Ontario Energy Board | Commission de l'énergie de l'Ontario

BY E-MAIL

July 17, 2026

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

Dear Ritchie Murray:

Re: Rideau St. Lawrence Distribution Inc. (Rideau St. Lawrence Distribution)
2027 Cost of Service Rate Application
Ontario Energy Board (OEB) File Number: EB-2026-0069

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Rideau St. Lawrence Distribution's responses to interrogatories are due by August 28, 2026.

Any questions relating to this letter should be directed to Arlene Bernardo at Arlene.Bernardo@oeb.ca or at 437-880-8931. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Arlene Bernardo
Digitally signed by Arlene Bernardo
Date: 2026.07.17 11:52:13 -04'00'

Arlene Bernardo
Advisor, Distribution Rates and Economics

Attach.

OEB Staff Interrogatories
2027 Electricity Distribution Rates Application
Rideau St. Lawrence Distribution Inc. (Rideau St. Lawrence Distribution)
EB-2026-0069
July 17, 2026

Please note, Rideau St. Lawrence Distribution is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories 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-1
Updated Revenue Requirement Work Form (RRWF) and Models

Upon completing all interrogatories from Ontario Energy Board (OEB) staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the populated version of the RRWF filed in the initial applications. Entries for changes and adjustments should be included in the middle column on sheet 3 Data_Input_Sheet. Sheets 10 (Load Forecast), 11 (Cost Allocation), and 13 (Rate Design) should be updated, as necessary. Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note. Such notes should be documented on Sheet 14 Tracking Sheet and may also be included on other sheets in the RRWF to assist understanding of changes.

In addition, please file an updated set of models that reflects the interrogatory responses. Please ensure the models used are the latest available models on the OEB's 2027 Electricity Distributor Rate Applications webpage.

1-Staff-2
Customer e-Billing
Ref: Exhibit 1, p. 51, June 15, 2026

Preamble:
Rideau St. Lawrence Distribution states that based on its March 2025 customer satisfaction survey, 55% of customers receive e-billing and 60% of paper bill recipients indicated that they are likely to switch.

Question(s):

a) Please provide the latest percentage of customers that receive their billing through e-billing.
b) Please confirm whether Rideau St. Lawrence Distribution has plans to increase e-billing usage among its customers. If yes, please describe how Rideau St. Lawrence Distribution plans to increase e-billing usage. If no, please explain why.

1-Staff-3
Activity Performance-Based Benchmarking (APB)
Ref. 1: Exhibit 1, p. 58, Table 16, June 15, 2026
Ref. 2: Exhibit 1, p. 58, Table 17, June 15, 2026
Ref. 3: Exhibit 1, p. 59, Table 19, June 15, 2026

Question(s):

a) Based on Reference 1, Rideau St. Lawrence Distribution has the second highest Biling OM&A unit cost compared to its peers. What opportunities or initiatives has Rideau St. Lawrence Distribution explored to lower the unit cost for this metric?
b) Reference 2 shows that Rideau St. Lawrence Distribution has the second highest capital program unit cost (poles and transformers) compared its peers. Rideau St. Lawrence Distribution states that these reflects renewal needs and system reinforcements in 2024.
    i. Does Rideau St. Lawrence Distribution expect same level of capital spending for these metrics in 2025, 2026 and 2027?
    ii. What opportunities has Rideau St. Lawrence Distribution explored to lower the unit cost for these metrics?
c) Please explain the increasing trend for Rideau St. Lawrence Distribution's Billing OM&A in Reference 3.
d) Please provide Rideau St. Lawrence Distribution's forecasted OM&A unit cost for 2025-2027 similar to the table in Reference 3.

1-Staff-4
Distributed Energy Resources (DER)
Ref: Exhibit 1, p. 27, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states that it is currently working with Hydro One to advance a Connection Impact Assessment to enable an additional 250kW of DER capacity in the Westport area. In parallel, Rideau St. Lawrence Distribution also engages with parties to understand the constraints and requirements necessary to address the thermal constraint at Hydro One Morrisburg TS, which limits both load growth and DER integration across a significant portion of its service area. Please provide the latest update on these initiatives in addressing system constraints.

1-Staff-5
Reconciliation of Note 9 Regulatory Assets and Liabilities to Exhibit 9 DVA Balances
Ref 1: Exhibit 9, p. 3, June 15, 2026
Ref 2: Exhibit 1, 2025 Audited Financial Statements, p. 20, Note 9 - Regulatory Assets and Liabilities, June 15, 2026
Ref 3: Exhibit 1, Appendix C, 1508-1595 Deferral & Variance Accounts, June 15, 2026
Ref 4: RSL_2027 DVA Continuity Schedule_20260615, Tab 2a. Continuity Schedule Group 1

Preamble:
In Reference 1, Rideau St. Lawrence Distribution stated that “the account balances as of December 31, 2025, reconcile to the trial balance reported through the Electricity Reporting and Record-keeping Requirements and to Rideau St. Lawrence Distribution’s audited financial statements.”

OEB staff compiled the Table 1 below using data from References 2, 3 and 4:

Table 1: 2025 Regulatory Asset and Liability

	2025 Regulatory Asset and Liability
Ref 2	$ 149,870
Ref 3	$ 999,552
Ref 4	$ (684,436)

Question(s):

a) Please provide a detailed reconciliation between each regulatory asset and liability balance reported in Reference 2 (including grouping of RSVA, DVA 2021–2025, Lost Collection Revenue, Pole Attachment, and Other Variances) by USoA account and the individual DVA balances reported in References 3 and 4.
b) For each reconciling item identified in part (a), please provide:
   i. the corresponding USoA account number(s);
   ii. the associated amount(s); and
   iii. an explanation of the nature of the reconciling item and the reason the balance differs among the references.

c) Please identify which 2025 Regulatory Assets and Liabilities balance is correct and confirm whether any corrections or updates to the evidence filed in this application are required. If so, please provide updated schedules and supporting documentation, as applicable.

Exhibit 2 – Rate Base

2-Staff-6
Chapter 2, Appendix-AB
Ref 1: Chapter 2, Appendix 2-AB, June 15, 2026
Ref 2: EB-2021-0056, Chapter 2, Appendix 2-AB, May 16, 2022
Ref 3: Chapter 2, Appendix 2-JA, June 15, 2026

Question(s):

a) In Reference 1, OEB staff observes that the 2022 Plan (Column AF) for Capital Contributions and System O&M amounts do not reconcile with the 2022 OEB-approved amounts shown in Reference 2. Please reconcile the numbers.
b) Please reconcile the Actual 2025 System OM&A in Reference 2 with Reference 3.

2-Staff-7
Capital Contributions
Ref: Chapter 2, Appendix 2-AA, June 15, 2026

Question(s):

a) OEB staff observes that the System Access Capital Contributions from 2028-2031 (Row 65) are inputted as negative values, which results in an increase to the Net Capital Expenditures. Please revise the values to reflect the correct sign.

2-Staff-8
System Access Forecast
Ref 1: Exhibit 2, Appendix 2-AB – System Access
Ref 2: Exhibit 2, Appendix A – Project Write-up, p. 44

Preamble:
Historical System Access actuals ($214,383 to $2,347,458) differ materially from the $128,000 annual plan, with the largest amounts in 2025 and 2026. The DSP states that ongoing residential and commercial development in Iroquois had driven load beyond the practical limits of the existing station, and that without additional capacity Rideau St. Lawrence would be unable to accommodate new connections. RSL forecasts $950,000 for Iroquois Station MS2 in 2026.

Question(s):

a) Please describe the basis for the 2027–2031 System Access forecast and explain Rideau St. Lawrence's degree of confidence in that forecast in light of the historical variance between plan and actual.
b) Following completion of Iroquois Station MS2, please identify any further capacity shortfalls Rideau St. Lawrence expects over the 2027–2031 period based on the connection pipeline, and any associated capital in the DSP.
c) Please confirm whether the System Access forecast depends on specific development commitments and, if so, how the plan would be adjusted if those developments do not proceed on schedule.

2-Staff-9
NRCan Funding
Ref: Exhibit 2, Appendix A – Project Write-up, pp. 64-66

Preamble:
Reference 1 states a forecast cost of $2,685,156 for the NRCan SCADA program, of which $1,342,578 is described as a contribution from NRCan, and that Rideau St. Lawrence received conditional approval in 2025 for matching grant funding that allowed the implementation timeline to be shortened.

Question(s):

a) Please explain what "conditional approval" means in this context, the conditions outstanding, and when Rideau St. Lawrence expects the funding to be confirmed.
b) Please confirm whether the capital expenditures and rate base in the application already assume receipt of the NRCan funding, and identify where the $1,342,578 contribution is reflected? Please explain the basis for that treatment and whether the funding should be recorded as a capital contribution.

2-Staff-10
Capital Expenditure Reconciliation
Ref 1: Chapter 2, Appendix 2-AB, June 15, 2026
Ref 2: Exhibit 2, Appendix B – Distribution System Plan 2027-2031, p. 25, Table 13
Ref 3: Exhibit 2, Appendix B – Distribution System Plan 2027-2031, p. 79, Table 46

Preamble:
OEB staff has identified apparent differences between the capital tables in the DSP and Appendix 2-AB for several years.

Question(s):

a) Please reconcile the DSP capital tables (including Table 13 and Table 46) with Appendix 2-AB across 2022–2031, identify which is intended to be the source of record, and file corrected schedules as required.

