



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

July 18, 2026

VIA E-MAIL

Ritchie Murray
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Mr. Murray:

**Re: EB-2026-0069 Rideau St. Lawrence Distribution Inc. (RSL)
2027 Cost of Service Application
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the revised interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Malcolm McCallum, VP and CFO, RSL
mmccallum@rslu.ca

Manuela Ris, Consultant for RS
manuela@tandemenergyservices.c

REQUESTOR NAME	VECC
TO:	RSL
DATE:	July 18, 2026
CASE NO:	EB-2026-0069
APPLICATION NAME	2027 Cost of Service

1.0 ADMINISTRATION (EXHIBIT 1)

1.0-VECC-1

Reference: Exhibit 1, page 31
Exhibit 3. page 5

Preamble: Exhibit 3 states:
“Rideau St-Lawrence Distribution Inc. (RSL) serves several small Eastern Ontario communities, including Gananoque, South Dundas, Cardinal, and parts of the Thousand Islands region.”

- a) Contrary to Exhibit 3, Exhibit 1 does not list Gananoque as one of the communities served by RSL. Please reconcile.

1.0-VECC-2

Reference: Exhibit 1, page 55

- a) Please update Table 14 – Scorecard to show the 2025 results.

1.0-VECC-3

Reference:Exhibit 1, page 58, Table 16 2024 APB Benchmarking Results

- a) Does RSL have any insight in to why its Billing Unit Costs (Table 16) are significantly higher than comparable utilities (other than Centre Wellington Hydro) and trending higher during the 2017-2024 period (Table 19)

2.0 RATE BASE AND CAPITAL (EXHIBIT 2)

2.0-VECC -4

Reference: Exhibit 2, Page 8, Table 3

- a) Please explain the nature of the large (\$387,748) disposal in 2026.

2.0-VECC -5

Reference: Exhibit 2, Pages 17

“Unrecovered variance: The difference between actual costs (\$849,682) and the approved ACM amount (\$775,000), being \$74,682, has not been recovered through any prior mechanism.”

- a) Please explain this variance.

2.0-VECC -6

Reference: Exhibit 2, Appendix B DSP, page 25

Table 13 - Planned Capital Investment: 2028 DSP to 2031 DSP

	2028	2029	2030	2031
System Access	\$1,051,582	\$816,493	\$696,000	\$1,009,570
Capital Contributions	-\$379,000	-\$379,000	-\$379,000	-\$379,000
System Renewal	\$1,054,543	\$1,312,389	\$1,076,081	\$837,847
System Service	\$460,000	\$515,000	\$465,156	\$159,252
General Plant	\$156,000	\$98,000	\$496,000	\$898,000
Net Capex	\$2,523,125	\$2,362,992	\$2,354,237	\$2,525,669

- a) Please explain how the capital contribution amount is estimated for each year including 2026 and 2027.
- b) In 2022 and 2023 Appendix 2-AA shows capital contributions for system renewal projects (\$329,640 and \$163,342 respectively). Please explain what projects these contributions relate to and why no capital contributions are forecast for any system renewal projects in the years 2026 through to 2031.

2.0-VECC -7

Reference: Exhibit 2, Appendix B DSP, pages 39-

“RSL does not rely solely on asset age to trigger replacement. Asset renewal and refurbishment decisions are informed by a combination of condition assessments, inspection results, performance history, failure risk, and the potential consequence of failure to customers.”

“RSL condition score for station equipment is calculated using a weighted evaluation of four variables: asset age, transformer loading (stress), inspection results, and testing results. The scores range from 0-100 with the higher scores indicating poorer condition and higher replacement priority.”

- a) Has RSL ever had a third party (e.g. Metsco etc..) undertake a formal asset condition review or review the methodology currently employed by RSL?

2.0-VECC -8

Reference: Exhibit 2, Appendix 2AA

- a) Please explain how the \$696,000 of “Miscellaneous” of capital spending for the 2028 to 2031 was determined.

2.0-VECC -9

Reference: Exhibit 2, DSP Appendix A, Material Projects, pages 44-

- a) Please provide an update/status of the following projects:
 - I. Iroquois Station MS2, including the current estimated in-service (energized) date.
 - II. Valecraft Phase 1, including the number of homes currently energized and remaining to be connected.

