Re: Rideau St. Lawrence Distribution Inc.
2027 Cost of Service Application EB-2026-0069
Subject: Response to Error Checking

Rideau St. Lawrence Distribution Inc. ("RSL") is filing revised evidence to address updates identified through its error checking review of the application, supporting schedules and OEB models.

The most significant revisions relate to the Deferral and Variance Account ("DVA") evidence and supporting models. As the DVA balances form the basis for the calculation of the proposed rate riders, the revisions have resulted in corresponding updates to the rate rider calculations and customer bill impacts.

The revised evidence also incorporates a number of additional corrections, updates and consistency changes identified during the review process, including updates to supporting schedules, models and related evidence.

Accordingly, RSL is filing revised versions of the following documents:

- 03.RSL 2027 Rev Reqt Workform 2026.06.15
- 07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15
- 09.RSL 2027 DVA Continuity Schedule 2026.06.15
- 10.RSL 2027 Filing_Requirements Chapter2 Appendices 2026.06.15
- 11.RSL 2027 Tariff Schedule and Bill Impact Model 2026.04.30
- 11.RSL 2027 Tariff Schedule and Bill Impact Model 2026.06.15
- Main Document
- RLS -OEB Staff_Error Checking
- RSL Ex 1 Administrative Documents June 15 2026
- RSL Ex 3 Load and Customer Forecast June 15 2026
- RSL Ex 4 Operation Costs June 15 2026
- RSL Ex 5 Cost of Capital June 15 2026
- RSL Ex 8 Rate Design June 15 2026
- RSL Ex 9 DVA Treatment and Disposition June 15 2026
- RSL Response to Staff Error Checking

RSL respectfully requests that the OEB replace the previously filed versions of these documents with the revised versions submitted herein.

Should Board Staff require any additional information, RSL would be pleased to provide it.

Respectfully submitted,

Regards,

Simon Wu

Simon Wu

President & CEO
President and CEO
Rideau St. Lawrence Distribution Inc.
swu@rslu.ca
613-925-3851 phone ext. 5001

EXHIBIT 3

Item 1 – Customer Count Reconciliation

Issue:
Table 1 shows a 2022 Board Approved customer count of 7,752 while Table 2 shows 7,712.

RSL Response: Exhibit 3, Table 2 was updated to show 7,752 for 2022 Board Approved

Documents Updated:

- **RSL Ex 3 Load and Customer Forecast June 15, 2026**

EXHIBIT 4

Item 2 – Appendix 2-M Reconciliation

Issue:
Table 17 does not reconcile to Appendix 2-M.

Action Required:
Review Table 17 and Appendix 2-M, identify the source of the variance, and update the evidence and/or appendix as required.

RSL Response: RSL disagrees with Board Staff and notes that Table 18 and Appendix 2-M reconcile as filed. Table 17 shows a discretionary ongoing regulatory list of costs while one-time consulting costs are presented separately in Table 18. In Appendix 2-M, all consulting costs are combined into a single consulting cost line. When these amounts are considered together, the totals reconcile.

Documents Updated:

- **None (no revisions required)**

Item 3 – Appendix 2-JD OM&A Reconciliation

Issue:
USoA accounts 5315, 5320, 5425, 5420, 5325, 5335, 5405, 5410 and 5415 differ between Exhibit 4 and Appendix 2-JD. Account 5310 appears in Exhibit 4 but not in Appendix 2-JD.

RSL Response: RSL confirms that the discrepancy was limited to Appendix 2-JD and was caused by an error when information was transferred from RSL's internal models. The issue has been corrected, and an updated Appendix 2-JD has been provided.

The account balances presented in Exhibit 4 were not affected and no updates to Exhibit 4 were required.

Documents Updated:

- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

Item 4 – Reporting Basis

Issue:
The Reporting Basis rows in Appendices 2-JA, 2-JB, 2-JD and 2-L are blank.

