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BY EMAIL

September 16, 2025

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

Dear Ritchie Murray:

**Re: Wataynikaneyap Power LP (WPLP)
2026 Electricity Transmission Rates
OEB Staff Interrogatories
Ontario Energy Board (OEB) File Number: EB-2025-0192**

In accordance with Procedural Order No. 1, please find attached OEB staff interrogatories in the above proceeding. The applicant has been copied on this filing.

Wataynikaneyap Power LP's responses to interrogatories are due by October 3, 2025.

Any questions relating to this letter should be directed to Katherine Wang at Katherine.Wang@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Katherine Wang
Senior Advisor, Generation & Transmission

cc. WPLP
Encl.

Wataynikaneyap Power LP (WPLP)
2025 Transmission Rate Application
EB-2025-0192
OEB Staff Interrogatories
September 16, 2025

Please note, WPLP is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions 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*.

Staff-1

Ref: Exhibit A-3-1, page 2

Preamble

The application states that:

WPLP continues to be engaged in commercial discussions with its EPC contractor, regarding costs under the EPC Contract in relation to COVID-19 impacts and related access matters, the outcome of which will ultimately be recorded in the previously approved EPC COVID-Related Construction Costs Deferral Account.

Question(s)

- a) Please briefly discuss the current status of the commercial discussions with the EPC contractor, Valard. Please provide any updates to the planned schedule of the commercial discussions.
- b) Does WPLP have a revised estimate for when these discussions are expected to conclude? If not, please explain the factors contributing to the delay in reaching a resolution.
- c) Please provide details in regards to any arbitration process that has been pursued by WPLP, including associated timelines and key issues under consideration.
- d) When does WPLP expect to receive the additional CIAC contribution? In which rate year's revenue requirement application, does WPLP expect to request disposition of the EPC COVID Account.

Staff-2

Ref: Exhibit A-3-1, page 3, footnote 4

Preamble

The above reference states that for Muskrat Dam First Nation, which has historically been served by an Independent Power Authority (IPA), the transmission system assets up to the connection point were energized by WPLP in 2023, but community connection is pending IPA upgrades and information transfers, and is therefore expected to occur in 2025.

Question(s)

- a) What is the current status of the community connection for Muskrat Dam First Nation? What is the reason for the delay comparing to other community connections?
- b) Is there any update as to when the above noted pending IPA upgrades and information transfers will be completed?

Staff-3

Ref: Exhibit B-1-1, page 2

Preamble

The reference states:

In respect of four of the communities to be served by the Transmission System (Muskrat Dam First Nation, Poplar Hill First Nation, North Spirit Lake First Nation and Keewaywin First Nation), while all WPLP line and station facilities up to the connection points to these communities were energized and available for use by 2024, the distribution systems in the communities, over which WPLP has no control, were not yet ready to receive service at the time transmission service became available.

Question(s)

- a) Please provide a status update on the WPLP line and station facilities up to Muskrat Dam First Nation, Poplar Hill First Nation, North Spirit Lake First Nation, and Keewaywin First Nation. Please also state which of the communities' distribution systems are currently receiving service from WPLP's transmission system and the date at which they began receiving service. If any of the communities' distribution systems are not currently receiving service, please state when WPLP expects them to begin receiving service.
- b) When were these connections included in rate base, how much rate base do they represent?

Staff-4

Ref: Exhibit B-1-2, page 7

Preamble

The reference states:

WPLP is in the preliminary stages of calculating, trending and verifying health index calculations using ENGIN for a population of assets that have all been placed in service in the past 1-7 years. As a result, meaningful asset health index calculation and trending are not yet available and WPLP will endeavour to provide this information in a future revision of this AMP.

Question(s)

- a) For which asset categories does WPLP currently have meaningful asset health indices calculated at this time, if any?
- b) Please provide all asset health indices that have been calculated at this time.
- c) When does WPLP expect to have asset health indices calculated for all of its assets?

Staff-5

Ref 1: Exhibit B-1-3, pages 3-4

Ref 2: IESO “Northwest Region Integrated Regional Resource Plan Addendum”

Preamble

WPLP states that the Independent Electricity System Operator (IESO) will be releasing an addendum to the North of Dryden Integrated Regional Resource Plan in Summer 2025. The addendum became available on Aug 31.

Question(s)

- a) Please file a copy of the IESO document “Northwest Region Integrated Regional Resource Plan Addendum” for the record of this proceeding.
- b) What impact, if any, does the addendum has on WPLP’s regional planning considerations?

Staff-6

Ref: Exhibit B-1-4, page 4

Preamble

WPLP states, “The \$500k cost forecast for 2025 relates to construction close out costs from final ROW inspections, which were delayed into 2025.”

Question(s)

- a) Please explain the cause of the delay of ROW inspections.
- b) Please explain how the \$500k cost was recorded in the Fixed Asset Continuity Schedule for 2025 (and how it was adjusted for 2024).

Staff-7

Ref 1: Exhibit B-1-4, Table 1

Ref 2: Exhibit B-1-4, Table 2

Preamble

Reference 1 sets out the transmission project capital expenditures by year. Reference 2 sets out the transmission project capital expenditures by category. Reference 1 shows two versions of the capital expenditures: the “Actual/Forecast” and “2025 Rate Application”. Reference 2 also shows two versions of the capital expenditures: the “Updated Forecast” and “2025 Rate Application”.

Question(s)

- a) Footnote 4 on page 4 of Exhibit B-1-4 notes that the “Updated Forecast” in Table 2 is as at May 2024. Please confirm whether the “as at” date of the Updated Forecast of Table 2 should be May 2024 or May 2025 (and make any corresponding corrections to Table 2 if necessary). If the “as at” date is May 2024, please update Table 2 with May 2025 Updated Forecast data.
- b) Using data in Table 1, please calculate the sum of each column and complete the table below. Please reconcile the totals in the following table with total values in Table 2, and provide explanations for any discrepancies.

| Year | Transmission Project Capital Expenditures (\$000s) | |
|------------------------------|--|-----------------------|
| | Actual/Forecast | 2025 Rate Application |
| Total: Pre-2021 through 2025 | | |

Staff-8

Ref 1: Exhibit B-1-4, Table 2

Ref 2: Exhibit B-1-4, page 5

Preamble

Reference 1 sets out the Transmission Project capital costs, including the variance between the “Updated Forecast” (dated in footnote 4 as May 2024) and those included in the 2025 Rate Application. Reference 1 shows that, before adjustments for Other Infrastructure and COVID-19 costs, the capital costs in the Updated Forecast are \$4.39 million lower than those in the 2025 Rate Application.