2.0-VECC -10

Reference: Exhibit 2, Appendix B DSP, page 76

Table 43 – 2021-2025 – Count of Customer Interruption per cause code

Row Labels	Sum of No of Customers Affected
2 - Loss of Supply	27135
1 - Scheduled Outage	2022
6 - Adverse Weather	1540
5 - Defective Equipment	1020
9 - Foreign Interference	648
3 - Tree Contacts	387
8 - Human Element	50
Grand Total	32802

- a) With respect to defective equipment outages please provide a table showing the most common categories (equipment type) of equipment failure.
- b) Please explain if/how the proposed DSP addresses these major types of equipment failure

2.0-VECC -11

Reference: Exhibit 2, Appendix B DSP, page 79

Table 46 - Cost Metrics

CAPEX	2022–2026 Planned	2022–2026 Actual	2027–2031 Planned
System Access	\$640,000	\$3,313,328	\$1,096,676
System Renewal	\$2,868,012	\$1,696,293	\$4,918,530
System Service	\$293,000	\$2,196,449	\$2,678,637
General Plant	\$926,000	\$1,643,029	\$1,713,000
Total CAPEX	\$4,727,012	\$8,849,099	\$10,406,843
Total CAPEX / Customer	\$748	\$1,401	\$1,647
Total CAPEX / km of Line	\$42,973	\$80,446	\$94,608

- a) Please update Table 46 to match the most current Appendix 2-AA.

2.0-VECC -12

Reference: Exhibit 2, DSP – Appendix A (Project Write-Up), pages 64-

“RSL is advancing a multi-year distribution automation and SCADA enablement program, beginning in Iroquois, and expanding across the system. Historically, RSL has relied primarily on fuses for feeder protection and does not currently operate SCADA-capable switching devices Reclosers will significantly reduce fuse operations, improve outage diagnostics, and enable faster restoration. While originally planned as a 10-year rollout, RSL received conditional approval

in 2025 for NRCan matching grant funding, allowing the implementation timeline to be cut in half.”

- a) RSL has budgeted \$960k in NRCan SCADA projects in 2027 (Appendix 2-AA lines 138-140). What impediments (if any) are there with extending the implementation of these SCADA projects to put in service one in each year 2027, 2028 and 2029.
- b) Please provide the current project status of the \$320 “NRCan – SCADA Iroquois” project (Appendix 2-AA line 137 2926 Capital Budget).
- c) Does RSL outsource to construct these SCADA projects?
- d) Please clarify how RSL is confident it has the capacity to complete the four SCADA projects in 2026 and 2027.

2.0-VECC -13

Reference: Exhibit 2, DSP – Appendix A (Project Write-Up), pages 8, 18, 26, 44,

- a) With respect to the Morrisburg MS Relocation the write-up states (page 8):
“The project was driven by the need to replace an aging distribution transformer at Morrisburg MS2, while simultaneously addressing the requirement to serve new and growing loads in the central area of Morrisburg.”
 - i. What is the forecast load growth for the central area of Morrisburg and how does this reconcile with the overall load forecast set out in Exhibit 3?
 - ii. What is the planned increase in the capacity for Morrisburg MS2
- b) With respect to the Prescott MS1 Transformer Replacement the write-up states (page 18): “Given the transformer’s age and increasing load requirements in the Prescott service area, the original scope contemplated replacing the existing transformer with a 5 MVA unit, which has been established as the current station standard size.”
 - i. What is the forecast load growth for the Prescott service area and how does this reconcile with the overall load forecast set out in Exhibit 3?
 - ii. What is the current capacity of the Prescott MS1 Transformer and what is the planned size of the replacement?
- c) With respect to the Iroquois MS1 Transformer Replacement, the Application states (page 26): “Based on the growing customers and new subdivision planned in Iroquois, the original transformer replacement project was deprioritized and replaced with a broader station development initiative to address capacity the capacity needs and address reliability needs with a second station rather than a back-up transformer.”
With respect to the Iroquois MS2 Project, the write-up states: “This project involves the acquisition of land and construction of a second distribution station (MS2) in Iroquois to provide sufficient capacity and resiliency to meet

current and forecasted load growth.”

- i. What is the forecast load growth for the Iroquois service area and how does this reconcile with the overall load forecast set out in Exhibit 3?
- ii. What is the current capacity of the MS1 Transformer and how will the overall MS capacity to serve the area change with the planned new MS?

