



January 29, 2026

Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4
Attention: Registrar

Dear Registrar:

**Re: 2026 IRM Electricity Distribution Rate Application,
Halton Hills Hydro Inc.,
Board File no. EB-2025-0034**

Halton Hills Hydro Inc. (“HHHI”) is filing its Responses to Board Staff Interrogatories in file 2026 Incentive Regulation Mechanism– Price Cap IR (“IRM”) Rate Application with the Ontario Energy Board (“the Board”).

The Responses to Board Staff Interrogatories includes:

- 2026 IRM Rate Generator Model_20260129
- 2026 Commodity Accounts Analysis Workform_20260129

The Responses with all live Excel files has been filed through the Ontario Energy Board Web Portal.

In the event of any additional information, questions or concerns, please contact Tracy Rehberg-Rawlingson, Regulatory Affairs Manager, at tracyr@haltonhillshydro.com or (519) 853-3700 extension 257, or Ahmad Niazi, Chief Financial Officer at aniazi@haltonhillshydro.com or (519) 853-3700 extension 208.

Sincerely,

Tracy Rehberg-Rawlingson

Tracy Rehberg-Rawlingson
Regulatory Affairs Manager, HHHI

Cc: Scott Knapman, President & CEO, HHHI
Ahmad Niazi, CFO, HHHI



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**Halton Hills Hydro Inc. Responses
EB-2025-0034
January 29, 2026**

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

Preamble:

On September 11, 2025 and December 10, 2025, the OEB published the Q4 2025 and Q1 2026 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) as necessary to reflect the Q4 2025 and Q1 2026 OEB-prescribed interest rates of 2.91% and 2.55%.

RESPONSE:

The Q4 2025 and Q1 2026 OEB-prescribed interest rates have been updated on Tab 3.

Staff Question-2

Ref: Rate Generator Model, Tab 18, Regulatory Charges

Preamble:

On December 11, 2025, the OEB set the rates for the Rural or Remote Electricity Rate Protection (RRRP), Wholesale Market Service (WMS), and Capacity Based Recovery (CBR) rates.

Question(s):

- a. OEB staff has updated the RRRP and CBR rates in Tab 18 (Regulatory Charges) of the Rate Generator Model. Please confirm the accuracy of the updates and if there are no issues with the model.

RESPONSE:

HHHI confirms the accuracy of the RRRP and CBR rates in the model.

Staff Question-3

- Ref 1: Chapter 3 Filing Requirements, June 19, 2025, Section 3.2.6, p. 9**
- Ref 2: Rate Generator Model, Tab 3, Continuity Schedule, Column AS**
- Ref 3: EB-2023-0026, March 21, 2024, Rate Generator Model, Tab 3, Continuity Schedule, Column BG**
- Ref 4: EB-2023-0026, March 21, 2024, Rate Generator Model, Tab 3, Continuity Schedule, cells BG32 & BL32**
- Ref 5: Rate Generator Model, Tab 3, Continuity Schedule, cells AS31 & AX31**

Preamble:

Chapter 3 of the Filing Requirements states that the opening principal and opening interest amounts for Group 1 balances shown in the DVA continuity schedule must reconcile with the last applicable balances approved on a final basis. OEB staff notes that the OEB last approved the final disposition of HHHI Group 1 balances as of December 31, 2022 in its 2024 IRM proceeding (EB-2023-0026).

OEB staff observes that the opening principal balances as of January 1, 2023 for Accounts 1588 and 1588 in Reference 2 do not match the closing principal balances ending as of December 31, 2022 in Reference 4.

Question(s):

- a. Please explain and reconcile the discrepancies of the 2023 opening balances in Accounts 1588 and 1589.

Reference 2

Account Descriptions	Account Number	Opening Principal Amounts as of Jan 1, 2023
Group 1 Accounts		
LV Variance Account	1550	437,681
Smart Metering Entity Charge Variance Account	1551	(79,519)
RSVA - Wholesale Market Service Charge ⁵	1580	1,343,510
Variance WMS – Sub-account CBR Class A ⁵	1580	0
Variance WMS – Sub-account CBR Class B ⁵	1580	(106,628)
RSVA - Retail Transmission Network Charge	1584	1,181,640
RSVA - Retail Transmission Connection Charge	1586	176,982
RSVA - Power ⁴	1588	(771,539)
RSVA - Global Adjustment ⁴	1589	10,375