Reference 2 contains a description of the drivers of the variances between the 2025 Rate Application and the Updated Forecast. Summing the value of the variances described at Reference 2 results in \$4.8 million, which is \$0.41 million greater than the value presented at Reference 1.

Question(s)

- a) Please provide an explanation and detailed breakdown of the variance in every line item at Reference 1.
- b) Please reconcile the difference between the variances in line items at Reference 1 and the descriptions of variances at Reference 2.

Staff-9

Ref: Exhibit B-1-4, page 6

Preamble

The footnote of the reference states:

...at the time of filing there are ongoing wildfires within the region through which WPLP's Transmission System traverses. At the time of filing, the extent of damage to WPLP's facilities, if any, is unknown. Once this information becomes available, and if the circumstances warrant, WPLP will provide an update to its evidence.

Question(s)

- a) Please provide an update on the extent of damage to WPLP's facilities related to the wildfires described at the reference.
- b) Please describe WPLP's approach to assessing the damage to its facilities caused by wildfires or other natural disasters.
- c) Please describe any measures that have been or could be taken by WPLP to reduce the risk of damage to its facilities by wildfires.

Staff-10

Ref: Exhibit B-1-4, pages 10-11

Preamble

On page 10 at the reference, WPLP states "a subset of poles are damaged each year by the feeding and nesting activity of woodpeckers." On page 11, WPLP states:

WPLP is currently using fiber-reinforced polymer poles for replacements due to minimal difference in total replacement cost, advantages for transportation and assembly in remote areas and resistance to repeated woodpecker damage as

well as other forms of decay...WPLP's estimated costs for this program are informed by historical costs for similar pole replacements.

Question(s)

- a) Please state the number of poles that have been replaced each year since 2021.
- b) Please provide any data or analysis produced or used by WPLP to forecast the number of poles required for replacement each year.
- c) What measures does WPLP take to either reduce the likelihood of damage to poles or extend the life of poles that have been damaged? What measures could WPLP take to either reduce the likelihood of damage to poles or extend the life of poles that have been damaged?
- d) Please provide an estimate of the cost, on a per pole basis, of replacing each of the four damaged poles with wood, steel, or fiber-reinforced polymer poles. Please provide additional detail on any other factors (including ease of transportation and durability) that inform WPLP's decision between these three alternatives when considering a pole replacement.
- e) Please provide the "historical costs for similar pole replacements" that form the basis of WPLP's estimated costs for the replacement of the wood poles in this application. Please explain any differences between the scope or costs of the historical pole replacements and the proposed replacements.

Staff-11

Ref: Exhibit C-3-1, page 2, Table 1

Preamble

As summarized in the table below, Table 1 of Exhibit C-3-1 indicates that there are variances between the "2025 Approved" and "2025 Forecast" year-end gross asset values in the accounts listed below.

| OEB Account | Variance (\$000's) |
|--------------------------------------|--------------------|
| 1908-Buildings and Fixtures | 377 |
| 1910-Leasehold Improvement | (21) |
| 1920-Computer Hardware | 271 |
| 1940-Tools, Shop & Garage Equipment | (1) |
| 1945-Measurement & Testing Equipment | 9 |
| 1995-Contributions & Grants | 34 |
| Total | 669 |

Question(s)

- a) Please provide explanation for each of the above variances.

Staff-12

Ref: Exhibit D-1-1, page 3
EB-2022-0149, Exhibit F-1-1, Appendix A

Preamble

In its 2023 revenue requirement application, WPLP filed a benchmarking study that compared WPLP's OM&A expense levels on a per line kilometer and a per station basis relative to Canadian transmitters.

In the application, WPLP stated they filed a performance report in April 2025, which included OM&A cost per kilometer of line and OM&A cost per station for the year 2024.

Question(s)

- a) Please project the OM&A cost per kilometer of line and OM&A cost per station for years 2023 (actual), 2024 (actual), 2025 and 2026. For 2025, please use the most recent actual OM&A data and a forecast for remaining of the year.
- b) Please compare the answers from part a) with the OM&A cost per kilometer of line and OM&A cost per station from the benchmarking study and explain any differences greater than 10%.

Staff-13

Ref: Exhibit D-1-1, page 4

Preamble

The application states that with respect to the semi-annual reports, WPLP notes that the April 2025 report and all future reporting is focused solely on backup power and IPA transfers until fully implemented.

Question(s)

- a) Please confirm that WPLP will continue to file the semi-annual reports on backup power and IPA transfers until they are fully implemented.

Staff-14

Ref: Exhibit D-1-1, page 5

Preamble

Under the performance outcome of "Customer Focus", WPLP proposed to include in its initial scorecard a measure that will track WPLP's success in coordinating the use of backup power resources, where available, to mitigate the customer impact of

transmission system outages when they occur. This measure is described as “Customer outage impact mitigated by backup power (% SAIDI)”.

Question(s)

- a) Please explain with more details how this measure is calculated. What data will be used and what is the formula?
- b) Please explain why this is an appropriate measure for WPLP’s success in coordinating the use of backup power to mitigate the customer impact of system outages.

Staff-15

Ref: Exhibit D-1-1, page 6

Preamble

Under the performance category of “Safety”, WPLP proposed to use the measure of “Total Recordable Incident Frequency Rate (TRIFR)” in its initial scorecard.

Question(s)

- a) WPLP has reported the Recordable Injuries (number of recordable injuries per year) data as a safety measure in its annual performance reports filed with the OEB. Does WPLP consider including Recordable Injuries as a safety measure for the scorecard? If not, please explain why.

