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

BY E-MAIL

November 7, 2025

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

Dear Ritchie Murray:

Re: Entegrus Powerlines Inc. (Entegrus Powerlines)
2026 Cost of Service Rate Application
Ontario Energy Board (OEB) File Number: EB-2025-0044

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Entegrus Powerline's responses to interrogatories are due by November 26, 2025.

Any questions relating to this letter should be directed to Zubin Panchal at zubin.panchal@oeb.ca or at 416-440-8113. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Zubin Panchal

Digitally signed by Zubin Panchal
Date: 2025.11.17 09:07:11 -05'00'

Zubin Panchal
Senior Advisor, Electricity Distribution II, Major Application

Attach.

OEB Staff Interrogatories
2026 Electricity Distribution Rates Application
Entegrus Powerlines Inc. (Entegrus Powerlines)
EB-2025-0044
November 7, 2025

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

Exhibit 1 – Administration

1-Staff-1

Updated Revenue Requirement Work Form (RRWF) and Models

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

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

1-Staff-2

Letters of Comment

Following publication of the Notice of Application, the OEB received sixty-five letters of comment. Section 2.1.7 of the Filing Requirements states that distributors will be expected to file with the OEB their response to the matters raised within any letters of comment sent to the OEB related to the distributor's application. If the applicant has not received a copy of the letters or comments, they may be accessed from the public record for this proceeding.

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

Exhibit 2 – Rate Base

2-Staff-3
Residential power allocation standards
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.2.2
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.1.2
Ref. 3: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.3.3.5
Ref. 4: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.4.2
Ref. 5: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.2.2.3.1.3

Preamble:
Residential power allocation standards have been increased from 2 kVA in the northern part of Entegrus Powerlines' territory and 5 kVA in the southern part to 6 kVA with an option for 12 kVA, across the whole territory. Entegrus Powerlines attributes this change to "current homebuilding trends and system demands associated with DERs." This represents a material increase in unit capacity and potentially influence system renewal costs, loading assumptions, and customer connection charges.

Entegrus Powerlines has also updated the standard transformer for residential distribution to 100 kVA, with transformer bases designed to accommodate larger 166 kVA units.

In reference 5, Entegrus Powerlines notes that as adoption of EV's and heat pumps begins to ramp up, Entegrus Powerlines has identified risk to its distribution transformers becoming overloaded. Entegrus Powerlines has established a monitoring and forecasting program to identify individual assets most at risk.

Questions:

(a) Please describe how Entegrus Powerlines determined that 6 kVA and an optional 12 kVA were the appropriate residential capacity allocations (specifically and as opposed to any other allocation amount), and 100 kVA the appropriate transformer size?

(b) Please comment on the merits and trade-offs of Entegrus Powerlines adopting a larger or a smaller capacity allocation and transformer size as its new standards.
(c) Please explain how and when Entegrus Powerlines expects to apply this new standard (for example, to new subdivisions only or also for all system renewal projects and upgrades for existing connections), and whether any material impact on capital spending is expected over the 2026-2030 DSP period.
(d) When does Entegrus Powerlines expect residential customer demand to reach and exceed 12 kVA?
(e) Please explain what is meant by “an option” for a 12 kVA allocation, including how such option may be exercised and any cost recovery and system implications.
(f) Does the current load forecast include impact of the upgraded power allocation standard of 6 kVA or 12 kVA? If not, please explain why Entegrus has chosen not to reconcile the two.
(g) Please provide details of the program mentioned in reference 5 and any results to date.

2-Staff-4
Defective Equipment Related Outages
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.3.1.3.2, Tables 3-25, 3-26, and 3-27
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 4 of 6, Asset Condition Assessment Report 2024

Preamble:
Tables 3-25, 3-26, and 3-27 show that defective equipment continues to be a significant contributor to reliability events.

The 2024 ACA prepared by METSCO identifies health indices of several key asset classes.

Questions:
(a) Please summarize which asset classes contribute most to defective equipment outages and whether those same assets were identified in the 2024 ACA as being in “Poor” or “Very Poor” condition.
(b) Indicate whether Entegrus Powerlines expects the planed System Renewal programs to measurably reduce the frequency of defective equipment outages over the forecast period.

(c) Please explain why and how the approach Entegrus Powerlines is proposing in the 2026 DSP will succeed in improving equipment reliability, relative to the approach taken from 2021-2024.
(d) Briefly describe how Entegrus Powerlines monitors the effectiveness of system renewal investments – for example, by tracking reductions in defective equipment related outages.

2-Staff-5
Lost Time Hours
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.3.1.4.3

Preamble:
Entegrus Powerlines measures lost time hours by reviewing of statement of claim summaries provided by the Workplace Safety and Insurance Board (WSIB). Moving forward, Entegrus Powerlines intends to substitute lost time hours as the metric for employee health and safety with number of safety concerns submitted by employees; number of crew in-field visits conducted by senior leadership and board members; and IHSA COR audit score.

Questions:
(a) Does Entegrus Powerlines collect its own statistics on lost time hours?
(b) If it does, why does Entegrus Powerlines rely on WSIB claims to measure lost time hours?
(c) Please explain why Entegrus Powerlines is not supplementing its existing lost time hours metric with the aforementioned three new metrics, and is instead the dropping lost time hours metric altogether.
(d) Please describe the process by which Entegrus Powerlines employees submit safety concerns, and Entegrus Powerlines’ process for responding to such submissions.
(e) Please explain how in-field visits by senior leadership and board members improve employee health and safety.
(f) Please explain how each of senior leadership and board members are trained to assess, report on, and/or correct workplace hazards during in-field visits.

2-Staff-6
Voltage Conversion/Station Decommissioning Metric
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.1.1.1
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 4 of 6, Asset Condition Assessment Report 2024, pp. 30-34

Ref. 3: Exhibit 2, Attachment 2-C DSP Part 6 of 6, Material Investments, Voltage Conversion, p. 113

Preamble:
The Station Decommissioning metric, newly introduced in this 2026–2030 DSP, provides a tangible performance measure of progress within the Voltage Conversion program. This metric demonstrates how capital investments are achieving both system efficiency and modernization goals, and how they align with broader asset management and strategic objectives, such as Grid Modernization and Cost Effectiveness. Although not specifically earmarked as a metric in the 2021-2025 DSP, Entegrus Powerlines was seeking to complete the decommissioning of 5 sub stations and reached this goal. For the 2026-2030 DSP window, Entegrus Powerlines will target the decommissioning of another 5 substations.

In reference 3, Entegrus Powerlines has stated that its fleet of distribution stations are nearing end-of-life, and the availability of parts for repair is dwindling.