2-Staff-11
Vulnerability Assessment and System Hardening (VASH)
Ref 1: Exhibit 2, Section 2.5 — Climate Vulnerability & System Hardening (Best Efforts)
Ref 2: OEB VASH Toolkit

Preamble:
The DSP states that Rideau St. Lawrence conducted a high-level climate vulnerability assessment on a best-efforts basis and identified certain vulnerabilities and mitigation measures.

Question(s):

a) Please confirm whether Rideau St. Lawrence attempted to complete the OEB's VASH toolkit in preparing its DSP. If so, please file the completed toolkit.
b) If Rideau St. Lawrence did not complete the VASH toolkit, please explain why, and describe Rideau St. Lawrence's plan and timeline for doing so in future filings.
c) Please identify any capital investments in the DSP that are driven by the climate vulnerability assessment, and the amount and timing of each.

2-Staff-12
Morrisburg MS2 ACM Variance
Ref: Exhibit 2, Section 2.2.6, pp. 16-17

Question(s):

a) Please provide a variance analysis reconciling the $775,000 approved ACM amount to the $849,682 actual cost by cost component and describe the procurement and approval processes for the amounts above the approved ACM amount.

2-Staff-13
Fleet
Ref 1: Exhibit 2, Exhibit 2, Appendix A – Project Write-up, pp. 67-72
Ref 2: Chapter 2, Appendix 2-AB, June 15, 2026

Preamble:
Rideau St. Lawrence forecasts General Plant of $1,290,628 in 2026 (against a plan of $440,000), primarily a vehicle acquisition of approximately $1,225,628 (two heavy-duty trucks and one light-duty vehicle), with General Plant then decreasing to $65,000 in 2027. General Plant is near zero in the forecast years.

Question(s):

a) Please explain whether vehicle acquisition was contemplated in the 2022–2026 plan approved in EB-2021-0056 and, if not, what caused it to be brought forward.
b) Please confirm whether any of the proposed vehicle acquisitions have already been purchased or ordered. If so, please identify the vehicles involved, the date each commitment was made, the nature of the commitment, and any cancellation or deferral costs that would be incurred if the acquisition were delayed to 2027 or 2028.
c) Please provide the condition assessment for each of the three vehicles, and the buy-versus-lease and buy-versus-contract analyses referenced in the DSP.
d) Please explain how RSL determined the timing of these replacements, including whether staging the two heavy-duty units across more than one year was considered.
e) Please identify any capital investments in the DSP that are driven by the climate vulnerability assessment, and the amount and timing of each.

2-Staff-14
Rear-Lot conversion
Ref 1: Exhibit 2, Appendix 2-AA – System Renewal
Ref 2: Exhibit 2, Appendix A – Project Write-up, Rear-Lot Conversion p. 91-93

Preamble:
Rideau St. Lawrence introduces a rear-lot to roadside conversion program in 2028–2031. The DSP describes this as a "strategic shift" from maintaining rear-lot systems to reconfiguring them to front-lot construction.

Question(s):

a) Please explain what prompted the initiation of this program and its timing, and why the work begins in 2028 rather than earlier or later in the planning horizon.
b) Please describe the basis for the proposed pace of the program, including how RSL prioritized and sequenced the individual conversions.
c) For each conversion project, please provide the condition (health index), age, and remaining useful life of major assets (e.g. poles and transformers) being replaced.

2-Staff-15
Telephone Call Abandon Rate
Ref: Exhibit 2, Appendix B – Distribution System Plan, Table 49, p. 80

Preamble:
Rideau St. Lawrence reported telephone call abandon rate increased to 8.36% in 2025 from 2.23% in 2024**.**

Question(s):

a) Please explain the increase in the telephone call abandon rate in 2025 and describe any operational or capital measures (including any General Plant or IT investment) intended to address customer service performance.

2-Staff-16
Depreciation Expense Variance
Ref 1: Chapter 2, Appendix 2-C, June 15, 2026
Ref 2: Exhibit 2, Table 16, p. 29, May 12, 2026
Ref 3: Exhibit 2, Table 21, p. 31, May 12, 2026

Question(s):

a) OEB staff observes that, for Account 1611 – Computer Software in 2022, the table in Reference 1 does not match with Reference 2. In Reference 1, Account 1611 does not show any amount in *the Less Fully Depreciated column* (Column D) and shows a variance of $36,149 (Column L). However, in Reference 2, an amount of $209,944 is recorded in the Less Fully Depreciated column and no variance is reported. Please reconcile the discrepancy.
b) Please explain and reconcile the $36,149k (100%) variance in Account 1611 for 2022 in Reference 1.
c) OEB staff observes that, for Account 1980– System Supervisor Equipment in 2027, Reference 1 shows a variance of $10,625 (Column L) whereas no variance is reported in Reference 3. Please reconcile the discrepancy.
d) Please explain and reconcile the $10,625k (100%) variance in Account 1980 for 2027 in Reference 1.

2-Staff-17
Fixed Asset Continuity Schedule - Property, Plant and Equipment (PP&E)
Ref 1: Chapter 2, Appendix 2-BA, Row 799 (Total PP&E), June 15, 2026
Ref 2: Exhibit 1, Appendix A, Notes to the Financial Statements December 31, 2024, Note 8, p. 15, June 15, 2026

Ref 3: Chapter 2, Appendix 2-BA, Row 865 (Total PP&E), June 15, 2026
Ref 4: Exhibit 1, Appendix A, Notes to the Financial Statements December 31, 2025, Note 7, p. 18, June 15, 2026

Preamble:
OEB staff notes the following differences in the PP&E balances for 2023 and 2024 between audited financial statements and Chapter 2-BA evidence as highlighted in red in Tables 1 and 2.

Table 2: PP&E 2023 Balances

PPE	Ref 1 ($)	Ref 2 ($)
Costs		
Balance, January 1, 2023	10,342,774	12,068,281
Additions	1,630,331	1,539,832
Disposals	-298,622	-89,676
Depreciation		
Balance, January 1, 2023	3,388,309	3,163,106
Depreciation	436,595	436,909
Disposals	88,842	88,843

Table 3: PP&E 2024 Balances

PPE	Ref 3 ($)	Ref 4 ($)
Costs		
Balance, January 1, 2024	12,544,875	13,518,437
Additions	475,765	1,126,210
Disposals	-19,049	-1,746
Depreciation		
Balance, January 1, 2024	3,736,062	3,511,172
Depreciation	468,822	457,834
Disposals	70	70

Question(s):

a) Please explain and reconcile the differences identified in Tables 2 and 3 (highlighted in red).

2-Staff-18
Account 2440 -Deferred Revenue

Ref 1: Chapter 2, Appendix 2-BA, June 15, 2026
Ref 2: Chapter 2, Appendix 2-H, June 15, 2026
Ref 3: Accounting Procedures Handbook for Electricity Distributors, Other Liabilities and Deferred Credits, p. 102, December 2011

Preamble:
In Reference 3, the OEB's Accounting Procedures Handbook states that for Account 2440, "*Amounts recognized in this account should be amortized to income over the useful life of the related property, plant and equipment by debiting this account and crediting Account 4245, Government and Other Assistance Directly Credited to Income*".

OEB staff notes that in Reference 1, the amortization of Account 2440 – Deferred Revenue has been debited and included in the net depreciation. However, the amount was not credited in Account 4245 - Government and Other Assistance Directly Credited to Income - Government and Other Assistance Directly Credited to Income in Reference 2.

Question(s):

a) Please credit all the deferred revenue identified in Reference 1 to Account 4245 of Reference 2.

2-Staff-19
Overhead/ Burden
Ref: Chapter 2, Appendix 2-D, June 15, 2026

Question(s):

a) Please explain the lower capitalized OM&A percentage of 4% in 2024, 3% in 2025, and 4% in 2027 compared to higher percentages in previous years.

2-Staff-20
Alignment with OEB Non-Wires Solution Policy
Ref: Exhibit 2, Appendix B, 2.4 Non-Wires Solutions, p. 28, May 12, 2026

Preamble:
Rideau St. Lawrence Distribution noted that consideration and assessment of non-wires solutions in system planning activities is conducted through internal discussions between operations staff and management.

Question(s):

a) Please explain how Rideau St. Lawrence Distribution ensures compliance with the OEB's requirement that electricity distributors document their consideration of non-wires solutions when making investment decisions with an expected capital cost of $2M or more.

b) Does Rideau St. Lawrence Distribution have any internal documentation, policy, and/or framework to guide the consideration and/or assessment of non-wires solutions and the internal discussions between operations staff and management? If so, please provide a copy of any relevant internal documentation, policies, and/or frameworks.

2-Staff-21
Non-Wires Solution Pre-Assessments
Ref 1: Exhibit 2, Appendix B, Capital Expenditure Plan, pp. 89-96
Ref 2: Exhibit 2, Appendix B, 2026 Material Projects, p. 45
Ref 3: Exhibit 2, Appendix B, 2026 Material Projects, p. 63

Preamble:
Per the OEB's Non-Wires Solutions Guidelines for Electricity Distributors and Benefit-Cost Analysis Framework for Addressing Electricity System Needs, electricity distributors are to document their consideration of non-wires solutions when making investment decisions on electricity system needs with an expected capital cost of $2 million or more as part of distribution system planning, excluding general plant investments. Further, a distributor should first conduct a pre-assessment to identify whether there is a reasonable expectation that a non-wires solution may be a viable approach to meeting an identified need.
Rideau St. Lawrence Distribution assessed non-wires solutions for the proposed Iroquois MS2 and Cardinal Transformer + Cooling Fan Capacity Projects but determined them to not be feasible.

