in Table (A) above are not within the ranges contained in the Kinectrics Report in Ref 3.

Per Ref 1 & 2, OEB staff has compiled Table (B) as below, showing the difference of useful life of UsoA 1611 Computer Software between what was approved in last COS (EB-2020-0007) and what is included in the current application.

Table (B) Comparation of Useful Life and Depreciation Rate of UsoA 1611

	Useful Life	Rate
Ref 1-Current Application	5-10	0%
Ref 2-Last Application	5	20%

OEB staff notes that Burlington Hydro indicates 0% depreciation rate for Account 1611 per Table (B) above.

In Ref 4, Burlington Hydro states that there was an error of UsoA 1611 service life in last COS which indicated 5 years. It should have indicated a service life of 5-10 years since assets in this account that are depreciated over 10 years, specifically its GIS and CIS.

OEB staff notes the typical service life of computer software per Ref 3 is maximum 5 years.

Chapter 2 Filing Requirements states:

> *"Distributors must also provide explanations and support for any proposed useful lives that are not within the ranges contained in the Kinectrics Report."*

Question(s):

(a) Please provide the rational of why the proposed service life is outside of the typical ranges outlined in Ref 3 identified in Table (A) above.
(b) Please explain why the depreciation rate of UsoA 1611 is 0% per Table (B) in this application and update the depreciation rate of UsoA 1611 as applicable.
(c) Please quantify the revenue impact of the service life change Burlington Hydro made for UsoA 1611 per Table (B) above in the following format using updated depreciation rate of b) above.

	2026 Test Year Capital Additions	2026 Test Year Accumulated Depreciation Additions	Amount included in Revenue requirement (RRWF)
5-10 years at XX% (Ref 1)			
5 years at 20% (Ref 2)			
Variance			

2-Staff-29
Depreciation
Ref 1: Chapter2Appendices_2C_DepExp_04162025

Preamble:

Per Ref 1, OEB staff has compiled Table (C) as below, showing that there are two accounts drove the most depreciation variance for both 2025 and 2026.

Table (C) Accounts with significant variances from 2025 to 2026

Account	Description	2025 Variance (Ref 1)	2026 Variance (Ref 1)

1820	Distribution Station Equipment <50 kV	43,798	49,632
1920	Computer Equipment - Hardware	58,479	53,633
Total		**102,277**	**103,265**

Question(s):

a) Per Table (C), please elaborate why there is significant variance for the two accounts identified above.

2-Staff-30
Fixed asset - ICM
Ref 1: Chapter2Appendices_2BA_Fixed Asset Cont_04162025
Ref 2: Settlement_Attachment_Main_OEB_Chapter2Appendices_BHI (EB-2020-0007), 2BA_Fixed Asset Continuity Schedule

Preamble:

Per Ref 1 & Ref 2, OEB staff complied the Table (D) as below, showing the difference of accumulated depreciation of Account 1609 Capital Contributions Paid (CCA Class 14.1) between the last Cost of Service application and this application.

Table (D) Variance of Accumulated Depreciation of Account 1609

	Cost-ICM	**Accumulated Depreciation**
Ref 1	$2,568,000	($85,600)
Ref 2	$2,568,000	($128,400)
Variance	**0**	**$42,800**

Question(s):

a) Please explain the variance identified in Table (D) above.
b) Please provide breakdown of what ICM project cost was included in Account 1609.
c) Please explain why there was no corresponding assets amounts recorded in the ICM column of 2BA for Ref 1 in 2021?

Exhibit 3 – Operating Revenue

3-Staff-31
COVID-19
Ref. 1: Exhibit 3, p. 69

Question(s):

(a) Did Burlington Hydro test for COVID-19 as an explanatory variable in its regression analysis of the Residential, GS<50kW and GS>50kW classes? If so, please provide the results. If not, please explain why.

3-Staff-32
Ref. 1: Exhibit 3, p. 74

Question(s):

a) Please provide the customer numbers and consumption for the most recent historical months for 2025.
b) When is the GS>50 kW customer expected to fully cease operations? Please also explain the general decreases in this class's customer counts.

3-Staff-33
Ref. 1: Exhibit 3, p. 74

Preamble:

Burlington Hydro states, "The allocation of incremental consumption to rate class is estimated based on judgement as BHI does not have these details by rate class. The allocations and allocated incremental consumption by EV type to each rate class is provided in Table 28."

Question(s):

a) Please explain this allocation by rate class based on judgement.

3-Staff-34
Ref. 1: Exhibit 3, p.19- 26

Question(s):

a) Did Burlington Hydro test for colinear independence between Ontario Economic Accounts GDP and customer count as well as Ontario Economic Accounts GDP change and customer count for the GS<50 kW rate class? If not, please do so.

b) Did Burlington Hydro test for colinear independence between Toronto FTE and trend as well as Toronto FTE change and trend for the GS>50 kW rate class? If not, please do so.
c) Please provide the results of the tests for colinear independence between the economic variables and the trend variable.
d) As a scenario, please provide a regression where trend variable is not used.

3-Staff-35
Ref. 1: Exhibit 3, p.44

Question(s):

a) Does Burlington Hydro currently track the actual number of customer-owned electric vehicles in its service territory?
b) If not, does Burlington Hydro plan to track this data?
c) Please discuss if Burlington Hydro reviewed either the IESO's Pathways to Decarbonization report (December 15, 2022) and/or the Enbridge Gas Inc. Pathways to Net-Zero Emissions report (revised 25 April 2023) and how these reports were considered in the development of its load forecast, including assumptions related to electrification of buildings, vehicles and commercial and industrial activities.

3-Staff-36
Load Forecast – Additional Loads
Ref 1: Exhibit 3, Additional Loads, pp. 43-50

Question(s):

a) Please discuss how Burlington Hydro developed the 15% home heating conversion rate factor for residential customers.
b) Please provide supporting documentation that informed the development of this factor, including but not limited to recent Burlington Hydro customer conversions, any participant data in broader energy conservation programs (for example, NRCan's Canada Greener Homes) or forecasts developed by the IESO

3-Staff-37
Load Forecast
Ref 1: Exhibit 3, CDM/eDSM Forecast, pp. 55-59

Preamble:

Burlington Hydro states that the 2025-26 CDM forecast is taken from the 2021-2024 provincial share and as savings in 2025 and 2026 were not available at the time of filing, savings were assumed to be the same as 2024.

Question(s):

a) Please update the 2025-26 CDM forecast considering the IESO's new eDSM framework, and in particular the 2025-2027 eDSM plan, which includes a significantly expanded scope and materially higher CDM savings.
b) Provide a table that clearly considers the IESO's new eDSM framework forecast values, Burlington Hydro's share of provincial totals and the forecast CDM impacts over the COS period, including changes to allocations to various rate classes considering the expansion of the IESO eDSM plan.
c) Please discuss if Burlington Hydro intends to propose any Local eDSM programs (also known as Stream 2 programs). If yes, please provide details on when Burlington Hydro expects to file an application and how forecasted CDM impacts are considered in the load forecast.
d) For all changes, please updated Attachment 5 – Load Forecast Model file

Exhibit 4 – Operating Costs

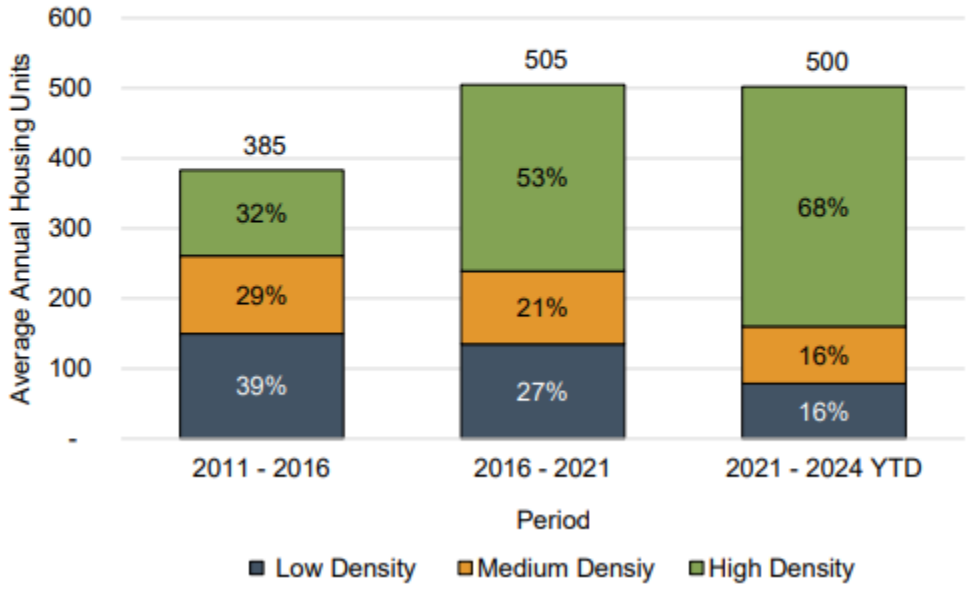
4-Staff-38
City Growth and Housing
Ref. 1: Exhibit 1, Part 1 of 2, Business Overview Part A, p. 13
Ref. 2: Exhibit 1, Part 2 of 2, Appendix I – 2003 Community Report
Ref. 3: Exhibit 2, BHI Business Plan, p.13
Ref. 4: Exhibit 4, 4.1.5.1 City Growth, p. 36
Ref. 5: Exhibit 4, 4.3.1.1 Workforce Planning, Engineering, p. 208
Ref. 6: Growth Analysis Review – City of Burlington, Watson & Associates Economists Final Report February 14, 2025, p. 96

