

January 14, 2026

Ms. Nancy Marconi, Registrar
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4
Email: registrar@oeb.ca

Dear Ms. Marconi,

RE: Tillsonburg Hydro Inc. (THI) 2026 Price Cap IR Application, EB-2025-0007

Please find enclosed the 2026 Tillsonburg Hydro Inc. ("THI") IRM Rate Application interrogatory responses, to the questions submitted by OEB staff. THI has provided IR responses in written form and an update to the IRM model with all changes and updates as required through the responses.

If there are any questions, please contact Michael DeJong at 519-688-3009 ext. 4801, or by email at mdejong@tillsonburg.ca.



Michael DeJong
Finance Regulatory Affairs Manager
Tillsonburg Hydro Inc.
Phone: (519) 688-3009 Ext 4801

Please note, Tillsonburg Hydro Inc. (Tillsonburg Hydro) 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: Rate Generator Model, Tab 3, Continuity Schedule

Preamble:

On December 10, 2025, the OEB published the 2026 Quarter 1 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 update Tab 3 (Continuity Schedule) to reflect the 2026 Quarter 1 OEB-prescribed interest rate of 2.55%.

THI Response: Tab 3 (Continuity Schedule) has been updated to reflect the 2026 Quarter 1 OEB-prescribed interest rate of 2.55%.

Staff-2

Ref: Rate Generator Model, Tab 18, Regulatory Charges

Preamble:

On December 11, 2025, the OEB issued a Decision and Order establishing the Rural or Remote Electricity Rate Protection (RRRP) and Capacity Based Recovery (CBR) billed to Class B Customers.

OEB staff has updated the Rate Generator Model to reflect the new RRRP and CBR values. In addition, OEB staff has also updated Hydro One Networks Inc.'s Sub-Transmission rates in the Rate Generator Model (Tab 11) to reflect the rates approved in the Rate Order issued on December 23, 2025.

Question(s):

a. Please review the updated Rate Generator Model and confirm whether the incorporated changes are accurate. If any discrepancies are identified, please provide corrections and supporting rationale.

THI Response: Rate Generator Model (Tab 18) update to reflect the new RRRP and CBR values has been reviewed, and we confirm that the incorporated changes are accurate.

Staff-3

Ref 1: Rate Generator Model, Tab 9, Shared Tax – Rate Rider

Ref 2: EB-2023-0053, 2024 Cost of Service Cost Allocation Model, Tab I6.1 Revenue and I6.2 Customer Data

Preamble:

OEB staff notes an inconsistency in Reference 1 columns C through H with the last OEB-approved Cost of Service in Reference 2.

Question(s):

a. Please explain the discrepancies and provide a revised Rate Generator Model, if necessary.

THI Response: OEB staff notes an inconsistency in Reference 1 columns C through H with the last OEB-approved Cost of Service in Reference 2. The model has been updated to reflect the values from the last OEB-approved Cost of Service.

Staff-4

Ref: Rate Generator Model, Tab 3, Continuity Schedule, Column BW, Cell BW23

Preamble: OEB staff observes a variance of \$54,558 between the Reporting and Record-keeping Requirements (RRR) data and the 2024 balance in Account 1580 (Wholesale Market Service Charge). In addition, the manager's summary does not provide an explanation for this variance.

Question(s):

a. Please provide explanation of the variance noted above in Account 1580.

THI Response: This variance amount in Account 1580 reflects the value in cell BV25, which is the WMS Sub-account CBR Class B variance. No prior explanation was provided as the model indicates that if these amounts are same, no explanation is required.

=IF(ROUND(BW23,0)=ROUND(BV25,0),"","The variance does not match the value in cell BV25. Please provide an explanation of the variance in the Manager's Summary")

Staff-5

Ref: Rate Generator Model, Tab 3, Continuity Schedule, Column BF, Cell BF36

Preamble:

OEB staff notes that there is a principal adjustment during 2024 for the amount of \$1,174,766 in Account 1595 (2024).

Question(s):

a. Please provide the details of this adjustment, including its nature and a breakdown of the amount for prior years, if necessary.

THI Response: OEB staff notes that there is a principal adjustment during 2024 for the amount of \$1,174,766 in Account 1595 (2024). The amount of \$1,174,766 is the principal portion of the COS Settlement EB-2023-0053. Adding the interest portion \$99,415 to this amount totals \$1,274,182. This matches the total approved disposition amount indicated in the COS Settlement (Group 1 \$1,303,550 + Group 2 \$29,368) of \$1,274,182.