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0-VECC -14

Reference: Exhibit 3, page 4, Table 3

- a) Table 3 indicates that for the Residential and GS<50 classes the Monthly Service Charge (MSC) metric is number of customers whereas for the GS>50 class it is the number of connections. For 2027 is there a difference between the number of GS>50 forecast customers and the number of forecast GS>50 connections? If yes, what is the difference?
- b) Similarly for the Residential and GS<50 classes, is there a difference between the number of forecast customers and the number of forecast connections and, if so, what is it?

3.0-VECC -15

Reference: Exhibit 3, page 4, Table 4

Exhibit 2, Appendix B, page 7

Preamble: With respect to the Residential class the Application states (Exhibit 3, page 4):

“Modest residential growth consistent with historical trends, supported by small scale development (including a planned subdivision). No step-change growth is expected in the test year.”

The Application states (Exhibit 2, Appendix B)

“Prior to 2021, there have been no large-scale subdivision developments; however, in the most recent 5 years, developers have started to build in the RSL service areas. Currently, RSL has 2 active multiphase subdivisions under development in our service areas – Watercolours in Westport and Merkley Oaks in Iroquois. There are also numerous smaller single phased developments as well.”

- a) Please provide details regarding the planned subdivisions including for each: i) the current status, ii) how many housing units are involved and iii) when the housing units are expected to be energized.

3.0-VECC -16

Reference: Exhibit 3, page 6

Preamble: The Application states:
“On a best-efforts basis, RSL has considered the potential impact of incremental electrification by assessing a range of outcomes, including a scenario where additional EV charging infrastructure is introduced within the service territory. Under such a scenario, the incremental load would remain modest relative to total system demand and would not materially impact the overall load forecast or test year revenue requirement.”

- a) Please provide details regarding the analysis RSL undertook regarding the potential impact of incremental electrification including the methodology used and the results.

3.0-VECC -17

Reference: Exhibit 3, pages 7-8
**Load Forecast Model, Adjustments and Var Tab
Appendix 2-H**

- a) The Load Forecast model does not include any purchases related to microFIT facilities. However, Appendix 2-H shows microFIT revenues. Please reconcile.
- b) During the historic period used to estimate the regression model RSL did purchase electricity from any embedded generation facilities that were not microFIT?

3.0-VECC -18

Reference: Exhibit 3, page 9, Table 7

Preamble: The Application states:
“The wholesale values show an overall downward trend from 2016 to 2025, with periodic fluctuations.”

- a) Please explain how RSL concluded, based on the values set out in Table 7, that “The wholesale values show an overall downward trend from 2016 to 2025, with periodic fluctuations” as the values appear to be showing an upward trend during this period.

3.0-VECC -19

Reference: Exhibit 3, page 11

Preamble: The Application states:
"RSL tested and included a "Customer Count" variable."

- a) What customer classes are included in the customer count variable?

3.0-VECC - 20

Reference: Exhibit 3, pages 17
Load Forecast Model, Weather Sensitive Forecast Tab

Preamble: The Application states:
"For the weather-sensitive classes (Residential, GS<50, and GS>50-4999, USL), the forecast approach follows the same methodology previously accepted by the OEB and is consistent with the guidance in Section 2.3 of the Chapter 2 Filing Requirements. Historical wholesale kWh is first weather-normalized, as required for weather-sensitive load. These volumes are then allocated to each customer class using the class shares of actual retail kWh, excluding losses. This reflects the instruction in Section 2.3.3 to base class allocation on established consumption patterns supported by billing data."

- a) Please explain why RSL considers the USL class to be weather sensitive.
- b) Please explain why the determination of the allocation percentages for each customer class included years when COVID impacts were material.
- c) Please recalculate the allocation percentages excluding the months of March 2020 through February 2022 and provide the resulting 2027 forecasts for the Residential, GS<50, and GS>50-4999 and USL classes.

3.0-VECC -21

Reference: Exhibit 3, pages 20-21
Load Forecast Model, Weather Sensitive Forecast and Non-Weather Sensitive Tabs

Preamble: For the Non-Weather Sensitive Customers the Application states (page 20):
"A 10-year average kW-per-customer value is used to represent the class's typical demand intensity, and the forecast customer count is based on the geometric mean of historical customers to avoid overstating year-to-year fluctuations in this very small population. Forecast demand for 2026–2027 is calculated by multiplying the forecast customer count by the 10-year average kW/customer."