RSL Response: Chapter 2 appendices have been updated accordingly

Documents Updated:

- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

Item 5 – Maintenance Expense Variance

Issue:
2025 Maintenance expenses in Exhibit 4 Table 2 differ from Appendix 2-JA.

RSL Response: RSL confirms that the discrepancy was limited to Appendix 2-JA cell P15 and was caused by an error when information was transferred from the supporting models. The issue has been corrected, and an updated Appendix 2-JA has been provided.

The account balances presented in Exhibit 4 were not affected and no updates to Exhibit 4 were required.

Documents Updated:

- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

Item 6 – Account 5125 Variance

Issue:
2025 Actuals for Account 5125 differ between Exhibit 4 and Appendix 2-JD.

RSL Response: RSL confirms that Exhibit 4 has been updated to reflect the corrected Account 5125 balances from Doris. The inconsistency arose because revisions to the allocation of overhead distribution maintenance costs, including vegetation management-related amounts, had been reflected in our internal models but were not carried through to the Exhibit 4 table.

The corrected 2025 Actual amount for Account 5125 – Maintenance of Overhead Conductors and Devices is $231,213.69. Exhibit 4 and Appendix 2-JD have been updated to reflect the corrected value.

As a result of the update, the variance analysis was also reviewed. The 2024 to 2025 increase for Account 5125 is now $40,221.65. Since this does not exceed RSL's materiality threshold, the related variance explanation has been removed from Exhibit 4.

Account 5125	Amount
Board Approved	$168,610.00
2022	$182,893.67
2023	$148,744.07
2024	$190,992.04
2025	$231,213.69
2026	$216,380.44
2027	$222,871.85

Documents Updated:

- **RSL Ex 4 Operation Costs June 15, 2026**
- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

Item 7 – Table 3 Reconciliation

Issue:
Admin Expenses, Total Recoverable OM&A, OM&A Cost per Customer and OM&A Cost per FTE do not reconcile between Exhibit 4 and Appendix 2-L.

RSL Response: RSL confirms that the differences identified between Exhibit 4 and Appendix 2-L were due to the treatment of administrative expenses.

Table 3 in Exhibit 4 was prepared using RSL's internal definition of administrative expenses, which includes only costs recorded within the Administration function. Appendix 2-L, however, calculates administrative expenses using the OEB's prescribed methodology, which also includes Billing and Collecting and Community Relations costs.

To ensure consistency with Appendix 2-L and the OEB's filing requirements, Table 3 at page 25 of Exhibit 4 has been updated to reflect the broader administrative expense definition used in Appendix 2-L. As a result, the values for Administrative Expenses, Total Recoverable OM&A, OM&A Cost per Customer, and OM&A Cost per FTE now reconcile between Exhibit 4 and Appendix 2-L.

Documents Updated:

- **RSL Ex 4 Operation Costs June 15, 2026**

Item 8 – Miscellaneous (Residual Cost)

Issue:
2025 and 2026 Miscellaneous (Residual Cost) values differ between Table 16 and Appendix 2-JB.

RSL Response: RSL confirms that the discrepancy was limited to Appendix 2-JB, line 41, and was caused by an error when information was transferred from RSL's internal models. The issue has been corrected, and an updated Appendix 2-JB has been provided.

The values presented in Table 16 of Exhibit 4 were not affected and no updates to Exhibit 4 were required.

Documents Updated:

- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

EXHIBIT 5

Item 9 – Debt Reconciliation

Issue:
Long-Term Debt (Actual and Notional) differs between Exhibit 5 and Appendix 2-OA.

RSL Response: RSL confirms that the debt balances presented in Exhibit 5 are correct. The discrepancy arose from an error in Appendix 2-OA, where the allocation between Actual Long-Term Debt and Notional Long-Term Debt was incorrectly calculated.

Appendix 2-OA has been updated to reconcile with Exhibit 5. Specifically:

- Long-Term Debt (Notional) has been revised from 14.41% ($2,240,195) to 15.03% ($2,337,062).
- Long-Term Debt (Actual) has been revised from 41.59% ($6,465,385) to 40.97% ($6,368,518).

