

**BY E-MAIL**

March 4, 2026

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

Dear Ritchie Murray:

**Re: Alectra Utilities Corporation (Alectra Utilities)  
2027-2031 Custom Rate Application for Electricity Rates and Charges  
Ontario Energy Board (OEB) File Number: EB-2025-0252**

Please find attached the OEB staff's Technical Conference written questions for Alectra Utilities to address by way of undertakings in the above-noted proceeding. OEB staff are of the view that circulating these technical questions in advance is more efficient than asking in person during the Technical Conference. Alectra Utilities and all intervenors have been copied on this filing.

Alectra Utilities' responses to these undertakings are due by March 27, 2026.

Any questions relating to this letter should be directed to Narisa Jotiban at [Narisa.Jotiban@oeb.ca](mailto:Narisa.Jotiban@oeb.ca) or at 416-440-7664. The OEB's toll-free number is 1-888-632-6273

Yours truly,

Narisa Jotiban  
Senior Advisor – Electricity Distribution

cc. All parties to EB-2025-0252

**OEB Staff's Technical Conference Written Questions**

**2027-2031 Custom Rate Application for Electricity Rates and Charges Application  
Alectra Utilities Corporation (Alectra Utilities)  
EB-2025-0252  
March 4, 2026**

Please note, Alectra Utilities is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff's 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*.

**Exhibit 1 – Administration**

**1-Staff-275**

**Audited Financial Statements**

**Ref 1: 1-Staff-33 IRR / p. 2 / Item 3 on the table**

**Ref 2: 1-SEC-24\_Attach 3 App 2-BA, Account 2440**

**Preamble:**

OEB staff has compiled the following table showing the differences of deferred revenue between reference 1 and reference 2:

(\$M)	2023			2024		
	Cost	Accumulated Depreciation	NBV	Cost	Accumulated Depreciation	NBV
Reference 1 (a)	823	99	724	954	120	834
Reference 2 (b)	747	96	652	878	120	758
Difference (a-b)	76	3	72	76	0	76

**Question(s):**

- a) Please reconcile and explain the differences identified/highlighted in the table above.

**1-Staff-276**

**Ref 1: 1-Staff-13 b) IRR**

**Preamble:**

In response to 1-Staff-13, part b), Clearspring Energy Advisors (Clearspring) stated that:

Clearspring is of the view that it adds credibility to the benchmarking model exercise when models and methodology are consistent from application to application. We do not have a Hydro One model, a Toronto Hydro model, an Alectra Utilities model, or any other client model. Clearspring, instead, has one model that we believe performs the best in predicting total costs for large distributors regardless if they serve a large congested urban core, have extensive rural territory, or are somewhere in the middle. Naturally, we will make improvements over time but this is done consistently.

**Question(s):**

- a) Does Clearspring believe that it is desirable for a consultant to continue improving benchmarking methods so long as improvements are applied consistently (e.g., applied in all studies going forward) pending further progress? Please explain.

**1-Staff-277**

**Ref 1: 1-Staff-14 b) IRR**

**Preamble:**

In response to 1-Staff-14, part b), Clearspring Energy Advisor (Clearspring) stated that:

There are other instances of custom output elasticities being negative in the sample.

**Question(s):**

- a) Please provide more specific explanations for other instances mentioned above.

**1-Staff-278**

**Ref 1: 1-Staff-17 IRR**

**Question(s):**

- a) Clearspring noted in response to the interrogatory in reference 1 that more recent inflation forecasts suggest that the appropriate IPD value is 0.24%. Does Clearspring now recommend a 0.24% IPD for Alectra Utilities? If not, why not?

**1-Staff-279**

**Ref 1: 1-Staff-20 IRR**

**Question(s):**

- a) Clearspring was asked to provide both the econometric cost model and the benchmarking results that result if the HWI is used to calculate asset price trends. OEB staff notes that only the results were provided. Please provide the model.