- a) For purposes of determining the GS>50 2027 kWh RSL treats the class as weather sensitive (per the Weather Sensitive Forecast Tab). However, for purposes of determining the GS>50 2027 kW billing determinant (per the Non-Weather Sensitive Tab) RSL treats the class as being non-weather sensitive. Please reconcile.
- b) In the case of the Sentinel class, please explain the significant increase in the kW/kWh ratio in 2024 and 2025 as compared to the previous years (per Table 19). In particular please explain why the kWhs in these years are significantly less than in previous years while the number of Customers/Connections remained unchanged and the annual kW are roughly the same.
- c) For the Sentinel and Street Lighting classes, the methodology described on page 20 for determining the 2027 forecast kW does not appear to be the one used in the Non-Weather Sensitive Tab. Please reconcile and clarify the intended basis for the 2027 forecast billing kW for these two classes.

4.0 OM&A (EXHIBIT 4)

4.0 -VECC -22

Reference: Exhibit 4, page 22

USoA	Description	2022 BA	2022	2023	2024	2025	2026	2027
5005	Supervision & Engineering	128,665	139,061	161,569	241,311	149,315	257,961	310,044
5012	Station Buildings	7,125	944	10,223	3,735	2,039	3,974	4,094
5016	Distribution Station Labour	2,440	1,201	608	2,270	2,015	2,415	2,488
5020	Overhead Lines Labour	2,440	1,799	0	1,771	2,030	1,884	1,940
5035	Distribution Transformers	2,015	1,868	2,927	9,887	1,554	10,520	10,835
5085	Misc Distribution	104,520	79,751	59,947	140,296	235,676	149,274	153,752
5610	Management Salaries	0	0	0	0	0	0	0
Subtotal		247,205	224,624	235,274	399,270	392,629	426,028	483,153

- a) Please provide a breakdown of the subtotal costs into (i) internal labour, (iii) external labour, (iii) other OM&A costs.

4.0 -VECC -23

Reference: Exhibit 4, page 22

USoA	Description	2022 BA	2022	2023	2024	2025	2026	2027
5120	Poles & Fixtures	38,810	43,471	36,695	23,991	13,914	25,526	26,292
5125	OH Conductors	168,610	202,004	203,854	264,292	231,214	216,380	222,872
5130	OH Services	93,620	75,316	52,127	26,496	76,479	28,192	29,037
5135	Vegetation / ROW	42,405	29,364	26,608	39,223	175,425	300,000	300,000
5145	Underground Conduit	2,805	1,848	2,800	81	4,325	86	89
Subtotal		346,250	352,003	322,084	354,083	501,357	570,184	578,290

- a) Please provide a breakdown of the subtotal costs into (i) internal labour, (iii) external labour, (iii) other OM&A costs.

4.0 -VECC -24

Reference: Exhibit 4, page 23

USoA	Description	2022 BA	2022	2023	2024	2025	2026	2027
5615	Admin Salaries	253,659	258,989	273,932	185,909	257,887	267,031	275,042
5630	Outside Services	114,026	159,476	151,137	172,921	160,172	183,987	189,506
5640	Injuries & Damages	14,000	11,994	21,465	26,531	35,229	39,441	40,624
5655	Regulatory	46,200	90,261	33,724	73,004	64,518	77,675	80,005
5680	ESA Fees	3,700	3,564	3,591	3,724	3,879	3,962	4,081
Subtotal		431,585	524,284	483,849	462,089	521,685	572,096	589,258

- a) Please explain what are “Outside Services” and why they have increased by 65% as compared to Board approved in 2022.

4.0 -VECC -25

Reference: Exhibit 4, Section 4.5, page 71, Appendix 2-JD

- a) Please identify the USoA accounts in Appendix 2-JD that include vegetation costs?
- b) If there is more than one account in Appendix 2-JD that includes vegetation costs please provide the specific vegetation costs in each in each applicable account.

4.0 -VECC -26

Reference: Exhibit 4, Section 4.5, pages 72-

Table 39 – Vegetation Management Program by Year and Priority

Year	True Urgent (\$)	Near-Term (\$)	Long-Term (\$)	Total (\$)
2026	257,000	50,000	0	307,000
2027	246,000	54,000	0	300,000
2028	136,000	134,000	8,000	278,000
2029	41,000	205,000	31,000	277,000
2030	0	137,000	115,000	252,000
2031	0	20,000	246,000	266,000
Total	680,000	600,000	400,000	1,680,000

- a) Which of the scenarios shown in Table 39 is RSL proposing to be funded by this application?
- b) Does this table include those costs identified at page 72 (i.e. System Renewal and Conversion to Roadside Design, Backyard Derrick Truck, and the Recloser Installations-NRCan Program)? If not please provide a revised table that shows the total “Vegetation Management Plan” (including any other ancillary costs not identified in Section 4.5 if necessary).