Question(s):

a) Please provide the pre-assessments which document the consideration/assessment of non-wires solutions for the proposed Iroquois MS2 and Cardinal Transformer + Cooling Fan Capacity projects.
b) Please provide any other pre-assessments which document the consideration/assessment of non-wires solutions for any other proposed projects, excluding general plant, included in Rideau St. Lawrence Distribution's Distribution System Plan that have an expected capital cost of $2 million or more.

2-Staff-22
Non-Wires Solution Considerations for Iroquois MS2 and Cardinal Transformer + Cooling Fan Capacity Projects
Ref 1: Exhibit 2, Appendix B, 2026 Material Projects, p. 45

Ref 2: Exhibit 2, Appendix B, 2026 Material Projects, p. 63

Preamble:
Rideau St. Lawrence Distribution considered non-wires solutions for both the Iroquois MS2 and Cardinal Transformer + Cooling Fan Capacity projects but determined non-wires solutions to not be feasible. Rideau St. Lawrence Distribution indicated that additional injection and/or storage would introduce voltage/power quality concerns and operational risk/challenges.

Question(s):

a) Were benefit-cost analyses in accordance with the OEB's Benefit-Cost Analysis Framework for Addressing Electricity System Needs completed for the Iroquois MS2 and/or Cardinal Transformer + Cooling Fan Capacity projects? If so, please provide the completed benefit-cost analyses.
b) Were non-injection/non-storage non-wires solutions (e.g., demand response, electricity demand side management/conservation programs, etc.) considered for the Iroquois MS2 and/or Cardinal Transformer + Cooling Fan Capacity projects? If so, please explain why they were deemed to not be feasible. If not, please explain why they were not considered.

Exhibit 3 – Load and Customer Forecast

3-Staff-23
Regression Model – COVID-19 Variable
Ref: Exhibit 3, pp. 11–15, June 16, 2026

Preamble:
Rideau St. Lawrence Distribution includes a COVID-19 adjustment variable in its regression model used to forecast wholesale energy. Rideau St. Lawrence Distribution indicates that the inclusion of this variable improves the adjusted R-squared of the model from approximately 0.9374 to 0.9379. Rideau St. Lawrence Distribution also notes that the COVID-19 variable is not statistically significant at the 95% confidence level.
Rideau St. Lawrence Distribution states that the purpose of the COVID-19 variable is to isolate abnormal consumption patterns observed during the pandemic period, and that the variable is applied only to historical periods and not to the forecast years. However, given the limited statistical significance of the variable and the marginal improvement in model fit, inclusion of the COVID-19 variable may influence the estimation of other model coefficients and the underlying trend in the regression model.

Question(s):

a) Please explain why Rideau St. Lawrence Distribution has retained the COVID-19 variable in its regression model despite its lack of statistical significance at the 95% confidence level and its minimal impact on model fit.
b) Please provide a version of the regression model and resulting load forecast with the COVID-19 variable removed.
c) Please quantify and explain any differences in the regression coefficients, adjusted R-squared, and resulting load forecast (kWh) between the model with and without the COVID-19 variable.

3-Staff-24
Electrification / Electric Vehicle (EV) Considerations
Ref: Exhibit 3, pp. 5–7, June 16, 2026

Preamble:
Rideau St. Lawrence Distribution indicates that while electrification, including electric vehicle (EV) adoption, may result in incremental load, no explicit adjustment has been made to the load forecast. Rideau St. Lawrence Distribution states that it has considered the potential impact of incremental electrification on a best-efforts basis, including a scenario involving additional EV charging infrastructure (e.g., approximately 1.5 MW), and concludes that the resulting impact would not be material to the overall load forecast.

Question(s):

a) Please describe in detail the analysis undertaken by Rideau St. Lawrence Distribution to assess the potential impact of incremental electrification, including EV charging infrastructure, on the load forecast.
b) Please provide the assumptions, inputs, and results associated with the scenarios considered by Rideau St. Lawrence Distribution, including the scenario involving additional EV charging infrastructure (e.g., approximately 1.5 MW), and quantify the resulting impact on forecast kWh and kW.
c) Please provide any supporting models, calculations, or documentation used to support Rideau St. Lawrence Distribution’s conclusion that incremental electrification would not materially impact the load forecast or test year revenue requirement.
d) Please confirm whether Rideau St. Lawrence Distribution has included any Electric Vehicle (EV) charging infrastructure projects within the DSP period. If yes, please provide details of the projects, associated costs, timing, and forecast impacts. If no, please explain why not.

3-Staff-25
Load Forecast – Sentinel Class Consumption and Demand
Ref: RSL_2027 TESI Load Forecasting_20260430, Non-Weather Sensitive, June 12, 2026

Preamble:
Rideau St. Lawrence Distribution presents historical and forecast demand (kW) and consumption (kWh) for the Sentinel class in the 'Non-Weather Sensitive' sheet of its RSL_2027 TESI Load Forecasting_20260430 excel file. The data shows that consumption declines significantly from approximately 278,615 kWh in 2023 to 90,421 kWh in 2025, while demand remains relatively stable over the same period. The forecast then shows consumption increasing to 157,685 kWh in 2026 before declining to 137,577 kWh in 2027, while demand decreases over the forecast period.
The observed divergence between consumption and demand, as well as the significant variability in consumption over a short period, appears inconsistent with the relatively stable historical characteristics of the Sentinel class described by Rideau St. Lawrence Distribution. These trends may also have implications for cost allocation and rate design outcomes for this class.

Question(s):

a) Please explain the factors contributing to the significant decrease in Sentinel consumption from 2023 to 2025, while demand remains relatively stable over the same period.
b) Please explain the basis for the increase in forecast Sentinel consumption in 2026 followed by a decrease in 2027 and identify the drivers underlying this trend.
c) Please describe the methodology used to forecast Sentinel consumption and demand and explain how the model accounts for the observed divergence between kWh and kW for this class.
d) Please confirm whether any data anomalies, metering changes, reclassification of customers, or adjustments to historical data contributed to the observed consumption patterns for the Sentinel class.
e) Please discuss whether the forecasted Sentinel load (kWh and kW) has had any material impact on cost allocation and rate design outcomes for this class, and quantify this impact, if applicable.

3-Staff-26
Load Forecast – Streetlighting Class Consumption and Demand
Ref: RSL_2027 TESI Load Forecasting_20260430, Non-Weather Sensitive, June 12, 2026

Preamble:
Rideau St. Lawrence Distribution presents historical and forecast demand (kW) and consumption (kWh) for the Streetlighting class in the ‘Non-Weather Sensitive’ sheet of its RSL_2027 TESI Load Forecasting_20260430 excel file. The data shows that consumption stabilizes at approximately 696,000 to 703,000 kWh over the 2020–2025 period, while customer connections remain effectively constant.
However, the forecast shows a decline in consumption to 660,311 kWh in 2026 and 647,807 kWh in 2027, despite no material change in customer connections. Demand (kW) also declines over the forecast period. This decline appears inconsistent with the relatively stable historical consumption and customer trends for this class.

Question(s):

a) Please explain the basis for the decline in forecast Streetlighting consumption (kWh) in 2026 and 2027 relative to the relatively stable historical consumption levels observed from 2020 to 2025.
b) Please describe the methodology used to forecast Streetlighting consumption and demand and explain how the model produces decreasing consumption in the absence of changes in customer connections.
c) Please confirm whether any assumptions related to changes in equipment (e.g., LED conversions), operating hours, or other efficiency-related factors have been incorporated into the Streetlighting forecast. If so, please provide details and quantify their impact on forecast kWh and kW.
d) Please provide any supporting analysis, calculations, or documentation used to support the forecasted decline in Streetlighting consumption and demand.

3-Staff-27
Consideration of Non-Wires Solutions in the Load Forecast
Ref: Exhibit 3, 3.2.1 CDM and NWS Considerations, p. 28, June 15, 2026

Preamble:
Rideau St. Lawrence Distribution indicated that it is not planning for or aware of any distributor-initiated conservation activities during the test year. Rideau St. Lawrence Distribution also indicated that participation in Stream 1 or Stream 2 programs is not forecasted at this time.
Stream 2 electricity demand side management programs target local distribution needs and support the provincial bulk system. Stream 2 programs are electricity distributor-led and funded through both distribution rates and the Global Adjustment.

Question(s):

a) Are there any barriers preventing Rideau St. Lawrence Distribution's participation in Stream 2 electricity demand side management programs? If so, please describe.
b) Please confirm whether or not Rideau St. Lawrence Distribution is planning to participate in Stream 2 electricity demand side management programs over the rate term.
c) Please comment on any impact(s) to the load forecast should any Stream 1 and/or Stream 2 electricity demand side management programs be implemented in Rideau St. Lawrence Distribution's service territory at a later date during the rate term.
d) Please discuss Rideau St. Lawrence Distribution's contingency and/or approach should there be meaningful, unexpected impact(s) to the load forecast arising from Stream 1 and/or Stream 2 electricity demand side management programs in its service territory over the rate term.

