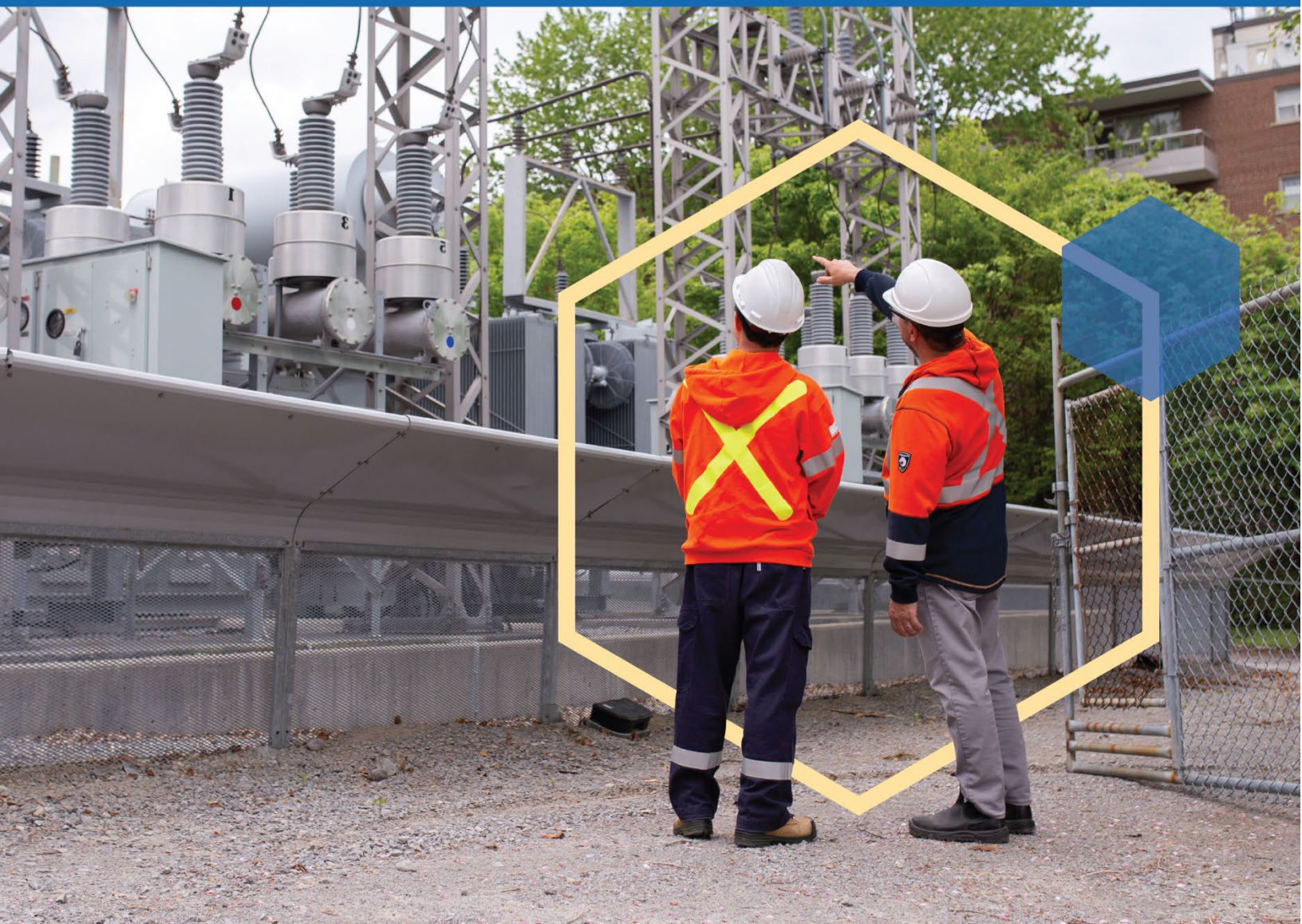
OSHAWA POWER

Exhibit 7:
Cost Allocation Interrogatory Responses



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TABLES

Exhibit 7 – Cost Allocation Interrogatories

7-Staff-195

Ref. 1: Exhibit 7, p.3

Ref. 2: Cost Allocation Model Sheet I3, Sheet I4

Question(s):

a) Please provide an estimate of the value of all assets used to provide service connections, by USoA account that they are currently tracked in.
b) Please provide the derivation of the estimate provided in part a).
c) As a scenario, please update the cost allocation model on sheet I3, column F to re-classify these costs from the USoA account they currently reside in, to account 1855. In doing so, please revisit sheet I4, column D to make sure the primary / secondary split remains appropriate.