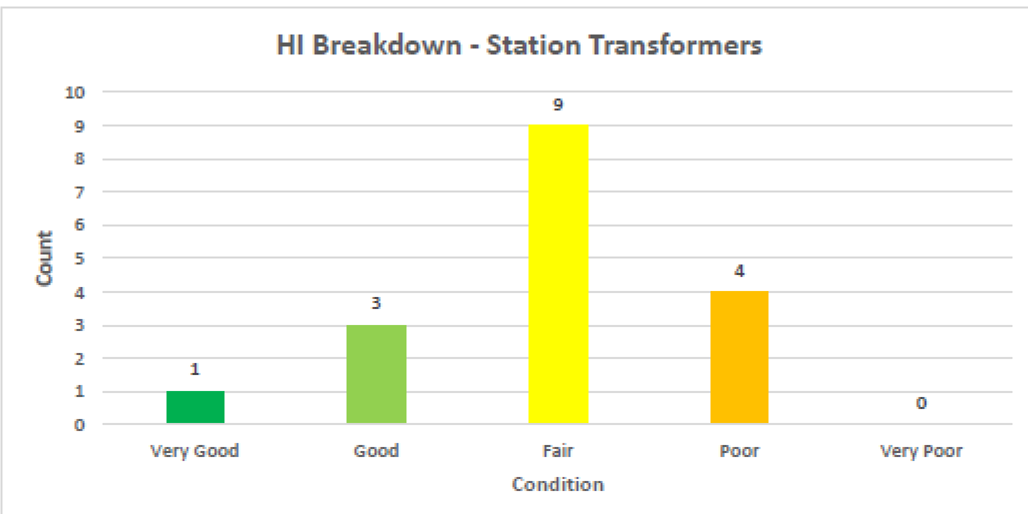

Table 4-3: Station Transformer HI Algorithm

Station	Asset	Age	MVA	Voltage	DAI	HI	Condition
STT Sub 15	SUB15	44	3	27.6/4.16 kV	83%	93%	Very Good
MP Sub 25 - Parkhill	MPSUB5	46	5	27.6/8.32/4.8 kV	99%	73%	Good
STT Sub 14	SUB14	44	3	27.6/4.16 kV	83%	72%	Good
STT Sub 9	SUB9	44	3	27.6/4.16 kV	83%	74%	Good
Blenheim East	BLET1	54	5	27.6/4.16/2.4 kV	100%	55%	Fair
Chatham Sub 1	SUB1T1	54	10	27.6/4.16/2.4 kV	100%	55%	Fair
Chatham Sub 1	SUB1T2	54	10	27.6/4.16/2.4 kV	100%	52%	Fair
Chatham Sub 4	SUB4T2	62	5	27.6/4.16/2.4 kV	100%	54%	Fair
Chatham Sub 6	SUB6T1	57	6	27.6/4.16/2.4 kV	100%	59%	Fair
MP Sub 23	MPSUB3	62	3	27.6/4.16/2.4 kV	99%	65%	Fair
MP Sub 24	MPSUB4	68	3.8	27.6/4.16/2.4 kV	95%	62%	Fair
Ridgetown Centennial	RICT1	57	3	27.6/4.16/2.4 kV	100%	54%	Fair
Wheatly DS	WHT1	69	2	27.6/4.16/2.4 kV	100%	54%	Fair
Chatham Sub 3	SUB3T1	57	7.5	27.6/4.16/2.4 kV	100%	48%	Poor
MP Sub 21	MPSUB1	47	5	27.6/4.16/2.4 kV	99%	47%	Poor
Ridgetown Tecumseh	RITT1	66	3	27.6/4.16/2.4 kV	100%	46%	Poor
STT Sub 11	SUB11	44	3	27.6/4.16 kV	83%	33%	Poor

Questions:

(a) What does Entegrus Powerlines intend to achieve by creating Station Decommissioning as a separate metric?

(b) What analysis did Entegrus Powerlines consider in deciding the pacing of the station decommissioning plan? Did Entegrus powerlines conduct a system-wide benefit cost analysis? If yes, what benefits were considered in such analysis?

(c) Please elaborate on the what does Entegrus Powerlines mean by “distribution stations are nearing end-of-life” in reference 3, considering that distribution station comprises on several assets such as station building, power transformers, circuit breakers, switches, etc.

(d) Has Entegrus Powerlines performed risk analysis for each station for their entire stations fleet?

(e) Was Health Indices for stations equipment taken into consideration in coming with the voltage conversion plan?

(f) If service age was to be removed from asset condition assessment for power transformers, how would the Health Indices change for power transformers?

(g) As per reference 1, it appears that Entegrus Powerlines has decommissioned 5 substations between years 2021-2025 and is planning to decommission 5 more between yeas 2026-2030. Please complete the table below to show the station decommissioning plan for years 2026-2030 and years beyond 2030.

	2026	2027	2028	2029	2030	2031	…
Number of Stations Decommissioned as a Results of Voltage Conversion							Add more yeas as needed

(h) Please provide a reduced investment pacing plan that Entegrus Powerlines might have considered when assessing for appropriate pacing in the same table format as above. Please provide details on the risk associated with choosing the reduced investment pacing plan.

2-Staff-7
Asset Condition Assessment – Station Switches
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.2.2.2.3

Preamble:
Entegrus Powerlines monitors its station assets (including station switches) through monthly visual inspections, but Metsco's assessment relied on age as the only parameter for assigning a health index score to station switches. Based on age, all station switches were deemed to be in "very poor" condition.

Entegrus Powerlines notes that it maintains two portable backup stations that can be put into service in the event of asset failure.

Questions:

(a) Does Entegrus Powerlines disagree with Metsco's assessment of the health of its station switches?
(b) If so, please explain what Entegrus Powerlines views as the "true" health of its station switches.
(c) Is Entegrus Powerlines planning to update the asset condition assessment for station switches to include the condition data along with age?
(d) Please provide details of when, where, for how long, and under what circumstances the backup stations have been put into service.

2-Staff-8
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.3.1.1.1

Preamble:
Entegrus Powerlines' practice in asset renewal is to maintain the status quo vis-à-vis underground or overhead assets.

Questions:

(a) Why is Entegrus Powerlines' approach to maintain whichever asset configuration already exists?
(b) What assessments have Entegrus Powerlines made as to whether there is an overall preferred configuration (overhead or underground) in its territory?
(c) Has Entegrus Powerlines assessed the general costs of its approach whereby underground assets needing upgrades or replacement are replaced only by undergrounds assets, generally at a higher cost, and not considered for conversion to above-ground/overhead?
(d) Has Entegrus Powerlines considered reevaluating this practice given factors such as load growth due to electrification and extreme weather impacts?

2-Staff-9
EV and Heat Pump Penetration
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.4.2
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.1.3.1.3

Preamble: Entegrus Powerlines states that its customer surveys show that customers have only modest interest in EVs. Entegrus Powerlines also states that it is seeing a steady penetration of EV chargers into its distribution network.

Questions:

(a) Please clarify what Entegrus Powerlines sees as customer interest in EVs (i.e., limited interest or steady growth).
(b) How does Entegrus Powerlines collect and catalogue data pertaining to EV charger and heat pump installations? How many EV chargers and heat pumps have been deployed in Entegrus Powerlines' service territory to date?
(c) Please provide the current and forecast annual growth rate for EV chargers and heat pumps in Entegrus Powerlines' service territory.

2-Staff-10
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.7.1.1

Preamble:
While many of its peers outsource IT asset management to varying degrees, Entegrus Powerlines emphasizes the development of in-house expertise where it is both feasible in the short term and strategically beneficial in the long term.

Questions:

(a) Please elaborate further on the benefits and downsides of in-house versus outsourced IT expertise, including why the approach that Entegrus Powerlines claims has been adopted by many of its peers would not be beneficial or appropriate for Entegrus Powerlines.
(b) Has Entegrus Powerlines conducted a comparative cost analysis of in-house and outsourced IT asset management? If yes, please provide.

2-Staff-11
Substation Decommissioning
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.8.2

Preamble:
As Entegrus Powerlines proceeds with the decommissioning of its lower-voltage substations, the substation land will become available, and Entegrus Powerlines will evaluate the best course of action for each individual land parcel.

Questions:

(a) Who owns the land and in disposing of this land is there any benefits to rate payers. If not, why not?
(b) What is the current value of the land that will become available through the substation decommissioning initiative? Please provide this information for each substation.
(c) For each substation that has already been decommissioned, please describe what has been done with the land pertaining to the substation and how Entegrus Powerlines decided on a course of action for each of the decommissioned substations.
(d) Please describe the general options and considerations that Entegrus Powerlines has in determining the future of its decommissioned substation land, including if and how Entegrus Powerlines determines if substation land may be needed for future utility purposes.