Exhibit 4 – Operating Costs

4-Staff-28
Chapter 2 Appendices – OM&A Cost Drivers
Ref 1: Chapter 2, Appendix 2-JB, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD June 15, 2026
Ref 3: Exhibit 4, p.46, Table 16, June 15, 2026

Question(s):

a) OEB staff observes that the Cost Driver Table in Reference 1 does not match the table in Reference 3. In addition, some of the Accounts in Reference 2 (variance year on year) do not match Accounts in Reference 1. For example, the values for Account 5012 in Reference 1 are the values for Account 5005 in Reference 2 and 3. Please reconcile the differences.

4-Staff-29
Recoverable OM&A Expenses Summary
Ref 1: Exhibit 4, page 16, Table 2, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JA, June 15, 2026
Ref 3: EB-2021-0056, Chapter 2, Appendix 2-JA, May 16, 2022

Question(s):

a) Please reconcile the Administrative and General expenses for 2022-2025 Actuals in Reference 1 and 2 and confirm the correct amount.
b) OEB staff notes in Reference 3 that the 2022 Administrative and General Expense is $1,089,127 and the 2022 OEB-approved OM&A total is $2,485,912. However, in Reference 2, the 2022 OEB-approved Administrative and General Expense is $1,085,627 and the 2022 OEB-approved OM&A total is $2,482,412. Please reconcile these differences.

4-Staff-30
Compensation Benchmarking
Ref: Exhibit 4, pp. 59-64, June 15, 2026

Preamble:
Rideau St. Lawrence Distribution states that compensation is the primary driver of employee-related OM&A increases over 2022-2027. The increase is attributed to changes in the labour market conditions, workforce turnover, and compensation adjustments required to align with market benchmarks.

Rideau St. Lawrence Distribution used the CHEC and MEARIE wage survey, along with the local market comparisons for similar roles as benchmarking tools to assess the competitiveness of its management compensation. Based on evidence submitted by Rideau St. Lawrence Distribution, the surveys indicated that the utility's management compensation levels were approximately 85% of the average of comparable utilities in 2023. In responses to these findings, Rideau St. Lawrence Distribution began implementing compensation adjustments in 2023, increasing the compensation levels to 91% of the comparable utility average by 2025, with the goal of closing the gap in 2026.

In 2023, Rideau St. Lawrence Distribution executive compensation was 9% below that of comparable peers while its non-executive management compensation was 21% below the peer average. By 2025, following the compensation adjustments, these gaps had been reduced to 6% and 12% respectively.

Question(s):
a) Please provide the CHEC and MEARIE survey data and local market comparisons data that Rideau St. Lawrence Distribution used to align its compensation strategy.
b) Please provide a table below showing the annual increase for the following categories: Executive, Non-Executive Management, Union and Non-Union positions as a result the of benchmarking survey results from 2023-2027.

c) Please provide a table showing how Rideau St. Lawrence Distribution's workforce compares to the benchmark (actual and forecast) for the following categories: Executive, Non-Executive Management, Union and Non-Union from 2022-2027.
d) Please explain Rideau St. Lawrence Distribution's plan for closing the gap in 2026 and 2027.

4-Staff-31
Salaries and Compensation
Ref: Chapter 2, Appendix 2-K, June 15, 2026

Preamble:
OEB staff notes that Rideau St. Lawrence Distribution's average management salary per FTE increased by 39% from 2022 Actuals or an average of 8% annually as compared to the 1% increase for non-management positions.

Table 4: Total Compensation (Salary, Wages and Benefits) per FTE ($)

	2022 Actuals	2023 Actuals	2024 Actuals	2025 Actuals	2026 Bridge Year	2027 Test Year
Management (including executive)	$ 142,972	$ 178,184	$ 210,481	$ 222,056	$ 200,181	$ 199,337
Non-Management (union and non-union)	$ 108,964	$ 105,889	$ 92,968	$ 103,871	$ 109,211	$ 112,423

Question(s):
a) Please explain how management incentives and bonuses are determined.
b) Please provide a revised version of Appendix 2-K that reflects the updated 2026 and 2027 forecasts using the current best available information using the following categories: Executive, Non-Executive Management, Union, and Non-Union from 2022-2027.
c) Based on response to Question (b), please explain the following:
    i. The assumptions underlying the forecasted total compensation for 2026 and 2027 for Executive and Non-Executive Management FTEs.
    ii. A breakdown of the increase for Executive and Non-Executive Management due to compensation adjustments from the benchmarking study conducted and normal salary, wages and benefits associated with current responsibilities and duties.

d) Please confirm the assumptions that Rideau St. Lawrence Distribution considered for the salaries and benefits for union members in the 2027 Test Year OM&A.
e) Please explain how the burden rates were calculated for the following categories: Executive, Non-Executive Management, Union, and Non-Union and if there are any changes from 2022 to 2027.

4-Staff-32
FTEs and Workforce Planning
Ref 1: Exhibit 4 – p. 7 , June 15, 2026
Ref 2: Exhibit 4 – pp. 62-63, June 15, 2026
Ref 3: Exhibit 1, p. 41, June 15, 2026
Ref 4: Chapter 2, Appendix 2-K, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states that it plans to hire an engineer in 2026 to reduce reliance on external consultants in the long run and help support load analysis, system planning and mapping. Please provide any savings that will be realized as a result of not having to rely on external contractors once the new engineer is hired.
b) OEB staff notes in Reference 2 that two positions were transferred from union positions to management positions in 2022 and 2024. Please explain further the additional one FTE management position in 2027 compared to 2022.
c) Rideau St. Lawrence Distribution states in Reference 3 that two technical position remains vacant. Please provide an update whether these positions have been filled.
d) Please confirm whether the eDSM administrator position is temporary position as indicated in Reference 3. If the position is temporary, until when does Rideau St. Lawrence Distribution plan to maintain the position?
e) Please provide Rideau St. Lawrence Distribution's actual and forecasted turnover rate from 2022 to 2026.
f) Please provide Rideau St. Lawrence Distribution's actual and forecasted vacancy rate from 2022 to 2026.
g) Please confirm, of the six management FTEs listed in Reference 4, how many are people managers and how many are individual contributors.

4-Staff-33
Account 5605 – Executive Salaries and Expenses
Ref 1: Exhibit 4, p. 38, June 15, 2026
Ref 2: Exhibit 4, p. 41, June 15, 2026

Ref 3: Exhibit 4, p. 43, June 15, 2026
Ref 4: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please further explain the executive responsibilities that were redistributed and partially absorbed by senior leadership that that contributed to the $79k increase in 2022 actuals in Reference 1.
b) Please further explain the expanded responsibilities of executives, including increased oversight, financial coordination, and regulatory work that contributed to the $65k increase in 2024 as stated in Reference 2.
c) Please further explain the expanded responsibilities of executives in 2025 as stated in Reference 3, and describe how Rideau St. Lawrence Distribution determines which responsibilities are classified under executive functions.

4-Staff-34
Locates
Ref: Exhibit 4, p. 9, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states that locate activities have increased significantly over the years, resulting in a higher volume of locate requests. Please provide the annual request volume with the corresponding costs from 2022 to 2027.

4-Staff-35
Maintenance Contractor Cost
Ref: Exhibit 4, p. 17, June 15, 2026

Question(s):

a) Please provide the actual and projected contractor cost annually from 2022 to 2027 related to line clearing, vegetation management, and station maintenance.
b) Rideau St. Lawrence Distribution states that the equipment and accessibility to mature backyard infrastructure has caused the need for contractors. Please confirm whether Rideau St. Lawrence Distribution has a plan to purchase the required equipment and train its personnel to do these capital work internally.

4-Staff-36
Physical Office Savings
Ref: Exhibit 4, p. 18, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states that reducing its physical office in Westport and Morrisburg has resulted to reduced facility-related cost, including rent and overhead cost. Please provide the amount of savings realized from this initiative.

4-Staff-37
Account 5005 – Operation Supervision and Engineering
Ref 1: Exhibit 4, p. 40, June 15, 2026
Ref 2: Exhibit 4, p. 44, June 15, 2026
Ref 3: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) In Reference 1, Rideau St. Lawrence Distribution states that the $80k increase in Account 5005 in 2024 was driven by personnel changes and related burden reallocations, and that the reallocation of benefit and burden costs increased by approximately $40k in 2024. Please explain nature of the benefit and burden cost reallocation that contributed to the increase.
b) Please explain the $92k decrease in 2025.
c) In Reference 2, Rideau St. Lawrence Distribution states that the $52k burden increase in 2026 is consistent with the staffing increase. Please confirm whether the full amount of $52k is solely attributable to the new engineer position.

4-Staff-38
Account 5085 – Miscellaneous Distribution Expense
Ref 1: Exhibit 4, p. 42, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please explain the nature of the $88k obsolete materials that were written off in 2025. In addition, please also describe Rideau St. Lawrence Distribution's process and controls in to minimize future write-offs and ensure that inventory is managed in a prudent and cost-conscious manner.

4-Staff-39
Account 5145 – Underground Conduit
Ref 1: Exhibit 4, p. 22, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please explain and reconcile the difference for Account 5145 in Reference 1 and 2.

4-Staff-40
Vegetation Management
Ref 1: Exhibit 4, p. 10, June 15, 2026
Ref 2: Exhibit 4, pp. 72-74, June 15, 2026
Ref 3: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please provide the annual volume of work related to vegetation management from 2022 to 2027.
b) In Reference 1, Rideau St. Lawrence Distribution states that historically, it relied on internal and external resources to conduct vegetation works but has found this model less sustainable over the current period with newer Powerline Technicians and increase in workload.
    i. Please explain how work was allocated before between internal and external resources.
    ii. Please confirm whether Rideau St. Lawrence Distribution plans to train its Powerline Technicians to conduct vegetation works and reduce reliance on external contractors in the long term.
c) Rideau St. Lawrence Distribution states on page 73 of Reference 2 that the vegetation management program is intentionally not levelized over the 2027-2031 period, with high priority work advanced in 2027 and supported by initiatives and capital investments in subsequent years. Please provide the expected reduction in vegetation management costs after these initiatives have been completed.