Oshawa Power Response

a) Oshawa Power has estimated the 13.5% of 1835 Overhead Conductors and Devices and 12.6% of 1845 Underground Conductors and Devices are service connections.

IRR Table 7-1: Reclass Estimate 1855 Services

	As Filed	7-Staff-195 Estimate
Overhead Conductors and Devices	$38,025,987	$32,905,422
Underground Conductors and Devices	$79,364,781	$69,342,708
Services	$-	$15,142,638
Total	**$117,390,769**	**$117,390,769**

b) The estimate has been derived using an analysis of the length of secondary line between secondary poles relative to the total length of secondary line in each of

the overhead and secondary accounts. Oshawa Power has 541.8km of overhead primary line and 762.6km of secondary overhead line, which comprises both between secondary network line and service lines. Oshawa Power has assessed that 48% of poles are primary poles for 541.8km of primary line, which corresponds to 587.0km of secondary network line, assuming the same length of line per pole. The remainder of 175.7km is estimated to be service lines. The same ratio of estimated overhead service line to total overhead secondary plus service line is used to estimate the length of underground secondary line that is service line. The estimated length of line by primary/secondary/services is provided in the table below.

IRR Table 7-2: Estimated Length of Line

	Overhead km		Underground km	
	Oshawa Power Data	Estimate	Oshawa POwer Data	Estimate
Primary	541.8	541.8	487.8	487.8
Secondary	762.6	587.0	592.0	455.6
Services		175.7		136.4
Total	1,304.4	1,304.4	1,079.8	1,079.8

c) A revised cost allocation model is provided for this scenario as “Supplemental IRR 195 – Revised Services”. Amounts are reclassified in column I of tab ‘I3 TB Data, as per the table in part a), primary/secondary splits have been revised in tab ‘I4 BO Assets’ assuming all amounts reclassified to services is secondary, and the Contributed Capital, Accumulated Depreciation of Capital Contribution, Accumulated Depreciation, and Amortization Expense have been revised for accounts 1835, 1845, and 1855.

7-VECC-196

Ref. 1: Exhibit 7, pp. 3-4

Question(s):

Do all Streetlighting, USL and Sentinel customers install/own their own services?

Oshawa Power Response

Yes.

7-VECC-197

Ref. 1: Exhibit 7, pp. 4-5

Question(s):

Please provide a copy of the detailed analysis of Billing & Collecting costs used to derive the weightings.

Oshawa Power Response

The derivation of Billing & Collecting weighting factors is provided below. The derivation is based on an assessment of the costs and class responsibilities of seven types of expenses within the billing and collecting function. The majority of those expenses, billing services from ERTH, Canada Post expenses, printing, the billing department, and the customer service department, do not differ among rate classes. The collections department and a contractor for collections have different weightings based on the share of bad debt per customer in each class. The forecast number of customers are multiplied by the relative difference in cost per customer for each type of expense to determine a weighted number of customers for each expense. The 2024 budgeted amount for each type of expense is divided by the weighted number of customers and multiplied by each class's weighting to determine the allocated cost per customer for each expense type. The sum of the expenses is the identified cost per customer for each class, and each rate class's weighting is determined by dividing the amount by the Residential identified cost per customer.