2-Staff-12
Fleet
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.9.1
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 4.9.3
Ref. 3: Exhibit 2, Attachment 2-C DSP Part 6 of 6, Attachment J, 22. Rolling Stock section B.3.5, Table 2, pp. 192-193

Preamble:
To address vehicle utilization disparities across its two operating centres, Entegrus Powerlines considers and employs vehicle rotation with the aim of "levelling" mileage and wear across the fleet. Entegrus Powerlines' fleet asset management strategy determines suitability for replacement first based on age of the vehicle and then with secondary consideration to mileage.

Entegrus Powerlines' table of planned fleet replacement shows considerable variation in mileage between vehicles of similar age, for example vehicles no. H11BK08 and H13BK9102 and vehicles no. H16PU116 and H17PU175.

Questions:

(a) Please explain why Entegrus Powerlines has chosen a strategy of vehicle rotation between its two operating centres instead of servicing/replacing those vehicles that encounter more wear as they become worn.
(b) Please provide any assessment Entegrus Powerlines has done of the cost savings and/or operational efficiencies gained through the practice of rotating vehicles across its operational centres.
(c) Please explain why there is such considerable differences in mileage between vehicles of similar age and assigned to the same department that are planned to be replaced.
(d) Given this variation, please explain if Entegrus Powerlines has considered a more nuanced and/or precise asset management policy for its fleet, for example one that would use metrics beyond age and mileage to determine the actual need for replacement.

2-Staff-13
Customer Connections Forecast
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.1.1.1, Table 5-6
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.1.2.1, Table 5-10
Ref. 3: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.1.3.1, Table 5-14
Ref. 4: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.1.4.1, able 5-18

Preamble:
Variances for commercial and industrial customer connections were high in 2021, 2022, 2023, and 2024.

Questions:

(a) Why was Entegrus Powerlines not aware of the various developments that led to these significant variances?
(b) What process improvements has Entegrus Powerlines made so that it is better aware of anticipated or impending growth in customer connection requests, particularly from commercial and industrial customers?

2-Staff-14
Customer Connections Forecast
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.2.1.1.2
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.2.1.4.1
Ref. 3: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.2.3
Ref. 4: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.2.1
Ref. 5: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 3.2.3

Preamble:
Entegrus Powerlines states that many commercial and industrial customer connection requests are unpredictable. Entegrus Powerlines also states that capital expansion requests from Entegrus Powerlines' municipal shareholders and other parties are variable and suggests that they are therefore difficult to predict.

Question:

(a) Given that business expansion generally requires careful planning, why does Entegrus Powerlines feel it experiences challenges in better forecasting commercial and industrial connection requests?
(b) Given that municipal and provincial governments often plan infrastructure projects years in advance, why does Entegrus Powerlines feel it experiences challenges in better forecasting requests from third parties such as governments to relocate Entegrus Powerlines assets?

(c) At what point in the planning process in Entegrus Powerlines notified (by a municipality, prospective customer, etc.) of a potential connection?
(d) Please describe the lessons Entegrus Powerlines has learned from its experiences in predicting customer connection and capital expansion requests, and how these lessons are applied to the forecasts underpinning its current forecasts.
(e) Please describe how Entegrus Powerlines has enhanced its customer consultation processes to better refine its system access budgeting process.

2-Staff-15
Climate Change and Emergency Response
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.1.5.2

Preamble:
Entegrus Powerlines notes that its increased budget for emergency response is in response to greater than planned historical expenditures, which may be reflective of climate change.

Questions:

(a) Please list what other budget line items have been increased due to climate change risk, and how Entegrus Powerlines incorporates climate change risk into its capital plan and asset management policies overall.
(b) Has Entegrus Powerlines conducted a system-level risk assessment to identify assets that are vulnerable to climate change?
(c) Along with the emergency response budget, has Entegrus Powerlines included any planned investments in the 2026-2030 DSP?

2-Staff-16
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.2.2.2

Preamble:
Entegrus Powerlines plans to begin testing poles on a community-by-community basis to reduce travel time for testers.

Question: Has Entegrus Powerlines considered what other parts of its asset base or inspection programs could benefit from this testing and/or inspection methodology (e.g. overhead line inspections)? Please describe.

2-Staff-17
Metering Infrastructure Upgrade
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.2.2.4.1
Ref. 2: Exhibit 2, Attachment 2-C DSP Part 6 of 6, Attachment J, 9. Metering Renewal, Section A.5

Preamble:
Entegrus Powerlines has stated that in addition to upgrading meters, Entegrus Powerlines intends to upgrade the AMI communication infrastructure, including network servers, signal amplifiers, etc., and prepare for AMI 2.0

Questions:
(a) Please describe Entegrus Powerlines' plans and approach to AMI 2.0.
(b) Please explain how Entegrus Powerlines' preferred option for meter replacement (targeted like-for-like meter replacement with phased network consolidation) will adequately support Entegrus Powerlines' planned transition to AMI 2.0.
(c) Please describe in greater detail the incremental benefits of meter upgrades that would be "unlocked" if Entegrus Powerlines' overall AMI communication infrastructure were to be upgraded as well.
(d) Please provide number meters per year that are planned to replace in 2026 to 2030 period and beyond for the entire population in the format below.

	2026	2027	2028	2029	2030	2031	…
Number of meters planned to be replaced							Add more yeas as needed

(a) Please provide a reduced investment pacing plan that Entegrus Powerlines might have considered when assessing for appropriate pacing in the same table format as above. Please provide details on the risk associated with choosing the reduced investment pacing plan.

2-Staff-18
IT Software Investment
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 1 of 6, Section 5.1.2.4.5
Ref. 2 Exhibit 2, Attachment 2-C DSP Part 6 of 6, Attachment J, 20. IT Software, pp. 170-171

Preamble:
A number of major software expenditures are planned over the DSP forecast period, including a website re-design and transition to a new infrastructure virtualization solution in the test year.

Questions:

(a) Please explain how Entegrus Powerlines determines the need for and prioritizes non-security related software/system upgrades, e.g., website redesign.
(b) Have customers expressed dissatisfaction with the current website?
(c) Please discuss the pacing of IT software expenditures within the context of redesigning the website and adopting a new infrastructure tool in the test year such that IT software spending is 62% higher in 2026 than the forecast average from 2026 to 2030.

2-Staff-19
Capital Contribution
Ref. 1: Exhibit 2, Attachment 2-C DSP Part 6 of 6, Attachment J, 1. Contributed Capital, section B.2

Preamble: Entegrus Powerlines notes that provincial policies now require a 40-year revenue horizon for residential housing developments, which in turn have reduced the amount of capital contributions that Entegrus Powerlines collects from such customers.

Question:

(a) Please provide actual 2025 capital contributions to date.
(b) What proportion of customer contributions have historically come from housing developments?
(c) Please provide any calculations that Entegrus Powerlines has undertaken to quantify the impact to Entegrus Powerlines of these reduced capital contributions (e.g., from increased borrowing costs).

2-Staff-20
Consideration of Non-Wire Solutions (NWS) to address system needs
Ref 1: Exhibit 2, Attachment 2C, Distribution System Plan, Part 1 of 6, p. 128

Preamble:
The NWS Guidelines require distributors to document their consideration of Non-Wires Solutions (NWS) when making investment decisions related to electricity system needs with an expected capital cost of $2 million or more, excluding general plant investments.

Entegrus Powerlines indicates that it has developed project screening procedures to determine when a capital project requires a Benefit-Cost Analysis (BCA) to assess the cost-effectiveness of NWS. It also notes that the screening process excludes projects unrelated to capacity or grid optimization (e.g., voltage stability or transfer capacity), as well as those below the $2 million threshold outlined in the NWS Guidelines.