The total debt ratio of 60.00%, total debt amount of $9,327,407, weighted debt cost rate of 3.80%, total return on debt of $354,688, and overall weighted average cost of capital remain unchanged.

Appendix 2-OA has been updated accordingly.

Documents Updated:

- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

Item 10 – ROE Reconciliation

Issue:
Deemed ROE and Achieved ROE differ between Exhibit 1 Table 21 and Exhibit 5 Table 3.

RSL Response: RSL confirms that the achieved ROE values presented in Exhibit 1, Table 21 and Exhibit 5, Table 3 were incorrect.

Following a review of the utility's FINAL RRR 2.1.5 filing, RSL confirmed that the actual achieved ROE for 2025 is 3.49%, representing a variance of 5.17% from the 2022 Board-approved ROE of 8.66%.

The achieved ROE values presented in Exhibit 1, Table 21 and Exhibit 5, Table 3 have been updated to reflect the actual 2025 achieved ROE reported in the RRR. Both exhibits now reconcile and present consistent information.

Exhibit 1 and Exhibit 5 have been updated accordingly.

Documents Updated:

- **RSL Ex 1 Administrative Documents June 15, 2026**

- **RSL Ex 5 Cost of Capital June 15, 2026**

RRWF – CH 2 APPENDICES

Item 11 – RRWF and Appendix 2-OA Reconciliation

Issue:
Long-Term Debt balances in Appendix 2-OA do not align with RRWF Tab 7.

RSL Response: RSL confirms that the capitalization ratios presented in Exhibit 5 are correct. The discrepancy arose because the RRWF was not updated to reflect the revised allocation between Actual Long-Term Debt and Notional Long-Term Debt discussed at Item #9.

Following a review, the RRWF has been updated to reflect the correct capitalization ratios, consistent with Exhibit 5. Specifically:

- Long-Term Debt (Notional) Capitalization Ratio has been revised from 14.4% to 15.0%.
- Long-Term Debt (Actual) Capitalization Ratio has been revised from 41.6% to 41.0%.

The total debt capitalization ratio of 60.0%, common equity capitalization ratio of 40.0%, and overall capital structure remain unchanged.

The RRWF has been updated accordingly to reconcile with Exhibit 5.

Documents Updated:

- **03.RSL 2027 Rev Reqt Workform 2026.06.15**
- **10.RSL 2027 Filing Requirements Chapter 2 Appendices 2026.06.15**

EXHIBIT 8

Item 12 – Table 8 Input Errors

Issue:
The Fixed % column contains both percentages and dollar values and does not align with RRWF Worksheet 13.

RSL Response: Table 8 has been corrected accordingly.

Documents Updated:

- **RSL Ex 8 Rate Design June 15 2026**

EXHIBIT 9

Item 13 – Account 1511 Disposition

Issue:
Exhibit 9 indicates Account 1511 is requested for disposition, but the DVA Continuity Schedule does not show a balance or disposition request.

RSL Response: RSL confirms that it is requesting disposition of Account 1511 – Cloud Computing Deferral Account.

The balance associated with cloud computing costs was inadvertently recorded in a Group 2 Account 1508 deferral account in the DVA Continuity Schedule rather than in Account 1511. This classification error has been corrected and the updated DVA Continuity Schedule now reflects the balance in the appropriate account.

The correction does not affect the total amount requested for disposition and has no impact on the resulting rate riders.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15 2026**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 14 – Principal Adjustments

Issue:
Three principal adjustments appear in the GA 2025 worksheet but do not appear in the Principal Adjustments tab or DVA Continuity Schedule.

RSL Response: Following the DVA related updates, RSL confirms that there are two remaining principal adjustments reflected in the GA 2025 workform:

- Removal of prior-year unbilled to actual revenue differences of $48,749; and
- Addition of current-year unbilled to actual revenue differences of ($69,852).