Staff-16

Ref: Exhibit D-1-1, page 7

Question(s)

- a) WPLP has reported the NERC Vegetation Compliance status in its annual performance report. It’s noted that the NERC Vegetation Compliance status has also been used as a scorecard “Public Policy Responsiveness” measure in some other transmitters’ revenue requirement applications.¹ Does WPLP consider including the NERC Vegetation Compliance status as a measure for “Public Policy Responsiveness” in the scorecard? If not, please explain why.

Staff-17

Ref: Exhibit D-1-1, Attachment A - Initial Proposed Scorecard

Preamble

¹ B2M LP’s 2025-2029 Revenue Requirement application (EB-2024-0116); Five Nations Energy Inc.’s 2026-2030 Revenue Requirement application (EB-2025-0129)

Question(s)

- a) If WPLP proposes to add any new measures to the proposed scorecard, please update the Initial Proposed Scorecard in Attachment A of Exhibit D-1-1.
- b) For the three placeholders for measures in the Initial Proposed Scorecard (“Asset Health Index – Stations”, “Asset Health Index – Lines”, and “Capacity available for load growth in connected First Nations”), please confirm that WPLP will include detailed description and method of calculation for each measure in its first multi-year application for the 2027 test year.
- c) Please indicate whether or not WPLP proposes to set 2025-2029 targets for all performance measures in the scorecard. If not, please explain why. If yes, please update the Initial Proposed Scorecard and discuss how the targets are developed.
- d) Please discuss WPLP’s plan for tracking and reporting the scorecard measures.

Staff-18

Ref: Exhibit D-2-1, pages 4-7, Table 1

Preamble

Table 1 of Exhibit D-2-1 shows the following T-SAIFI and T-SAIDI results excluding loss-of-supply and planned outages:

| | 2022 | 2023 | 2024 |
|-------------------|-------------|-------------|-------------|
| T-SAIFI | 1.67 | 3.94 | 6.58 |
| T-SAIDI (minutes) | 121.3 | 84.1 | 964.8 |

On page 5 of Exhibit D-2-1, WPLP stated that it experienced 46 outages to transmission delivery points in 2024. Excluding outages caused by loss-of-supply and planned outages, in 2024, there were 20 outages caused by lightning, one outage caused by a tree contact, and nine outages caused by other reasons.

Question(s)

- a) Please discuss the drivers for the 2024 adjusted T-SAIFI of 6.58 and T-SAIDI of 964.8 (excluding loss-of-supply and planned outages).
- b) Since May 2024, the entire transmission system has been in service. Based on the above noted 2024 T-SAIFI and T-SAIDI results, has WPLP conducted any review and analysis on the system reliability performance accordingly? If so, please discuss briefly.
- c) It’s noted that WPLP mentioned that it has used community-wide backup generation to mitigate the outage impacts to end-use customers. From the delivery point availability perspective, considering the drivers identified in part a)

of this question, are there any actions that WPLP has taken or plans to take in order to improve the reliability performance of the transmission system?

Staff-19

Ref 1: Exhibit D-2-1, pages 8-9

Ref 2: Filing Requirements For Electricity Transmission Applications - Chapter 2
Revenue Requirement Applications (Filing Requirements), section 2.6.2

Preamble

Section 2.6.2 of the Filing Requirements states that the applicant should compare the results for its system performance to those of other systems both nationally and internationally, where available. The applicant must also document how it has addressed the performance standards for transmitters as set out in Chapter 4 of the Transmission System Code (TSC).

In its application, WPLP stated that it does not believe that transmission system reliability comparison with other utilities would be appropriate. WPLP plans to establish future transmission system reliability performance standards that are based on trending of its own system performance over multiple years, supplemented by consideration of unitized outage statistics from other sources where such data is both available and aligned with WPLP's unique circumstances. WPLP noted that this approach will require tracking and analyzing multiple years of baseline performance data for WPLP's transmission system...

Question(s)

- a) In order to comply with the comparison requirement in Reference 2, did WPLP consider comparing its reliability performance results with the results of other transmission systems in remote areas of Ontario/northern Ontario (with adjustment factors or explanations of unique circumstances if necessary)? If not, please explain why this type of comparison is not considered appropriate, or cannot be provided.
- b) If WPLP proposes not to compare its system performance results with other transmitters' and plans to establish its own performance standards (as stated in the second paragraph on page 8 of Exhibit D-2-1):
 - i. Please provide a better (clear and more detailed) description of WPLP's proposal for establishing new performance standards.
 - ii. Please also indicate what data/statistics and how many years' data/statistics will be analyzed for setting up the standards.
 - iii. In which rate year's application, does WPLP expect to provide the proposed performance standards? In years before the new performance standards are established, what is WPLP's plan to satisfy the above noted

filing requirement and review/evaluate its reliability performance in the rate applications?

- c) In the third and fourth paragraphs on Exhibit D-2-1, WPLP discussed developing performance standards as required in section 4.5.1 of the TSC. Please clarify if the performance standards noted in part b) above are the same performance standards WPLP plans to develop as required in the TSC. If not, address each of the three questions in part b) specifically for WPLP's proposal for performance standards required in the TSC.

Staff-20

Ref: Exhibit E-1-1, pages 2-4

Preamble

The application indicates that:

1. WPLP does not have weather-normalized historical data at this point in time and has not developed a load forecast based on weather-normalized data.
2. WPLP expects to develop a more robust load forecasting method as it acquires a suitable amount of historical consumption data, over at least two years, for the grid-connected communities.

Question(s):

- a) Please indicate when WPLP expects to have weather-normalized historical data available. In which future rate year's application, does WPLP expect to file a load forecast based on weather-normalized data?
- b) What are the efforts made to acquire a suitable amount of historical consumption data for the grid-connected communities?
- c) What is WPLP's plan with respect to developing a more robust load forecasting method? In which future rate year's application, does WPLP expect to apply the more robust load forecasting method?