Question(s):

(a) Please provide a copy of the project screening procedures referenced in the Distribution System Plan, including any criteria or decision trees used to determine whether a capital project requires a BCA.

(b) Please confirm whether NWS are considered as part of the distribution system planning process for projects below the $2 million threshold. If so, please describe the circumstances under which such consideration occurs and provide examples, if available.

2-Staff-21
Consideration of Non-Wire Solutions (NWS) to address system needs
Ref 1: Exhibit 2, Attachment 2C, Distribution System Plan, Part 1 of 6, p. 128

Preamble:

Entegrus Powerlines conducted a high-level NWS screening modelled after early BCA information for the Edgeware breaker in St. Thomas and concluded that an NWS does not currently present a technically or economically viable alternative to address the region's existing and forecasted load growth, noting that BESS would be approximately 135% to 280% more costly than traditional infrastructure investments.

Question(s):

(a) Please provide the documentation supporting this pre-assessment, including any assumptions, methodologies, cost estimates, and technical evaluations used to inform the conclusion.

2-Staff-22
Consideration of Non-Wire Solutions (NWS) to address system needs
Ref 1: Exhibit 2, Attachment 2C, Distribution System Plan, Part 6 of 6, p. 247

Preamble:

Entegrus Powerlines noted the Section 5.1.3.3.2 of the DSP provides further insight into Entegrus Powerlines' NWS considerations within its system planning process, specifically addressing capacity enhancement strategies in accordance with regulatory requirements.

Question(s):

(a) Please confirm the location of Section 5.1.3.3.2 within the DSP, including the relevant document/file name and page number(s).

2-Staff-23
Ref 1: **Filing Requirements Chapter 2 Appendices, Appendix 2BA**
Ref 2: Filing Requirements Chapter 2 Appendices, Appendix 2AB

Preamble:
Entegrus Powerlines indicates in reference 2 that capital expenditures equals capital additions in a year. OEB staff notes the following differences between reference 1 and reference 2:

	2018	**2020**	**2025**
2AB	10,419,724	13,175,616	22,003,000
2BA	37,449,238	13,183,236	22,573,517
Difference	**(27,029,514)**	**(7,620)**	**(570,517)**

Question(s):

(a) Please explain and reconcile the difference between reference 1 and reference.
(b) Please provide updated evidence as necessary.

2-Staff-24
Ref 1: **Filing Requirements Chapter 2 Appendices, Appendix 2BA**

Preamble:
OEB staff noted the following differences in the closing 2017 balance and opening 2018 balances for fixed assets and accumulated depreciation in reference 1. The opening and closing balances should be the same.

Fixed Assets	**2017**
Closing	130,843,341
Opening	98,562,316
Difference	**32,281,025**
Accumulated Depreciation	
Closing	(20,626,557)
Opening	(15,898,138)
Difference	**(4,728,419)**

Question(s):
(a) Please explain and reconcile the difference in fixed assets and accumulated depreciation as noted in the table.
(b) Please provide updated evidence as necessary.

Exhibit 3 – Operating Revenue

3-Staff-25
Load and Customer Connection Forecast
Ref: Exhibit 3, section 3.2, pp. 7-9

Question(s):

(a) Please update the Load Forecast model with 2025 actuals to date.

3-Staff-26
Subdivision Growth
Ref: Exhibit 3, section 3.3.3,Variance Analysis, p. 30

Preamble:
Entegrus Powerlines states that in 2021 and 2022 it experienced a larger than average increase in residential customers, partly as a result of subdivision growth.

Question(s):

(a) Please provide the number of subdivision units and related connections to 2025 actuals, to date.

3-Staff-27
Load Forecast

Ref 1: Exhibit 3, Modelled Variables, p. 10 - 11

Preamble:
Entegrus Powerlines has identified the variables included in its multivariate regression models for load forecasting. These variables do not appear to account for potential impacts associated with the uptake of heat pumps, increased electricity demand from electric vehicles (EVs), or other electrification-related drivers.

Question(s):

a) Please describe how Entegrus Powerlines has considered the potential impacts of electrification — including the adoption of heat pumps, EVs, Distributed Energy Resources (DERs) and other end-use technologies — in its planning processes.

b) Please confirm whether Entegrus Powerlines expects to observe material load impacts to its load forecast due to electrification.
c) If so, please indicate when Entegrus Powerlines anticipates these impacts may become material to its load forecasts.
d) Does Entegrus Powerlines intend to incorporate a variable or adjustment factor into its load forecast model to account for electrification impacts? If so, please describe the planned approach and timing.

3-Staff-28
Ref: Exhibit 3, section 3.3.3, pp. 11-14

Question(s):

a) Please provide the rationale for scaling load with heating degree days (HDD).
b) Has Entegrus Powerlines considered hourly cycling behavior of electric heating systems?

3-Staff-29
COVID Flag Rationale and Sensitivity
Ref: Exhibit 3, section 3.2.2, pp. 10-14

Preamble:
Entegrus Powerlines' included a COVID variable to account for pandemic-related impacts on electricity consumption. The assigned values are 0.5 in March and June 2020, and 1.0 in April and May 2020. However, the application does not provide a rationale for these specific values and does not indicate whether sensitivity testing was performed to assess the robustness of the model to alternative values.

Question(s):

a) Please explain the rationale for the specific values assigned to the COVID flag.
b) Were any alternative economic indicators considered? If so, please provide an overview.
c) Was any sensitivity analysis performed on this variable?
d) Has Entegrus Powerlines considered any persisting effects of COVID on consumption patterns beyond 2020?

3-Staff-30
Manufacturing Variable Adjustment and Engagement

Ref: Exhibit 3, 3.2.7, p. 12

Preamble:
Entegrus Powerlines adjusted its manufacturing variable in the regression model based on customer engagement results, applying a 4% decrease instead of the Financial Accountability Office of Ontario's (FAO) projected 8% decline. The application does not provide the underlying engagement data or describe on what basis the decision was made. It is unclear whether Entegrus Powerlines considered alternative economic indicators or performed sensitivity testing to validate this adjustment.

Question(s):

a) Please provide the customer engagement results that led to the adjustment of the manufacturing variable from 8% to 4%

b) Has Entegrus Powerlines considered any alternative economic indicators or scenarios for sensitivity testing of this variable?

3-Staff-31
Weather Sensitivity Percentages and Validation
Ref. 1: Exhibit 3, 3.2.5. pp. 18-19
Ref. 2: Exhibit 3, 3.2.5, p. 19, Table 3-12: Weather Sensitivity by Rate Class

Preamble:
Entegrus Powerlines applied weather sensitivity percentages to allocate weather-normalized adjustments across rate classes. Reference 2 (Table 3-12) shows the percentages, but the source and methodology used to calculate them are not provided. It is also unclear whether Entegrus Powerlines validated these percentages against recent consumption data for accuracy.

Question(s):

a) Please provide the source and methodology used to determine the weather sensitivity percentages for each rate class.

b) Has Entegrus Powerlines validated these percentages against recent consumption data?

3-Staff-32
Standby kW Forecast and Historical Data
Ref. 1: Exhibit 3, 3.2.10 Standby kW Forecast, pp. 22-23
Ref. 2: Exhibit 7, 7.2.2, Demand Allocators, p. 7

Preamble:
Entegrus Powerlines includes standby (kW) in its 2026 load forecast for the GS > 50 kW and Large Use rate classes. Table 3-17 in reference 1 shows the forecasted values, but the methodology used to derive these figures is not described.

Reference 2 confirms that standby demand is included in cost allocation demand allocators, but the application does not provide historical standby kW data for 2022–2024.