IRR Table 7-3: Billing & Collecting Weighting Factors

		Customers, 2026 Forecast								
		Residential	GS<50	GS 50 - 999	GS 1,000 - 4,999	Large Use	Street Lights	Sentinel Lights	USL	
		59,515	4,523	518	18	1	1	1	263	
Expense Description		Relative Cost (weight) Per Customer								Total Weighted Customers
2825407 Ontario Inc - for collections		1.0	1.4	8.1	-	-	-	-	-	70,046
ERTH Holdings - Billing Services		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	64,841
Canada Post		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	64,841
BFI Printing		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	64,841
Billing Department		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	64,841
Collections Department		1.0	1.4	8.1	-	-	-	-	-	70,046
Customer Service Department		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	64,841
		Allocated Cost								
	2024 Budget	Residential	GS<50	GS 50 - 999	GS 1,000 - 4,999	Large Use	Street Lights	Sentinel Lights	USL	
2825407 Ontario Inc - for collections	193,050	2.76	3.86	22.32	-	-	-	-	-	
ERTH Holdings - Billing Services	786,010	12.12	12.12	12.12	12.12	12.12	12.12	12.12	12.12	
Canada Post	455,124	7.02	7.02	7.02	7.02	7.02	7.02	7.02	7.02	
BFI Printing	60,000	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	
Billing Department	53,355	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	
Collections Department	80,000	1.14	1.60	9.25	-	-	-	-	-	
Customer Service Department	116,763	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	
Identified Cost per Customer		**26.59**	**28.15**	**54.27**	**22.69**	**22.69**	**22.69**	**22.69**	**22.69**	
Weighting Factors		**1.00**	**1.06**	**2.04**	**0.85**	**0.85**	**0.85**	**0.85**	**0.85**	

7-VECC/CCMBC-198

Ref. 1: Exhibit 7, pp. 5-6

Ref. 2: Cost Allocation Model, Meter Capital and Meter Reading Tabs

Question(s):

a) Do all GS and Large Use customers each only have one meter that is owned and read by Oshawa PUC Networks?

b) Tab 7.2 (Meter Reading) shows only 4 meter readings for the GS 1,000-4,999 class while Tab 6.2 (Customer Data) shows 18 customers and Tab 7.1 (Meter Capital) shows 18 meters for the class. Please reconcile.

c) Please update the Cost Allocation Model as necessary based on the preceding responses

Oshawa Power Response

a) There are some GS and large use customers with multiple meters that are aggregated into one bill. Oshawa Power treats this as one customer.

b) The GS 1,000-4,999kW class should have 18 Interval meters in Tab 7.1. This is corrected in the updated cost allocation model filed with interrogatory responses.

c) The updated cost allocation model filed with interrogatory responses has been revised as per the response to part b).

7-CCC-199

Ref. 1: Exhibit 7, pp. 6-13

Preamble:

Oshawa PUC Networks has set out its methodology for deriving its load profiles and demand allocators.

Question(s):

a) When was this methodology established?
b) Has Oshawa PUC Networks made any changes to the methodology since its last rebasing? If so, please describe those changes.
c) Has Oshawa PUC Networks ever retained outside experts to assess its methodology? If not, why not?

Oshawa Power Response

a) This methodology was initially established by Elenchus in 2017 and has been further developed over time. The methodology was first used by Oshawa Power in 2025 in preparation for this COS application.

b) The 2021 COS used an update to previous load profiles that were originally based on profiles provided by Hydro One as part of the Cost Allocation Information Filling. The weather normalization process is new to this application.

c) Oshawa Power retained Elenchus to derive the load profiles and demand allocators.

7-VECC-200

Ref. 1: Exhibit 7, pp. 6-13

Ref. 2: Cost Allocation Model, Demand Data Tab

Question(s):

a) How was the January to June 2024 hourly load data (per page 6) used in the development of the load profiles?

b) Per pages 6 and 13, for each customer class, please provide the 1CP, 4CP, 12 CP, 1NCP, 4 NCP and 12 NCP values for each of 2012, 2022 and 2023 based on i) the weather normalized load for the year and ii) after the results are adjusted to match the 2026 load forecast.

c) At page 13 the Application states: "A correlation between hourly demand and weather variables was not found for each hour for the General Service 1,000 to 4,999 kW and Large Use classes". For these two customer classes was the actual data for 2021, 2022 and 2023 used to derive the load profiles or was the weather normalization methodology used?

d) At page 13 the Application states: "The Street Light and Sentinel Light classes are not weather sensitive and as such their loads are not weather-normalized. The USL class was assumed to have a constant load".

   a. What was the load profile used for the Street Light and Sentinel classes (e.g. was the load assumed to be constant for all non-daylight hours)?

   b. Was the load profile for the USL class assumed to be constant 24x7?

e) What types of customers make up the USL class?

Oshawa Power Response

a) The January 2024 to June 2024 loads were used in the regression analysis to derive the coefficients that reflect the influence of HDD and CDD on loads in different hours.

b) Coincident and non-coincident peak data by rate class is provided in the following six tables.

