**OEB Staff Pre-ADR**

**2026 Electricity Distribution Rates Application**

**Burlington Hydro**

**EB-2025-0051**

**Staff-96**

**Primary station switchgear**

**Ref 1: DSP Appendix A: Material Investment Summary Documents, Material Investment Summary for Switchgear Replacement and Substation Automation**

**Ref 2: Response to 2-Intervenor-63**

**Question(s):**

1. At reference 1, Burlington Hydro states that it plans to replace one to two primary station switchgear annually over the DSP period. At reference 2 in Table 1, table 1 shows that it plans to replace four switchgears in 2026 and three each year in the remainder of the term. Please confirm how many switchgears Burlington Hydro Plans to replace each year from 2026-2030.

**Staff-97**

**Capital contributions**

**Ref 1: Response to 2-Staff-4**

**Question(s):**

1. Please explain how the capital contribution for the Major Transit Station Area Development project was calculated.

**Staff-98**

**Previously approved ICM funding**

**Ref 1: Response to 2-Staff-19**

**Question(s):**

1. Please explain the reasons for the revised in-service date for the Dundas Street Road Widening project (Northampton Boulevard to Guelph Line section), which has been deferred from 2025 to 2026.
2. Please summarize the original scope of work planned for completion in 2025 for the Northampton Boulevard to Guelph Line section, and outline any changes to the scope resulting from the revised 2026 in-service date.
3. Please clarify the factors that led to the change in the project cost for the Dundas Street Road Widening project (Northampton Boulevard to Guelph Line and Guelph Line to Kerns Road sections) as provided in Chapter 2 Appendices from the prefiled evidence to the response to 1-Staff-01:
	* Northampton Boulevard to Guelph Line: $4.09M (prefiled evidence) to $3.79M (response to 1-Staff-01)
	* Guelph Line to Kerns Rd.: $8.06M (prefiled evidence) to $9.18M (response to 1-Staff-01)
4. Please provide a detailed project schedule and cost breakdown for the Dundas Street Road Widening project (Northampton Boulevard to Guelph Line and Guelph Line to Kerns Road sections), including key milestones, forecasted quarterly expenditures, and the expected in-service date.
5. Does Burlington Hydro anticipate any further delays to the Dundas Street Road Widening project (Northampton Boulevard to Guelph Line and Guelph Line to Kerns Road sections)? If so, please provide details.
6. Please explain if the project delay will result in credits to customers refunding the ICM funding already collected from customers.

**Staff-99**

**Fixed asset - Capitalization**

**Ref 1: BHI\_IRR\_Staff\_07242025, 2-Staff-27**

**Ref 2: APH (Accounting Procedures handbook Dec 2011), Article 410, Part a & b**

**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 its assets do not meet the definition of a qualifying asset, nor are the borrowing costs directly attributable to the acquisition, construction or production of that asset. It also states that the interest costs associated with the debt cannot be directly attributed to a specific asset. Burlington Hydro expenses interest on long-term debt in USoA 6605 which is not included in any components of revenue requirement.

**Question(s):**

1. Please confirm Burlington Hydro’s practice of not capitalizing interests has been agreed upon by the external auditor and clarify whether Burlington Hydro has adopted this accounting policy in its previous cost of service applications under MIFRS. If not, please elaborate further.
2. Please provide the nature of USoA 6605 since it is not included in APH of Ref 2. Please update the evidence as applicable.

**Staff-100**

**Revenue Impact – UsoA 1611**

**Ref 1: Chapter2Appendices\_2BB\_Service Life\_07242025, 2BA**

**Ref 2: BHI\_IRR\_Staff\_07242025, 2-Staff-28, Table 1**

Preamble:

In Ref 1 & 2, OEB staff has compiled Table (A) as below, showing the difference of revenue impact between Ref 1 and Ref 2.