Question(s):

a) Please explain the methodology used to forecast standby kW for the GS > 50 kW and Large Use rate classes.
b) Please confirm whether standby kW is included in the demand allocators for cost allocation.
c) Please provide the historical standby kW data for 2022, 2023, and 2024.

Exhibit 4 – Operating Costs

4-Staff-33
Emergency Response
Ref. 1: Exhibit 4, 4.3.5 Maintenance Programs, pp. 52-53

Preamble:
The emergency response spending has gone up by $499k (414%) from the 2016 OEB Approved Proxy to the 2026 Test Year. Entegrus Powerlines states that this increase is primarily driven by higher salaries, wages, and employee benefits as well as the increasing frequency and severity of extreme weather events.

Questions:

(a) Of the total $499k increase, please estimate the proportion attributable to costs associated with increased frequency and severity of extreme weather events as opposed to increase in salaries, wages, and benefits.

(b) What activities or programs is Entegrus Powerlines currently undertaking to identify extreme weather-related vulnerabilities in the distribution system and proactively address them?

4-Staff-34
Meter Maintenance
Ref. 1: Exhibit 4, 4.3.5 Maintenance Programs, pp. 54-55
Ref. 1: Exhibit 2 / Attachment 2-C / section 5.1.2.2.4.1

Preamble:
Entegrus Powerlines states that the meter maintenance program is responsible for ensuring ongoing functionality, accuracy, and regulatory compliance of metering and associated communication equipment. Entegrus Powerlines is also planning to invest in AMI 2.0 infrastructure as per reference 2.

Question:

(a) What impact to meter maintenance spending is Entegrus Powerlines expecting due to the metering infrastructure replacements?

4-Staff-35
Overhead and Underground Maintenance
Ref. 1: Exhibit 4, 4.3.5 Maintenance Programs, pp. 54-55
Ref. 2: Exhibit 2, Attachment 2-C, Attachment B, Asset Condition Assessment Report 2024

Preamble:
Entegrus Powerlines reports that costs under the Overhead and Underground Maintenance Program have increased from $624k in the 2016 OEB-approved proxy to $1.36M in the 2026 Test Year, representing an approximate $737k (118%) increase over the period. Entegrus Powerlines attributes this growth to an expanded inspection scope, regulatory compliance, inflationary pressures, reinstatement of deferred inspection work, and a strategic shift toward proactive asset management. Recent years also note the adoption of enhanced diagnostic tools and increased underground inspection frequency.

Staff notes that the ACA results in reference 2 inform capital and maintenance planning.

Questions:

(a) Please provide a breakdown of the $737k increase between the 2016 OEB-approved proxy and the 2026 Test Year, itemizing the relative contribution of: expanded inspection scope or frequency; contractor and labour cost increases; and other drivers.
(b) Please provide a summary of specific inspection and maintenance activities carried out under this program in 2016 compared to those planned for 2026, highlighting any new or enhanced activities.
(c) Please identify which activities are performed internally and which are contracted and indicate whether the mix has changed since 2016.
(d) Please discuss how Entegrus Powerlines measures the effectiveness of the increased inspection frequency and diagnostic enhancements in improving system reliability or reducing failure risk.
(e) Please describe how the expanded inspection scope and diagnostic enhancements are expected to improve the data availability for ACA. Example, identify asset classes (e.g., poles, transformers, etc.) that are expected to benefit most from the improved data quality or frequency of condition inputs.

4-Staff-36
FTE and Employee Compensation
Ref. 1: Exhibit 4, Sections 4.4 Employee Compensation pp. 68-107

Preamble:
In table 4-44, Entegrus Powerlines provides a comparison of customer per FTE and states that the benchmarking indicates that Entegrus Powerlines' staffing levels remain at the approximate mid-point range compared to peer utilities in terms of customers served per FTEs.

Entegrus Powerlines' evidence also indicates that both staffing levels and total compensation have increased between the 2016 OEB-approved proxy and the 2026 Test Year. Table 4-45 shows growth in FTEs across several functional areas. While Entegrus Powerlines attributes these changes to collective agreement adjustments, system growth, new regulatory and asset-management functions, and IT modernization, staff notes that the magnitude of increase of total compensation appears to exceed inflation and customer growth over the same period.

Questions:

(a) Please indicate whether Entegrus Powerlines benchmarks its total compensation against peer utilities or other industry comparators. If so, provide the most recent benchmarking results and discuss how they informed the 2026 Test Year forecast.

(b) Please describe what productivity or efficiency initiatives have been implemented since 2016 to manage or offset staffing cost increases (e.g., process automation, shared services, or digital tools). Include any quantitative results or examples where available.

(c) Entegrus states that as per the customers served per FTE metric, it approximately falls at the mid-point of the range compared to peer utilities. Is Entegrus planning to take any efficiency measures in the forecast period to attempt to move more efficient side of the range?

(d) Staff notes that the rate of salary and compensation growth appears higher than the rate FTE growth over the 2016-2026 period.

   1. Please explain the factors contributing to this difference such as changes in position mix or high wage rates.
   2. Please quantify the impact of each major factor/driver to the extent possible.

4-Staff-37
General Building Expenses
Ref. 1: Exhibit 4, 4.3.2 Administration Programs, p. 40
Ref. 2: Exhibit 2, Attachment 2-C Part 1 of 6, 4.8 Facilities Management Strategy, p. 133

Preamble:
This program includes costs associated with the operation and maintenance of administrative and operational facilities, which are described in Exhibit 2, attachment 2-C (DSP), Section 4.8. It covers expenses such as repairs, janitorial services, heating, cooling, utilities, and lease or rental costs.

As per reference 2, Entegrus Powerlines' facilities portfolio includes operating centres in Chatham and St. Thomas, along with the land and auxiliary buildings supporting its distribution stations.

Questions:

(a) Does Entegrus Powerlines fully own the operational facilities and the land? If not, what is the ownership structure?

(b) For the operational facilities and land that is not owned by Entegrus Powerlines, are there lease agreements in place? If yes, what portion of the $832k expense forecasted for 2026 test year is for the lease payments?

Exhibit 5 – Cost of Capital

5-Staff-38
Cost of Capital Parameters Update
Ref. 1: Exhibit 5

Preamble:

Entegrus Powerlines has followed the EB-2024-0063 Decision and Order (the "2025 Cost of Capital Report"), dated March 27, 2025, to determine its capital structure and the 2026 cost of capital parameters presented in this evidence. Entegrus Powerlines acknowledges these rates are subject to change when the OEB issues the 2026 cost of capital parameters. Entegrus Powerlines will update its short-term debt and return on equity rates based on the 2026 cost of capital parameters prior to the rate order being finalized in this proceeding.

On October 31, 2025, the Board issued a letter[1] to all distributors documenting the updated Cost of Capital parameters for 2026 Cost of Service applications.

Questions:

(a) Please update the appropriate tables in Exhibit 5, Appendices 2-OA, the Revenue Requirement Work Form, and any other application documents to reflect changes in cost of capital parameters considering the OEB's letter on 2026 cost of capital parameters.

5-Staff-39
Ref. 1: Exhibit 5, 5.2 Cost of Capital, pp. 9-11
Ref. 2: Filing Requirements Chapter 2 Appendices, Appendix OB – Debt Instruments

Preamble:

Entegrus Powerlines in reference 1 states that third-party term debt totaling approximately $52M, with an average interest rate of 4.267%, was novated to TD Bank at the same average rate, ensuring no impact on Entegrus Powerlines' future interest costs. Also, note that this rate is below the OEB's most recent deemed long-term debt rate of 4.51%.