**Exhibit 2 – Rate Base**

**2-Staff-280**

**Capital Expenditure**

**Ref 1: 2-Staff-45\_Attach 1 App 2-AB - 2017-2031 / Tab 2-Staff-45-a-Alectra**

**Ref 2: Exhibit 2B / Tab 1 / Schedule 2 / Tables 2-1-6 and 2-1-7 / pp. 2-3 (pdf pp. 11-12) (Updated November 21, 2025)**

**Preamble:**

OEB staff has compiled the following table showing, from 2018 onwards, the difference between total capex in reference 2 and net expenditures is transition cost. However, in 2017, there is a variance of \$11.6M.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
<b>Total CapEx (ref 2) (a)</b>	271.5	278.5	333.6	270.4	277.5	271.1	330.6	334.9	326.7	344.7	
<b>Transition Cost (ref 2) (b)</b>	25.1	42.1	34.1	11.5	7.4	5.5	2.1	1.6	6.1	1.9	137.5
<b>Total CapEx less transition costs (a-b)</b>	246.4	236.4	299.5	258.9	270.1	265.6	328.5	333.3	320.6	342.8	
<b>Net Expenditures (ref 1) (c)</b>	258.0	236.4	298.7	258.9	270.1	265.6	328.5	333.3	320.5	342.8	
<b>Variance (a-b-c)</b>	(11.6)										

**Question(s):**

- a) Please clarify the nature of “East”, “West”, “Central South”, “Central North” in reference 1
- b) Please explain the variance (i.e. \$11.6M) identified in the table above in 2017.
- c) Appendix 2-AB provided in reference 1 is from 2017. Alectra Utilities states “consistent and reliable information prior to 2017 is not available on a consolidated basis”, please confirm whether each individual legacy utilities’ capital expenditure is available.

- i. If yes, please provide each legacy capital expenditure in Appendix 2-AB format **with the formulas intact** from its last rebasing and reconcile to reference 1

## **2-Staff-281**

### **Depreciation study, Direct Labour Capitalization (DLC) Burden & fix assets continuity schedule**

**Ref 1: 2-Staff-153 Attach 1\_UL and DLC Impact**

**Ref 2: 1-Staff-1\_Attach 1 to Attach\_5 Rev\_Reqt Workform1.0\_20260220**

**Ref 3: 1-SEC-24\_Attach 3 App 2-BA**

#### **Preamble:**

Per reference 1, OEB staff notes the following amounts are not updated based on the Alectra Utilities' interrogatory response:

- 1) Tab-Depreciation Impact
  - "Depreciation as filed" (row 16) was not updated per reference 3
  - "Reversal of UL Change Impact" (row 17) missing value
- 2) Tab-OM&A
  - "OM&A as filed" (row 18) doesn't match Tab 9 in reference 2
  - "Reversal of DLC" (row 19) missing value
- 3) Tab-PILs Impact
  - "Gross up PILs as filed" (row 11) was not updated per reference 2
- 4) Tab-Rate Base
  - "Rate Base" (row 20) was not updated per reference 2
- 5) Tab-Revenue Requirement

The following amounts/row needs to be updated based on the changes above 1) to 4)

  - "Rate Base" (row 9)
  - "Distribution Expenses (not including Depreciation)" (row 12)
  - "Depreciation" (row 13)
  - "PILs" (row 14): missing formular and the amount doesn't match interrogatory response
  - "Revenue offsets" (row 16): the amount doesn't match interrogatory response

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

- a) Please resubmit and update reference 1 **with the formulas intact** using updated amounts based on the most recent interrogatory/undertaking response.
- b) Please update the following table assuming changes of the depreciation study and DLC study effective from test year 2027 rather than from 2025.

- i. Please quantify the revenue requirement impact and rate base impact (change on the opening balance of fixed assets) using the following table compiled by the OEB staff.
- Please **fill all the cells** in the following table
  - Please **follow the format** of the following table and provide comparison for both scenarios (i.e. applying both studies from 2025, applying both studies from 2027)

	Revenue Requirement		Rate Base		OM&A	
	Applying both studies from 2025	Applying both studies from 2027	Applying both studies from 2025	Applying both studies from 2027	Applying both studies from 2025	Applying both studies from 2027
2027						
2028						
2029						
2030						
2031						

**2-Staff-282**

**AMI Acceleration of depreciation**

**Ref 1: 1-Staff-146 Attach 1 AMI Acceleration of Depreciation**

**Ref 2: 1-Staff-1\_Attach 1 to Attach 5\_Rev\_Reqt Workform\_20260220**

**Ref 3: 1-SEC-24\_Attach 3 App 2-BA**

**Preamble:**

Per reference 1, OEB staff notes the following amounts are not updated based on the most interrogatory response:

- 1) Tab-PILs Impact
  - “Gross up PILs as filed” (row 11) was not updated per reference 2
- 2) Tab-Rate Base
  - “Rate Base” (row 20) was not updated per reference 2

3) Tab-Revenue Requirement

The following amounts/row needs to be updated based on the changes in 1) and 2) above.