Table (A): Comparation of Useful Lives

|  |  |  |  |
| --- | --- | --- | --- |
| **USoA 1611** | **2026 Test Year Capital Additions** | **2026 Test Year Accumulated Depreciation Additions** | **Amount included in Revenue requirement 2026 (RRWF)** |
| **Ref 1 (a)** | 611,120 | 1,019,118 | 1,154,982 |
| **Ref 2 (b)** | 5,308,751 | 3,429,987 | 594,438 |
| **Ref 2 (c)** | 5,308,751 | 5,211,156 | 247,621 |
| **Variance (b-a)** | **4,697,631** | **2,410,869** | **(560,544)** |
| **Variance (c-a)** | **4,697,631** | **4,192,038** | **(907,361)** |

**Question(s):**

1. Please explain the variance identified in the Table (A) above
2. Please show the calculation of the amount in Table 1 of Ref 2.
3. Please confirm whether USoA 1611 include both 5Y useful life assets and 10Y useful life assets.
	1. If c) is confirmed, please provide worksheet to show the calculation of the depreciation amount based on different useful lives in USoA 1611 and reconcile to Ref 1.

**Staff-101**

**ICM**

**Ref 1: Chapter2Appendices\_2BB\_Service Life\_07242025, 2BA**

**Ref 2: Attachment 2\_2025 ICM Model\_BHI\_20250124**

Preamble:

In Ref 1, OEB staff notes Burlington Hydro moved total ICM assets ($4.7M) from 2025 to 2026 capital base.

|  |  |  |
| --- | --- | --- |
|  | **2025** | **2026** |
|  | **Cost (ICM)** | **Accumulated Depreciation** | **Cost (ICM)** | **Accumulated Depreciation** |
| **1830 - Poles, Towers & Fixtures** | -2,516,898 | 31,461 | 2,516,898 | -62,922 |
| **1835 - Overhead Conductors & Devices** | -1,370,603 | 23,137 | 1,370,603 | -46,274 |
| **1855 - Services (Overhead & Underground)** | -874,842 | 9,713 | 874,842 | -18,347 |
| **Total** | -4,762,343 | 63,772 | 4,762,343 | -127,544 |

**Question(s):**

1. Please explain the rationale of this practice observed by OEB staff.
2. Please confirm whether 2025 capital additions (column E) in Ref 1 includes this $4.7M ICM cost.
3. Please confirm whether 2026 capital additions (column E) in Ref 1 includes this $4.7M ICM cost.
4. Please confirm there is no double counting of this $4.7M ICM in both 2025 and 2026.

**Staff-102**

**Vehicles**

**Ref 1: Response to 2-Staff-23**

**Ref 2: IR\_Attachment\_2-Staff-23d\_BHI\_07242025**

**Question(s):**

1. Is Burlington Hydro proposing to repair or replace single bucket truck T22 in the 2026 Test Year? If Burlington Hydro is replacing the vehicle, please state the need for replacement as the Matrix Score value is 16.

**Staff-103**

**Buildings**

**Ref 1: Exhibit 2 – Appendix O**

**Ref 2: Response to 2-Staff-24**

**Question(s):**

1. Please specify what projects from the 2021 Building Condition Assessment will be completed during the forecast period. Please provide the updated costs associated with each project if available to Burlington Hydro.
2. Please provide the costs of the North and South parking lot projects individually.
3. Please provide the ‘Needs Assessment’ for the projects referenced in 2-Staff-24 part a.

**Staff-104**

**Subdivisions**

**Ref 1: Response to 2-Staff-22**

 **Question(s):**

1. Please provide the actual and forecasted number of buybacks Burlington Hydro assumed each year from 2021 to 2025.

**Staff-105**

**Ref: 3-Staff-36**

1. Can you explain how you leveraged these sources and demonstrate the workings of how 15% was calculated?

**Staff-106**

**Ref: 4-Staff-40 (b,c,d)**

1. Please explain how 261 service connection requests in 2025 to date are forecasted to increase from 261 to 1,091.
2. Please confirm if there has been a trend in historical actuals for the number of service connection requests to increase disproportionately in the latter half of previous years.
3. In response d(iii), Table 4, Burlington Hydro provides the number of OT hours from 2024 to 2025 actuals. Please explain why there is an inverse relationship between OT hours for the Engineering Technician role and the rise in customer service requests.