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[1] https://www.oeb.ca/sites/default/files/OEBLtr_2026%20CoC_20251031.pdf

In reference 1, it has also been stated that in early 2024, Entegrus Powerlines' former third-party lender applied a 25-basis point increase to its lending rates.

Below is the weighted average interest rate calculation of the CIBC fixed rate debt instruments taken from reference 2.

Description	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%)	Interest ($)
CIBC 1B	Third-Party	Fixed Rate	1-Jan-24	25	$ 14,472,622	3.850%	$ 557,195.96
CIBC 2B	Third-Party	Fixed Rate	1-Jan-24	25	$ 6,196,345	3.927%	$ 243,330.48
CIBC 3B	Third-Party	Fixed Rate	1-Jan-24	25	$ 4,460,079	3.570%	$ 159,224.81
CIBC 4B	Third-Party	Fixed Rate	1-Jan-24	25	$ 2,977,473	2.660%	$ 79,200.78
CIBC 5B	Third-Party	Fixed Rate	1-Jan-24	25	$ 2,627,614	3.036%	$ 79,774.37
CIBC 6B	Third-Party	Fixed Rate	1-Jan-24	25	$ 6,891,536	4.299%	$ 296,267.13
CIBC 7B	Third-Party	Fixed Rate	1-Jan-24	25	$ 4,687,878	5.290%	$ 247,988.74
CIBC 8A	Third-Party	Fixed Rate	21-Dec-23	25	$ 9,134,923	4.960%	$ 453,092.16
Total					**$ 51,448,470**	**4.11%**	**$ 2,116,074**

Questions:

(a) Please reconcile the weighted average interest rates in references 1 and 2.

(b) As stated in reference 1, former third-party lender applied a 25-basis point increase to its lending rates. Please explain why did CIBC increase the interest rate of fixed rate debt instrument.

(c) Assuming 4.11% as per reference 2 is correct, why did Entegrus Powerlines decide to refinance the debt with TD at a higher interest rate?

(d) Please provide the penalties, if any, levied by CIBC to terminate the 25-year fixed rate term.

Exhibit 6

6-Staff-40
Ref 1: EPI_2026_Test_Year_Income_Tax_PILs_1.0_20250828 Excel, tab B8 Sch 8 CCA Bridge
Ref 2: Filing Requirements Chapter 2 Appendices, Appendix 2BA

Preamble:
The cost of acquisitions during the year in reference 1 is $21,933,001 whereas the capital additions in reference 2 for 2025 is $22,573,517. The difference is $640,516. OEB staff expects that the capital additions between the references is the same.

Question(s):

a) Please explain and reconcile the difference of $640,516 in capital additions. Please provide updated evidence as necessary.

6-Staff-41
Ref 1: Exhibit 6, p. 18
Ref 2: EPI_2026_Test_Year_Income_Tax_PILs_1.0_20250828 Excel, tab T0 PILs, Tax Provision Test

Preamble:
Entegrus Powerlines states that it will claim maximum CCA under the AIIP rules until it is fully phased out in 2027. Entegrus Powerlines has estimated the impact of AIIP elimination in 2028 on CCA deductions over the 2028 to 2030 period and has incorporated a CCA smoothing adjustment in the 'T1 Sch 1 Taxable Income Test' tab of the PILs Model as an addition to net income before taxes. Entegrus Powerlines' calculation of the adjustment to smooth the impact of CCA in the 2026 Test Year is summarized below:

	2028	**2029**	**2030**	**Total**
CCA Legacy (half-year)	14,016,922	14,564,742	15,243,294	43,824,958
CCA Bill C-97	12,882,492	13,877,102	14,676,696	41,436,290
CCA Difference	1,134,430	687,639	566,599	2,388,688
1/5th Difference				477,734

Entegrus Powerlines 2026 PILS requirement is $745,248.

Question(s):

(a) Please calculate the impact to the 2026 PILS requirement and Account 1592 – sub account CCA Changes for the following scenarios:
    1. PILs in the test year does not use the accelerated rule for CCAs
    2. PILs in the test year uses the accelerated rule for CCAs but does not apply a smoothing adjustment

Exhibit 7 – Cost Allocation

7-Staff-42
Impact of Rate Zone Harmonization
Ref: Exhibit 7, 7.1, p. 5

Preamble:
Entegrus Powerlines proposes to harmonize the Entegrus-Main and Entegrus-STT rate zones into a single tariff sheet and has completed its cost allocation study on a harmonized basis. While the application discusses the harmonization approach, it does not provide a comparative summary of the impact on individual rate classes relative to their previous allocations.

Question(s):

(a) Please provide a summary of the impact of harmonization on individual rate classes compared to their previous allocations, including any material shifts in revenue responsibility or cost allocation outcomes.

7-Staff-43
Load Profiles – Weather Normalization
Ref: Exhibit 7, 3.3.3, p. 11

Entegrus Powerlines states that weather data is measured in by the Ridgetown Automatic weather station in Ridgetown, ON, a community located in between the core population centres which make up Entegrus Powerlines' Main and St. Thomas rate zones. The 10-year average monthly values were used to generate forecast values.

Question(s):

(a) Please confirm whether separate profiles were considered or developed for the Entegrus main and Entegrus St. Thomas rate zones. If not, why not?

7-Staff-44
Meter Reading
Ref: Exhibit 7, 7.4.2 Weighting Factors, pp. 11-13

Question(s):

(a) Please confirm whether meter reading events reflect the number of customers or bills.
(b) If inconsistent across rate classes, please revise or provide rationale.

Exhibit 8 – Rate Design

8-Staff-45
Ref. 1: Exhibit 8, p.11
Ref. 2: RTSR Workform

Preamble:
The RTSR Workform includes EV-specific rate classes and an EV multiplier (0.17), suggesting that Entegrus Powerlines has made assumptions for EV-related load forecasting. Entegrus Powerlines' RTSR Workform includes EV-specific rate classes and an EV multiplier, suggesting that EV load has been considered in the forecast. However, the application does not indicate whether Entegrus Powerlines tracks the actual number of customer-owned EVs in its service territory.

Question(s):
(a) Please confirm whether hybrid or plug-in hybrid vehicles are included in the EV forecast.
(b) Does Entegrus Powerlines currently track the actual number of customer-owned electric vehicles in its service territory?
(c) If not, please explain how EV-related load was estimated and whether Entegrus Powerlines plans to implement tracking in future years.

8-Staff-46
Rate Design Methodology for GS > 50 kW
Ref: Exhibit 8, 8.1.2, Table 8-4, p. 8
Preamble:
Entegrus Powerlines proposes to hold GS > 50 kW fixed charges at the cost allocation ceiling and apply the remaining revenue requirement to the variable charge. The application does not describe the methodology used to calculate the variable charge, including billing determinants and adjustments for transformer ownership allowance.

Question(s):
(a) Please provide the detailed methodology used to calculate the GS > 50 kW variable charge, including billing determinants and any adjustments for transformer ownership allowance.
(b) Confirm whether the same methodology was applied to the Large Use rate class.

8-Staff-47
Low Voltage Rates
Ref: Exhibit 8, 8.3.3, Table 8-15, p. 16

Preamble:
Entegrus Powerlines is proposing to harmonize Low Voltage (LV) rates across its service territory.

Question(s):

(a) Please explain the rationale for harmonizing LV rates given that the STT zone was not previously subject to LV charges.
(b) Please confirm whether any customer impact analysis was performed for STT customers now subject to LV charges.

8-Staff-48
Ref: Exhibit 8, 8.6.2, pp. 20-21

Preamble:
Entegrus Powerlines propose to eliminate several Specific Service Charges (SSCs) that were previously approved for the STT rate zone.

Question(s):
(a) Please confirm whether any of the eliminated SSCs were billed in the past three years to customers within the STT rate zone.
(b) Please provide the estimated revenue impact of eliminating these charges.