4-Staff-41
Account 5135 – Overhead Distribution Line and Feeders – Right of Way
Ref 1: Exhibit 4, p. 42, June 15, 2026
Ref 2: Exhibit 4, p. 43, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states in Reference 1 that approximately $170k was related to vegetation management expenditures in 2025. Please also provide the details of the offsetting expense of approximately $107k that led to the net increase of $63k in Account 5135.

b) In Reference 2, Rideau St. Lawrence Distribution states that the $125k increase in 2026 was driven by the accumulated vegetation backlog from 2022 to 2024, combined with the implementation of the enhanced vegetation management program. Please provide a breakdown the $125k increase between these two drivers.

4-Staff-42
Account 5114 – Substation Maintenance
Ref 1: Exhibit 4, p. 24, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please explain the $59k decrease in 2023 compared to the 2022 actuals.
b) Please explain the $56k increase in 2025.

4-Staff-43
Account 5615 – Admin Salaries
Ref 1: Exhibit 4, p. 43, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please explain the enhanced administrative responsibilities that contributed to the $72K increase in 2025.

4-Staff-44
Account 5095 – Overhead Distribution Lines and Feeders - Rental Paid
Ref: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please explain the $97k decrease in the 2022 Actuals compared to the 2022 OEB approved amount.
b) Please explain the $110k increase in 2023 from the 2022 Actuals.

4-Staff-45
Account 5665 – Miscellaneous General Expenses
Ref 1: Exhibit 4, p. 39, June 15, 2026
Ref 2: Chapter 2, Appendix 2-JD, June 15, 2026

Question(s):

a) Please confirm that the $30k incremental accrual for incentive compensation that contributed to the $71k increase in 2023 in Reference 1 was not recorded in any other accounts.
b) Please explain the $74k increase in 2026.

4-Staff-46
Miscellaneous (Residual)
Ref: Chapter 2, Appendix 2-JB, June 15, 2026

Question(s):

a) Please explain and breakdown of the Miscellaneous (Residual) expenses from 2022 – 2027 Actuals.

4-Staff-47
Capitalized Overhead
Ref 1: Exhibit 4, page 11, June 15, 2026
Ref 2: Chapter 2, Appendix 2-D, June 15, 2026

Question(s):

a) Rideau St. Lawrence Distribution states in Reference 1 that it does not and has never capitalized overheads and that Appendix 2-D is not applicable. OEB staff observes in Reference 2 that certain OM&A costs are capitalized. Please clarify whether Rideau St. Lawrence Distribution capitalizes overheads.

4-Staff-48
Regulatory Costs
Ref 1: Exhibit 4, p. 49, Table 17, June 15, 2026
Ref 2: Chapter 2, Appendix 2-M, June 15, 2026

Question(s):

a) Please provide an updated costs for Appendix-2M if available.
b) OEB staff observes in Reference 1 that $19,120 cost was allocated for 2026 based on the amortized cost in the 2022 cost of service. However, no cost is included for 2026 in Reference 2. Please reconcile the numbers.

4-Staff-49
Shared Services and Corporate Allocations
Ref: Exhibit 4, p. 66, June 15, 2026

Question(s):

a) Please explain the current cost structures, calculations, or allocation percentages for Rideau St. Lawrence Distribution's shared services have changed since the 2022 cost of service application, including explanation for the changes.

Exhibit 5 – Cost of Capital

5-Staff-50
Affiliated Debt
Ref 1: Chapter 2, Appendix 2-OB
Ref 2: Exhibit 5, p. 7, June 15, 2026

Preamble:
Rideau St. Lawrence Distribution's long-term debt in the 2027 Test Year consists of two affiliated promissory notes: $225,000 with the Township of Edwardsburgh/Cardinal and $938,352 with the Township of South Dundas. Each lender holds less than a 50% ownership interest in Rideau St. Lawrence Distribution and does not exercise control or significant influence over the utility.

Question(s):

a) Please provide the promissory notes of all the affiliated debts.
b) Please confirm whether the rates of these two debts described in Preamble will be updated once the OEB issues the 2027 deemed long-term debt rate.

5-Staff-51
Debt Consolidation Plan
Ref 1: Exhibit 5, pp. 8–10, Tables 4-9, June 15, 2026
Ref 2: Chapter 2, Appendix 2-OB

Preamble:
Rideau St. Lawrence Distribution has affiliated loans that have been directly passed through from the parent company originating from the banks. These loans total to $4.7M in 2026. Rideau St. Lawrence Distribution indicates that it anticipates consolidating its existing debt instruments into a single, larger debt arrangement in the 2027 Test Year.

Question(s):

a) Reference 2 shows the principal amount of the TD loan is $5,205,166. Please explain the discrepancy between this amount and the amount as described in Reference 1.
b) Please provide a copy of the updated promissory note, if there is any.

c) Please confirm whether Appendix 2-OA and 2-OB has reflected the consolidated debt arrangement.
d) If not, please describe the proposed consolidated debt structure, including:
    i. expected principal amount,
    ii. term/maturity,
    iii. interest rate (fixed or floating),
e) And please also update the Appendix2-OB to reflect the consolidated loan.

5-Staff-52
Return on Equity
Ref: Exhibit 5, p. 6, June 15, 2026

Question(s):
a) Please provide the up-to-date 2026 actual ROE.

Exhibit 6 – Revenue Requirement

6-Staff-53
Other Revenues
Ref 1: Chapter 2, Appendix 2-H, June 15, 2026
Ref 2: Exhibit 6, p. 15, April 30, 2026
Ref 3: Chapter 2 Filing Requirements, Section 2.6.3, December 16, 2025

Question(s):
a) Please provide an updated Appendix 2-H reflecting the most recent 2026 estimates.
b) Please explain the methodology applied to the forecast amounts.
c) For Account 4235, please explain further the customer-driven service and connection-related activities in 2025 that contributed to the $58k increase in 2025 in Reference 2, and explain why this increase is not expected to be sustained.
d) Please provide a breakdown of Account 4220. What are included in Other Electric Revenue?
e) Please explain the $66k revenue in Account 4375 in 2022 and the $62k decrease in 2023.
f) Please confirm whether Account 4405 contains any interest amounts related to DVAs. If it does, please revise Appendix 2-H to remove any interest amounts associated with DVAs as required by Reference 3.

6-Staff-54
Other Revenues – Accounts 4375 and 4380
Ref 1: Chapter 2 Filing Requirements, Section 2.6.3, December 16, 2025

Ref 2: Chapter 2, Appendix 2-H, June 15, 2026
Ref 3: Chapter 2, Appendix 2-N, June 15, 2026
Ref 4: Exhibit 6, p. 17, April 30, 2026

Preamble:
Chapter 2 of the Filing Requirements states that the balances recorded in Accounts 4375 and 4380 must reconcile to the balances in Appendix 2-N. Any differences must be reconciled.

Question(s):

a) Please explain and reconcile the balances in Reference 2 and Reference 3 for Accounts 4375 and 4380.
b) In Reference 4, Rideau St. Lawrence Distribution states that it does not record revenues in Account 4375 or expenses in Account 4380 related to affiliate transactions as these costs are fully allocated and recorded directly in its OM&A expenses. OEB staff observes in Reference 2 that amounts were recorded in Accounts 4375 and 4380 in 2022 and 2023.
    i. Please confirm whether the amounts recorded in 2022 and 2023 are reflected in the OM&A cost.
    ii. Please clarify the statement in Reference 4, including when Rideau St. Lawrence Distribution began recording all such amounts related to Accounts 4375 and 4380 in OM&A.

6-Staff-55
Retail Service Charges
Ref: EB-2026-0175, Decision and Order, June 16, 2026

Preamble:
On June 16, 2026, the OEB issued is Decision updating the retail service charges charged by rate-regulated electricity distributors, effective January 1, 2027.

Question(s):

a) Please update Rideau St. Lawrence Distribution's retail service charges based on the OEB's Decision and Order.

6-Staff-56
Distribution Pole Attachment Charge
Ref: EB-2026-0176, Decision and Order, June 16, 2026

Preamble:
On June 16, 2026, the OEB issued is Decision setting the distribution pole attachment charge to be charged by licensed electricity distributors at $41.81 per attacher, per year, per pole, effective January 1, 2027.

Question(s):

a) Please update Rideau St. Lawrence Distribution's distribution pole attachment charge based on the OEB's Decision and Order.

6-Staff-57
Accelerated CCA treatment and Loss Carryforward
Ref 1: RSL_2022_Test_year_Income_Tax_PILs_Settlement_20220516, tab T4 Sch4 Loss Cfwd Test
Ref 2: RSL_2027 Test year Income Tax PIL_20260430, tab H4 Sch4 Loss Cfwd Hist
Ref 3: Exhibit 6, April 30, 2026, pp. 12-13

Preamble:
OEB staff notes that, in Ref 1, Rideau St. Lawrence Distribution's 2022 PILs model included an estimated bridge year non-capital loss carryforward balance of $386,482. The model showed that $11,533 would be used in the test year and that $374,949 would remain available for use in future years.