Preamble:

OEB staff notes that Burlington Hydro has made numerous references to both population growth and anticipated construction of 29,000 new housing units by 2031 in the City of Burlington. This assumption is one of the key factors Burlington Hydro identifies as contributing to an expected increase in workload, as well as the justification for the addition of 14 new FTEs in the 2026 Test Year.

In reference 5, Burlington Hydro further states that its forecasted average capital expenditures over the 2026-2030 period are expected to be over 40% higher than the historical average, partly in support of energy transition and growth forecasts.

Figure 6-3
City of Burlington
Five-Year Incremental Housing Growth by Density Type, 2011 to 2024



Question(s):

a) Reference 6 above indicates that between 2021-2024, an average of 500 new housing units were constructed annually, a slight decrease from the 2016-2021 average of 505 annually. Given these trends, please provide an explanation for why Burlington Hydro uses the target of 29,000 new housing units as a key reason for the anticipated increase in workload.
b) Does Burlington Hydro have any additional information which indicates that the City of Burlington will see a substantial increase in the rate of new home construction in the coming years to meet the 2031 target?
c) Does Burlington Hydro believe that this shortfall was due to under resourcing?

4-Staff-39
Turnover and Resignations
Ref. 1: Exhibit 4, 4.1.5.2, p. 36
Ref. 2: Exhibit 4, 4.3.1.1 p. 190
Ref. 3: Exhibit 4, Table 45, p. 191
Ref. 4: Exhibit 4, 4.1.2.1 Salaries and Benefits, Table 6, p. 20

Ref. 5: Exhibit 4, 4.3.1.2 Compensation, Table 50, p. 229

Preamble:

Table 45 - Reasons for Resignations

Turnover Reasons	2024	2023	2022	2021	2020	2019
Total Resignations due to Competitor	**5**	**8**	**9**	**6**	**2**	**4**
Retirements	0	2	4	7	2	8
Other Reasons	4	1	3	1	2	2
Total Resignations	**9**	**11**	**16**	**14**	**6**	**14**

Table 50 – Unionized Annual Wage Increase

Year	%
2021	2.25%
2022	2.25%
2023	2.25%
2024	3.75%
2025	3.75%
2026	3.00%

Question(s):

a) Reference 3 indicates that 9 out of 16 resignations in 2022 were due to competitor offers, and 5 out of 9 in 2024, both of which represent approximately 55% of total resignations in their respective years.
   i. Given that higher step increases for salaries were implemented in 2024-2025, has Burlington Hydro seen material impact on annual turnover rates by percentage as a result of increased salaries?

b) Please complete Table 45 in reference 3 above (Reasons for Resignation) for 2025 to date. Please also confirm if the trend outlined above in regard to turnover as a result of increased salary offers by competitors was reduced as a result of Burlington Hydro's 3.75% and 3.0% increases for Unionized employees, respectively.

c) In response to the high employee turnover observed in recent years, what specific strategies—beyond salary increases—has Burlington Hydro implemented to enhance employee retention and remain competitive in the labour market, particularly in terms of career development?

d) What is Burlington Hydro's target turnover rate, and how does it compare to industry benchmarks?
e) Please provide the number of temporary staff hired annually from 2020 to 2024 and the average duration of their employment in FTE.
f) Please provide the number of temporary staff forecasted annually for hire in FTE from 2025 to 2030.

4-Staff-40
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, p. 183
Ref. 2: Exhibit 4, 4.3.1.1 Workforce Planning, p. 186
Ref. 3: Exhibit 4, 4.3.1.1 Workforce Planning, pp. 193-194
Ref. 4: Exhibit 4, 4.3.1.1 Workforce Planning, Engineering, p. 208

Question(s):

a) Burlington Hydro indicated in reference 2 that residential service requests increased from 317 to 881 from 2021-2024, or 278%. Please confirm increases in residential service requests were accurately indicative of housing and were followed by proportional increase in demand for customer services, connections, and support.
b) Burlington Hydro states that residential connection request have increased from 317 in 2021 to 881 in 2024.
    i. Please provide the number of residential connection requests in 2022, 2023 and 2025 to date respectively.
    ii. Please provide the number of forecasted residential connections in 2025 and 2026 respectively.
c) Reference 4 states that the Province of Ontario's plan to build 1.5 million homes over the next decade and the City of Burlington's target of 29,000 new housing units by 2031, is expected to further increase the volume of customer service requests, connections, and system upgrades.
    i. Please provide a forecast of the expected growth in the volume of customer service requests, connections, and system upgrades if 29,000 new housing units are built by 2031.
    ii. Please explain the reasoning for why expected growth in the volume of customer service requests, connections, and system upgrades by 2031 contributes in part to the need for 7 additional engineering FTEs in 2026.
    iii. Please provide the overtime hours directly attributable to the engineering team addressing connection requests since 2023. If the figure exceeds a reasonable annual salary for an applicable FTE, please explain why

Burlington Hydro has not hired one to decrease costs related to connection requests.

d) Burlington Hydro states that more frequent and severe extreme weather events require system hardening and proactive grid planning. How will the hired candidates assist in this process?
e) Burlington Hydro states an increase in net metering customers from 25 in 2021 to 127 in 2024. Please provide the number of net metering customers in 2022, 2023 and 2025 to date respectively.

4-Staff-41
Load Forecast and Population Growth
Ref. 1: Chapter 2 Appendices, 2-IB Forecast Analysis

Preamble:

OEB staff notes that Burlington Hydro's load forecast shows marginal changes in customers/connections, demand, and consumption 2020-2026.

Question(s):

a) Please reconcile the load growth forecast with the expected growth in population and constriction of 29,000 new residential housing units by 2031.

4-Staff-42
Locate Requests
Ref. 1: 4.3.0.7 Distribution Maintenance and Operations, Table 26, p. 102
Ref. 2: New FTE, Operations Clerk, p. 220

Preamble:

Table 26 - Cost per Locate

Description	2021	2022	2023	2024	2025 Bridge Year	2026 Test Year
# of locates	12,905	14,603	14,203	15,775	15,931	16,498
$ Cost of locates	$389,799	$409,406	$408,675	$464,437	$505,923	$520,695
$/locate	$30	$28	$29	$29	$32	$32

Burlington Hydro indicates that one of the primary responsibilities of the new proposed Operations Clerk FTE is facilitating locate requests to accurately identify underground

infrastructure, supporting safe and efficient operations for contractors and crews. The number of locates requests, as shown in reference 1, is expected to increase from 12,905 in 2021 to 16,498 in 2026.

Question(s):

a) Please provide the overtime hours for the Engineering Clerk from 2021 to 2024.
b) Please provide the Service connection requests from 2021 to 2024 and forecasted for 2025 to 2030.
c) In addition to the Engineering Clerk, are there any other staff members currently supporting the processing of service requests? If yes, please confirm how many employees were involved in assisting with these requests each year from 2021 to 2024, and provide the forecasted number of supporting staff for the period 2025 to 2030.
d) Please confirm whether locate request volumes directly result in increased workload in a linear fashion, or if workload synergies and efficiencies can be achieved despite higher volumes.
e) Please provide overtime hours associated with completing locate request volume 2021-2025.
f) Given that locate requests were previously the responsibility of an Engineering Clerk, please explain why a 13% increase in locate requests from 2022-2026 justifies the creation of a new FTE role whose primary responsibility would be to facilitate locate requests.
g) Given that locate requests are presented as a time-intensive responsibility which necessitates the creation of a new FTE role, what new responsibilities have been allocated to the Engineering Clerk which had been previously been responsible for location requests.
h) Burlington Hydro states in reference 2 that it expects the number of locate requests to increase as a result of anticipated housing growth in the City of Burlington. Please provide a forecast increase in locate requests as a result of this assumption for 2026-2030.
i) Burlington Hydro outlines several risks if the position is not funded (e.g., delays in processing service requests, challenges with metering compliance, AMI upgrade limitations, locate-related safety incidents, or penalties from Ontario One Call). Has Burlington Hydro experienced any of these issues to date? If so, please provide examples.
j) Burlington Hydro states that without proper funding, digs by excavators without proper information about the location of the underground infrastructure, could potentially result in damages to distribution assets, system outages and major

safety risks to field workers or the public. Has Burlington Hydro experienced any incidents which stemmed from poor locate information in the historical period?