Exhibit 9 – Deferral and Variance Accounts

9-Staff-49
Ref 1: Exhibit 9, pp. 12-13
Ref 2: OEB's Handbook to Electricity Distributor and Transmitter Consolidations, revised July 11, 2024
Ref 3: EPI_2026_Commodity_Accounts_Analysis_Workform_1.0_20250828 Excel

Preamble:
In reference 1, Entegrus Powerlines states that it seeks to harmonize its rate zones into a single tariff sheet, so that all Entegrus Powerlines' customers will be subject to a single Schedule of Rate and Charges. As part of this harmonization, and consistent with the methodology approved in its 2016 cost of service, Entegrus Powerlines also seeks to dispose of all Group 1 and Group 2 deferral variances on a harmonized basis, effective May 1, 2026.

As of March 1, 2025, Entegrus Powerlines consolidated into a single monthly settlement with the IESO. Accordingly, Group 1 DVAs are no longer maintained separately at the rate zone level. Entegrus Powerlines provides the Commodity Accounts Analysis Workform in reference 3 on a consolidated level.

Accordingly, effective January 1, 2025, Entegrus Powerlines proposes that future dispositions of all DVA accounts be accounted for and completed on a consolidated basis.

In reference 2, the OEB states:

> Utilities may gain efficiencies by tracking accounts on a consolidated basis, rather than a rate zone basis. Given the nature of the Group 1 accounts and the reliance on data from various systems (e.g., billing system), it is likely practical and efficient for utilities to consolidate the Group 1 accounts for new activities post-closing of the transaction. Therefore, for Group 1 accounts, the OEB encourages utilities to consolidate the accounts as soon as it is practical. Legacy balances should be tracked separately on a rate zone basis for purposes of maintaining cost causality at the time of disposition. However, if there are unique impacts to the utilities' Group 1 accounts, these circumstances should also be brought forward at the time of the consolidation application.

Question(s):

(a) Please provide the reference and narrative in the 2016 cost of service application, which sets out the methodology to present and consolidate the balances of Entegrus Powerlines' Group 1 and Group 2 DVAs.
    1. Please explain how the proposed methodology in this application is consistent with the approved methodology in the 2016 cost of service application.
(b) Please provide Entegrus Powerlines' Group 1 DVA balances for its Main rate zone as of December 31, 2024.
    1. Please provide Entegrus Powerlines' Group 1 DVA balances for its St. Thomas rate zone.
(c) Please provide the Commodity Accounts Analysis workform for the Main and St. Thomas rate zones, separately.
(d) Please provide a comparison of the Group 1 DVA balances and proposed rate riders by legacy rate zone, showing the impact on each customer class by rate zone if Group 1 DVAs were disposed of on a standalone basis (i.e. without harmonization) with Entegrus Powerlines' proposal as a consolidated balance.
(e) Please provide and discuss any cross subsidization as a result of disposing the Group 1 DVAs as of December 31, 2024 on a consolidated basis.

9-Staff-50
Ref 1: **Exhibit 9, pp. 12-13**
Ref 2: OEB's Handbook to Electricity Distributor and Transmitter Consolidations, revised July 11, 2024, pp. 31-32

Preamble:
In reference 1, Entegrus Powerlines states that in this application, it seeks to harmonize [its rate zones] into a single tariff sheet, so that all Entegrus Powerlines' customers will be subject to a single Schedule of Rate and Charges. As part of this harmonization, and consistent with the methodology approved in its 2016 COS (EB-2015-0061), Entegrus Powerlines also seeks to dispose of all Group 1 and Group 2 deferral variances on a harmonized basis, effective May 1, 2026.

In reference 2, the OEB states:

> Legacy Group 2 accounts should also generally be tracked separately on a rate zone basis. Tracking accounts on a rate zone basis will enable those account balances to be disposed to the group of customers that contributed to the balances. However, there could also be some accounts where tracking on a rate zone basis may not be warranted post-MAADs transaction. Therefore, utilities shall be required to provide a proposal in their MAADs applications on which legacy or new Group 2

accounts are to be tracked to a legacy rate zone basis or consolidated basis going forward, with supporting rationale.

Question(s):

(a) Please provide Entegrus Powerlines' Group 2 DVA balances for its Main rate zone as of December 31, 2024.
  1. Please provide the same for St. Thomas rate zone.

(b) Please identify, for each Group 2 DVA included in this application, whether the account has been tracked during the deferred rebasing period on a legacy rate zone basis or a consolidated basis.
  1. Please explain since what date Entegrus Powerlines started tracking each Group 2 DVA on a consolidated basis.
  2. Please confirm whether Entegrus Powerlines informed the OEB of its decision on consolidating the Group 2 DVAs for its rate zones prior to this application. If so, please provide the reference and that information.
     i. If Entegrus Powerlines did not inform the OEB of its decision, please explain why.

(c) Please confirm whether Entegrus Powerlines is proposing, for each of its Group 2 DVAs, to dispose the balance on a legacy rate zone basis or a consolidated basis.
  1. For any Group 2 DVAs Entegrus Powerlines' that were tracked on a rate zone basis but is now proposed to be disposed on a consolidated basis, explain why rate zone tracking is not warranted.
     i. Please calculate and describe the nature of any resulting cross-subsidy between the legacy Entegrus and legacy St. Thomas customer groups.
     ii. Please provide the reference from the MAADs evidence that describes Entegrus Powerlines' proposal regarding the Group 2 DVA tracking and future disposition.
     iii. Please explain how those balances are being allocated under harmonized riders to ensure that customers in each legacy rate zone bear the appropriate costs/benefits consistent with MAADs rate making principles.
  2. If there are no Group 2 accounts that will remain tracked on a rate zone basis, please explain why this is the case.

(d) Please explain how the proposed harmonized DVA disposition interacts with any MAADs related earnings sharing mechanisms or deferred rebasing periods previously approved for the Main rate zone or the St. Thomas rate zone, if applicable.

(e) Please provide the bill impacts for each rate class by comparing:
  1. Entegrus Powerlines' proposed harmonized Group 2 disposition

2. Disposition on a rate zone basis
3. Please discuss the pros and cons of each approach in terms of cost causality and cross-subsidy, intergenerational equity and bill impacts.

9-Staff-51
Ref 1: Exhibit 9, pp. 26-27
Ref 2: EB-2023-0143, Accounting Order for Getting Ontario Connected Act Variance Account, Schedule A

Preamble:
Entegrus Powerlines is requesting disposition of $910,487 as a collection from customers inclusive of interest to April 30, 2026. Table 9-20 in reference 1 provides the revenue requirement related to locate costs approved in base rates escalated by the annual IRM inflation rate less stretch factor, 2023-2024 actual locate costs, a forecast of locate costs for the 2025 calendar year, and the resulting balances recorded in the Account 1508 GOCA Variance Account. Entegrus Powerlines confirms it has reflected the GOCA impact in the locate costs of the 2026 Test Year's revenue requirement.

In reference 2, it states that utilities, in the rebasing application or IRM applications if applicable, are to demonstrate that recorded amounts in their accounts are both incremental to the base rates and are a direct result of Bill 93.

Question(s):
(a) Please discuss the methodology used to measure incremental costs and how Entegrus Powerlines assessed that the costs recorded in the GOCA Variance Account were directly related to Bill 93.

9-Staff-52
Ref 1: **Exhibit 9, p. 29**

In its application, Entegrus Powerlines states that in its 2016 cost of service proceeding, it established Account 1508 – Sub-Account – OPEB Forecast Cash versus Forecast Accrual Differential Deferral Account. The purpose of this account is to record the difference in revenue requirement each year, effective May 1, 2016, between both the capitalized and OM&A components of OPEBs accounted for using a forecasted cash basis (as reflected in rates) and the capitalized and OM&A components of OPEBs accounted for using a forecasted accrual basis. Carrying charges do not apply to this deferral account.