4.0 -VECC -27

Reference: Exhibit 4, Section 4.2.7, page 46

- a) Please provide separately and on an annual basis the fees charged by the EDA and CHEC (if a member).

4.0 -VECC -28

Reference: Exhibit 4, Section 4.3, Table 20, pages 54-

- a) Please provide the management position in each year 2021 (3) through 2027 (6).

5.0 COST OF CAPITAL (EXHIBIT 5)

5.0-VECC-29

Reference: Exhibit 5, pages 7-

“RSL’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.

Both instruments are callable on demand and bear a contractual interest rate of 3.72%. While the lenders are shareholders, the terms and conditions of the notes are consistent with those that could reasonably be obtained in the market for similar financing arrangements, and there are no provisions that would suggest the instruments are equity in substance.

Consistent with OEB policy, these balances have been assigned the deemed long-term debt rate of 4.73% for cost of capital purposes, rather than contractual rate. This approach ensures that the revenue requirement reflects the OEB’s standardized cost of capital parameters.”

“For affiliate debt (i.e., debt held by an affiliated party as defined by the Ontario Business Corporations Act, 1990) with a fixed rate, the deemed long-term debt rate at the time of issuance will be used as a ceiling on the rate allowed for that debt.” Report of Board EB-2009-0084 (emphasis added)

- a) Please provide the reference to the Board policy which states that the Utility should use the higher of the Board’s affiliate debt rate or the actual cost of affiliate debt.
- b) Please recalculate the weighted cost of debt from Appendix 2-OB using the contractual rate of 3.72% and provide the revenue requirement impact of using the resulting weighted average long-term debt rate.

5.0-VECC-30

Reference: Exhibit 5, page 8

“RSL does not forecast the issuance of new external debt. The 2027 debt structure reflects the consolidation of multiple 2026 debt instruments into affiliated financing arrangements, resulting in a simplified portfolio comprised of the two promissory notes described above. This represents a continuation of existing financing practices rather than new borrowing.”

- a) A comparison of Table 4 (2027) and Table 5 (2026) shows a difference of approximately \$466,828 (i.e. \$6,368,518 - \$5,901,690). In the consolidation of the 2026 loans did RSL negotiate for this amount of additional debt?

- b) of Please explain why provide the reference to the Board policy which states that the Utility should use the higher of the Board's affiliate debt rate or the actual cost of affiliate debt.

6.0 REVENUE REQUIREMENT (EXHIBIT 6)

6.0-VECC-31

Reference: Exhibit 6, page 14, Table 9

- a) Please provide the basis for the 2026 and 2027 forecasts for the each of the USOAs in Table 9.
- b) In the case of USOA #4210 please provide a schedule that sets out the number of poles and applicable rates used to determine the revenues for 2024 through 2027.

6.0-VECC-32

Reference: Exhibit 6, page 16

Preamble: The Application states:
"RSL has reviewed its microFIT-related costs and revenues and has determined that no adjustment to the charge is required. microFIT revenues are included within Other Operating Revenues and are not a material driver of overall revenue trends. MicroFIT revenues are recorded as a revenue offset in Miscellaneous Service Revenues (4235) in accordance with OEB requirements"

- a) Please outline the current costs that support a microFIT charge of \$17.20.

7.0 COST ALLOCATION (EXHIBIT 7)

7.0-VECC-33

Reference: Exhibit 7, pages 4-5 (Table 4)

Preamble: The Application states:
"In sheet I4, Break-out of Assets, RSL reviewed its primary and secondary assets to ensure that the model uses the most up-to-date information. The table below shows RSL's updated breakout between primary and secondary from its last cost of service in 2022."

- a) What was the basis (e.g., sources of data) for the updated breakout between primary and secondary?

7.0-VECC-34

Reference: Exhibit 7, pages 6-9 (Tables 6 & 7)

Preamble: The Application states:
"As instructed by the Board, in Sheet I5.2, Weighting Factors, RSL has used LDC-specific factors rather than continue to use OEB-approved default factors. RSL has applied service and billing & collecting weightings for each customer classification. These weightings are based on a review of time and costs incurred in servicing its customer classes; the details are shown at the next page and results shown below." (page 6)
And
"A working Excel model has been filed in support of this application, providing transparency of the calculations, assumptions, and allocation methodologies used." (page 9)

- a) Please provide the working Excel model supporting Table 8 as it does not appear to have been actually filed.

