

**Hydro Hawkesbury Inc.  
OEB Staff Questions  
EB-2025-0031**

Please note, Hydro Hawkesbury Inc. (Hydro Hawkesbury) 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 Question-1**

**Ref:** EB-2025-0031, 2026 IRM Rate Generator Model, Tab 3, Continuity Schedule

**Preamble:**

On September 11, 2025, the OEB published the 2025 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

**Question(s):**

- a) Please confirm that Tab 3 (Continuity Schedule) reflects the Q4 2025 OEB-prescribed interest rate of 2.91%. If not, please update Tab 3, as necessary.

**Staff Question-2**

**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, Page 92

**Ref 4:** EB-2024-0031, Settlement Proposal, December 20, 2024, Page 18

**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).*

**Question(s):**

- a) Please confirm whether there is any balance recorded in these three variance accounts starting from January 1, 2025.
  - 1) If yes, please explain whether Hydro Hawkesbury is planning to dispose of and close the variance accounts relating to the DSTDR, DLTDR, and ROE, as applicable, as part of this application for 2026 rates.
    - i) If Hydro Hawkesbury is not planning to dispose these DVAs in this application. Please explain when Hydro Hawkesbury plans to dispose of these variance accounts.
    - ii) Please explain when Hydro Hawkesbury plans to dispose of these variance account(s).
    - iii) Please explain how Hydro Hawkesbury plans to mitigate generating significant balances in the variance account(s) and minimize intergenerational equity if it is not requesting for the disposition in this application.
  - 2) If no, please explain why there is no balance recorded in these DVAs since Hydro Hawkesbury is tracking the variance for 2025.
- b) Please confirm whether Hydro Hawkesbury is considering applications to amend base rates to reflect any changes in revenue requirement for 2025 per Ref 3.
  - 1) If yes, please provide details of this proposal.

- c) If Hydro Hawkesbury is recording balance and decides to seek disposition for these three DVAs in this application
- 1) Please submit the continuity schedule of these three accounts.
  - 2) 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 variance account(s) and confirm the accuracy of the balances in such variance accounts.

### Staff Question-3

**Ref:** EB-2025-0031, HHI\_2026 IRM Rate Generator\_20250814, Tab 4, Billing Det. For Def-Var, Cell J4

#### Preamble:

The checkbox on top of Tab 4 in the 2026 IRM Rate Generator Model relating to distributor validation of volumetric data has not been checked by Hydro Hawkesbury.

#### Question(s):

- a) Please check the checkbox if Hydro Hawkesbury has confirmed the accuracy of the data in Tab 4.
- b) If Hydro Hawkesbury has found issues with the tariff sheet or identified any issues, please explain the differences.

### Staff Question-4

**Ref 1:** EB-2025-0031, HHI\_2026 IRM Rate Generator\_20250814, Tab 6, Class A Consumption Data, Note 3a

**Ref 2:** EB-2025-0031, HHI\_2026 IRM Manager Summary 20250820, 10.3 Class A and Class B Customers, Page 14

#### Preamble:

Hydro Hawkesbury did not identify if Customer 1 and Customer 2 were Class A or Class B customer in Cells F32, G32, F35 and G35.

3a Enter the number of transition customer you had during the period the Account 1589 GA or Account 1580 CBR B balance accumulated (i.e. from the year after the balance was last disposed per #1a/1b above to the current year requested for disposition).

2

Clear All

Transition Customers - Non-loss Adjusted Billing Determinants by Customer				
Customer	Rate Class		2024	
			July to December	January to June
Customer 1	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	2,169,863	2,246,620
		kW	5,139	4,978
		Class A/B		
Customer 2	GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kWh	1,157,130	1,155,523
		kW	4,992	4,580
		Class A/B		

**Question(s):**

- a) Please update Tab 6, to identify Class A or Class B for transition Customers 1 and 2 for the above noted periods. Please confirm that these updates have been accurately reflected throughout the Rate Generator Model.

**Staff Question-5**

**Ref 1:** EB-2025-0031, Hydro Hawkesbury, HHI\_2026 IRM Rate Generator\_20250814, Tab 3, Continuity Schedule, Columns BM and BN

**Ref 2:** EB-2024-0031, Hydro Hawkesbury, Decision and Rate Order, Settlement Proposal by Issue Number, 6. Deferral and Variance Accounts, Table 19 – DVA Balances for Disposition, Page 37

**Preamble:**

The Decision and Rate Order in Hydro Hawkesbury's Cost of Service application for 2025 rates indicates that the OEB-approved disposition amount for Account 1580 is \$37,327. The Tab 3 Continuity Schedule in the 2026 IRM Rate Generator Model shows the OEB-approved disposition amount for Account 1580 as \$37,171.