4-Staff-43
Increased Workload
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Key Business Drivers Affecting Workforce Planning, p. 185

Preamble:

Burlington Hydro cites increased workload as one of the key trends and factors of its Workforce Planning.

Question(s):

a) Burlington Hydro cites that total employment in the Canadian electricity sector has increased by over 12% in the past five years, equivalent to an average annual growth rate of 2.3%.
    i. Please provide an explanation for why Burlington Hydro's proposed 2026 FTE count of 123 versus 100 in the 2021 OEB-approved is nearly double that figure at 4.23% (CAGR).
    ii. Please confirm whether Burlington Hydro's workload per FTE is representative of the Canadian electricity sector or if the average workload per FTE is exceptionally high. If the latter, please provide an explanation.
b) Burlington Hydro states that Locate volumes, which are directly proportional to non-discretionary System Access projects such as residential and commercial developments and renovations, and road widening projects, are expected to increase by 28% from 2021 to 2026. Does Burlington Hydro expect that figure to continue to increase? If so, please provide a forecast of expected Locate Volumes to 2030.

4-Staff-44
Corporate Services Advisor
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Corporate Services Advisor, p. 197

Question(s):

a) Please identify the critical operational and regulatory needs addressed by the Corporate Services Advisor and how this role will address these needs.

b) The growth in customer communications grew from 430 to 566 (30%) 2020-2024. Please provide updated figures for 2025 and 2026 (to date).
c) Please explain how the growth in social media following across the four social media platforms identified directly translate to an increased workload for the Communications Advisor.
d) When does Burlington Hydro expect to implement proactive initiatives such as SMS texting of Outage notes to customers?

4-Staff-45
Financial Analyst
Ref. 1: Exhibit 4, 4.3.1 Workforce Planning, Financial Analyst, p. 206

Question(s):

a) Please confirm who currently performs the financial planning, regulatory compliance, and capital tracking functions that the proposed Financial Analyst would assume.
    i. Please provide the overtime hours completed for this existing role from 2021 to 2024.
b) What specific gaps or delays have been observed in these areas that justify the need for an additional full-time resource?
c) Burlington Hydro states that with accident claims rising from 16 in 2021 to 36 in 2024. Please provide the number of third-party damage claims processed each year from 2021 to 2024, and the average time to resolution.
d) What is the estimated financial impact of delayed or unprocessed claims on Burlington Hydro's capital or OM&A budgets?
e) Burlington Hydro outlines several risks if the position is not funded (e.g., missed filings, financial misstatements, delays in reporting). Has Burlington Hydro experienced any of these issues to date? If so, please provide examples.

4-Staff-46
Human Resources
Ref. 1: Exhibit 4, 4.3.1 Workforce Planning, HR Analyst/Generalist, p. 221-222

Question(s):

a) Please confirm the current size and structure of Burlington Hydro's HR team, including roles and responsibilities.
b) Burlington Hydro states that that without the new HR Generalist/Analyst role, it may struggle to hire and retain the necessary talent to meet operational needs, potentially impacting service delivery and customer satisfaction. Has Burlington

Hydro experienced any delays or service issues related to recruitment, onboarding, or compliance due to current HR capacity?

c) How many recruitment cycles or job postings does the HR team manage annually, and how is this expected to change from 2025 to 2030?

4-Staff-47
Billing Representative
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Billing Representative, p. 199
Ref. 2: Exhibit 1, 1.6.4.1 Billing O&M, p. 94

Preamble:

Table 23 - Billing O&M Cost ($) per Customer vs. Industry Average

Billing O&M Cost ($) per Customer	2019	2020	2021	2022	2023	Average 2019-2023
Burlington Hydro Inc.	$11.80	$13.57	$17.04	$19.03	$18.00	**$15.89**
YoY Change		15 %	26 %	12 %	(5)%	
Industry						$36.41
vs. Industry Average						**(56)%**

Table 24 - Billing O&M Cost ($) per Customer YoY Change

Billing O&M Cost ($) per Customer	2024 Actuals	2025 Forecast	2026 Forecast
Burlington Hydro Inc.	$17.23	$21.57	$22.58
YoY Change	(4)%	25 %	5 %
vs. 5-year Average	8 %	36 %	42 %

Question(s):

a) Tables 23 and 24 in reference 2 above indicate that Billing O&M costs per customer have decreased to $17.23 per customer in 2024 actuals, down from a high of $19.03 per customer in 2022. As most of the increased workload outlined in reference 1 above increased during the period leading up to 2024, the decreasing billing O&M costs per customer suggest that the increased workload volume has not translated into increased costs.

i. Please provide an explanation for why Burlington Hydro saw a decrease Billing O&M costs during the period 2021-2024 while experiencing higher workload volumes.

ii. Please confirm that the 25% and 5% in Billing O&M costs per customer in 2025 and 2026, respectively, were not as a result of increased workload volumes but instead increased Canada Post costs.

b) In reference 1, Burlington Hydro states that the Meter Inside Settlement Timeframe ("MIST") Meter project, implemented in June 2022, which required all GS>50kW customers to be billed on the Hourly Ontario Energy Price, required Burlington Hydro to implement a new billing process which requires additional resources to manage. Please provide additional details on the resources required to manage this project since 2022, and which FTE(s) added since 2021 have been allocated these tasks to date.

4-Staff-48
Hiring Processes
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Two Additional Powerline Apprentice Staff, p. 201

Question(s):

a) The OEB recognizes that proactive hiring processes to ensure staff competency are an important element of Workforce planning.
   i. Please explain why it would not be feasible for Burlington Hydro to consider hiring Journeypersons with an existing minimum of 5 years experiences as the need arises. If this is due to salary considerations, please explain why it is more cost efficient to train an employee for a minimum of 5 years before promoting them to a higher salary versus offering an experienced Journeyperson a higher salary and eliminating the need for 5 years of training.
   ii. Has Burlington Hydro encountered any previous difficulties in hiring experienced Journeypersons in the past?
   iii. Please confirm how many senior journeypersons are currently employed.
   iv. Please confirm how many metering technicians are currently employed.

4-Staff-49
Power Line Apprentice
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Powerline Apprentice, pp. 201-202
Ref. 2:

Question(s):

a) Please provide reasoning for why one additional Powerline Apprentice was hired in 2021, in addition to the approved FTE number approved in Burlington Hydro's 2021 Cost of Service proceeding.

b) Please provide amounts for Powerline Apprentice overtime hours from 2021-2025.

4-Staff-50
Engineering Director
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Director of Engineering, p. 202

Question(s):

a) Please specify how long the position of Director of Engineering was vacant for. In addition, please provide the year in which this role was filled.
b) Burlington Hydro states that the duties assigned to this role were previously shared across multiple other management roles. Please provide a summary of these specific duties which had been previously allocated to other roles.
c) Burlington hydro states that in addition to day-to-day operations, this position has oversight of new capital projects associated with infrastructure needs and the maintenance of the distribution system are designed in accordance with stringent safety and design standards, ensuring long-term plans and expenditures are appropriate.
    i. Please provide a list of the new capital projects associated with infrastructure needs and the maintenance system which this position will have oversight over.

4-Staff-51
Engineering Services Technician
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Engineering Services Technician, p. 203
Ref. 2: Distribution System Plan, Table 5.4-9

Preamble:

In reference 1, Burlington Hydro states that there was an increase in service upgrades and connections which are captured in the General Service programs identified in Table 5.4-9 of the DSP, and that General Service projects have increased by 54% from $3.6M in 2021 to $5.5M in 2024.