Staff-21

Ref 1: Exhibit F-2-1, Table 1

Ref 2: Exhibit F-2-1, Attachment A – OM&A Expenses by OEB Account

Preamble

Table 1 of Exhibit F-2-1 summarizes the 2022-2026 OM&A expenses as below (\$000's):

| Category | 2022 Actuals | 2023 Actuals | 2024 Actuals | 2025 Forecast | 2026 Plan | Variance 2025 to 2026 |
|-----------------------------|-----------------|-----------------|-----------------|------------------|--------------|-----------------------------|
| Operations | 1,318 | 5,533 | 9,573 | 16,038 | 18,096 | 2,058 |
| Maintenance | - | 2,890 | 1,271 | 7,997 | 10,875 | 2,878 |
| Administration & General | 2,638 | 8,578 | 14,061 | 9,537 | 9,382 | (155) |
| Total OM&A | 3,956 | 14,534 | 25,084 | 33,572 | 38,354 | 4,782 |

Question(s)

- a) For 2023 Actuals, it's noted that the sum of the amounts of Operations, Maintenance, and Administration & General does not equal the Total OM&A of \$14,534k as shown in the last row of the table. (It's also noted that the Operation and Maintenance amounts do not match these two amounts in Table 1 of Exhibit F-2-1 in WPLP's last year's application.) Please check and correct the 2023 column in Table 1.
- b) For 2024 Actuals, its noted that the sum of amounts of Operations, Maintenance, and Administration & General does not equal the Total OM&A of \$25,084k as shown in the last row of the table. Please check and correct the 2024 column in Table 1.
- c) For 2025 Forecast data, please indicate the "as at" date of this forecast and how the forecast was established. Does the forecast include any actual monthly OM&A expenses in 2025? Or does this forecast just reflect the reduced 2025 OM&A budget as agreed in the settlement proposal in WPLP's 2025 rate proceeding?
- d) For 2025 Forecast, it's noted that the three amounts of Operations, Maintenance, and Administration & General do not match the sub-total amounts as listed in Reference 2 (Attachment A table). Please review and make necessary corrections.

Staff-22

Ref: Exhibit F-2-1

EB-2024-0176, WPLP's response to OEB Staff Interrogatory 29

EB-2023-0168

EB-2022-0149

EB-2021-0134

Preamble

Table 2 of Exhibit F-2-1 indicates that WPLP's 2025 total OM&A budget (as reduced per EB-2024-0176 settlement agreement) is \$33,572k.

Based on evidence provided in the current application and in WPLP's response to OEB Staff Interrogatory 29 in WPLP's 2025 Revenue Requirement proceeding (EB-2024-0176), OEB staff summarized the 2022-2026 total OM&A expense information in the following table.

| OM&A Expenses (\$000's) | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2022 (EB-2021-0134) | 2023 (EB-2022-0149) | 2024 (EB-2023-0168) | 2025 (EB-2024-0176) | 2026 (EB-2025-0192) |
| Proposed (A) | 9,441 | 20,920 | 30,984 | 34,715 | 38,354 |
| OEB-Approved | 9,441 | 19,874 | 29,435 | 33,572 | N/A |
| Actual (B) | 3,956 | 14,534 | | | N/A |
| % OM&A Over-estimated (C=(A-B)/B) | 139% | 44% | | | N/A |

Question(s)

- a) Please complete the above table (fill the empty cells) which shows the proposed, approved, actual OM&A expense, and percentage of over-estimated OM&A for 2022-2026. In the cell for "Actual 2025", please provide the sum of the most up-to-date 2025 actual (as of September 2025) and current forecast for the remaining of the year.
- b) Considering the relatively high percentage of over-estimated OM&A in historical years, has WPLP taken any actions to improve the accuracy and quality of its OM&A estimate in establishing the 2026 budget? If yes, please discuss.

Staff-23

Ref: Exhibit F-2-1, Table 2

Preamble

Table 2 – "2026 OM&A Cost Drivers" indicates that the forestry expenses is increasing from \$1.09 million in 2025 budget to \$4.55 million in 2026 forecast (over 316% increase). WPLP noted that this forecast increase is related to continued ramp up of its vegetation management program.

Table 2 also indicates that the expenses in Substation and Line Routine Maintenance is increasing from \$5.50 million in 2025 budget to \$7.33 million in 2026 forecast.

Question(s)

- a) With respect to the forestry expenses, please provide responses to the following questions:
- i. Please provide a detailed breakdown of the \$4.55 million forecast for forestry expenses in 2026.
 - ii. What methodology was used to estimate the \$4.55 million cost for vegetation management in 2026? Please provide details on how historical brushing rates, LiDAR data, or contractor quotes have contributed to the development of this estimate?
 - iii. What constitutes a “typical brushing cycle” for WPLP’s transmission corridors, and what is the expected frequency of full-cycle brushing? Why is the rationale behind 50% of the brushing cycle being executed in 2026, and how was this scope determined?
 - iv. What specific data is WPLP currently accumulating regarding Right-of-Way growth patterns, and how is this data being used to inform the prioritization, timing and geographic targeting of brushing activities?
- b) With respect to expenses in Substation and Line Routine Maintenance, please provide responses to the following questions:
- i. Please provide a detailed breakdown of the \$7.33 million allocated to routine line and substation inspection and maintenance activities. What was the actual cost for these activities in 2025 and 2024?
 - ii. Please describe the pricing structure under the IMER Services Agreement that governs these maintenance activities.
 - iii. Given that most WPLP assets are newly constructed, why is such a high level of routine maintenance required in 2026?

Staff-24

Ref: Exhibit F-2-1, pages 1-4

Preamble

The 2025 bridge year total OM&A expense shown in Table 2 of Exhibit F-2-1 are used as the base point for 2026 test year OM&A cost driver analysis in this application. WPLP stated that “A comparison to 2022-2024 actuals is not considered valuable given the smaller number of assets in service in 2022 and 2023, as well as that not all assets were in service for the entirety of each of these years and efficiencies as a result of the EPC contractor being in the field, which is no longer available in 2026.”

Question(s)

- a) Please provide a complete five-year OM&A forecast by replicating Table 2 for the years 2027 to 2029, if possible. If not possible, please explain what information is outstanding that prevents WPLP from providing a five-year OM&A forecast now.

Staff-25

Ref: Exhibit F-3-1

Question(s)

- a) Please discuss WPLP's budgeting process for the planned 2026 OM&A. How did WPLP determine the need of resource for 2026 in each of its three expense categories (Employee Compensation, Shared Service & Corporate Cost Allocation, and Purchase of Non-affiliate Services)?