<b>Account</b>	<b>Account 1580 RSVA – Wholesale Market Service Charge</b>	<b>Account 1580 Variance WMS – Sub-account CBR Class A</b>	<b>Account 1580 Variance WMS – Sub-account CBR Class B</b>
<b>Settlement Proposal Dec 20, 2024</b>	\$37,327	N/A	N/A
<b>Principal Disposition during 2025 – instructed by OEB in Tab 3</b>	\$31,355	(\$131)	(\$1,889)
<b>Interest Disposition during 2025 – instructed by OEB in Tab 3</b>	\$9,447	(\$26)	(\$1,585)
<b>Total Disposition in Tab 3</b>	\$40,802	(\$157)	(\$3,474)

**Question(s):**

- a) Please explain the discrepancy in the OEB-approved disposition amount for Account 1580, between the EB-2024-0031 Decision and Order and Tab 3 Continuity Schedule of the 2026 IRM rate application.

### **Staff Question-6**

**Ref 1:** EB-2025-0031, Hydro Hawkesbury, HHI\_2026 IRM Rate Generator\_20250814, Tab 3, Continuity Schedule, Cells BV24 and BV 25

**Ref 2:** EB-2025-0031, Hydro Hawkesbury, HHI\_2026 IRM Rate Generator\_20250814, Tab 3, Continuity Schedule, Note 5

**Ref 3:** 2025 RRR Filing Guide for Electricity Distributors' reporting and record keeping requirements (RRR), March 14, 2025, Page 114

#### **Preamble:**

Hydro Hawkesbury records a balance of \$1,576 in Column BW for Account 1580 RSVA – Wholesale Market Service Charge but has a balance of 0 for both accounts Variance WMS – Sub-account CBR Class A and Variance WMS – Sub-account CBR Class A, Cell BV24 and Cell BV 25 respectively.

As per 2025 RRR filing guide, the reported Account 1580 balance should include the balances in the Wholesale Market Service, sub-account CBR Class A, and sub-account CBR Class B.

#### **Question(s):**

- a) Based on Tab 3, note 5, the control account should include the balance for Account 1580, Variance WMS – Sub-account CBR Class B. RRR balance for Account 1580 RSVA – Wholesale Market Service Charge should equal to the control account as reported in the RRR. Please confirm if Hydro Hawkesbury has submitted a revision request to the RRR filing. If not, please explain why.

### **Staff Question-7**

**Ref 1:** EB-2025-0031, Hydro Hawkesbury 2026 IRM Application, Table 1 – Executive Summary Table, Page 7

**Ref 1:** EB-2025-0031, Hydro Hawkesbury 2026 IRM Application, Section 10 Low Voltage Service Rates, Page 12

#### **Preamble:**

Hydro Hawkesbury indicates that it is requesting an update of its low voltage service rates in the Executive Summary Table. However, on page 12 of the Manager's

Summary, Hydro Hawkesbury indicates that *‘For the 2026 rate year, HHI is not proposing any changes to LV charges...’*

**Question(s):**

- a) Please confirm if Hydro Hawkesbury is requesting to update its low voltage service rate in the 2026 IRM Application. If yes, please update the Rate Generator Model accordingly.

**Staff Question-8**

**Ref:** EB-2025-0031, HHI\_2026 IRM Commodity Accounts Analysis\_20250814, Tab GA 2024, Note 5 Reconciling Items, Item 2a and Item 2b

**Preamble:**

Hydro Hawkesbury recorded \$13,931 as ‘Remove prior year end unbilled to actual revenue differences’ and recorded \$72,565 as ‘Add current year end unbilled to actual revenue differences’ in 2a and 2b respectively in Tab GA 2024.

Hydro Hawkesbury did not select Yes/No in Cell I78 and I79 for principal adjustment on DVA Continuity Schedule.

**Question(s):**

- a) Please select ‘Yes’ or ‘No’ to indicate whether Hydro Hawkesbury seeks to include these two amounts as principal adjustment on DVA Continuity Schedule.
- b) If Hydro Hawkesbury selects not to include these two amounts as principal adjustment on DVA Continuity Schedule, please provide an explanation.

**Staff Question-9**

**Question(s):**

- a) As applicable, please update the Rate Generator Model to reflect any updated rates/charges (e.g., 2026 Uniform Transmission Rates).