- “Rate Revenue Requirement” (row 9)
- “Rate Base” (row 15)
- “Distribution Expenses (not including Depreciation)” (row 18)
- “Depreciation” (row 19)
- “PILs” (row 20): missing formular and the amount does not match interrogatory response

- “Revenue offsets” (row 22): the amount doesn’t match interrogatory response

**Question(s):**

- Please resubmit and update reference 1 **with the formulas intact** using updated amounts based on the most recent interrogatory/undertaking response.
- Please update the following table per a) to quantify the PILs impact, the revenue requirement impact and rate base impact (change on the opening balance of fixed assets) from 2027 to 2031 by completing the following table compiled by OEB staff:

(\$MM)	Depreciation expenses	PILs impact	Revenue Requirement from 2027-2031	Opening Rate Base
Standard depreciation (a)				
Acceleration of depreciation (b)				
Variance (a-b)				

**2-Staff-283**

**Comparing capital expenditures to in-service additions**

**Ref 1: 2-Staff-143 IRR**

**Ref 2: 1-SEC-24\_Attach 3 App 2-BA**

**Question(s):**

- Alectra Utilities mentioned 2-SEC-24 on page 3 of reference 1, where is it? OEB Staff only sees 1-SEC-24. Please clarify.
- Please confirm 1-SEC-24\_Att 3 is the updated Appendix 2-BA (i.e. reference 2).
- For \$7.3M indicated in Table 2 of reference 1, can you please clarify
  - Which column in reference 2 contains Note 1 \$7.3M?
  - Which column in reference 2 contains Note 2 \$7.3M?
  - Is the \$7.3M in column reclassification in 2024 of reference 2 related to legacy Horizon’s stranded meter?
    - If yes, please explain why the \$7.3M in column M of 2024 accumulated depreciation section is split into 2 accounts (1835, 2440) while it was only recorded to one account in cost section (1860)?
    - If no, please clarify the \$7.3M recorded in both reclassification columns for in 2024 of reference 2.

**2-Staff-284**

**Fix assets continuity schedule before 2017/2019 for each legacy**

**Ref 1: 2-Staff-142 IRR**

**Ref 2: [Chapter 2 Appendices](#) / Tab App.2-BA\_Fixed Asset Cont**

**Question(s):**

Please update Attachments 1 to 5 in reference 1 **with the formulas intact** according to the following requirements:

a) Attach 1 Pre 2017 Legacy Fixed Asset Continuity Schedules

i. HZ-2015

- Please update format/structure using exact Appendix 2-BA model in reference 2 including "Sub-Total", "total PP&E for rate base purpose", "net depreciation"

ii. HZ-2016

- Please update format/structure using exact Appendix 2-BA model in reference 2 including "Sub-Total", "total PP&E for rate base purpose", "net depreciation"
- Please use formula filling in 2016 opening balance (i.e. cost and accumulated depreciation) of 2016 instead of hardcoding

iii. BR-2015, BR-2016

- Please update format/structure using exact Appendix 2-BA model in reference 2 including "Sub-Total", "total PP&E for rate base purpose", "net depreciation" for both years
- Please use formula filling in 2016 opening balance (i.e. cost and accumulated depreciation) of 2016 instead of hardcoding

iv. ERZ-2013, ERZ-2014, ERZ-2015, ERZ-2016

- Please update format/structure using exact Appendix 2-BA model in reference 2 including "Sub-Total", "total PP&E for rate base purpose", "net depreciation" for each year
- Please use formula filling in opening balance (i.e. cost and accumulated depreciation) of 2014, 2015 and 2016 instead of hardcoding

b) Attach 2 2017 Legacy Fixed Asset Continuity Schedules

Attach 3 2018 Legacy Fixed Asset Continuity Schedules

i. For Legacy Enersource, Legacy Powerstream, Legacy Brampton, Legacy Horizon

- Please update format/structure using exact Appendix 2-BA model in reference 2 including "Sub-Total", "total PP&E for rate base purpose", "net depreciation for each sheet"

