

1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF**
2 **INTERROGATORIES**

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4 **INTERROGATORY 6-STAFF-40**

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7 Ref 1: EPI_2026_Test_Year_Income_Tax_PILs_1.0_20250828 Excel, tab B8 Sch 8

8 CCA Bridge

9 Ref 2: Filing Requirements Chapter 2 Appendices, Appendix 2BA

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11 Preamble:

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

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16 Question(s):

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

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22 **RESPONSE:**

23 a) The acquisition costs in Reference 1 exclude land additions of \$70,000, as CCA is not
24 claimed on land. In addition, the capital additions in Reference 2 include a decrease in
25 Construction Work in Progress (“CWIP”) of \$570,516. The reconciliation between
26 Reference 1 and Reference 2 is provided below:

Line No.	Description	Amount
1	Reference 1 - Cost of acquisitions	\$21,933,001
2	Add:	
3	Change in CWIP	\$570,516
4	Land additions	\$70,000
5	Reference 2 - Capital additions	\$22,573,517

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1 **RESPONSES TO ONTARIO ENERGY BOARD STAFF**
2 **INTERROGATORIES**

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4 **INTERROGATORY 6-STAFF-41**

5 Ref 1: Exhibit 6, p. 18

6 Ref 2: EPI_2026_Test_Year_Income_Tax_PILs_1.0_20250828 Excel, tab T0 PILs,
7 Tax Provision Test

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9 Preamble:

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

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	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

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18 Entegrus Powerlines 2026 PILS requirement is \$745,248.

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20 Question(s):

21 (a) Please calculate the impact to the 2026 PILS requirement and Account 1592 - sub account CCA
22 Changes for the following scenarios:

- 23 1. PILs in the test year does not use the accelerated rule for CCAs
24 2. PILs in the test year uses the accelerated rule for CCAs but does not apply a smoothing
25 adjustment

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1 **RESPONSE:**

2 (a) The resulting impacts for each of the scenarios are as follows:

3 1. The 2026 PILS requirement increases by \$494,510. There is no impact on Account 1592
4 – sub account CCA Changes as CCA is determined annually at year-end; therefore, the
5 account only captures variances up to December 31, 2025.

6 2. The 2026 PILS requirement decreases by \$172,244. There is no impact on Account
7 1592 – sub account CCA Changes as CCA is determined annually at year-end;
8 therefore, the account only captures variances up to December 31, 2025.

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1 **RESPONSES TO SCHOOL ENERGY COALITION**
2 **INTERROGATORIES**

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4 **INTERROGATORY 6-SEC-36**

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7 [Exhibit 6, p.21; Appendix 2-H]

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9 a. For Account 4375, Entegrus has noted that revenues have decreased due to the end of providing
10 management services to another LDC. Please indicate where the decrease in related expenses to
11 provide the management services is included.

12 b. Please update Appendix 2-H to include 2025 actuals to-date and update the 2026 forecast
13 as required.

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16 **RESPONSE:**

17 a. The decrease is in OM&A. Incremental OM&A related to provision of the management
18 services in 2023 was \$115k and in 2024 was \$147k.

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20 b. Please see the response at 6-VECC-32 for the updated Appendix 2-H to include 2025 actuals
21 to date. There is no update to the 2026 forecast.

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1 **RESPONSES TO VULNERABLE ENERGY CONSUMERS**
2 **COALITION INTERROGATORIES**

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4 **INTERROGATORY 6.0-VECC-32**

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6 Reference:

7 Chapter 2 Appendices, Appendix 2-H

8 Exhibit 6, page 20

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11 a) Please provide a revised version of Appendix 2-H that includes the 2025 actual values to date (and
12 2024 comparable values for the same months).

13 b) For each of the Accounts in Appendix 2-H please explain how the forecast values for 2025 and
14 2026 were determined.

15 c) With respect to Account #4210, please provide the details supporting the 2024, 2025 and 2026
16 Joint Pole Use revenues (i.e. number of poles and annual rate used).

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19 **RESPONSE:**

20 a) Please see Attachment 1.

21 b) Please see Table 1 below.

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1 Table 1: Method for Forecasting Other Revenue Accounts

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USoA #	USoA Description	Method for Forecasting	
		2025	2026
4082	Retail Services Revenues	Forecast based on historical actuals.	Forecast based on historical actuals.
4084	Service Transaction Requests (STR) Revenues	Forecast based on historical actuals.	Forecast based on historical actuals.
4086	SSS Administration Revenue	Forecast based on historical actuals.	Forecast based on historical actuals.
4205	Interdepartmental Rents	Forecast based on historical actuals and inflationary assumptions.	Forecast based on historical actuals and inflationary assumptions.
4210	Rent from Electric Property	Forecast based on pole count multiplied by revenue portion of pole rental rate.	Forecast based on pole count multiplied by \$40.59.
4220	Other Electric Revenues	Forecast based on historical actuals.	Forecast based on historical actuals.
4225	Late Payment Charges	Forecast based on historical actuals.	Forecast based on historical actuals.
4235	Miscellaneous Service Revenues	Forecast based on historical actuals.	Forecast based on historical actuals.
4245	Government and Other Assistance Directly Credited to Income	Forecast based on prior year amount plus pro-rated amortization of current year contributed capital additions.	Forecast based on prior year amount plus pro-rated amortization of current year contributed capital additions.
4305	Regulatory Debits	Forecast based on locates amount less amount in rates.	Nil.
4355	Gain on Disposition of Utility and Other Property	Forecast based on historical actuals.	Forecast based on historical actuals.
4360	Loss on Disposition of Utility and Other Property	Forecast based on historical actuals.	Forecast based on historical actuals.
4375	Revenues from Non Rate-Regulated Utility Operations	Forecast based on expected service level volumes.	Forecast based on expected service level volumes.
4380	Expenses of Non Rate-Regulated Utility Operations	Forecast based on expected service level volumes.	Forecast based on expected service level volumes.
4390	Miscellaneous Non-Operating Income	Forecast based on historical actuals and inflationary assumptions.	Forecast based on historical actuals and inflationary assumptions.

3 c) Please see Table 2 below.

4 Table 2: Pole Rental Revenue in Account 4210

Pole Rental Revenue in Account 4210			
Year	Rate	Pole Count	Revenue
2024	\$ 22.35	13,772	\$ 307,804
2025	\$ 22.35	13,960	\$ 312,006
2026	\$ 40.59	14,160	\$ 574,754

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6 The difference between the amount in Account 4210 and the balances above for each year
 7 are due to other immaterial rental revenue.

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