Entegrus Powerlines is requesting disposition of $303,036 as a refund to customers.

Question(s):

(a) Please provide a table by year showing the OPEB expense in rates on a cash basis, accrual basis, capitalized OPEB and OPEB in OM&A, and the resulting annual variance recorded in this account.

9-Staff-53
Ref 1: Exhibit 9, pp. 27-31, including Table 9-25: Account 1511 Incremental Cloud-based Computing Implementation Costs
Ref 2: Accounting Order (003-2023) for the Establishment of a Deferral Account to Record Incremental Cloud Computing Arrangement Implementation Costs

In 2024, Entegrus Powerlines launched a cloud-based Enterprise Resource Planning ("ERP") system to modernize its core business applications. This initiative replaced the existing financial system and introduced an integrated, cloud-based Human Resources Information System ("HRIS") and payroll module to support evolving operational and technological needs. The ERP and HRIS officially went live on November 1, 2024.

Entegrus Powerlines is requesting disposition of $313,628 as a collection from customers for Acount 1511 – Cloud Computing Implementation Costs, inclusive of interest to April 30, 2026.

Entegrus Powerlines is considering the migration of its Customer Information System from an on-premise platform to a cloud-based solution prior to 2029. As such, it is seeking approval to maintain Account 1511 to capture any eligible costs that may arise during the 2026–2030 period.

Question(s):

(a) Please update the table in reference 1 by breakdown of the cloud solution(s), actual amounts, types of expenditure (e.g., capital or OM&A), and nature of costs (e.g., data migration, etc.).

(b) Please discuss the methodology used to measure incremental costs arising from the ERP/HRIS implementation and how this aligns with the Accounting Order in reference 2.

(c) Please provide a detailed breakdown of costs including hardware, software, labour, etc. associated with Entegrus Powerlines' old financial system, HR system and payroll module.

(d) Please confirm and identify any offsetting cost savings such as avoided on-premise hardware, reduced maintenance and explain whether they have been netted against the balance in Account 1511 or reflected elsewhere in the application.

  1. If no offsetting savings have been identified, please explain why.

(e) If Account 1511 is to be closed and the forecasted cloud costs are to be embedded in this rebasing application, what would be the amounts (e.g. capital and OM&A) that would be included in rates?
(f) Please discuss why Entegrus Powerlines cannot reasonably forecast the potential migration to additional cloud solutions as part of its rebasing application, and is requesting to continue Account 1511.

9-Staff-54
Ref 1: Exhibit 4, pp. 111-112
Ref 2: EB-2015-0061, Settlement Proposal, p. 12
Ref 3: Chapter 2 Filing Requirements for 2025 filers, Section 2.4.3.1
Preamble:
In reference 1, Entegrus Powerlines states that in its 2016 cost of service application, Entegrus Powerlines established Account 1508 – Sub-Account – OPEB Forecast Cash vs. Forecast Accrual Differential to capture the annual differences in revenue requirement, effective May 1, 2016, arising from using a forecasted cash basis (in rates) versus the…forecasted accrual basis for both capitalized and OM&A OPEB amounts. Thereafter, following the OEB's September 14, 2017, OPEB guidance, accrual accounting became the default for rate-setting.

In reference 2, the approved Settlement Proposal states that Entegrus Powerlines agrees to adjust its 2016 Test Year capital expenditures to reflect the recovery of OPEBs on a cash basis, rather than an accrual basis, and the appropriate allocation of OPEBs between capital and OM&A subject to the approval of a new variance account…to record the difference in rates between these two methodologies pending the Board's final determination on the generic policy issue.

In reference 3, it states that the distributor must provide details of employee benefit programs, including pensions, other post-employment retirement benefits (OPEBs), and other costs charged to OM&A. A breakdown of the pension and OPEBs amounts included in OM&A and capital must be provided for in the last OEB-approved rebasing application, and for historical, bridge and test years. Further, if a distributor is proposing to change the basis in which pension and OPEB costs are included in OM&A from its last rebasing application (e.g., from cash to accrual), it must quantify the impact of the change.

Question(s):
(a) Please confirm whether Entegrus Powerlines' is using the cash basis or the accrued basis of accounting for its pension and OPEB costs in the 2025 and 2026 test year revenue requirement.

(b) Please provide a breakdown of the pension and OPEBs amounts included in OM&A and capital for the historical, bridge and test years.
    1. Please provide any allocation for affiliates.
(c) Please quantify the impact of moving from cash basis to accrual basis of accounting.
(d) Please confirm that in this application Entegrus Powerlines is proposing to fully dispose of the existing OPEB cash vs. accrual deferral account.
(e) Please confirm that Entegrus Powerlines is not proposing to use Account 1522 to track routine variance between forecast accrual OPEB costs included in rates and actual accrued OPEB costs.

9-Staff-55

Ref 1: **OEB's [Accounting Order for the Establishment of a Deferral Account to Record Impacts Arising from Implementing the Electric Vehicle Charging Rate](#) (EB-2023-0071)**

Preamble:

On March 31, 2025, the Ontario Energy Board (OEB) released its [final report](#) and accompanying [letter](#) on the design of the Electric Vehicle Charging Rate (EVC Rate). The EVC Rate will reduce the Retail Transmission Service Rates (RTSRs) paid by participating EV charging stations and will better align the RTSRs that they pay with the transmission system costs incurred to serve them.

The Accounting Order in reference 1 states that electricity distributors may record the incremental revenue requirement impacts directly attributable to the material costs of implementing the EVC Rate. The OEB expects these costs to be one-time implementation costs, as opposed to ongoing costs. As such, the OEB does not anticipate that distributors will require the deferral account beyond their next cost-based rate applications.

Question(s):

(a) Please confirm whether Entegrus Powerlines has incurred or expects to incur costs related to implementing the EVC rate.
(b) Please provide a breakdown of actuals or forecast of costs.
    1. If Entegrus Powerlines has not incurred costs or cannot forecast costs at this time, please confirm when it will be able to.
(c) Please confirm whether Entegrus Powerlines intends to use the EVC generic accounts to record incremental revenue requirement impacts directly attributable to the material costs of implementing the EVC rate.
    1. If not, please confirm that Entegrus Powerlines will discontinue the account.

9-Staff-56
Ref 1: OEB's Final Rate Order for Extended Horizons Variance Account (EB-2024-0092)

Preamble:
The OEB established a variance account allowing rate-regulated electricity distributors to record the incremental revenue requirement impacts resulting from reductions in the forecasted customer capital contributions embedded in distribution rates. These reductions arise from the extensions of the connection horizon and revenue horizon for customer connections meeting the criteria described in the version of Appendix B of the Distribution System Code that came into force on December 23, 2024.

The OEB also expects that distributors will, as part of their next cost-based rate application, incorporate the impact of the expansions of the horizons into their forecast for the test year and beyond. As such, the OEB does not anticipate that distributors will require the Extended Horizons Variance Account beyond their next cost-based rate applications.

The generic variance account applies only to the forecasted connections that are currently embedded in distribution rates and eligible for the extension of connection and revenue horizons.

Question(s):

(a) Please confirm whether Entegrus Powerlines has assessed the impact of the extensions of the connection horizon and revenue horizon.
    1. If not confirmed, please explain why.
    2. If confirmed, please confirm that the impacts are embedded in the test year revenue requirement and provide the details.

(b) Please confirm whether Entegrus Powerlines will discontinue the generic variance account.
    1. If not, why not.