IRR Table 7-4: 2021 Weather Normal Coincident and Non-Coincident Peak (no scaling)

i. 2021 Weather Normal (no scaling)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	123,547	21,667	46,522	12,789	5,554	-	-	281	210,360
4CP	445,411	83,512	191,827	49,383	18,496	1,024	4	1,168	790,826
12CP	1,134,672	223,232	542,929	128,320	52,190	4,895	25	3,586	2,089,849
1NCP	124,550	24,533	55,053	14,297	6,827	1,039	9	323	226,630
4NCP	471,122	95,578	214,183	54,909	26,000	4,144	33	1,236	867,205
12NCP	1,185,313	256,463	588,123	138,663	70,114	12,355	79	3,586	2,254,695

IRR Table 7-5: 2022 Weather Normal Coincident and Non-Coincident Peak (no scaling)

i. 2022 Weather Normal (no scaling)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	112,049	26,220	58,321	16,938	5,051	-	-	307	218,886
4CP	469,243	88,512	194,870	59,764	18,783	-	-	1,249	832,421
12CP	1,150,672	232,548	572,200	149,196	53,524	4,981	25	3,773	2,166,919
1NCP	130,208	26,292	59,843	16,938	6,854	1,060	9	369	241,573
4NCP	479,050	99,529	234,970	64,265	26,376	4,238	33	1,327	909,789
12NCP	1,191,664	264,542	644,749	162,445	70,408	12,589	79	3,773	2,350,250

IRR Table 7-6: 2023 Weather Normal Coincident and Non-Coincident Peak (no scaling)

i. 2023 Weather Normal (no scaling)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	122,201	24,905	51,850	15,764	6,249	-	-	331	221,300
4CP	478,464	94,112	199,215	56,625	19,576	1,061	6	1,304	850,364
12CP	1,169,125	246,158	569,694	146,977	53,558	7,447	39	3,855	2,196,852
1NCP	126,747	27,498	60,235	15,941	8,850	1,068	9	348	240,695

4NCP	496,686	102,494	222,551	60,884	28,881	4,270	33	1,331	917,130
12NCP	1,218,569	272,328	614,241	156,060	72,396	12,768	79	3,855	2,350,296

IRR Table 7-7: 2021 Weather Normal Coincident and Non-Coincident Peak (scaled)

ii. 2021 Weather Normal (scaled)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	133,212	23,310	48,955	13,734	5,390	-	-	327	224,929
4CP	481,841	90,145	201,856	53,038	17,953	1,091	4	1,309	847,238
12CP	1,231,108	241,510	571,339	137,858	50,659	5,218	25	3,927	2,241,644
1NCP	134,346	26,385	57,925	15,352	6,625	1,107	9	327	242,075
4NCP	508,256	102,939	225,362	58,961	25,231	4,418	32	1,309	926,509
12NCP	1,285,648	277,184	618,859	148,945	68,045	13,170	79	3,927	2,415,857

IRR Table 7-8: 2022 Weather Normal Coincident and Non-Coincident Peak (scaled)

ii. 2022 Weather Normal (scaled)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	121,952	26,764	55,982	15,500	5,223	-	-	327	225,748
4CP	512,245	89,623	186,726	54,488	19,422	-	-	1,309	863,813
12CP	1,278,383	235,073	537,525	136,176	53,154	5,215	25	3,927	2,249,479
1NCP	141,747	26,837	57,442	15,500	7,086	1,110	9	327	250,058
4NCP	521,688	101,605	225,545	58,815	27,269	4,438	32	1,309	940,702
12NCP	1,303,783	271,073	618,927	148,719	72,797	13,182	79	3,927	2,432,486

IRR Table 7-9: 2023 Weather Normal Coincident and Non-Coincident Peak (scaled)

ii. 2023 Weather Normal (scaled)									
	Residential	GS<50	GS 50-999	GS 1,000-4,999	Large Use	Street Lighting	Sentinel Lighting	USL	Total
1CP	129,863	25,058	52,361	15,262	6,421	-	-	327	229,292
4CP	513,915	93,074	198,982	54,381	19,946	1,095	6	1,309	882,707
12CP	1,253,688	247,159	573,146	141,918	54,871	7,684	39	3,927	2,282,432
1NCP	134,703	27,660	60,822	15,434	9,093	1,102	9	327	249,150
4NCP	527,801	103,117	224,734	58,952	29,674	4,406	32	1,309	950,025
12NCP	1,301,174	275,165	620,302	151,152	74,389	13,176	79	3,927	2,439,364

c) Actual data in 2021, 2022, and 2023 was used to derive the load profiles of the GS 1,000 to 4,999 kW and Large Use rate classes.