Table 5.4-9: Forecast Net System Access Expenditures

Projects	Forecast					Total ($ '000)	% of Total
	2026	2027	2028	2029	2030		
	$ '000	$ '000	$ '000	$ '000	$ '000		
Major Transit Station Area Development (Aldershot GO)	1,258	1,282	654	1,693	1,152	6,039	10%
Major Transit Station Area Development (Burlington GO)	985	1,048	477	2,364	1,608	6,482	11%
Major Transit Station Area Development (Appleby GO)	1,150	1,346	598	1,658	1,893	6,646	11%
Smart Meter Replacement/Reverification	2,600	2,547	2,598	775	748	9,268	15%
Suite Metering	609	587	554	631	643	3,024	5%
Meters - New Connections	408	428	451	473	497	2,257	4%
Metering Infrastructure and Systems	168	208	212	135	138	862	1%
General Service - Overhead	1,199	1,222	1,247	1,271	1,297	6,236	10%
General Service - Underground	1,683	1,716	1,751	1,783	1,821	8,756	14%
Subdivisions	750	728	743	757	773	3,751	6%
Dundas St Road Widening - (Appleby line to Northampton Boulevard)	2,666	604	-	-	-	3,270	5%
Dundas St Road Widening - (Northampton Boulevard to Guelph line)	927	-	-	-	-	927	2%
Transformers – New Connections	354	360	367	375	382	1,838	3%
Other - MTO/City/Region Projects	230	234	239	243	248	1,194	2%
Total Expenditure, Net	**14,986**	**12,312**	**9,891**	**12,161**	**11,201**	**60,551**	**100%**

Question(s):

a) Table 5.4-9 of the DSP contains a forecast of the Net System Access Expenditures for 2026-2030, including forecasted General Service projects. Please provide a source to support the stated increase in reference 1 in Service Upgrades and Connections captured in general Service programs.

b) Burlington Hydro states that the number of net metering customers increased from 25 in 2021 to 127 in 2024. As the Engineering Services role was filled in 2022, please provide the variance in net metering customers from 2021-2022.

c) Burlington Hydro states that there was an increase in the volume of subdivision completions which were $1.6M in 2024 as compared to "$—M" in 2021. Please indicate if the blank space was a typographical error and, if so, provide the updated figure for 2021.

d) Please provide the variance in General Service projects from 2021 to 2022.
e) Burlington Hydro states that without this position, it will face execution risks due to the inability of current staff to manage a larger capital portfolio. The only major difference in system access capital expenditures between 2025 and 2026 is the addition of the MTSA Go Development Projects.
    i. Please provide a detailed explanation of the impacts of a reduction of one employee in the engineering department.
    ii. Has Burlington Hydro experienced delays/reductions in the number of projects they were able to complete in a year in the past? If yes, please provide an explanation.

4-Staff-52
FTE Count
Ref. 1: Exhibit 4, 4.1.2.1 Salaries and Benefits, Table 5, p. 19
Ref. 2: Chapter 2 Appendices, 2-K Employee Costs
Ref. 3: Chapter 2 Appendices, 2-L Recoverable OM&A Cost per Customer and per FTE

Table 5 of Exhibit 4 indicates that the 2021 OEB-approved number of FTEs was 102, and the 2021 Actuals was 112 FTEs. However, both Appendices 2-K and 2-L of the Chapter 2 Appendices show that the 2021 OEB-approved was 100 FTEs and 2021 Actuals were 110.

Question(s):

a) Please reconcile these figures and provide reasoning for the discrepancy.

4-Staff-53
Cyber Security
Ref. 1: Exhibit 1, 1.2.4 C Rate Base and DSP, p. 30
Ref. 2: Exhibit 4, 4.1.2.1 Salaries and Benefits, pp. 14-18
Ref. 3: Exhibit 4, 4.3.0.2, Program Costs, 2025-2026 Variance Explanation, p. 58

Preamble:

In reference 1, Burlington Hydro states that modernizing its grid and operations requires the LDC to continue to invest in cyber security tools and platforms to enhance cyber security readiness in accordance with the Ontario Cyber Security Framework and the OEB's Ontario Cyber Security Standard.

In reference 2, Burlington Hydro summarized the main factors which drove the significant increase in staffing levels from 2021 to 2026. This included mitigating cyber risk by complying with Ontario Cyber Security Framework standards and regulations.

In reference 3, Burlington Hydro cites compliance with OEB cyber security audit requirements, as per the Ontario Cyber Security Framework issued on December 16, 2024, as resulting in a $102,349 increase in 2025-2026 expenditures

Question(s):

a) Please complete the following tables on capital and OM&A spending between in-house IT solutions and subscription-based models or cloud-based solutions.

Costs for In-house Solutions from 2021-2026

	2021	2022	2023	2024	2025	2026
Capex	$	$	$	$	$	$
OM&A	$	$	$	$	$	$

Costs for Subscription-based/Cloud-based Solutions from 2021-2026

	2021	2022	2023	2024	2025	2026
Capex	$	$	$	$	$	$
OM&A	$	$	$	$	$	$

If applicable, please explain any cost savings as a result of moving to a subscription-based model or cloud-based solutions which Burlington Hydro would otherwise be incurring with in-house solutions.

4-Staff-54
Legal Fees
Ref. 1: Exhibit 4, 4.3.0.2, Program Costs, 2021 Cost of Service application-2021 Variance Explanation, p. 56

Preamble:

Burlington Hydro states that actual expenditures were $169,721 higher in 2021 vs the 2021 OEB-approved, in part due to an increase in Professional Fees of $57,260 resulting from higher than budgeted legal fees in the finance and engineering departments.

Question(s):

a) Please provide an overview of the legal work referenced above and, if possible, provide additional detail on why this legal work was unforeseen.

4-Staff-55
Ref. 1: Exhibit 4, 4.3.0.12, Information Services, p. 131
Ref. 2: Exhibit 4, 4.1.2.1, p. 17
Ref. 3: DSP, Table 5.4-13
Ref. 4, DSP, SCADA Replacement and ADMS Acquisition, p. 149

Preamble:

In reference 1, Burlington Hydro indicates that Costs associated with upgrades and replacements of IT/OT Infrastructure are included as capital expenditures in the General Plant category

In reference 2, Burlington Hydro indicates that technology upgrade requirements have driven the need to hire additional FTEs.

In reference 4, Burlington Hydro indicates that the estimated expenditure for this project is $3.64M with an expected in-service date of December 31, 2027. This does not include costs associated with integrating with existing Burlington Hydro applications or the cost of field hardware, as Burlington Hydro will be in a better position to accurately forecast these costs as part of the project preparation phase.

Question(s):

a) Has Burlington Hydro conducted any internal reviews of the expected costs? If so, please provide as accurate an estimate as possible of the expected costs associated with integrating existing applications and cost of field hardware.

4-Staff-56
Ref. 1: Chapter 2 Appendices, Appendix 2-JC OMA Programs

Question(s):

a) Where possible, please provide updated year to date actuals for 2025 OM&A costs, in Appendix 2-JC format. Please specify how many months are actual vs. forecast.

4-Staff-57
OEB Policy Initiatives and Consultations
Ref. 1: Exhibit 4, 4.1.2.1 Salaries and Benefits, p. 16

Question(s):

a) Please provide a list of the FTEs assigned to each policy initiative and consultation, along with relevant tasks each FTE is directly responsible for and the estimated portion of their normal workload allocated to each policy initiative and consultation.

4-Staff-58
Bad Debt
Ref. 1: 4.3.0.6, Customer Service, Table 20, p. 81
Ref. 2: 4.3.0.6, Customer Service, pp. 81-82

Question(s):

a) In Table 20 in reference 1, the actual bad debt expense for 2021-2024 varied from $58k to $200k. Please provide an explanation for how Burlington Hydro determined $150k as the appropriate forecasted bad debt expense for the 2026 Test Year, and how this reflects its historical experience 2021-2024.

4-Staff-59
Resources to support DERs and NWS
Ref 1: Exhibit 4, p. 8
Ref 2: Exhibit 4, pp. 14-16
Ref 3: Exhibit 2, Appendix A DSP, Part 1 of 3, p. 107

Preamble:

Burlington Hydro Inc has indicated a need for additional resources to meet evolving legislative and regulatory obligations. Reference is made to the Ministry of Energy and Electrification's Letter of Direction to the Ontario Energy Board (OEB), which emphasizes supporting customer choice, addressing barriers to the adoption of Distributed Energy Resources (DERs), and optimizing the use of DERs to meet both provincial and local energy needs. Burlington Hydro has also cited new policy initiatives from the OEB, including the **Benefit-Cost Analysis (BCA) Framework for Addressing Electricity System Needs**. Despite these developments, Burlington Hydro's

Distribution System Plan (DSP) states that it is not proposing any Non-Wires Solutions (NWS) for the upcoming rate period.

Question(s):

a) Based on the deployment of these resources, what level of DER adoption does Burlington Hydro anticipate during the upcoming rate period?
b) Please provide an overview of the amounts included in 2026 Capital and OM&A directly related to DERs.