Staff-26

Ref: Exhibit F-3-1, Section B and Section C

Preamble

WPLP discussed the services received from affiliates/related parties as well as the service purchased from non-affiliate third parties in Section B and Section C of Exhibit F-3-1.

Question(s)

- a) How many contractors and subcontractors (i.e. affiliates/related parties and third parties) has WPLP engaged for operations, maintenance, capital projects, vegetation management, environmental services, and other functions? Please provide this information (list all parties with their corresponding functions) in one table.
- b) For each major contract, please indicate whether the procurement process was competitive or sole-sourced.
- c) How many bids were received for each competitively procured contract?
- d) What criteria were used to evaluate bids?
- e) Please confirm whether WPLP's shared service practices (receiving service from affiliates and other related parties) are compliant with the OEB's [Affiliate Relationships Code For Electricity Distributors and Transmitters](#). If not, please explain why.
- f) OEB staff compiled the following table based on information provided in Table 5-Third-Party Costs by Year of Exhibit F-3-1. Please complete the table by filling the empty cells. In the cell for "Actual 2025", please provide the sum of the most up-to-date 2025 actual (as of September 2025) and current forecast for the remaining of the year.

| | 2022 (EB-2021-0134) | 2023 (EB-2022-0149) | 2024 (EB-2023-0168) | 2025 (EB-2024-0176) | 2026 (EB-2025-0192) |
|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Proposed (A) | | | 32,632,638 | 26,017,018 | 28,429,347 |
| Actual (B) | 20,372,148 | 23,392,768 | 24,650,363 | | N/A |
| Cost Over-estimated C=A-B | | | 7,982,275 | | N/A |

- g) For any significant variances between proposed and actual third-party cost identified in the last row of the table in part e), please provide explanations.

Staff-27

Ref 1: Exhibit F-3-1, pages 8-9, Table 2

Ref 2: EB-2024-0176, Exhibit F-3-1, Table 2

Preamble

Table 2 – “Employee Compensation Breakdown” provides a breakdown of total employee compensation costs for 2021-2026. Table 2 shows that WPLP’s 2026 planned compensation costs (in all components) are projected to increase for both Management and Non-Management compared to 2025 Forecast.

Question(s)

- a) Please confirm the FTE numbers shown in Table 2 are average FTEs or year-end FTEs.
- b) Page 9 of Exhibit F-3-1 states that “Total compensation costs increased year-over-year during the 2022 to 2024 period, coinciding with WPLP’s growing needs over the construction period.” However, Table 2 shows 2024 actual FTEs and compensation costs decreased from 2023. It’s also noted that the 2024 actual FTEs and compensation costs in all components for both Management and Non-Management decreased from the 2024 forecast level as provided in WPLP’s 2025 Revenue Requirement application.

Please provide explanations for the reductions in 2024 actual FTEs as well as compensation costs (compared to both 2023 actual and 2024 forecast). Please also explain why this trend contradicts the above noted narrative on page 9 of Exhibit F-3-1.

- c) Please insert a column “2025 Updated Forecast” in Table 2 between the two columns of “2025 Forecast” and “2026 Plan”. The new column should include the most up-to-date 2025 actuals (as of September 2025) and current forecast for

the remaining of 2025. If this updated forecast for 2025 cannot be provided, please discuss the reasons.

- d) Please provide a breakdown of 2024 (actual), 2025 (updated forecast) and 2026 FTEs into detail of positions. Please discuss and explain the changes between 2024 and 2025, and between 2025 and 2026, on position level.

Staff-28

Ref 1: Exhibit F-3-1, pages 12-13, Table 3

Ref 2: EB-2024-0176, Exhibit F-3-1, Table 3

Preamble

Table 3 – “Affiliate and Related Party Costs by Year” shows the 2021-2025 costs charged to WPLP from affiliates and related parties. The application states that affiliate costs are trending down since 2024, and WPLP has continued to focus on cost savings as it has transitioned from capital project construction to full operations.

Question(s)

- a) The application states that “affiliate costs are trending down since 2024, and WPLP has continued to focus on cost savings as it has transitioned from capital project construction to full operations.” However, the 2024 actual cost in Table 3 in amount of \$5,182,269 is lower than the 2025 forecast of \$5,234,477. It’s also noted that the 2024 actual cost is lower than the 2024 forecast level of \$5,412,510 as provided in WPLP’s 2025 Revenue Requirement application.

Please provide explanations for the lower 2024 actual affiliated and related party costs (compared to both 2025 forecast and 2024 forecast). Please also explain why the lower 2024 cost contradicts the above noted narrative on page 13 of Exhibit F-3-1.

- b) Please insert a column “2025 Updated Forecast” in Table 3 between the two columns of “2025 Forecast” and “2026 Plan”. The new column should include the most up-to-date 2025 actuals (as of September 2025) and current forecast for the remaining of 2025. If this updated forecast for 2025 cannot be provided, please discuss the reasons.
- c) Based on the updated table provided in part b), please confirm if the statement about affiliate cost trending referenced in the Preamble is still true.
- d) Based on the updated table provided in part b), please provide explanation for the variance between 2024 and 2025 and the variance between 2025 and 2026. What are the cost drivers? Please provide the associated changes in the services received (and to be received) from Fortis and OSLP and the rationale for the changes.

Staff-29

Ref 1: Exhibit F-3-1, page 15, Table 5

Ref 2: EB-2024-0176, Exhibit F-3-1, page 15, Table 5

Preamble

Table 5 – “Third-Party Costs by Year” shows WPLP’s 2021-2026 annual non-EPC costs related to the purchase of goods and services from third parties.

Question(s)

- a) It’s noted that the 2024 actual total third-party cost of \$24,650,363 decreased from the 2024 forecast level of \$31,494,763 as presented in WPLP’s 2025 Revenue Requirement application by about 22%. Please provide explanations for this reduction.
- b) Table 5 shows that the 2025 forecast third-party cost in O&M Service Providers category is in amount of \$15,834,634, which is different than the 2025 forecast cost in this category provided in WPLP’s 2025 Revenue Requirement application (in amount of \$17,977,556). Please provide explanations for this discrepancy, or make necessary corrections to Table 5.
- c) Please insert a column “2025 Updated Forecast” in Table 5 between the two columns of “2025 Forecast” and “2026 Plan”. The new column should include the most up-to-date 2025 actuals (as of September 2025) and current forecast for the remaining of 2025. If this updated forecast for 2025 cannot be provided, please discuss the reasons.
- d) Based on the updates made to Table 5 in parts b) and c), please provide explanation for the variance between 2024 and 2025, and variance between 2025 and 2026. What are the cost drivers? Please provide the associated changes in the third-party goods and services purchased (and to be purchased) and the rationale for the changes.