**Staff-107**

**Ref: 4-Staff-42**

1. Please provide an explanation for why the Engineering Clerk and Locate Clerk have not logged any OT hours, despite the increase in actual and forecasted locate requests indicated in Table 2.

**Staff-108**

**Ref: 4-Staff-44(c)**

1. In response c to the above staff interrogatory, Burlington Hydro outlined the reasoning for the increased workload for the Communications Advisor role. Please provide figures for the growth in Burlington Hydro’s social media following, and clarify how a rise in social media following results in the need for a higher volume of content to be created.

**Staff-109**

**Ref: 4-Staff-45(a)**

1. Burlington Hydro states that financial planning, regulatory compliance and capital tracking related responsibilities are currently dispersed among various roles in the Finance department, and that the utility does not track OT hours for these positions:
* Controller
* Financial Accountant,
* Financial Analyst
* Accountant, Financial and Regulatory
* a temporary Co-Op student

Please confirm whether any OT hours have been assigned to the above roles (aside from the 65-1,300 hours logged by the co-op student) in regard to the financial planning, regulatory compliance, and capital tracking functions that the proposed Financial Analyst would assume.

**Staff-110**

**Ref: 4-Staff-50 (b)**

1. In its response, Burlington Hydro indicated it had redistributed key responsibilities among the current team (three manager-level Distribution Engineers and the Vice-President, Engineering Services & Network Operations) and listed the specific responsibilities taken on by the other staff during the vacancy. Where possible, please provide OT hours for each role indicated above associated with the specific responsibilities outlined in the response.

**Staff-111**

**Ref: 4-Staff-57**

1. In its response to the above interrogatory, Burlington Hydro estimated that 15 FTEs have had work assigned which is associated with OEB policy consultations and initiatives, but indicated that the requested information is too granular to provide an accurate response. Please provide the number of OT hours for these 15 FTEs have logged each year from 2021 to 2024 and YTD 2025.

**Staff-112**

**Ref: 4-Staff-63(d)**

1. Burlington Hydro indicted that the absence of a dedicated Engineering Supervisor, Energy Transition, some of the tasks identified in part (a) of its response are distributed across existing portfolios within the engineering department. Please provide an overview of which tasks were assigned to which department or role.

**Staff-113**

**Ref: 4-Staff-66**

1. In response b, Burlington hydro indicates that effectively addressing employee turnover is a critical component of this role, citing a high average turnover rate. However, in its response to 4-Staff-39 (responses to b-c-d, Table 1), Burlington Hydro provides updated turnover figures for 2025, indicating that employee turnover continues to trend downward. Please reconcile the stated need for the HR role in the context of declining turnover.

**Staff-114**

**PILs Model**

**Ref 1: BHI\_IRR\_Staff\_07242025, 6-Staff-76, Table 2**

**Ref 2: Attachment\_2026 PILs Workform\_BHI\_07242025, B8\_Sch8\_CCA Bridge**

**Ref 3: Attachment\_OEB\_Chapter2Appendices\_BHI\_07242025, 2BA, Y2025**

Preamble:

Per Ref 1, 2 & 3, OEB staff has reconciled 2025 capital additions between PILs model (Schedule 8) and Appendix 2BA (before CWIP addition and excluding land), which shows the variance from Ref 1.

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

|  |  |  |
| --- | --- | --- |
|  | **Ref 1 (a)** | **OEB Staff Notes** |
| **Capital Additions per Appendix 2-BA** | 17,903,861 | There is variance of $203,215 from Ref 3 since Burlington Hydro included CWIP amount. |
| **Capital Additions per the PILs Model** | 12,715,489 | There is variance of ($140,700) from Ref 2 since Burlington Hydro included column H adjustment |

**Question(s):**

1. Please confirm OEB staff’s observation.
2. Please explain, reconcile and update the 2025 capital addition amount between Ref 2 and Ref 3