4-Staff-60
OMERS
Ref 1: Exhibit 1, Appendix G – 2024 Audited Financial Statements, Note 16(a), p.111
Ref 2: Exhibit 4, Section 4.3.1.5, Table 59-OMERS Contribution Costs

Preamble:

Per Ref 1 & 2, OEB staff has compiled a table as below, showing the difference of OMERS costs between Audited Financial Statements (AFS) and Exhibit 4 from 2023 to 2025.

Table (1): Difference of OMERS costs between AFS and Exhibit 4

In '000	2023	2024	2025
OMERS Cost per F/S Note 16(a)-Ref 1	1,202	1,021	1,379
OMERS Cost per Table 59-Ref 2	1,308	1,297	1,379
Variance	106	276	0

Question(s):

a) Please explain the variances identified in the Table (1) above for 2023 and 2024.

4-Staff-61
Pension and OPEB
Ref 1: Exhibit 4, Section 4.3.1.5, Table 59-OMERS Contribution Costs
Ref 2: Exhibit 4, Section 4.3.1.5, Table 60-Post Retirement Benefits Expense
Ref 3: Chapter2Appendices_2D_Overhead_04162025
Ref 4: EB-2020-0007,
Settlement_Attachment_Main_OEB_Chapter2Appendices_20210317, 2D
Ref 5: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.4.3.1, p.32

Preamble:

Chapter 2 Filing Requirements states that:

> *"The distributor must provide details of employee benefit programs, including pensions, other post-employment retirement benefits (OPEBs), and other costs charged to OM&A. A breakdown of the pension and OPEBs amounts included in OM&A and capital must be provided for in the last OEB-approved rebasing application, and for historical, bridge and test years."*

OEB staff has compiled a table as below, showing the capitalized employee benefits to OM&A, the OMERS pension costs and the Post Retirement Benefits in the table below.

Table (A): Capitalized Employee Benefits, OMERS & OPEBs

	2021 Board Approved	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge	2026 Test
Capitalized OM&A (Employee Benefits) (Ref 3 & 4)	579,826	509,804	756,414	752,321	775,462	652,955	793,126
OMERS Pension Cost (Ref 1)	1,272,687	1,212,994	1,255,473	1,307,962	1,297,329	1,379,179	1,630,776
Post Retirement Benefits (Ref 2)	Please fill in the amount	344,013	365,616	301,666	292,946	337,421	325,589

Per Table (A) above, OEB staff notes Burlington Hydro has quantified the amount of Employee Benefits being capitalized into OM&A. However, it does not indicate the percentage of OMERS pension costs and Post Retirement benefits respectively being capitalized into OM&A.

Question(s):

(a) Please fill in the amount of 2021 Board Approved Post Retirement Benefits in the table above.

(b) Please provide the breakdown of what is included in the "Capitalized OM&A (Employee benefits)" in the table above. Whether this amount includes both OMERS pension costs and Post Retirement benefits? If yes, what is the percentage of OMERS pension costs and Post Retirement benefits respectively being capitalized into OM&A? If not, please explain why they are not included in the capitalized OM&A.

(c) Please provide the breakdown of OMERS pension costs & OPEBs amounts between capital and OM&A from last OEB-approved rebasing application to this test year on a year-by-year basis and explain any significant increase/decrease of the percentage.

4-Staff-62
Financial Analyst
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Financial Analyst, pp. 206-207

Question(s):

a) Burlington Hydro states that an additional accounting employee is required to ensure in-service assets are componentized, depreciated and allocated to the correct accounts. It also states that the new employee will ensure funds received from, and refunds to, developers for system expansion are recorded and tracked according to DSC and appropriately allocated between capital contributions and expansion deposits.
    i. Can Burlington Hydro confirm if these tasks were done during the historical period
    ii. Please detail the additional tasks due to increased capital expenditures.
b) Burlington Hydro states that this role will support projects that promote digitalization and automation such as the ERP replacement project.
    i. Can Burlington Hydro provide examples of other digitalization and automation projects?
    ii. What is the purpose of the project?
    iii. Does adding a new employee increase efficiency, decrease workload per employee, or both?

4-Staff-63
Supervisor, Energy Transition
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Supervisor, Energy Transition Integration/DER, pp. 212-213

Question(s):

a) Burlington Hydro states that the supervisor will facilitate and expedite connection uptake of DERs and EV charging infrastructure. Does Burlington Hydro have data to support this uptake in DERs and EV charging infrastructure?
b) Please provide the number of DER connections from 2021-2025 for each year to date respectively.

c) Please provide the amount of EV charging infrastructure built from 2021-2025 for each year to date respectively.
d) Please explain how the tasks of the Supervisor, Energy Transition Integration/DER were completed previously.

4-Staff-64
GIS Technician
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, GIS Technician, pp. 214-215

Question(s):

a) Burlington Hydro states the GIS Technician position is critical for increasing regulatory requirements such as publishing a map on its website.
    i. Does Burlington Hydro currently have an outage map present on their website? If so, does it differ from this map?
    ii. The GIS Supervisor is also working on mapping. Will they be working together on this project? If yes, please state the need for both employees to simultaneously be working on this project.
b) Burlington Hydro states that these roles were vacant due to the previous engineering employees being transferred to the IT/OT department. Burlington Hydro stated that these employees were transferred to enhance IT/OT governance. Please explain why an employee in IT/OT could not be promoted to or tasked with completing these roles.
c) Burlington Hydro states that one of the implications of not having a dedicated GIS team would be poor asset management and maintenance which can lead to equipment failures and increased repair costs. Burlington Hydro previously had poor reliability and large amounts of equipment failures during the historical period while these roles were filled by employees who were later moved to the IT/OT department. How does Burlington Hydro plan to change this trend in the forecast years?

4-Staff-65
Supervisor, System Planning and Grid Modernization
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Supervisor, System Planning & Grid Modernization, pp. 217-218

Question(s):

a) Burlington Hydro has stated that this role will help in assisting and implementing SCADA system upgrades. Burlington Hydro has previously stated that the IT/OT department will be assisting in SCADA system upgrades.
    i. Will this role be working together with the IT/OT department?
    ii. Please provide an explanation as to why an additional employee is needed for SCADA implementation if the project will only be taking place in the 2027 forecast year.
b) Burlington Hydro has stated that if it does not receive funding for this position, it will face delays in system projects due to lack of demand forecasting, increased risks of higher outage impacts to customers and an inability to manage risks around growth and electrification.
    i. The MTSA projects are scheduled to begin in 2026. Has Burlington Hydro completed any demand forecasting for these projects in the 2026 test year?
    ii. Burlington Hydro is already facing a larger amount of outages from the last rebasing period. Are there any significant changes occurring to mitigate this? How will this position directly impact the amount of outages?

4-Staff-66
Supervisor, HR
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Supervisor, HR Analyst/Generalist, p. 222

Question(s):

a) Burlington Hydro states that the current in-house team does not have the expertise/skills to conduct data analysis, develop and maintain HR metrics, or track their effectiveness to support data driven decision making. Please clarify if this is the main task associated with this role. Has Burlington Hydro considered having an employee from the engineering or IT/OT department work alongside the HR department to complete these tasks?
b) Burlington Hydro states that this role will deliver hands-on support for HR program implementation and initiatives, offering client-centered HR solutions. Is this currently being conducted by existing employees? If so, please explain the major changes which will take place when adding this role.

4-Staff-67
Supervisor, Facilities
Ref. 1: Exhibit 4, 4.3.1.1 Workforce Planning, Supervisor, Facilities Specialist/Coordinator, pp. 226-227

Question(s):

a) Burlington Hydro states that on average, over 80 reactive maintenance issues arise annually. Please provide the number of reactive maintenance issues which have happened in each of the historical years and the 2025 bridge year to date respectively.
b) Burlington Hydro states that these tasks cannot be completed by the facilities manager. Please confirm if the other two positions in safety assist with these tasks.

Exhibit 5 – Cost of Capital

5-Staff-68
Ref. 1: EB-2024-0063 Cost of Capital Decision, March 27, 2025, p. 65
Ref. 2: Chapter 2 Appendices, 2-OA Capital Structure

Question(s):

a) Please revise Appendices 2 - OA Capital Structure to show the Capitalization Ratio (% and $), Cost Rate (%), and Return ($) of both Notional Long-term Debt and Actual Long-term Debt, as shown below.