Staff-30

Ref 1: Exhibit F-3-1, page 16 – Regulatory Costs

Ref 2: EB-2024-0176, Exhibit F-3-1, page 16 – Regulatory Costs

Preamble

In Reference 2, WPLP stated that it had included in its proposed 2025 OM&A costs the forecasted regulatory costs for the 2026 test year’s revenue requirement application (anticipated to be filed in 2025). The regulatory costs for the filing were estimated to be \$300,000.

In Reference 1, WPLP stated that WPLP's anticipated regulatory costs associated with the current application (2026 test year application) are part of its forecasted OM&A costs to December 31, 2025. WPLP has included its costs for OEB assessment in the current application, in the amount of \$40,000.

Question(s)

- a) With respect to the regulatory costs associated with the current 2026 test year's revenue requirement application, please explain how WPLP has addressed the discrepancy discussed in the Preamble.
- b) The application notes that this cost is included in the services from non-affiliated envelope. Please indicate under which OM&A cost source and category WPLP allocated the regulatory cost (with reference to the associated Table in Exhibit F-3-1).

Staff-31

Ref 1: Exhibit F-5-1, Appendix A

Ref 2: EB-2024-0176, WPLP_IRR_Staff_20240927, Board Staff-39

Preamble

Per Reference 1 & 2, OEB staff has compiled a table as below, showing the loss carry forward balance in 2025 revenue requirement application and the current application.

| (\$000's) | Ref 2 | Ref 1 |
|--|--------------|--------------|
| Opening Losses Carryforward | -89,930 | -89,821 (b) |
| Losses (Incurred)/Utilized during the year | -6,489 | -4,098 |
| Closing Losses Carryforward | -96,419 (a) | -93,919 |

Based on the table above, OEB staff notes that there is difference of \$6,598,000 ((b)-(a)) between the closing loss carryforward balance in Ref 2 and the opening loss carryforward balance in Ref 1.

Question(s)

- a) Please confirm the opening loss carryforward balance in this application.
 - i. If confirmed, please explain the variance identified above.
 - ii. Please update the evidence as applicable.
 - iii. Please provide the Loss Carryforward Continuity Schedule available for use as of 2026 by including the year of origination, amount utilized in 2026 and the remaining balance.

Staff-32

Ref 1: WPLP_F-5-1_2026 WPLP Income Tax and CCA Calculations_20250704

Ref 2: Exhibit F-5-1, Part F

Ref 3: Exhibit G-2-1, Table 1

Preamble

Per Reference 1, WPLP calculates the 2026 Regulatory Net Income (before tax) which is \$45,074K and states the regulated income of \$44,477,388 provided in G-2-1 Table 1 has been grossed up for tax purposes.

Per Reference 2, WPLP confirms that its forecasted 2026 regulatory net income before tax is equal to the return on equity component of its revenue requirement, as calculated in G-2-1.

Per Reference 3, WPLP calculates 2026 ROE which is \$44,477,388.

Question(s)

- a) Please confirm whether the 2026 Regulatory Net Income (before tax) in Reference 1 is calculated based on grossing up the 2026 ROE in Reference 3.
- b) If a) is confirmed, please explain and show the calculation WPLP is using to gross up the ROE to the Regulatory Net Income (before tax).
- c) If a) is confirmed, please explain why WPLP calculates regulatory net income (before tax) by grossing up the ROE.
- d) If a) is not confirmed, please explain how the Regulatory Net Income (before tax) is calculated.

Staff-33

Ref 1: Exhibit F-5-1, Part E

Ref 2: WPLP_F-5-1_2026 WPLP Income Tax and CCA Calculations_20250704, Tab CCA

Preamble

Per Reference 1, WPLP states that CCA calculation for the 2026 test year includes the effect of Accelerated CCA (AIIP).

OEB staff notes that the CCA amount is calculated based on legacy half-year rule per Reference 2 instead of applying AIIP.

Question(s)

- a) Please confirm OEB staff's observation that WPLP is not applying AIIP for the 2026 test year.
 - i. If confirmed, please update the evidence as needed.

b) Please complete the following table compiled by OEB staff.

| (\$000's) | WPLP's current calculation (NOT applying AIIP in 2026) | WPLP is applying AIIP phase out |
|--|--|---------------------------------|
| CCA amount | \$83,301 | |
| Allocation of Accounting Income - Fortis (WP) LP | \$22,086 | |
| Total income tax expenses for 2026 test year | \$596 | |

c) Please provide the revenue requirement impact if the AIIP is being applied.

Staff-34

Ref 1: Exhibit G-1-1, Table 1

Ref 2: Exhibit I-1-1, Table 1

Ref 3: WPLP_C-3-1_2024-2026 FA Cont and Depr Sched_20250704

Preamble

Reference 2 shows that the 2026 Accumulated Depreciation (ave.) is in amount of \$87,914,125. Reference 2 and Reference 1 indicate the total Rate Base is in amount of \$1,235,483,010.

On Tab "2026 Combined" of Reference 3, the average of opening accumulated depreciation and closing accumulated depreciation is in amount of \$87,914,312.

Question(s)

- a) Please provide explanation for the discrepancy noted above for 2026 Average Accumulated Depreciation (with calculation details).
- b) Otherwise, please make necessary corrections to 2026 Average Accumulated Depreciation value and all resulting revenue requirement parameters in related evidence in the application (including the referenced materials above).

Staff-35

Ref 1: Exhibit G-2-1, pages 1-4

Ref 2: Exhibit G-2-1, Table 1

Ref 3: Exhibit G-2-1, Table 2

Preamble

The application states that the debt structure between Ontario and Senior Banks changes from 66:34 to 49:51 given the CIAC contribution from the Trust is only used to pay down the Ontario Facility, as prescribed within Trust Agreement.