OEB staff further notes that, in Ref 3, Rideau St. Lawrence Distribution stated that, following a review by its tax advisor, available tax loss carryforwards should be utilized before claiming Accelerated CCA. OEB staff understands that although Accelerated CCA was incorporated into the 2022 PILs model, Rideau St. Lawrence Distribution subsequently determined that available loss carryforwards should be utilized first and therefore did not elect AIIP in 2022, 2023 or 2024. In addition, Rideau St. Lawrence Distribution states that it does not intend to elect AIIP in 2025 or 2026's tax filings, and is not proposing to elect AIIP in the 2027 Test Year because its forecast PILs liability is zero even before considering such an election.

OEB staff also notes that the loss carryforward continuity presented in Reference 2 showed a balance of $0 in 2025, a balance of 512,924 in 2026, and a balance of $564,493 in 2027. It is unclear how these balances reconcile to the non-capital loss carryforward balances shown in Reference 1 and to Rideau St. Lawrence Distribution's stated approach of utilizing available loss carryforward before claiming Accelerated CCA.

OEB staff further notes that Rideau St. Lawrence Distribution's 2025 tax return indicates taxable income was reduced to nil, while the loss carryforward balance reported for 2025 appears to be nil.

Question(s):

a) Please confirm whether OEB staff's understanding of Rideau St. Lawrence Distribution electing not to claim AIIP from 2022 onward as described above is correct.
    i. If not confirmed, please explain.

b) Please provide a continuity schedule of loss carryforwards for the period from 2021 to 2027 showing the following information by year:
   – Opening balance of Unused loss carryforward
   – Loss generated in the year or used in the year
   – Ending balance of unused loss carry forward

c) Please confirm whether Rideau St. Lawrence Distribution claimed AIIP in its corporate income tax returns for each year from 2022 through 2025.
    i. If confirmed, please provide a summary by year showing:
       - eligible capital additions;
       - regular CCA that would otherwise have been claimed;
       - accelerated CCA claimed;
       - incremental accelerated CCA benefit claimed; and
       - resulting PILs impact
    ii. If no accelerated CCA was claimed in any year, please explain how the current balance in Account 1592 - PILs and Tax Variances - CCA Changes Sub-account in Ref 4 continues to be supported.

d) Please explain how taxable income in 2025 tax return was reduced to nil and indicate whether the amount of CCA claimed was determined for the purpose of reducing taxable income to nil.
    i. If so, please explain how the amount claimed was determined.

Exhibit 7 – Cost Allocation

7-Staff-58
Cost Allocation – Account 1855 (Services) Weighting Factors
Ref 1: Exhibit 7, pp. 7–8, Sheet I5.2 Weighting Factors. May 1, 2026
Ref 2: Appendix 2-C Depreciation and Amortization Expense (Account 1855)

Preamble:
Rideau St. Lawrence Distribution indicates that it has applied the Board-approved 2022 weighting factors for Account 1855 (Services), as it does not currently track these costs at a level of detail sufficient to derive updated, customer class-specific weighting factors. Account 1855 represents a customer-related asset category that contributes to the utility's rate base and associated annual revenue requirement through both depreciation and return. OEB staff notes that this asset category has increased since the last rebasing, while the allocation approach remains unchanged.

Given the reliance on legacy weighting factors for a customer-driven cost category, there may be uncertainty in how the associated costs are allocated across customer classes.

Question(s):

a) Please quantify the annual revenue requirement associated with Account 1855 (Services), including both depreciation and return components for the 2027 Test Year.
b) Please explain in greater detail the specific data limitations that prevent Rideau St. Lawrence Distribution from tracking Account 1855 costs by customer class. Please discuss whether Rideau St. Lawrence Distribution considered alternative cost allocation approaches for Account 1855 (e.g., number of customers, service connections, or service capacity) and if so, why such alternatives were not adopted.
c) Please provide a sensitivity analysis demonstrating the impact on revenue-to-cost ratios of applying alternative reasonable allocation approaches for Account 1855 (e.g., a variation of the existing weighting factors).
d) Please confirm whether the current weighting factors for Account 1855 appropriately reflect differences in service connection characteristics across Rideau St. Lawrence Distribution's customer classes and provide supporting rationale.
e) Please provide an update on Rideau St. Lawrence Distribution's plan and timeline to improve the tracking and allocation of Account 1855 costs by customer class in future cost of service applications.

7-Staff-59
Customer Data
Ref: Cost Allocation Model, Sheet I6.2 Customer Data

Preamble:
The device count and connection count (rows 18 and 19) of the referenced worksheet need to be populated for the Street Light, Sentinel, and Unmetered Scattered Load rate classes.

The customer count on row 21 needs to reflect the number of customers receiving bills so that the account maintenance costs can be appropriately allocated.

Question(s):

a) Please update the cost allocation model to reflect the appropriate number of customers, connections, and devices.

7-Staff-60
Customer Data
Ref: Cost Allocation Model, Sheet I6.1 Revenue, Sheet I6.2 Customer Data

Preamble:
The General Service 50 – 4,999 kW rate class has 55,855 kW of forecasted demand subject to transformer ownership allowance (sheet I6.1 Revenue, cell F27). However, all of the customers are entered as reliant Rideau St. Lawrence line transformers and secondary distribution (sheet I6.2 Customer Data, cells F24, F25).

Question(s):
a) Please reconcile the customer connection counts.

7-Staff-61
Load Profiles
Ref: TESI Load Profile Model, Sheet ALL_CP_NCP_

Preamble:
The Sentinel and USL allocators from Q9136:R9149 appear to be reversed. The sentinel light hourly demand reflects the same load in every hour of most days.

Question(s):
a) Please review and make any necessary revisions, including to the Cost Allocation model.
b) Please confirm whether sentinel lights are lit every hour of the day.

7-Staff-62
Weighting Factor
Ref: Exhibit 7, p. 7, Table 6 & Table 7

Question(s):
a) Please explain the reason for the material difference in the weighting factors for Billing and Collecting Weighting Factor since the 2022 Rebasing.

Exhibit 8 – Rate Design

8-Staff-63
Fixed / Variable Split
Ref 1: Exhibit 8, page
Ref 2: Cost Allocation Model, sheet O2.Fixed Charge | Floor | Ceiling

Preamble:
Rideau St. Lawrence Distribution is proposing to maintain the fixed charge, achieving the entire rate increase by adjusting only the variable charge for the General Service < 50 kW, General Service 50 to 4,999kW, Sentinel Lights and Street Lighting rate classes. However, the fixed charge is not at the ceiling for the Sentinel or Street Lighting rate classes.

Question(s):

a) Please provide the fixed and variable charges that would result from increasing both the fixed and variable charges by the same percentage in the Sentinel and Street Lighting rate classes.

8-Staff-64
Retail Transmission Service Rates
Ref 1: RTSR Workform, sheet 3. RRR Data
Ref 2: TESI Load Forecast Model, sheet Final LF

Preamble:
The General Service 50 to 4,999 kW volume (rows 21 and 22 of the first reference) and the General Service 50 to 4,999 kW – Interval Metered volume (rows 25 and 26) have each been entered as 116,000 kW. The reconciles to the total for the class in 2022, from the second reference.

Question(s):

a) Please ensure that the "RRR Data" is taken from the same year has the Historic Wholesale (should be 2025 actual) for all rate classes. When doing so, pleas ensure that the General Service 50 to 4,999 kW, General Service 50 to 4,999 kW volume – EV Charging, and General Service 50 to 4,999 kW volume – Interval Metered total to the historic energy and demand for the rate class. I.e. volumes from row 21 + row 23 + row 25 = the historic actual for the rate class. Rows 22, 24, and 26 would have volumes copied from the row above.

8-Staff-65
Loss Adjustment Factor
Ref: Exhibit 8, p.14. June 16, 2026

Preamble:
Rideau St. Lawrence Distribution states that the proposed Total Loss Factor (TLF) of 4.07% represents an increase from the currently approved TLF of 7.86%. However, the proposed TLF is lower than the currently approved value.

Question(s):

a) Please confirm whether the statement that the proposed TLF represents an "increase" from the current approved TLF is a drafting error.
b) Please clarify the direction and magnitude of the change in the TLF from the current approved value to the proposed 2026 TLF.

8-Staff-66
Loss Adjustment Factor – Significant Change in TLF
Ref 1: Exhibit 8, Section 8.4 – Loss Adjustment, Table 12. June 16, 2026
Ref 2: Exhibit 8, Table 12 – Determination of Loss Factor

Preamble:
Rideau St. Lawrence Distribution proposes a Total Loss Factor (TLF) of 4.07% based on a five-year historical average. However, the currently approved TLF is 7.86%, which is significantly higher than both the proposed TLF and the historical loss factors shown in Table 12. The historical total loss factors presented for the 2021–2025 period range from approximately 3.77% to 5.99%, with an average of 4.49%.

Question(s):

a) Rideau St. Lawrence Distribution proposed a TLF of 4.07% while Table 12 shows the TLF from historical average is 4.49%. Please explain the difference and confirm which one is the proposed TLF.
b) Please explain the drivers of the difference between the currently approved TLF of 7.86% and the historical loss factors presented in Table 12.
c) Please confirm whether any changes in methodology, data inputs, or assumptions have been made in calculating the proposed TLF relative to the currently approved TLF.
d) Please reconcile the proposed TLF with the historical loss factors presented, including an explanation for the apparent discrepancy between the current approved value and the historical data.