- Please use formula filling in opening balance (i.e. cost and accumulated depreciation) of 2017/2018 instead of hardcoding for each legacy
- ii. Reconciliation
  - Please update Appendix 2-BA based on the most recent version per interrogatory/undertaking response
- c) Attach 4 2019 Legacy Guelph Fixed Asset Continuity Schedules
  - i. Guelph 2016, 2017, 2018 Year-end and 2019
    - Please update format/structure using exact Appendix 2-BA model in reference 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation for all these four sheets
    - Please use formula filling in opening balance (i.e. cost and accumulated depreciation) of 2017, 2018, 2019 instead of hardcoding
  - ii. Reconciliation
    - Please update Appendix 2-BA based on the most recent version per interrogatory/undertaking response
- d) For Attach 5 2019 Legacy Fixed Asset Continuity Schedules Reconciliation
  - i. Guelph Hydro
    - Please use formula filling in opening balance (i.e. cost and accumulated depreciation) of 2019 instead of hardcoding per c) above
  - ii. Opening balance
    - Please use formula filling in opening balance (i.e. cost and accumulated depreciation) of 2018 instead of hardcoding per Attach 3 in b) above
    - Cell O70 (net depreciation) only shows 2018 HRZ value, please correct the amount showing all the related legacies and reconcile to the Appendix 2-BA based on the most recent version per interrogatory/undertaking response
  - iii. Reconciliation
    - Please update Appendix 2-2BA based on the most recent version per interrogatory/undertaking response
    - Please “Net Depreciation” amount as well for the reconciliation

**2-Staff-285**

**Ref 1: 2-Staff-149 b) v. IRR**

**Ref 1: 2-Staff-149\_Attach 1\_Appendix 2-ZA ZB 2027-2031 / All App.2-ZB\_Cost of Power tabs**

**Preamble:**

In response to 2-Staff-149, part b) v. in reference 1, Alectra Utilities states that it updated the excel models in reference 2 to reflect the latest OEB-approved Wholesale Market Service (WMS) rates and Class B CBR charge based on the EB-2025-0299, Decision and Order, December 11, 2025 with the WMS rate of \$0.0041/kWh and the CBR charge of \$0.0006/kWh for 2026.

Tabs 2-ZB in reference 2 shows the WMS rates of 0.0042 for 2027, 0.0043 for 2028, 0.0044 for 2029, 0.0045 for 2030, and 0.0046 for 2031, while the CBR charge shows \$0.0006/kWh for the 2027 to 2031 period. It appears that the WMS rates have been updated with 2% inflation per year from 2027 to 2031 based on the approved WMS rate in 2026, while the CBR charge remains unchanged at \$0.0006/kWh from 2027 to 2031.

**Question(s):**

- a) Please confirm staff's observation on the forecast WMS rates for the 2027 to 2031 period. If not confirmed, please explain Alectra Utilities' assumptions used to derive the WMS rates for 2027 to 2031 in reference 1.
- b) Please explain Alectra Utilities' assumptions used to derive the CBR charges for the 2027 to 2031 period in reference 2.

**Exhibit 6 – Revenue Requirement**

**6-Staff-286**

**Tax Credits**

**Ref 1: 6-Staff-207 IRR**

**Ref 2: 6-Staff-207\_Attach 1\_PILs model / Tab T0, PILs,Tax Provision Test**

**Preamble:**

Alectra Utilities states in reference 1 that the inclusion of the tax credits in the PILs model assumes that the tax credits have not been included in Regulatory Income before Taxes, which is inconsistent with Alectra Utilities set of facts. Alectra Utilities also states that an adjustment is made to add to taxable income the amount of the prior year's tax credits received, and a deduction is taken for the accrued current-year tax credits that are recorded in Regulatory Income before Taxes, which is consistent with the treatment on Alectra Utilities tax returns.

OEB staff notes that the updated tax credit is \$1,418,189 (i.e. 2022-2024 average) per Table 4 in reference 1, however, the amount in reference 2 still remains unchanged at \$915,000.

In Tab T1 Sch 1 Taxable Income Test of reference 2, OEB staff also notes that Alectra Utilities included \$915,000 tax credit in the “total addition” in calculating the regulatory taxable income.

**Question(s):**

- a) Please confirm the updated tax credits per Table 4 is \$1,418,189 based on 2022-2024 average instead of \$915k as pre-filed.
  - i. If yes, please update tax credit in reference 2 using \$1,418,189
  - ii. If no, please explain why not.
- b) Please explain why tax credits is part of taxable income.
- c) Please provide the precedent case that the OEB approved to include tax credits in the taxable income in calculating PILs. Please provide the EB number.
- d) Please provide related tax rules showing tax credit is part of the taxable income.
- e) Please provide the PILs model assuming the tax credit is excluded in the taxable income.