Reference 3

Account Descriptions	Account Number	Closing Principal Balance as of Dec 31, 2022
Group 1 Accounts		
LV Variance Account	1550	437,681
Smart Metering Entity Charge Variance Account	1551	(79,519)
RSVA - Wholesale Market Service Charge ⁵	1580	1,343,511
Variance WMS – Sub-account CBR Class A ⁵	1580	0
Variance WMS – Sub-account CBR Class B ⁵	1580	(106,628)
RSVA - Retail Transmission Network Charge	1584	1,181,640
RSVA - Retail Transmission Connection Charge	1586	176,982
RSVA - Power ⁴	1588	(1,439,694)
RSVA - Global Adjustment ⁴	1589	678,528

- b. Please explain why HHHI did not include the Disposition and Recovery/Refund of Regulatory Balances 1595 (2018) closing balances (Reference 4) to the opening balances in Reference 5.

RESPONSE:

- a) HHHI had used an original closing balance that failed to include the adjustments made during the IRM process. As such, HHHI has performed a reconciliation of the amounts and has submitted a revised 2026 IRM Rate Generator Model with revisions made to the Tab 3. Continuity Schedule and revised 2026 Commodity Accounts Analysis Workform.
- b) HHHI acknowledges the oversight in Reference 4 and has ensured the inclusion of the Disposition and Recovery/Refund of Regulatory Balances 1595 (2018) closing balances in the 2026 IRM Rate Generator Model with revisions made to the Tab 3. Continuity Schedule.

Staff Question-4

Ref 1: Rate Generator Model, Tab 3, Continuity Schedule

Ref 2: EB-2023-0026, March 21, 2024, Decision and Order, p. 9

Ref 3: EB-2022-0036, March 23, 2023, Decision and Order, pp. 10-13

Question(s):

- a. Please explain why HHHI did not include the amounts in the Disposition and Recovery/Refund of Regulatory Balances (2018), that was approved in HHHI's 2024 IRM proceeding (Reference 2), in the OEB-Approved Disposition during 2024 column for both the principal (cell BE31) and interest (cell BJ31) balances.
- b. Please explain why HHHI did not include the amounts in the Disposition and Recovery/Refund of Regulatory Balances (2016), that was approved in HHHI's 2023 IRM proceeding (Reference 3), in the OEB-Approved Disposition during 2023 column for both the principal (cell AU31) and interest (cell AZ31) balances.

RESPONSE:

- a) HHHI acknowledges the oversight and has ensured the inclusion of the Disposition and Recovery/Refund of Regulatory Balances 1595 (2018) closing balances in the 2026 IRM Rate Generator Model with revisions made to the Tab 3. Continuity Schedule.
- b) HHHI acknowledges the oversight and has ensured the inclusion of the Disposition and Recovery/Refund of Regulatory Balances 1595 (2016) closing balances in the 2026 IRM Rate Generator Model with revisions made to the Tab 3. Continuity Schedule.

Staff Question-5

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

Question(s):

- a. Please explain the principal adjustments made in 2024 for Account 1595 Disposition and Recovery/Refund of Regulatory Balances (2023 & 2024).

RESPONSE:

The \$57,667 adjustment relates to the incorrect posting of 2024 dispositions to the GL account assigned to the 2023 dispositions. As such, the amount in question was reclassified from the 2023 accounts to the 2024 to ensure the correct allocations.

Staff Question-6

Ref 1: Commodity Accounts Analysis Workform, Note 8

Ref 2: EB-2023-0026, November 13, 2023, GA Analysis Workform, Note 9

Question(s):

- a. Please explain why the principal adjustments of -\$554,961 in Account 1588 and \$554,961 in Account 1589, which refers to Unposted 2019 CT 148 Trueup (Reference 2), are not reflected in Reference 1.

RESPONSE:

HHHI conducted a review of the 1588 and 1589 accounts as shown in the 2026 Commodity Accounts Analysis Workform and determined that the principal adjustments of -\$554,961 in Account 1588 and \$554,961 in Account 1589 should have been included. HHHI has revised the 2026 Commodity Accounts Analysis Workform to account for this discrepancy.

Staff Question-7

Ref 1: Manager's Summary, pp. 9-10

Ref 2: Commodity Accounts Analysis Workform, Account 1588

Preamble:

HHHI states in Reference 1 that the annual Account 1588 balance relative to the cost of power is 1.1%. HHHI also notes an out of period GA adjustment on an IESO invoice in 2023 and a \$357,824 out of period adjustment reconciling item that brings the discrepancy of Account 1588 relative to the cost of power to 0.0%. OEB staff observes that the discrepancy of 1.1% and the out of period adjustments are not reflected in Reference 2.