These adjustments relate to year-end unbilled revenue reconciliations used in the calculation of Account 1588 RSVA – Power (excluding Global Adjustment).

The net impact of these adjustments is a principal adjustment credit of $21,103, which is reflected in the DVA Continuity Schedule at cell FB12 under "Principal Adjustments during 2025."

RSL confirms that details of these adjustments are also included in the Principal Adjustments tab.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 15 – Consumption Data Reconciliation

Issue:
Total Consumption Less WMP Consumption does not match between GA 2025, GA Allocation and CBR B Allocation worksheets.

RSL Response: RSL confirms that tab 6.2a CBR B Allocation has been updated so that cell D19 reconciles to the RRR 2.1.5 total consumption value of 115,267,719 kWh.

RSL also updated the RRR inputs in the GA2025 workform to reflect the values reported in the RRR filing 2.1.5. Specifically, Class A consumption was updated to 12,382,410 kWh. Consistent with this change, the Class A consumption data in tab 6. Class A consumption Data was also updated.

On Tab 6, RSL updated 2025 Class A demand to 33,247 kW. During its review, RSL noted that the corresponding value in the RRR filing appears to contain a data entry error and is shown as 13,247 kW rather than 33,247 kW. RSL will contact RRR staff regarding this discrepancy.

RSL also updated the Test Year forecast for transition customers. The forecast is based on the revised 2025 actual value of 886,581 kWh and has been escalated and rounded to reflect the test year.

Following these updates, Total Consumption Less WMP Consumption in tab 6.2a CBR B Allocation reconciles to Non-RPP Consumption Less WMP Consumption in tab 6.1a GA Allocation. RSL confirms that it does not have any Wholesale Market Participant (WMP) consumption.

The remaining calculations in tabs 6.1a and 6.2a are OEB-prescribed formulas and are locked within the model. RSL has reviewed the related source data and linked calculations and confirms that the affected tabs are now consistent.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**

Item 16 – GA Worksheet Explanation

Issue:
No explanation has been provided for Note 4 despite unbilled consumption columns not being used.

RSL Response: The unbilled consumption columns are not referenced in Note 4 because the GA analysis reconciles balances based on actual billed consumption. The reconciliation is performed using actual consumption data and therefore does not require a separate adjustment for unbilled consumption in Note 4.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**

Item 17 – Principal vs Non-Principal Adjustment Classification

Issue:
A GA true-up item is classified as a principal adjustment in the current filing but was classified as non-principal in the 2026 IRM.

RSL Response: RSL confirms that the GA true-up adjustments based on actual Non-RPP volumes are appropriately classified as non-principal adjustments. As shown in the Principal Adjustments tab, these items are flagged as "No" under the Principal Adjustment on DVA Continuity Schedule column and are therefore not reflected as principal adjustments in the DVA Continuity Schedule.

RSL confirms that this treatment is consistent with the classification applied in the 2026 IRM proceeding.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**

Item 18 – Account 1588 Transactions

Issue:
2025 transactions for Account 1588 differ between the Account 1588 worksheet and DVA Continuity Schedule.

RSL Response: RSL confirms that the discrepancy was caused by an inconsistency between the Account 1588 worksheet and the DVA Continuity Schedule. The Account 1588 worksheet has been updated to reflect the 2025 transaction amount of $17,538, which reconciles to the transaction value reported in the DVA Continuity Schedule (line 31, row BD).

Following this update, the Account 1588 worksheet and the DVA Continuity Schedule are consistent.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 19 – Group 2 Total Variance

Issue:
The Group 2 total in Exhibit 9 does not match the DVA Continuity Schedule.

RSL Response: RSL has updated Exhibit 9 and the DVA Continuity Schedule to reflect the revised balances.

The corrected balances are as follows:

- Group 1 total, including Account 1589: credit of ($337,314)
- RSVA – Global Adjustment, Account 1589: credit of ($57,524.56)
- Group 2 total: $203,860

All references have been updated accordingly.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 20 – Carrying Charge Periods

Issue:
References to carrying charges and balance dates are inconsistent throughout Exhibit 9.