**6-Staff-287**

**Accelerated Investment Incentive Program (AIIP)**

**Designated Immediate Expensing Property (DIEP)**

**Ref 1: 6-Staff-209 IRR**

**Ref 2: 6-Staff-209 Attach 3\_Actual Additions**

**Ref 3: 6-Staff-209 Attach 4\_All Impact on ICM Projects**

**Ref 4: 6-Staff-209 Attach 5 1592 Reconciliation**

**Ref 5: 9-Staff-247 Attachment 1 to 9-Staff-250 Attachment 1 and 9-Staff-251**

**Attachment 2 (DVA Continuity Schedules)**

**Ref 6: 6-Staff-207\_Attach 1\_PILs Model / Tab T8 Sch 8 CCA Test**

**Preamble:**

Per reference 1, Alectra Utilities provided Table 1 reflecting the use of actual capital additions in Account 1592 and states the table cannot be broken down by rate zone as the fixed asset continuity cannot be prepared by rate zone. Alectra Utilities also provided Table 6 presenting the difference between net capital additions for tax purposes under the two methodologies (i.e., approved capital additions Vs actual capital additions)

OEB staff notes Table 1 reflects the principal balance of Account 1592 by using actual capital addition approach.

Per reference 2, OEB staff notes the 2019 opening UCC is hardcoded in Sch 8.

Per references 4 and 5, OEB staff has compiled the following table showing the difference of principal balances in reference 4 and the amount actually recorded in DVA continuity schedule of each rate zone in reference 5.

Total reconcile to Table 9-3-59 Principal balances (Ref 4)									
	2019	2020	2021	2022	2023	2024	2025	2026	Total
BRZ	1,109,821	922,904	943,574	754,383	687,985	(10,088)	23,753	45,785	4,478,117
ERZ	2,274,160	1,322,761	1,335,101	1,204,700	1,104,251	(51,283)	26,841	69,742	7,286,274
GRZ	472,445	360,905	333,039	293,337	265,241	(48,378)	(10,283)	9,118	1,675,425
HRZ	1,933,068	1,501,248	1,399,929	1,259,315	1,155,605	(63,954)	43,960	96,412	7,325,583
PRZ	3,210,335	2,799,700	2,998,888	3,053,019	2,860,783	117,163	286,564	359,714	15,686,164
Total	8,999,830	6,907,519	7,010,531	6,564,753	6,073,866	(56,540)	370,834	580,771	36,451,562
Principal balances from DVA Continuity (Ref 5)									
	2019	2020	2021	2022	2023	2024	2025	2026	Total
BRZ	1,109,821	922,904	913,116	784,841	687,985	(18,028)	23,753	45,785	4,470,178
ERZ	2,274,160	1,322,761	1,169,970	1,369,831	1,104,251	(1,923)	26,841	69,742	7,335,634
GRZ	472,445	360,905	304,140	321,932	265,242	(42,412)	(10,283)	9,118	1,681,087
HRZ	1,933,068	1,501,248	1,307,126	1,352,118	1,155,605	(56,619)	43,960	96,412	7,332,919
PRZ	3,210,335	2,799,700	2,887,756	3,164,153	2,860,783	62,440	286,564	359,713	15,631,444
Total	8,999,830	6,907,519	6,582,107	6,992,875	6,073,866	(56,541)	370,834	580,771	36,451,261

**Question(s):**

- a) Please explain why actual capital additions from 2019 onwards cannot be broken down by rate zones and Alectra Utilities cannot create actual fixed asset continuities by rate zone.
- b) Please update reference 2 by including the carrying charges from 2019 to 2026.
  - Please provide spreadsheet **with the formulas intact** showing the calculation.
- c) In reference 3, please explain why “incremental capital” starts change in 2022 from the previous years in cell H6 in the following three sheets:
  - ERZ Transformer ICM 2019
  - PRZ Bathurst ICM 2019
  - PRZ YRRT ICM 2019
- d) Please provide 2019 tax return and reconcile schedule 8 CCA to the 2019 opening UCC in reference 2
- e) Please explain the variance between reference 4 and 5 identified by OEB staff in the table above.
- f) Per reference 6, please confirm Alectra Utilities has applied phase-out AIIP from 2025 to 2027 and reversed back to the legacy half-year rule from 2028 to 2031.