8-Staff-67
Bill Impact Summary
Ref: Exhibit 8, Table 15 – Bill Impact Summary (2026 vs 2027), p. 16, June 15, 2026

Table 15 - Bill Impacts Summary (2026 vs 2027)

Fodvv#	Vxewrwdo#D#+'#2#(,#	Vxewrwdo#E#+'#2#(,#	Vxewrwdo#F#+'#2#(,#	Wrwdo#Eloo#+'#2#(,#
Uhvlghqwldo#,#USS#	.'4318 9#2#.5<18 (#	.'7155#2#.;1; (#	.'31;9#2#.417 (#	.'3195#2#.317 (#
JV#?#53#nZ #,#USS#	.'4;1k5#2#.581: (#	.'5134#2#.41k (#	0'81k<#2#0716 (#	0'81:8#2#0419 (#
JV#53,7/<<<#nZ #,#QrqOUSS#	.'648175#2#.6:14 (#	.'464165#2#.441k (#	0'9418<#2#0613 (#	0'68:198#2#0619 (#
Xqp hwhuhg#Vfdwhuhg#Ordg#,#USS#	.'4147#2#.61: (#	0'915:#2#04715 (#	0'<1;5#2#04917 (#	0';1k9#2#0819 (#
Vhqwlqho#Oljkwlqj#,#QrqOUSS#	.'46193#2#.4691k (#	.'45174#2#.43817 (#	.'45155#2#.<914 (#	.'431k4#2#.6:15 (#
Vwuhhw#Oljkwlqj#,#USS#	.'5179#2#.6<1k (#	.'5153#2#.6617 (#	.'5145#2#.6316 (#	.'516<#2#.4;18 (#
Uhvlghqwldo#,#QrqOUSS#Uhwdlohu,#	.'4318 9#2#.5<18 (#	.'6155#2#.91; (#	0'3147#2#0315 (#	0'315:#2#0315 (#

Question(s):

a) The table above is miscoded. Please provide a revised table with correct information.

b) Have the street lighting customers been consulted regarding the proposed bill increase? If so, what is their response?

Exhibit 9 – Deferral and Variance Accounts

9-Staff-68

Variance Between RRR Balances and Amounts Proposed for Disposition

Ref: Exhibit 9, p. 3, June 15, 2026

Preamble:

In Reference 1, Rideau St. Lawrence Distribution stated that “Rideau St. Lawrence Distribution notes that since the inputs for 2025 balances have been audited, the model shows variances between the RRR, and the balances proposed for disposition in all accounts. Rideau St. Lawrence Distribution commits to updating the model as part of the interrogatory process.”

Question(s):

a) Please quantify the variances identified between the RRR balances and the balances proposed for disposition for each deferral and variance account.

b) For each variance identified in part (a), please provide:

  i. the USoA account number;
  ii. the RRR balance;
  iii. the balance proposed for disposition;
  iv. the amount of the variance; and
  v. an explanation of the cause of the variance

c) Please provide the updated schedules and supporting calculations

9-Staff-69
Clarification of Group 1 and Group 2 DVA Balances Sought for Disposition
Ref 1: Exhibit 9, p. 5, Section 9.2.1, Table 1 - Balances Sought for Disposition, June 15, 2026
Ref 2: RSL_2027 DVA Continuity Schedule_20260615, Tabs 2a. Continuity Schedule Group 1 and 2b. Continuity Schedule Group 2

Preamble:
In Reference 1, Rideau St. Lawrence Distribution listed that the account balances sought for disposition and stated that "all accounts in Groups 1 and 2 listed comply with the Accounting Procedure Handbook."

However, OEB staff notes that Reference 1 appears to include only certain Group 1 accounts. OEB staff is unable to identify any Group 2 accounts included in Table 1, despite the references to both Group 1 and Group 2 accounts.

Question(s):
a) Please update Table 1 to include disposition from both Group 1 and Group 2 accounts that reconcile to DVA continuity schedules.

9-Staff-70
Reconciliation of Account 1589 – RSVA Global Adjustment
Ref 1: Exhibit 9, p. 6, June 15, 2026
Ref 2: RSL_2027 DVA Continuity Schedule_20260615, Tab 2a. Continuity Schedule Group 1

Preamble:
OEB staff notes that the amount presented for Account 1589 – RSVA Global Adjustment in Reference 1 does not appear to reconcile to the corresponding balance shown in Reference 2. OEB staff compiled the table below to illustrate the variance between References 1 and 2.

Account	Ref 1	Ref 2	Variance
1589 RSVA - Global Adjustment	-$35,883	-$57,525	$21,642

Question(s):
a) Please explain the reason for the difference between the balances shown in References 1 and 2 identify all reconciling items, including principal, interest, and any other adjustments.
b) Please confirm the correct December 31, 2025 balance for Account 1589 - RSVA Global Adjustment for disposition purposes and provide any updated schedules required to reflect the correct amount.

9-Staff-71
Clarification of Account 1595 Disposition Request
Ref: Exhibit 9, p. 6, June 15, 2026

Preamble:
In Reference 1, Rideau St. Lawrence Distribution listed balances for Account 1595 - Recovery/Refund of Regulatory Balances and stated that Rideau St. Lawrence Distribution is requesting disposition of residual balances recorded in Account 1595. However, the section heading immediately below stated "1595 - Disposition of Residual Balances. (N/A)".

Question(s):
a) Please update the evidence as necessary to remove any ambiguity regarding the disposition request.

9-Staff-72
Account 1508 – OEB Assessment
Ref 1: EB-2021-0056, Decision and Order, Settlement Proposal, pp. 38 and 40. June 14, 2022
Ref 2: Exhibit 9, , p. 7, Table 3 – Disposition of Group 2 Accounts, June 15, 2026
Ref 3: RSL_2027 DVA Continuity Schedule_20260615, tab 2b. Continuity Schedule Group 2

Preamble:
In Reference 1, Rideau St. Lawrence Distribution agreed to close account 1508 Sub Account - OEB Assessment Cost. However, in Ref 2, Rideau St. Lawrence Distribution identified a debit balance of $6,427 in Account 1508 - OEB Assessment and indicates that the account is discontinued. And in Reference 3, Rideau St. Lawrence Distribution included a debit balance of $6,427 in the account to be disposed of in the application.

Question(s):
a) In accordance with the Board-approved Settlement Proposal (Reference 1), Account 1508 - OEB Assessment Cost was to be closed. Please remove the $6,427 balance from the requested disposition.

9-Staff-73
Account 1511 – Cloud Computing Implementation Costs
Ref 1: Cloud Computing Implementation Costs Generic Deferral Variance Account, Category 2: Offsetting Savings, F&Q #4

Ref 2: RSL_2027 DVA Continuity Schedule_20260615, tab 2b. Continuity Schedule Group 2
Ref 3: Exhibit 9, p. 10, Materiality and Completion, June 15, 2026
Ref 4: Exhibit 9, p.15, Group 2 Account Proposed to be Discontinued, June 15, 2026

Preamble:
In Reference 1, OEB stated,

"If costs were embedded in the utility's rates in the last rebasing application for the on-premises solution and the utility plans to implement the cloud computing solution for the same system, the incremental cost of the cloud computing solution should be the costs net of the costs of the on-premise solutions that were approved in the utility's rates in the last rebasing application"

OEB staff notes that Reference 2 provides total amounts recorded in Account 1511 of $42,697 in 2024 and $121,285 in 2025.

In Reference 3, Rideau St. Lawrence Distribution stated:

"The system is fully implemented and in service. The Distributor does not expect any material further entries to Account 1511.Ongoing costs relate to SaaS licensing and routine support and are recorded in OM&A."

However, OEB staff was unable to identify evidence in Exhibit 4 showing the forecasted SaaS licensing and support costs associated with the cloud-based ERP system during the 2026-2031.

In addition, Rideau St. Lawrence Distribution did not include Account 1511 in the discontinuation list in Reference 4.

Question(s):

a) Please confirm whether costs associated with the legacy on-premises system that was replaced by the Acumatica cloud-based ERP system were embedded in rates from the most recent rebasing application.
    i. If confirmed, please explain how Rideau St. Lawrence Distribution determined the costs recorded in Account 1511 are incremental and demonstrate that the balance reflects cloud computing costs net of any on-premises solution costs embedded in rates, consistent with OEB guidance. Please update the account balance as necessary.

b) Please complete the table below, including a breakdown by year and cost category. Please ensure that the 2024 and 2025 totals reconcile to the amounts recorded in Account 1511 and to the DVA Continuity Schedule.

i. For each forecast cost category identified in the table below, please indicate how the costs are reflected in Rideau St. Lawrence Distribution 's 2027 Test Year OM&A.

Cost Type	2024	2025	2026	2027	2028	2029	2030	2031
SaaS Licensing								
System Configuration								
Data Mitigation								
Testing								
Training								
Conference Room Pilot								
Go-live Activities								
Project Management								
Offset Savings								
Total Cloud Computing Costs	$42,697	$121,285						

c) Please provide a detailed breakdown of the project management costs included in Account 1511, including:
   i. description of services provided;
   ii. whether any internal labour costs were recorded;
   iii. if internal labour costs were included, the associated hours, labour rates, and calculation methodology; and
   iv. any third-party consulting or contractor costs included under project management.

d) Please explain how Rideau St. Lawrence Distribution assessed potential offsetting savings associated with the transition from the legacy system to the cloud-based solution and why no offsetting savings were recorded in Account 1511.

e) Please confirm whether Rideau St. Lawrence Distribution intends to discontinue the use of Account 1511 following disposition of the requested balance.
   i. If not confirmed, please explain the rationale for continuing to maintain the account and identify the types of future costs that Rideau St. Lawrence Distribution expects may be recorded in the account.