RSL Response: Several references to carrying charge period were updated to reflect December 31, 2026

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**

Item 21 – Audited vs Unaudited Balances

Issue:
One section of Exhibit 9 states the 2025 balances are unaudited while another states they are audited.

RSL Response: Page 3 of Exhibit 9 has been revised to say that the balances sought for disposition have been audited.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**

Item 22 – Group 2 Total Variance (Duplicate)

Issue:
The Group 2 total in Exhibit 9 does not match the DVA Continuity Schedule.

RSL Response: see item #19

Documents Updated:

- **Same as Item 19**
- **RSL Ex 9 DVA Treatment and Disposition June 15 2026**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 23 – Table 1 / Residual Balance Issues

Issue:
1595 balances do not reconcile, disposition language is inconsistent, and Account 1580 CBR B is omitted from Table 1.

RSL Response: RSL has reviewed the referenced sections of Exhibit 9 and updated the evidence for consistency.

The balances for Accounts 1595 (2021) and 1595 (2022) have been revised to reconcile with the DVA Continuity Schedule. RSL confirms that the 2021 and 2022 residual balances meet the OEB's eligibility criteria and are being sought for disposition as part of this application. The disposition language throughout Exhibit 9 has been updated accordingly.

RSL also identified a formula error that prevented the balance for Account 1580 CBR Class B from being included in Table 1. The formula has been corrected and Table 1 has been updated to include the Account 1580 CBR Class B balance, consistent with the DVA Continuity Schedule.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**
- **09.RSL 2027 DVA Continuity Schedule 2026.06.15**

Item 24 – Table 7 Reconciliation

Issue:
Accounts 1580 CBR B and 1508 OEB Assessment are omitted from Table 7 and several balances do not reconcile to the continuity schedule.

RSL Response: RSL reviewed the balances presented in Table 7 and compared them to the DVA Continuity Schedule.

RSL confirmed that the balances for Account 1580 CBR Class B and Account 1508 OEB Cost Assessment are included in the calculations within Tab 5 of the OEB-prescribed model and form part of the proposed rate rider calculations. However, the corresponding rows are not visible in the standard view of the worksheet, making it difficult to reconcile the underlying account balances to the resulting totals.

The apparent discrepancy therefore arose from the presentation of information within the OEB-prescribed model rather than from any error in the underlying account balances or supporting evidence.

RSL notes that distributors rely heavily on the OEB-prescribed models in preparing applications and supporting evidence. Because the affected rows are not visible in the standard view of the model, users may incorrectly conclude that the balances are not included in the calculations. RSL encourages the OEB to address this longstanding model issue to improve transparency and facilitate reconciliation between the DVA Continuity Schedule and Tab 5 calculations.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**
- **11.RSL 2027 Tariff Schedule and Bill Impact Model 2026.06.15**

Item 25 – Class A Consumption Data

Issue:
2024 Class A consumption data should not be included because Account 1589 was last disposed of in 2024.

RSL Response: RSL agrees that the 2024 Class A consumption data should not be included in the calculation, as Account 1589 was last disposed of in the 2024 IRM proceeding.

RSL has updated the Class A consumption data in tab 6 of the DVA model to remove the 2024 data entries and has verified that the resulting calculations have been updated accordingly.

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**
- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**

Item 26 – Account 1592 ACCA Balance

Issue:
The Account 1592 balance on page 14 does not match Table 3.

RSL Response: The model did match the balance sought for disposition showing $9,311 in both. However, the heading at page 14 did not. RSL has corrected it.

Documents Updated:

- **RSL Ex 9 DVA Treatment and Disposition June 15, 2026**

Item 27 – GA Rates Worksheet

Issue:
The November and December 2024 GA rates and all 2025 GA rates are incorrect.

RSL Response: the GA rates have been updated

Documents Updated:

- **07.RSL 2027 Commodity Accounts Analysis Workform 2026.06.15**