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	($)	(%)	($)
Debt				
Long-term Debt (Notional)				
Long-term Debt (Actual)				
Short-term Debt				
Total Debt	60.0%			
Equity				
Common Equity				
Preferred Shares				
Total Equity	40.0%	$ -		$ -
Total	100.0%			

5-Staff-69
Ref. 1: 2021 BHI Settlement Proposal, p. 18 of 54
Ref. 2: Exhibit 5, Section 5.2.4.5

Preamble:

In 2021 Burlington Hydro's Settlement Proposal, the parties agreed to adjust the long-term debt rate on the $5M credit facility with TD bank from 2.85% to 2.227%. In Reference 2, Burlington Hydro stated it made a drawdown from TD at a fixed rate of 2.47%.

Question(s):

a) Please explain the variance in rates between Reference 1 and Reference 2.

5-Staff-70
Ref. 1: Exhibit 5, p.7
Ref. 2: Chapter 2 Appendices, 2-OB, Debt Instruments

Preamble:

In Reference 1, Burlington Hydro states it plans to make another drawdown in the amount of $10,000,000 on or about July 1, 2025, at a fixed rate of 4.51% expiring July 1, 2035. Burlington Hydro expects to issue new term loan in 2026 in the amount of $10,000,000 to support its ongoing capital expenditure requirements as presented in this Application.

Question(s):

a) Has Burlington Hydro secured the loans of $10M (starting 2025) and $10M (in starting 2026) with the third-party lenders yet?
    i. If so, please update 2026 Debt Instruments table (Appendix 2-OB) to reflect updated information.
b) Has Burlington Hydro considered renegotiating the contract with the City of Burlington or other financing strategy to reduce the interest rate? Please explain.
c) Has Burlington Hydro considered additional options such as an Interest Only loan or comparing offers from other banks?

5-Staff-71
Ref. 1: Exhibit 5, Historic Return on Equity, p. 9

Question(s):

a) Please provide the ROE achieved for 2024 if it is available.

Exhibit 6 – Revenue Requirement

6-Staff-72
Ref. 1: Chapter 2 Appendix 2-H, Account 4405
Ref. 2: Chapter 2 Filing Requirements, Section 2.6.3, May 7, 2025

Question(s):

a) Please confirm whether Account 4405 contains interest amounts related to DVAs or not.
   i. If so, please revise Appendix 2-H to remove any interest amounts associated with DVAs as required in Reference 2.

6-Staff-73
2024 Tax Return
Ref 1: Exhibit 1, Appendix G – 2024 Audited Financial Statements (AFS)
Ref 2: Exhibit 6, Section 6.2.1.1 Tax Returns
Ref 3: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.6.2.1, p. 41
Preamble:
OEB staff notes that Burlington Hydro included 2024 AFS in this application while 2024 Federal and Provincial tax return is not submitted in this application.

Question(s):

a) Please provide final 2024 Federal and Provincial tax returns per Ref 3 when it is available.
b) Please confirm that there are no impacts on the 2024 PILs between the draft version and the final version filed with the CRA (in the event that the draft version of the tax return is different from the final version).

6-Staff-74
Loss Carry forwards
Ref 1: Exhibit 6, Section 6.2.1.2 Loss Carry Forward
Ref 2: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.6.2, p. 41

Preamble:

Chapter 2 Filing Requirements states that:

"Distributors are expected to exercise sound tax planning and are expected, for rate-setting purposes, to maximize tax credits and take the maximum deductions allowed."

In Ref 1, Burlington Hydro states that it does not expect to apply the amount of $85,869 which is the capital loss carry-forward at December 31, 2024 in 2025 or in 2026.

Question(s):

(a) Please provide the nature of this capital loss carry forward.
(b) Please explain why Burlington Hydro does not apply the loss carry forward to the test year PILs.

6-Staff-75
Tax Credits
Ref 1: Exhibit 6, Section 6.2.1.3 Calculation of Tax Credits
Ref 2: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.6.2.1, p. 41

Preamble:

Chapter 2 Filing Requirements states that:

"The distributor must provide a calculation of tax credits (e.g., Apprenticeship Training Tax Credits, education tax credits, Ontario Regional Opportunities Investment Tax Credits)."

In Ref 1, Burlington Hydro states that SR&ED related investment tax credits in 2026 PILs model were calculated using the average eligible SR&ED expenditures from 2020-2023, adjusted based on reasonable expectations of future eligible expenditures. The apprenticeship credit and the co-operative education tax credit were calculated using the average credits claimed from 2020-2023.

Question(s):

a) Please explain why Burlington Hydro did not include 2024 claimed amounts for the above-mentioned credits in the calculation of the test year's credit amounts. Please update the credit amounts as applicable.
b) Please provide the nature of the reasonable expectations of future eligible SR&ED expenditures indicated in Ref 1.

6-Staff-76
PILs Model
Ref 1: Attachment8_2026 PILs Workform_20250416
Ref 2: Chapter2Appendices_2BA_ Fixed Asset Cont_04162025

Preamble:

Per Ref 1 & 2, OEB staff has complied a table as below, showing the difference of capital additions between PILs model (Schedule 8) and Appendix 2BA (before CWIP addition and excluding land)

Table (1): Difference of Capital Additions between PILs (Sch8) & 2BA

	Bridge Year (2025)	Test Year (2026)
Capital additions per the PILs model (Ref 1)-a	13,302,572	28,596,285
Capital additions per Appendix 2BA (Ref 2)-b	18,502,819	24,271,846
Variance (b-a)	5,200,247	(4,324,439)

Question(s):

a) Please reconcile and explain the variances identified in the table above.

6-Staff-77
Other taxes
Ref 1: Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, December 9, 2024, Section 2.6.2.2, p. 43
Ref 2: Exhibit 6, section 6.2.2 Other taxes, p. 20

Question(s):

a) Please clarify in which account the property tax was recorded per Ref 1.
b) Please confirm that the property tax is excluded from OM&A expense on the RRWF.

6-Staff-78
Accelerated CCA & Smoothing Mechanism

Ref 1: Exhibit 6, section 6.2.1.6 Accelerated CCA, p.18~20
Ref 2: Attachment17_CCA by Class_04162025
Ref 3: Attachment8_2026 PILs Workform_20250416
Ref 4: Chapter2Appendices_2BA_ Fixed Asset Cont_04162025

Preamble:

Per Ref 2, 3 & 4, OEB staff has compared capital additions, UCC schedule and CCA amounts (before CWIP addition and excluding land) across the three references and noted the difference of 2024 and 2025 in the Table (A) below.

Table (A): Capital Additions, UCC & CCA Difference

	Capital Additions		UCC		CCA Amount	
	2024	2025	2024	2025	2024	2025
CCA Workform (Ref 2) - A	14,960,011	12,853,401	116,197,744	119,433,046	9,568,944	9,618,099
PILs Workform (Ref 3) - B	n/a	13,302,572	116,197,743	119,846,282	9,568,946	9,654,033
Appendix-2BA (Ref 4) - C	15,750,887	18,502,819	n/a	n/a	n/a	n/a
Variance (B-A)	**n/a**	**449,171**	**0**	**413,236**	**0**	**35,934**
Variance (C-A)	**790,876**	**5,649,418**	**n/a**	**n/a**	**n/a**	**n/a**

Per Ref 2, OEB staff has complied the following Table (B) showing the difference of "Relevant factor" used to calculate the CCA amount between CCA Worksheet provided by Burlington Hydro and the staff calculation.

Table (B): Relevant factor Difference

Source	Class	2024 Prior COS PILs	2025 Prior COS PILs	2024 Current COS PILs	2025 Current COS PILs
Ref 2	12	0	0	0	0
Staff calculation	12	2	2	2	2
Variance		**2**	**2**	**2**	**2**
Ref 2	14.1	n/a	3	n/a	2
Staff calculation	14.1	n/a	7.8	n/a	6.8
Variance		**n/a**	**4.8**	**n/a**	**4.8**

Ref 2	43.2	0	0	2	2
Staff calculation	43.2	4	4	3	3
Variance		**4**	**4**	**1**	**1**

In Ref 1, Burlington Hydro states that the 2021 OEB approved rates incorporated the full benefit of the AIIP and there was no smoothing mechanism applied over its five-year IRM term. Burlington Hydro agreed to continue the use of Account 1592 to record the full revenue requirement of the phasing out period of the AIIP in 2024 and 2025, of which the amount proposed for disposition in this application was recorded in Account 1592.

In Ref 3, the PILs model shows that Burlington Hydro applies AIIP Phase Out effect for the bridge year 2025 CCA and the test year 2026 CCA.

Question(s):

a) Please confirm that the AIIP has been claimed in Burlington Hydro's tax filings for the period from 2021 to 2024.
b) Please reconcile and explain the variance identified in Table (A) and Table (B) above and update the relevant forms as applicable.
c) Please propose a smoothing mechanism by completing the following table complied by OEB staff to increase the PILs in the test year that is generated from the current PILs model.