Question(s)

- a) Please provide the calculation for the updated long-term debt structure between Ontario and Senior Banks of 49:51.
- b) Please provide the related reference in the Trust Agreement describing the mechanism of how the CIAC contribution should be used to pay down the Ontario Facility.
- c) With respect to Table 2 in Exhibit G-2-1, please provide detailed calculations for the 2026 Principal and 2026 Interest & Fees amounts for Ontario Facility and Senior Bank Facility.
- d) Please explain why the Total 2026 Principal in Table 2 of Exhibit G-2-1 (in amount of \$961,003,724) does not equal the Long-term Debt amount in Table 1 (in amount of \$691,870,486). Please provide explanation for the difference.
- e) What would be the long-term debt rate calculated in Table 2 if the input for total 2026 principal is \$691,870,486?

Staff-36

Ref 1: WPLP_H-2-1-A_Continuity Tables for DVA_20250704

Ref 2: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Preamble

Per Reference 1 & 2, OEB staff compiled the following table showing the difference of 2024 audited balance of principal and carrying charges between Reference 1 and Reference 2.

| Account | Ref 1 (a) | Ref 2 (b) | Variance (a-b) |
|--|------------------|------------------|-----------------------|
| Construction Period Interest Cost Variance (Principle) | 21,569,327 | 21,299,015 | 270,312 |
| Construction Period Interest Cost Variance (Interest) | 1,495,023 | 1,765,335 | -270,312 |
| Deferred Contingency Deferral Account (Principle) | 243,262 | 241,499 | 1,763 |
| Deferred Contingency Deferral Account (Interest) | 13,124 | 14,888 | -1,764 |
| COVID 2020 Deferral Account (Principle) | 4,349,913 | 3,656,869 | 693,044 |
| COVID 2020 Deferral Account (Interest) | 603,152 | 1,296,197 | -693,045 |
| Pikangikum Distribution Deferral Account (Principle) | 634,004 | 363,726 | 270,278 |
| Pikangikum Distribution Deferral Account (Interest) | 59,123 | 329,401 | -270,278 |

| | | | |
|--------------------------------------|-----------|------------|------------|
| In-Service Date Variance (Principle) | 5,439,257 | 6,768,494 | -1,329,237 |
| In-Service Date Variance (Interest) | 92,973 | -1,236,263 | 1,329,236 |

Question(s)

- a) Please explain the variance identified in the table above and recalculate the interest based on the correct principal balance.
- b) Please reconcile the amounts in Reference 1 and Reference 2 once a) is done.
- c) Please update/resubmit both CWIP continuity and DVA continuity accordingly.

Staff-37

Ref 1: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Ref 2: EB-2024-0176, Watay_Staff-45_H-2-1-A_Attachment A-Updated Continuity Tables for DVA_20240927

Preamble

Per Reference 1 & 2, OEB staff compiled the following table showing the difference of 2023 audited balance of principal and carrying charges between Reference 1 and Reference 2.

| Account | Ref 1 (a) | Ref 2 (b) | Variance (a-b) |
|--|------------------|------------------|-----------------------|
| Pikangikum Distribution Deferral Account (Principle) | 2,263,461 | 2,312,478 | -49,017 |
| Pikangikum Distribution Deferral Account (Interest) | 248,262 | 199,245 | 49,017 |

Question(s)

- a) Please explain the variance identified in the table above and recalculate the interest based on the correct principal balance.
- b) Please reconcile the amounts in Reference 1 and Reference 2 once a) is done.
- c) Please update/resubmit both CWIP continuity and DVA continuity accordingly.

Staff-38

Ref 1: [OEB Prescribed interest rates](#)

Ref 2: WPLP_H-2-1-A_Continuity Tables for Deferral and Variance Account Recovery_20250704

Preamble

The OEB released the Q4 2025 prescribed interest rate for deferral and variance accounts equaling 2.91%. WPLP is requesting final or partial disposition of audited

balances of the deferral and variance accounts as at December 31, 2024, plus forecasted carrying charges for 2025 and 2026.

OEB staff notes that Q2 2024's interest rate of 3.16% has been applied to the schedule for both Q3 2025 and Q4 2025.

Question(s)

- a) Please update the forecast carrying charges for Q3 2025 and Q4 2025 based on the OEB's published interest rate.

Staff-39

Ref 1: EB-2024-0063, OEB Letter, July 26, 2024

Ref 2: EB-2024-0063, OEB Letter, October 31, 2024

Ref 3: EB-2024-0063, Decision and Order, March 27, 2025, pp. 92

Ref 4: Exhibit H-1-1

Ref 5: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Ref 6: WPLP_H-2-1-A_Continuity Tables for DVA_20250704

Preamble

On July 26, 2024, the OEB issued a Letter and Accounting Order establishing a variance account for the deemed short-term debt rate (DSTDR) related to the generic proceeding on cost of capital and other matters.

On October 31, 2024, the OEB issued a Letter and Accounting Orders establishing two variance accounts. One is the account regarding the return on equity (ROE) and the other is the account regarding deemed long-term debt rate (DLTDR), both related to the generic proceeding on cost of capital and other matters.

On March 27, 2025, the OEB issued its decision and order for the above-noted generic proceeding. The OEB addressed the variance accounts established by the above-noted Accounting Order and stated:

Utilities that implemented rates in 2025 using interim cost of capital parameters were granted variance accounts to record the difference between the revenue requirement at interim and final cost of capital parameters. The OEB will consider the disposition of these balances in both IRM and Custom IR update rate applications. The OEB will also consider applications to amend base rates to reflect any changes in revenue requirement for 2025, but only if there was no specific treatment previously approved by the OEB for the 2025 rate application. This approach will allow the variance accounts for 2025 to be disposed and closed.

Any adjustment to base rates should use only data from the final approved revenue requirement calculation and billing determinants (no updated forecast).

Per Ref 4, WPLP is using the sub-accounts Return on Equity Variance Account and Deemed short term Debt Rate Variance Account to capture the revenue requirement impact in 2025. Per Ref 5 and 6, OEB staff notes the continuity schedule of both accounts are missing.