d) a. The load profiles from Oshawa Power's 2021 cost of service, consistent with the 2006 CAIF, were used for the Street Lighting and Sentinel Lighting Rate classes. b. Confirmed.

e) The USL class includes primarily telecommunications companies, marketing agencies or landowners using electricity for signage, and the municipality for devices such as traffic lights.

7-VECC-201

Ref. 1: Exhibit 7, p. 12

Question(s):

a) Please provide the daily load profile used based on the indicative residential EV demand profile from New York state.

b) Does New York State offer residential and small business customers TOU pricing similar to the TOU and ULO pricing available in Ontario?

c) What percentage of Oshawa PUC Networks' residential customers are on: i) TOU pricing and ii) ULO pricing?

Oshawa Power Response

a) The load profile is provided in column Q of the 'Additional Loads' tab in "OPUCN_2026_Load Profile Derivation Example_20250429".

b) Electricity pricing in New York State differs by utility, but the majority of utilities, including all major utilities, offer TOU rate options. TOU rates are available for distribution charges for some utilities. The two largest utilities, Con Edison and National Grid, have "Super Peak" rates similar to ULO that are applicable only in the summer months.

c) i) 93.36% of Residential customers are on TOU pricing. ii) 0.22% of Residential customers are on ULO pricing.

7-SEC/CCMBC-202

Ref. 1: Exhibit 7, p.12

Question(s):

a) Please explain how the ultra-low overnight rates have been factored into the estimate of incremental EV load.

Oshawa Power Response

a) ULO pricing has not been factored into the estimate of incremental Residential EV load. There are 128 customers on ULO pricing which is a low proportion of the 2,140 EVs sold in Oshawa from 2017 to the end of 2024 as per Statistics Canada data. For reference, Residential EV loads in the peak hours in each year in the load profile analysis (2021-2023) is 85% of the annual average Residential EV load.

7-VECC-203

Ref. 1: Cost Allocation Model, Revenue Tab (I6.1), Customer Data Tab (I6.2), and Demand Data Tab (I8)

Question(s):

a) In Tab I6.2 the customer count numbers for each of the GS and Large Use classes are the same for CCP, CCLT and CCS. However, in Tab I8, for the GS and LU classes the PNCP4, LTNCP4 and SNCP4 values are not all the same. Please reconcile.

b) Tab I6.1 shows that all GS 1,000-4,999 load receives the TOA suggesting they all own their own transformers. However, in Tab I8 the LTCP and LTNCP values are greater than zero suggesting that some customers in the class don't own their own transformers. Please reconcile.

Oshawa Power Response

a) The Large Use customer owns their line transformer and all GS 1,000-4,999 kW customers except one owns their line transformer. The CCLT and CCS customer counts for these classes have been revised in the updated cost allocation model filed with interrogatory responses.

b) One GS 1,000-4999 kW customer does not own their line transformer. The TOA volumes for this class have been revised accordingly in the updated cost allocation model and RRWF filed with interrogatory responses.

7-Staff-204

Ref. 1: Exhibit 7, p.13

Question(s):

Please provide the methodology used to determine the value of assets with a primary and secondary distribution function.

Oshawa Power Response

Value of assets that service primary and secondary distribution functions is based on pole counts and conductor/conduit lengths as extracted from the GIS system.

7-CCMBC-205

Ref. 1: Exhibit 7, page 14

Question(s):

a) Does Oshawa PUC Networks have any customers who generate their own power to take advantage of ICI? If the answer is yes, please provide the number of customers and indicate if they have their own transformer.

b) Do other customers pay for the facilities that are on standby while the ICI customer is generating power?

Oshawa Power Response

a) There are four ICI participants and they own their own transformers.

b) Oshawa Power does not have standby rates. Like all GS customers, the customers with generation are billed by peak demand in the month, so they are not billed costs for facilities on standby if they are generating at all times in the month and those costs are recovered by other ratepayers.