9-Staff-74
Account 1518 &1548
Ref 1: Exhibit 9, p. 11, June 15, 2026

Ref 2: Exhibit 9, p. 15, Group 2 Account Proposed to be Discontinued, June 15, 2026

Preamble:
In Reference 1, Rideau St. Lawrence Distribution stated that for both Accounts 1518 and 1548, “Consistent with OEB policy, this account has been discontinued.” However, in Reference 2, Rideau St. Lawrence Distribution included Accounts 1518 and 1548 in the list of accounts proposed to be discontinued.

Question(s):

a) Please confirm whether Rideau St. Lawrence Distribution is going to discontinue both Accounts 1518 and 1548 in this application or the accounts have been discontinued.
    i. If the accounts have already been discontinued, please provide:
        a. the date on which each account was discontinued; and
        b. details of any transactions recorded in the accounts after the discontinuation date, including the nature and purpose of each transaction.

9-Staff-75
Account 1522 - Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges
Ref: Exhibit 9, p. 11, June 15, 2026

Preamble:
OEB staff notes that the discussion provided for Account 1522 in Reference 1 refers to Account 1525 and ACM-related carrying charges rather than pension and OPEB-related carrying charges.

Question(s):

a) Please provide the correct discussion for Account 1522.

9-Staff-76
Account 1525 – Miscellaneous Deferred Debits
Ref 1: Exhibit 9, p. 13, June 15, 2026
Ref 2: Exhibit 9, p. 17, Table 7, June 15, 2026
Ref 3: Exhibit 9, p. 19, Table 10, June 15, 2026

Preamble:
In Reference 1, Rideau St. Lawrence Distribution stated that the credit balance of

$83,045 in Account 1525 relates primarily to ACM carrying charges and timing differences and "is cleared through accounting reclassification entries and is not proposed for disposition through the DVA rate rider model". Rideau St. Lawrence Distribution further indicated that the net amount for DVA disposition related to the ACM balances is zero and that no rate rider is requested.

However, OEB staff notes that, in Reference 2, Account 1525 is included among the Group 2 accounts proposed for disposition and the $83,045 credit balance is included in the total Group 2 balance of $203,860.

OEB staff further notes that the Group 2 rate rider calculations presented in Reference 3 appear to be based on the total Group 2 balance, which may include the balance recorded in Account 1525.

Question(s):

a) Please confirm whether the Account 1525 balance is proposed for disposition through Group 2 DVA rate riders or will be cleared through accounting reclassification entries upon rebasing.
    i. If the Account 1525 balance is not proposed for disposition through Group 2 DVA rate riders, please:
        a. explain why the account was included in Table 7 as a Group 2 account proposed for disposition;
        b. provide revised Group 2 disposition balances excluding Account 1525; and
        c. quantify the impact, if any, on the proposed Group 2 rate riders.

9-Staff-77
Account 1592 – PILs and Tax Variances – CCA Changes Sub-account
Ref 1: EB-2021-0056, Decision and Order, Settlement Proposal, p. 40, June 14, 2022
Ref 2: RSL_2027 DVA Continuity Schedule_20260615, Tab 2b – Continuity Schedule Group 2.

Preamble:
OEB staff notes that the current DVA Continuity Schedule appears to record the 2022 OEB-approved disposition against Account 1592 - PILs and Tax Variances rather than against the CCA Changes Sub-account. OEB staff compiles the relevant balances in the table below:

Account	2022 Appoved Disposition in Ref 1		2022 OEB-Approved Disposition Entered in Ref 2		Variance	
	Principal	Interest	Principal	Interest	Principal	Interest
1592 - PILs and Tax Variance for 2006 and Subsequent Years	($2,948)	($515)	($36,649)	($407)	$33,701	($108)
1592 - PILs and Tax Variances - CCA Changes	($36,649)	($407)	$0	$0	($36,649)	($407)
Net Effect	($39,597)	($922)	($36,649)	($407)	($2,948)	($515)

Question(s):

a) Please confirm whether OEB staff's observations regarding the recording of the 2022 approved disposition are correct.
   i. If confirmed, please provide an updated DVA Continuity Schedule reflecting the approved disposition in the appropriate account(s) and explain the impact on all subsequent balances.
   ii. If not confirmed, please explain why the accounting treatment reflected in the DVA Continuity Schedule is consistent with Reference 1.

b) Please provide the Accelerated CCA / AIIP PILs impact workpapers for each year from 2022 through 2025 in Excel format with formulas intact.

9-Staff-78
Account 1592 – PILs and Tax Variance for 2006 and Subsequent Years
Ref: RSL_2027 DVA Continuity Schedule_20260615, Tab 2b – Continuity Schedule Group 2

Preamble:

OEB staff notes that the Reference showed principal transactions recorded in Account 1592 PILs and Tax Variance for 2006 and Subsequent Years during 2020 to 2023, as well as a principal adjustment recorded in 2022.

Question(s):

a) Please identify and explain the principal transactions recorded in Account 1592 - PILs and Tax Variance for 2006 and Subsequent Years from 2020 to 2023.

b) Please explain the nature and purpose of the principal adjustment recorded in 2022 and provide supporting calculations.

9-Staff-79
Community Analysis Workform
Ref 1: RSL_2027 Commodity Accounts Analysis Workform_20260615
Ref 2: Exhibit 9, p. 21, June 15, 2026

Preamble:

In Reference 1, the Community Analysis Workform identified:

- A difference in loss factor of 1.83%, which exceeds the 1% threshold identified in the Workform.
- Columns G and H relating to unbilled consumption were not completed in Note 4.
- An unresolved difference equal to 20.2% of expected Global Adjustment (GA) payments to the IESO.
- In the Principal Adjustments tab, data were entered in lines 67-89, whereas the Workform instructions indicate that: principal adjustments included in the last approved balance should be entered in Note 8; and principal adjustments applicable to the current disposition application should be entered in the Principal Adjustment Reconciliation section (lines 41-63).

The explanatory text fields associated with these items were not completed.
In Reference 2, Rideau St. Lawrence Distribution stated that “no material or unexplained differences were identified, and no principal adjustments are proposed.”

Question(s):

a) Please explain why the difference in loss factor exceeds the 1% threshold. Please quantify the drivers of the variance and explain why no principal adjustment is required.
b) Please explain why columns G and H relating to unbilled consumption were not completed in Note 4. Please indicate whether unbilled consumption was considered in reconciliation and quantify any associated impact.
c) Please provide a detailed reconciliation of this unresolved difference of 20.2%, including:
    i. all reconciling items;
    ii. the dollar value associated with each item;
    iii. identification of any principal adjustments considered;
    iv. an explanation of why no principal adjustments are proposed; and
    v. an explanation of how this result supports Rideau St. Lawrence Distribution's statement in Reference 2 that no material or unexplained differences were identified.
d) Please update the Principal Adjustments tab to comply with the Community Analysis Workform filing instructions. Specifically:
    i. record principal adjustments included in the last approved balance in Note 8; and
    ii. record principal adjustments related to the current application in the Principal Adjustment Reconciliation section (lines 41-63).
e) Please provide a revised Community Analysis Workform.

9-Staff-80
Account 1508 - Sub-account LEAP EFA Funding Deferral
Ref 1: Low-income Energy Assistance Program Emergency Financial Assistance, Final Rate Order, EB-2023-0135, February 12, 2024, p. 3
Ref 2: Exhibit 9, p. 7, Table 3, June 15, 2026
Ref 3: Exhibit 1, p. 14, 1.2.9 Materiality Threshold, June 15, 2026
Ref 4: Exhibit 4, p. 21, June 15, 2026

Preamble:
In Reference 1, the final rate order establishing LEAP-EFA states that: “The OEB expects each distributor to bring forward amounts recorded in the new deferral account for review and disposition as part of its next cost-based rate application, if the balance exceeds the distributor’s materiality threshold. The OEB also expects that any distributor that has a material balance in the new deferral account will, as part of its next cost-based rate application, apply for a higher LEAP EFA funding amount going forward if the need for additional funding is forecast to be sustained. As such, the OEB does not anticipate that distributors will need the new deferral accounts beyond their next cost-based rate applications.”

In Reference 2, Rideau St. Lawrence Distribution has requested disposition of a debit balance of $34,046 in Account 1508 - Sub-account LEAP EFA Funding Deferral. In Reference 3, Rideau St. Lawrence Distribution identified a materiality threshold of $50,000. OEB Staff notes that the balance proposed for disposition is below Rideau St. Lawrence Distribution 's materiality threshold. OEB Staff further notes that the LEAP funding forecast provided in Reference 4 appears relatively stable over the 2026-2027 period.

Question(s):
a) Please confirm whether OEB staff’s observation regarding materiality is correct
    i. If confirmed, please explain why Rideau St. Lawrence Distribution is seeking disposition of the account balance.
    ii. If Rideau St. Lawrence Distribution believes disposition remains appropriate despite the balance being below its materiality threshold, please provide the rationale and supporting evidence.
b) Please explain the need to maintain the account following rebasing.
c) Please indicate whether Rideau St. Lawrence Distribution considered clearing the balance without disposition and discontinuing the account upon rebasing.
    i. If not, please explain why not.