Question(s)

- a) Please confirm whether there is balance of these two accounts.
- b) Please update the continuity schedule to include these two accounts activities/balance.
- c) Please explain whether WPLP is planning to dispose of and close the variance accounts relating to the DSTDR and ROE in this application for 2026 revenue requirement.
- d) If yes, please explain how the requirements of the OEB's March 27, 2025 decision and Accounting Orders have been addressed in the current application to dispose of these two variance accounts and confirm the accuracy of the balances in such variance accounts.
- e) If no, please explain when WPLP plans to dispose of these variance accounts.
- f) If no, please explain how WPLP plans to mitigate generating significant balances in the variance accounts and minimize intergenerational equity.

Staff-40

Ref 1: WPLP_APPL_2026, H-1-1

Ref 2: WPLP_H-2-1-A_Continuity Tables for DVA_20250704

Ref 3: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Preamble

In Reference 1, WPLP is seeking disposition of Account 1508-Federal CIAC Variance in this application. OEB staff noted that there is opening balance in Reference 2 while the account continuity schedule is missing in Reference 3.

Question(s)

- a) Please include the complete continuity schedule of this account in Reference 3 and reconcile the amount to Reference 1 and Reference 2.
- b) Please update/resubmit Reference 3.

Staff-41

Ref 1: Exhibit H-2-2, page 4, Rows 14-16

Ref 2: Exhibit H-2-2, page 5, Para. 3

Ref 3: WPLP_H-2-1-A_Continuity Tables for DVA_20250704

Ref 4: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Ref 5: Exhibit H-2-2, page 7

Preamble

In Reference 1, OEB staff notes the method of recovery as capital or as expenses of the EPC COVID-Related Costs Deferral Account (EPC COVID Account) is not yet confirmed and the OEB prescribed rate is being used on an interim basis.

In Reference 2, WPLP states the amounts incurred in 2024 or later would be treated as capital and has recorded \$82.1M principal and \$1.8M interest as at December 31, 2024 in EPC COVID Account. It also states this conservative provisional amount associated with Valard's COVID-related cost overruns will be added to its rate base upon approval in a future application to trigger the additional CIAC under the Federal Funding Framework.

Question(s)

- a) Please provide the rationality of why the amounts recorded (\$82.1M and \$1.8M) in EPC COVID Account would be treated as capital per Reference 2 if it is not yet confirmed per Reference 1.
- b) Please confirm whether or not WPLP, in the current application, is proposing that the EPC COVID Account should be recovered as capital. If yes, please provide the rationale for this proposal. Otherwise, please confirm that the method of recovery – as capital or as expenses – will still be subject to determination in a future application.
- c) Please resubmit both Reference 3 and Reference 4 to add EPC COVID Account continuity schedule which includes the balance as of December 31, 2024 and the forecasted carrying charges.
- d) Please reconcile b) to Reference 2.
- e) Please confirm the costs WPLP proposed to add to the future rate base in Reference 2 is \$83.9M (82.1+1.8) as of December 31, 2024.
 - i. If d) is not confirmed, please explain why not.
- f) Please confirm that WPLP is planning to dispose EPC COVID Account in the next revenue requirement application. If not confirmed, please explain why not.

Staff-42

Ref 1: Exhibit H-2-2, Part A

Ref 2: Exhibit H-2-2, page 6

Ref 3: Exhibit H-2-2, page 6, footnote 2

Preamble

In Reference 1, WPLP states that it executed an interim COVID cost change order for \$90M which has not been recognized due to their remaining uncertainty given the status of the commercial discussions to date.

In Reference 2, WPLP states that it has recorded \$82.1M principal and \$1.8M interest as at December 31, 2024 in EPC COVID Account.

In Reference 3, WPLP states that the \$82.1M is inclusive of the \$90 million interim COVID cost change order less the value of EPC COVID cost accrual reversals on Testing, Quarantine and Vaccinations as result of a final change order (\$7.9M) finalized in 2024.

OEB staff notes there is discrepancy between Reference 1 and Reference 2 that the \$90M has not been recognized by WPLP while it was recorded in the EPC COVID Account.

Question(s)

- a) Please confirm WPLP has recorded the interim COVID cost in EPC COVID Account mentioned in Reference 2.
 - i. If confirmed, please explain the discrepancy identified by OEB staff.
 - ii. If not confirmed, please explain why not.
- b) Please provide the nature and breakdown of \$7.9M final change order indicated in Reference 3. What were the specific activities or services for which these costs were incurred?

Staff-43

Ref 1: Exhibit H-2-2, Part C

Ref 2: WPLP_H-2-1-A_Continuity Tables for DVA_20250704

Ref 3: WPLP_H-1-1_Deferral and CWIP Continuity 2025_20250704

Preamble

WPLP is seeking disposition of forecasted carrying charges variance of a debit \$24,381 for 2025 in this application and is proposing to close the account at the end of 2026.

Question(s)

- a) Please resubmit both Reference 2 and Reference 3 to include the continuity schedule of CCCDA and reflect the disposition amount indicated in Reference 1.

Staff-44

Ref 1: Exhibit H-1-1, Part A (6)

Ref 2: Exhibit H-2-1, Part F

Preamble

In Reference 1, WPLP states that it is not seeking to add principal additions to the OM&A Variance Account in 2026 and requests that the account be continued until such time that it is able to dispose of its audited year-end 2025 balance, along with applicable carrying charges, in a future application.

In Reference 2, WPLP states that it will continue the account to record any variances between approved and actual OM&A expense along with applicable carrying charges for the 2025 and 2026 year as agreed in EB-2024-0176 but is not seeking to add to principal balance in 2026.

OEB staff observes that WPLP is going to dispose the account balance in the 2027 rate application (which will be WPLP's first multi-year revenue requirement application) for the December 2025 audited balance and will continue to record the principal balance for 2025 but not for 2026.

Question(s)

- a) Please confirm OEB staff's observation.
 - iii. If confirmed, please explain why WPLP is not seeking to add principal balance for 2026.
 - iv. If not confirmed, please clarify WPLP's proposal regarding recording principal balance in this account for 2025 and for 2026. Please provide rationale for the proposal.