Question(s):

- a. Please explain and reconcile the statements in Reference 1 with the Commodity Accounts Analysis Workform in Reference 2.

RESPONSE:

HHHI conducted a review of the 1588 and 1589 accounts as shown in the 2026 Commodity Accounts Analysis Workform and determined that the internal HHHI working model correctly reflected the 2023 Account 4705 – Power Purchased amount where the 2026 Commodity Accounts Analysis Workform 2023 Account 4705 – Power Purchased did not. The amount in the OEB model should have read \$32,104,486. HHHI notes this discrepancy was not mentioned in the Manager's Summary.

Had the \$357,824 not been included in the principle amounts, it would be a reconciling item on the Account 1588 tab of the 2026 Commodity Accounts Analysis Workform.

Staff Question-8

Ref: Rate Generator Model, Tab 10, RTSR Current Rates

Question(s):

- a. OEB staff observes that HHHI did not forecast Electric Vehicle (EV) loads for 2026. Please confirm the following:
 - i. Does HHHI plan to offer Electric Vehicle Charging Rate (EVC Rate) to eligible customers beginning 2026?
 - ii. Does HHHI expect any customers to qualify for the EVC Rate in 2026?

RESPONSE:

- a) Electric Vehicle (EV) Loads for 2026
 - i. HHHI plans to offer the Electric Vehicle Charging Rate (EVC Rate) to eligible customers beginning May 1, 2026.
 - ii. Currently, HHHI does not have any interested or eligible parties to the EVC Rate. As such, there is no estimated load.

Staff Question-9

Ref 1: Rate Generator Model, Tab 11, RTSR – UTRs & Sub-Tx
Ref 2: EB-2025-0030, Decision and Order, December 23, 2025

Preamble

On December 23, 2025, the OEB issued its Rate Order for Hydro One Networks Inc.'s Custom IR application. Included in the Rate Order were new Sub-Transmission Rates for 2026.

Question(s):

- a. OEB staff has updated Hydro One's Sub-Transmission rates in Reference 1. Please confirm the accuracy of the updates and that they are correctly reflected throughout the model.

RESPONSE:

HHHI confirms that Hydro One's Sub-Transmission rates in Reference 1 have been updated and are correctly reflected throughout the model.

However, HHHI notes that the final UTR rates for the IESO were not updated. HHHI has updated the rates accordingly.

Staff Question-10

Ref: Rate Generator Model, Tab 4, Billing Det. For Def-Var

Question(s):

- a. Please provide and confirm the basis of the allocation in the 1595 Recovery Proportion (2019 and pre-2019) column in Reference 1.

RESPONSE:

Below is the Tab 5. Def-Var Balances Group 1 allocation from the Rate Generator Model in proceeding EB-2018-0037 (2019 IRM) that was used as the basis for the allocation in the 1595 Recovery Proportion (2019 and pre-2019) column in Reference 1.



No input required. This worksheet allocates the deferral/variance account balances (Group 1 and 1568) to the appropriate classes as per EDOUVAH dated July 31, 2009

Allocation of Group 1 Accounts (including Account 1568)

Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	allocated based on Total less WMP			allocated based on Total less WMP			1568
				1550	1551	1580	1584	1586	1588	
RESIDENTIAL SERVICE CLASSIFICATION	40.2%	91.8%	40.6%	1,474	(5,036)	(206,978)	(18,549)	(41,623)	(331,872)	0
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	10.5%	8.2%	10.6%	385	(452)	(53,992)	(4,839)	(10,858)	(86,572)	0
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	28.1%	0.0%	27.5%	1,030	0	(140,133)	(12,964)	(29,090)	(224,692)	0
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	20.6%	0.0%	20.8%	756	0	(106,120)	(9,510)	(21,340)	(170,155)	0
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.2%	0.0%	0.2%	7	0	(999)	(90)	(201)	(1,602)	0
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.1%	0.0%	0.1%	2	0	(278)	(25)	(56)	(446)	0
STREET LIGHTING SERVICE CLASSIFICATION	0.2%	0.0%	0.2%	9	0	(1,206)	(108)	(242)	(1,933)	0
Total	100.0%	100.0%	100.0%	3,663	(5,487)	(509,706)	(46,085)	(103,410)	(817,273)	0