	Burlington Hydro's Proposal regarding AIIP (applying AIIP from 2025 and forward years)
2026 PILs expense (a)	$ 931,830
Impact on PILs from the smoothing mechanism (b)	
Total Revenue Requirement Impact (c=a+b)	

6-Staff-79
Error checking
Ref 1: Exhibit 6, section 6.2.1.6 p.19, row 24

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a) **Question:**
Please confirm the five-year IRM term of its 2021 Cost of Service application is from 2021 to 2025.

Exhibit 7 – Cost Allocation

7-Staff-80
Ref. 1: Exhibit 7, p. 11
Ref 2: EB-2020-0007, Cost Allocation Model Settlement

Question(s):

a) Please explain the reason for the material difference in the weighting factors for both Services and Billing and Collecting since Burlington Hydro's 2021 cost of service.

Exhibit 8 – Rate Design

8-Staff-81
Ref. 1: Exhibit 8, p. 9
Ref.2: RTSR Workform, Tab 4

Question(s):

a) Please confirm which historic year of RRR data has been used in the RTSR form.
b) Please confirm which year of wholesale purchase volumes have been used
c) Please update UTR and Hydro One sub transmission rates for 2025/2026 in accordance with EB-2024-0032 (December 19, 2024).

Exhibit 9 – Deferral and Variance Accounts

9-Staff-82
DVA disposition
Ref 1: Exhibit 9, Section 9.1.0.1 & 9.1.0.2
Ref 2: Burlington Hydro's 2024 IRM Decision and Rate Order (EB-2023-0008)
Ref 3: Burlington Hydro's 2025 IRM Decision and Rate Order (EB-2024-0010)

Preamble:

Per Ref 2, OEB staff notes the Group 1 DVA balances were last disposed on a final basis in 2024 IRM application excluding Accounts 1588 and 1589.

Question(s):

(a) Please confirm that Burlington Hydro is not requesting final disposition of its 2024 Group 1 DVA balances, previously disposed on an interim basis in 2025 IRM per Ref 3, in this application.
(b) Please provide the status of the CIS implementation process and the anticipated process finish date per Ref 1.
(c) Please clarify whether Burlington Hydro has identified any material adjustments to Group 1 accounts due to the new process? If yes, please provide the details.
(d) Please confirm that the disposition of Group 2 accounts is on a final basis in the application. If not confirmed, please explain why not.

9-Staff-83
Account 1595 Sub-account (2021) & (2022)
Ref 1: 2025 IRM Model_BHI_20250211 (EB-2024-0010), Tab 3
Ref 2: DVA Continuity Schedule_20250416, Tab 2-A

Preamble:

OEB staff notes that the 2023 transactions for Account 1595 sub-account (2021) and (2022) in 2025 IRM rate generator (Ref 1) are different from the numbers entered in the DVA continuity schedule in this application in Ref 2, resulting in the opening balance of both sub-accounts in 2024 different from the closing balance in 2023.

OEB staff has compiled a table per Ref 1 & 2 as below, showing the variances of principal and interest for both years.

Table (1): Variance of principal and interest for 2021 & 2022 of Account 1595

	1595 (2021) Principal	1595 (2021) Interest	1595 (2022) Principal	1595 (2022) Interest
2023 Transactions per 2024 IRM Rate Generator (Ref 1)	($628,857)	$9,260	($471,747)	$4,590
2023 Transactions per the DVA continuity schedule (Ref 2)	($544,599)	($74,997)	($375,287)	($91,870)
Variance	($84,258)	$84,257	($96,460)	

				$96,460

Question(s):

(a) Please confirm the table above.
(b) If confirmed, please provide an explanation for the variance identified in the table above and revise the schedule as applicable.
(c) If not confirmed, please provide an explanation.

9-Staff-84
CAA Workform
Ref 1: Commodity Analysis Workform 2026_CAA_workform_20250416, Tab GA 2024, Note 4 & Note 5
Ref 2: 2025 GA Analysis Workform_BHI_20240815 filed in 2025 IRM application, Tab Principal Adjustment

Preamble:

Per Ref 1, OEB staff notes that Note 4 includes unbilled adjustments for the current month and previous month when calculating the price variance.

Per Ref 2, OEB staff notes that Burlington Hydro historically recorded principal adjustment for CT148 True-up for Account 1589 and CT1142/142 for Account 1588 in 2022

Question(s):

a) Please explain why there is no principal adjustment (Note 9) for both Account 1588 (Item 3a, 3b) and Account 1589 (Item 2a, 2b) after 2022 provided that Burlington Hydro is still using unbilled revenue for GA consumption.
b) Please explain why there is no principal adjustment for CT148 True-up for Account 1589 and CT1142/142 for Account 1588 after 2022.

9-Staff-85
Account 1592
Ref 1: Exhibit 9, section 9.1.5.1 Impact to Account 1592 in 2021 and 2026
Ref 2: Attachment8_2026 PILs Workform_20250416, B1 Sch 1 Taxable Income Bridge
Ref 3: DVA Continuity Schedule_20250416, Tab 2-B

Question(s):

a) Please provide a copy of Schedule 8 in 2024 tax return when it is available and reconcile that with the accelerated CCA amount in PILs model.
b) In the DVA Continuity Schedule, it appears that the balance for Account 1592, Sub-account CCA Changes has been input into the control Account 1592 line instead of the CCA Changes sub-account line. Please confirm if this is the case and update the evidence accordingly. If not, please explain.
c) Please confirm Burlington Hydro will keep Account 1592 sub-account CCA changes open in case of any further CCA rules changes.

9-Staff-86
Pole Attachment Revenue Variance
Ref 1: Exhibit 9, section 9.0.1, Table 1
Ref 2: Exhibit 9, section 9.1.7 Account 1508, Sub-account Pole Attachment Revenue Variance, Table 24, p. 39

Question(s):

a) Please explain why Burlington Hydro proposed to continue using the Pole Attachment account since Table 24 has already included the revenue forecast for the period up to December 2025.
b) Please update the evidence as applicable.

9-Staff-87
Group 2 DVAs
Ref 1: DVA Continuity Schedule_20250416, Tab 2-B

Preamble:

OEB staff notes that there is no activity recorded in the following Group 2 DVAs:

i) Account 1508 sub -account Retail Service Charge Incremental Revenue.
ii) Account 1508 sub -account Local Initiatives Program Costs
iii) Account 1508 sub -account Designated Broadband Project Impacts
iv) Account 1508 sub -account ULO Implementation Cost
v) Account 1508 sub -account LEAP EFA Funding Deferral Account

Question(s):

a) Please confirm Burlington Hydro proposes to discontinue using these accounts on a going forward basis and update the evidence as applicable.

9-Staff-88
Cloud DVA
Ref 1: EB-003-2023, Accounting Order, November 2, 2023[1]
Ref 2: Cloud Computing Implementation Q&A Document, PDF, February 2024[2]
Ref 3: EB-2024-0063, Notice, March 6, 2024
Ref 4: EB-2024-0063, Decision and Order, March 27, 2025
Ref 5: Exhibit 9, section 9.1.8 Disposition of Account 1511 Incremental Cloud Computing Implementation Costs

Question(s):

a) Please confirm whether Burlington Hydro has considered cloud computing solutions in its rebasing term and whether any amounts have been included in its forecast.
   i) If so, please explain where these amounts are included.
   ii) If not confirmed, please explain why not.

9-Staff-89
GOCA Variance Account
Ref 1: The OEB's Decision and Order for Getting Ontario Connected Act Variance Account, October 31, 2023

Question(s):

a) Please confirm that the OM&A cost in the test year reflect the Bill 93 impact for Burlington Hydro's locate cost.
   i) If so, please confirm that the Account 1508 sub-account GOCA variance account is to be discontinued after this rebasing application and update the evidence accordingly.
   ii) If not, please provide the rationale why the Bill 93 impact is not reflected in the test year's OM&A cost.

9-Staff-90
Customer Choice Initiative Costs
Ref 1: Exhibit 9, section 9.1.9
Ref 2: Notice of Revised Proposal to Amend SSSC (August 25, 2020), p. 13

[1] EB-003-2023, Accounting Order, November 2, 2023
[2] Cloud Computing Implementation Q&A Document, PDF, February 2024

Ref 3: Accounting Order EB-2020-0152 (September 16, 2020)

Question(s):

a) Please provide the supporting calculation of the incremental operating expenses (annual costs) recorded in this account (Table 25 in Ref 1) and explain how these ongoing costs are related to the implementation and are directly attributable to the customer choice initiative.
b) Please confirm Burlington Hydro proposes to keep the Customer Choice Account open until its next rebasing application.
c) If b) is confirmed, please explain why it is needed to continue use this account provided that Table 25 in Ref 1 has already included the forecast amount up to December 2025.
d) If b) is not confirmed, please update the evidence accordingly.