**Staff-115**

**Accelerated CCA & Smoothing Mechanism**

**Ref 1: BHI\_IRR\_Staff\_07242025, 6-Staff-78, Table 2**

**Question(s):**

1. Please complete the Table below (compiled by OEB staff) based on forecast CCA amount from 2028 to 2030.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2028 Forecast | 2029 Forecast | 2030 Forecast | **Cumulative Total** |
| CCA Legacy (no AIIP) (a) |  |  |  |  |
| CCA Bill C-97 (with AIIP) (b) |  |  |  |  |
| CCA Difference (c=b-a) |  |  |  | **d** |
| **Take 1/5 of Difference** (e=d/5) |  |
| **Income tax** (f=e\*26.5%) |  |
| **Gross up** (g=f/73.5%) |  |
| **2026 PILs expense** (h) – Ref 1 | 925,602 |
| **Total Revenue Requirement** (g+h) |  |

**Staff-116**

**DVA Continuity**

**Ref 1: Attachment\_DVA\_Continuity\_Schedule\_BHI\_07242025**

**Question(s):**

1. Please confirm the most recent OEB prescribed interest rate has been used in calculating the carrying charges in Ref 1.

**Staff-117**

**Group 1**

**Ref 1: BHI\_IRR\_Staff\_07242025, 9-Staff-82**

Preamble:

Per Ref 1, Burlington Hydro states that it is currently still in the process of verifying the accuracy of the automated settlement calculations of which the targeting completion is by the end of 2025 and hasn’t identified any material adjustments to Group 1 accounts due to the new process up to this point.

**Question(s):**

1. Please confirm whether Burlington Hydro has identified any material adjustment in the IESO settlements and Group 1 DVAs.

**Staff-118**

**Customer choice**

**Ref 1: BHI\_IRR\_Staff\_07242025, 9-Staff-90**

Preamble:

Per Ref 1, Burlington Hydro proposes to keep the Customer Choice Account open in case it incurs any incremental costs directly attributable to future code amendments made in response to

Customer Choice initiatives.

OEB staff notes Burlington Hydro has already included the forecast amount up to December 2025 and the implementation starts from 2020 which has been 5 years.

**Question(s):**

1. Please provide the thought on discontinuing the account, given that the account was established to record the incremental costs associated with the customer billing choice initiative in 2020.

**Staff-119**

**Impacts Arising from the COVID-19 Emergency**

**Ref 1: BHI\_IRR\_Staff\_07242025, 9-Staff-93, Table 1**

OEB staff has complied the following Table (B) showing the Means Test calculation:

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **2020** | **2021**  | **Calculation of 2021 ROE** |
| **OEB approved ROE % (Ref 1)** | 9.36% | 8.68% | 9.36% (Jan~Apr)/12\*4 + 8.34%(May~Dec)/12\*8 =**8.68%** |
| **Less: 300bps (Ref 1)** | 3.00% | 3.00% |  |
| **Allowed ROE % (Ref 1)** | 6.36% | 5.68% | 8.68% - 3.00% = **5.68%** |
| **Achieved ROE % (Ref 1)** | 1.49% | 6.44% | 4.57%(Jan~Apr)/12\*4 + 7.38%(May~Dec)/12\*8 =**6.44%** |
| **Means Tests** | **Pass** | **Fail** |   |

OEB Staff notes that the Means Tests for entire 2021 failed on weighted average basis per Table (B) above.

**Question(s):**

1. Please confirm OEB staff’s observation in Table (B) or revise the table as applicable.
2. If confirmed, please update the Account 1509 balance by excluding the 2021 amount.

**Staff-120**

**Capital Additions Dundas Street Road Widening Project - Revenue Requirement**

**Differential Variance Account (CVA1)**

**Ref 1: BHI\_IRR\_Staff\_07242025, 9-Staff-94, Figure 1**

**Ref 2: Exhibit 9, section 9.1.11, Table 27**

Preamble:

Per Ref 1, Burlington Hydro states that the increase of 510K was reduced by a decrease in 2020 resulting in a total expenditure increase was 225K over 2020-2021. It also states that $3,035,948 represents the amount tracked through CVA1.

**Question(s):**

1. Please confirm the $225k decrease mentioned above has been applied to the actual project cost.
2. If confirmed, please update the Actual Additions in Ref 2 to reflect the decrease of $225k
3. If not confirmed, please explain why not