9-Staff-91
Green Button Initiative
Ref 1: Account Order EB-2021-0183 (November 1, 2021)
Ref 2: Exhibit 9, section 9.1.10

Question(s):

a) Please provide the supporting calculation of the incremental operating expenses (annual costs) recorded in the Green Button Initiative account (Table 26 in Ref 2) and explain how these ongoing costs are related to the implementation and are directly attributable to the Green Button initiative.
b) Please confirm that Burlington Hydro proposes to discontinue the Green Button Account in this rebasing application.

9-Staff-92
Collection Charge Lost Revenue
Ref 1: Exhibit 9, section 9.1.13, Table 32
Ref 2: BHI_IRR_Staff_20210201, 9-Staff-77, Table 17

Preamble:

In Ref 2, Burlington Hydro states the full year savings are $44,800.

Per Ref 1 & 2, OEB staff has complied the table below to compare the savings from process changes:

	Jul 2019~Dec 2019	Jan 2020~Dec 2020	Jan 2021~Apr 2021
# of Collection Notices issued	9,925	22,067	8,315
Savings from Process Changes	($22,400)	($31,482)	($11,558)

Question(s):

a) Please explain why the savings from process changes didn't change in proportion to the number of collection notices issued and the length of time.
b) Please provide the calculation of the savings from process changes for both 2020 and 2021.

9-Staff-93
Impacts Arising from the COVID-19 Emergency
Ref 1: Exhibit 9, section 9.1.6
Ref 2: Chapter 2 Filing Requirements (April 18, 2022), section 2.9.1.6
Ref 3: Covid-19 Report, June 17, 2021, Appendix B, section 4.4 & section 4.3.2
Ref 4: Burlington Hydro 2021 Scorecard
Ref 5: Burlington Hydro 2023 Scorecard

Preamble:

In Ref 3, Appendix B details on how to calculate the means tests, recovery limitations, and sequencing of the calculations. Section 4.4 discussed the Measuring Incremental Impacts. Section 4.3.2 specifies the details of Causation, Prudence, and Materiality Criteria.
Per Ref 4 & 5, OEB staff notes the 2021 achieved ROE is different from Ref 4 (5.84%) to Ref 5 (6.06%)

Per Ref 1 & 5, OEB staff has complied the following Table (A) showing the Means Test calculation:

Item		2020	2021 (Jan~Apr)	2021 (May~Dec)
OEB approved ROE % (Ref 1)	a	9.36%	9.36%	8.34%
Less: 300bps (Ref 1)	b	3.00%	3.00%	3.00%
Allowed ROE % (Ref 1)	c	6.36%	6.36%	5.34%
Regulated Deemed Equity $ (Ref 1)	d	$62,948,694	$58,755,052	$58,755,052
Allowed ROE $ (pro-rate to month)	c*d	$4,003,537	$1,245,607	$2,091,680
Achieved ROE $ (Ref 1)		$834,869	$2,649,765	$4,335,372

Means Tests		Pass	Fail	Fail

OEB Staff notes that the Means Tests for entire 2021 failed based on the actual ROE achieved in the respective period per Table (A) above.

Question(s):

Section A:

a) Please confirm OEB staff's observation in Table (A) or revise the table as applicable.
b) If confirmed, please update the Account 1509 balance by excluding the 2021 amount.

Section B:

a) Please provide breakdown of the annual amounts recorded in each of the Covid-19 sub-accounts, including the methodology used to measure incremental costs and savings.
    i) Please provide a breakdown of the amounts recorded in the account for which a 50% recovery rate applies.
    ii) Please provide a breakdown of the amounts recorded in the account (Exceptional Pool) for which a 100% recovery rate applies.
    iii) Please demonstrate that the impact recorded in the account have only been incurred as a result of the pandemic.
b) For the Prudence, please provide the breakdown of costs incurred related to Pandemic Planning Committee plan including the timing (months) of any expenditure.
c) For the Materiality, please fill in the following Table (B) compiled by OEB staff:

Item	2020	2021
Annual total cost		
Minus: Cost savings		
Minus: Amount recorded in Exceptional Pool		
Total		

    i) Please reconcile the amount provided in Table (B) to a) & b) of Section B above
    ii) Please reperform the materiality test separately based on: (1) the amount excluding exceptional pool; (2) exceptional pool amount
d) For the ROE calculated in Table 22 of Ref 1:
    i) Please confirm the achieved ROE amount is calculated after recording any amounts in the Covid-19 account.

ii) Please explain why the 2021 achieved ROE is different in Ref 4 and Ref 5. Which amount is correct?
iii) Please recalculate the achieved ROE amount by following each step outlined in Appendix B in Ref 3.
iv) For achieved ROE amount calculated for 2020, please confirm it covered the entire 2020.
v) If iv) is confirmed, please explain why the calculation covered is for the entire 2020 while the "PPC" is formed from March 2020 per Ref 1.
vi) Please update the Table (A) after addressing the questions above and reconcile the amounts to a), b) & c) above in Section B.

9-Staff-94
Capital Additions Dundas Street Road Widening Project - Revenue Requirement Differential Variance Account (CVA1)
Ref 1: Exhibit 9, section 9.1.11
Ref 2: (EB-2020-0007) Decision and Rate Order, April 15, 2021, Accounting Order #1
Ref 3: (EB-2020-0007) BHI_Settlement Proposal_03172021, pg.12
Ref 4: (EB-2024-0010) BHI_questions Responses_OEBstaff_VECC_202401018, VECC-4

Preamble:

In Ref 1, Burlington Hydro states the 2021 Dundas Road Widening Project ("The Project") includes two scopes of work which is "Walkers Line to Appleby Line" and "Appleby line to Tremaine". The net capital budget of these two parts is $3,035,948 and is tracked in CVA1.

In Ref 2 & 3, the CVA1 established in Accounting Order #1 is to record the revenue requirement associated with the difference between budgeted and actual capital additions, net of capital contributions, in the 2021 Test Year for the Dundas Street Road Widening Project and the resulting impact during the IRM period. The Project is driven by a third-party and there is an inherent level of uncertainty with respect to the scope and whether it will be completed in the 2021 test year.

In Ref 4, in response to VECC-4, Burlington Hydro states that the Project was not completed in 2021 or subsequent years because it was delayed by the road authority. It further states that Burlington Hydro first became aware of the Appleby Line to Tremaine project in 2021 which was nondiscretionary per BHI's statutory obligations under the Public Service Works on Highways Act ("PSWHA").

OEB staff notes the CVA1 created associated with the original budget in Burlington Hydro's 2021 COS is to track the Project as a whole and the entire scope of the Project was not completed in 2021.

Question(s):

a) Please provide evidence showing "Appleby line to Tremaine" was included in the DSP of 2021 COS.
b) Please outline the timeline on a month basis of the Project:
    i) Which month/year did Burlington Hydro become aware of the cancellation of the Project?
    ii) Which month/year did Burlington Hydro add the capital addition of "Appleby line to Tremaine"?
c) Please elaborate how "Appleby line to Tremaine" is related to the Project and be tracked in CVA1.

9-Staff-95
Error checking
Ref 1: Exhibit 9, section 9.1.0.1 p. 22, row 14
Ref 2: Exhibit 9, section 9.1.0.1, p. 25, row 7
Ref 3: Exhibit 9, section 9.1.0.1, p. 25, Table 15
Ref 4: Exhibit 9, section 9.1.5.1, p. 31, row 15

Preamble:

In Ref 1, Burlington Hydro states Group 1 rate rider starts from Jan 1 until Dec 31, 2025. OEB staff notes it should be from Jan 1 until Dec 31, 2026.

In Ref 2, Burlington Hydro states Group 2 rate rider starts from Jan 1 until Dec 31, 2025. OEB staff notes it should be from Jan 1 until Dec 31, 2026.

In Ref 3, the title of the Table 15 shows Group 1 Disposition by Category. OEB staff notes it should be Group 2 Disposition by Category.

In Ref 4, Burlington Hydro states its five-year IRM term of 2021 Cost of Service application is from 2021 to 2026. OEB staff notes the five-year IRM term of its 2021 Cost of Service application is from 2021 to 2025.

Question(s):

a) Please confirm OEB staff's observations above and update the evidence as applicable.