7.0-VECC-35

Reference: Exhibit 7, page 12
Cost Allocation Model, Tabs 6.2 (Customer Data) and I7.1 (Meter Capital)

- a) Tab I7.1 shows 62 meters for the GS>50 class. However, Tab I6.2 shows 66 G>50 customers. Please reconcile.
- b) Please confirm that all of RDL's Residential, GS<50 and GS>50 customer each only have one meter that is owned and read by RSL.

7.0-VECC-36

Reference: Load Profile Model

- a) Where in the Load Profile Model can one find the regression results and associated model statistics (e.g., R-squared values, t statistics, etc.) for each of the Residential, GS<50 and GS>50 classes?
- b) For each of the Residential, GS<50 and GS>50 classes, the Model Normal Tab sets out the weather normalized load profile. In each case the values appear to be reported in column AD and vary by hour. However, if one looks the cells containing the normalized value they all refer to the same cell - \$AG\$1. Please reconcile and also provide a working Excel model that shows the calculation of the weather normalized hourly load for each class.
- c) The TEST YR DEMAND ALLOC Tab does not appear to be functioning and does not show the actual resulting CP and NCP values by class. Please provide a working file that shows the results.
- d) Please explain why the USL and Sentinel loads are each assumed to be the same in all hours of a month (per ALL_CP_NCP Tab, Columns G & H).

7.0-VECC-37

Reference: Cost Allocation Model, I6.2 (Customer Data Tab)

- a) Please review and confirm that the Street Lighting Adjustment Factors calculations are correct.

8.0 RATE DESIGN (EXHIBIT 8)

8.0-VECC-38

Reference: Exhibit 8, pages 4-5

Preamble: The Application states:

"Table 6 shows the resulting rates if RSL were to keep its current fixed to variable split. Table 7 shows the proposed rates after the RSL adjusted its fixed to variable split to fall within the minimum and maximum range."

- a) Please confirm that the references in the Preamble should be to Table 5 and Table 6 respectively (not 6 and 7).
- b) Is the current fixed to variable split calculated based on the 2026 rate and the forecast 2027 billing determinants for each class? If not, please recalculate Table 5 using this approach.

- c) With respect to Table 4, for some customer classes the values reported for the Cost Allocation – Maximum Fixed Rate don't match those in Tab O2 of the Cost Allocation Model. Please revise Table 4 accordingly.
- d) With respect to Table 7, please explain why the fixed charges for the Sentinel and Street Lighting classes are being held at constant at the 2026 level when the charge based on the existing fixed-variable split would be less than the Cost Allocation – Maximum Fixed Rate in Tab O2 of the Cost Allocation Model.

8.0-VECC-39

Reference: RTSR Workform, Tabs 3 and 5

- a) Please confirm that the RRR data in Tab 3 and the billing determinants in Tab 5 are both based on the same year.

8.0-VECC -40

Reference: Exhibit 8, page 14

Preamble: The Application states:
"As a fully embedded distributor RSL proposes a Total Distribution Loss Factor of 0.6% and a Total Loss Factor of ("TLF") of 4.07%, using the historical average of the last five years as presented in Table 16 below."

- a) The loss factors noted in the Preamble do not appear to be supported by the values set out in Table 12. Please reconcile.

8.0-VECC -41

Reference: Exhibit 8, page 16

Preamble: The Application states:
"RLS confirms that only one class exceeds the +/-10% threshold based on total bill impact, being the Sentinel Lighting class at +37%."

- a) Please confirm that, based on Table 15, the total bill impact for the Street Lighting class also exceeds the 10% threshold.
- b) In RSL's view is bill impact mitigation required for the Street Lighting class? If not, why not and if yes, what would RSL propose?.

9.0 DEFERRAL AND VARIANCE ACCOUNTS (EXHIBIT 9)

9.0 –VECC - 42

Reference: Exhibit 9, page 8

Table 4 – Breakdown of Cloud Computing Costs

Cost Category	Amount (\$)	Nature
SaaS Licensing (2025–2026)	~85,400	Incremental (overlap period)
Implementation & Deployment	~85,600	Non-recurring
Total	170,998	

- a) What are the 2027 licensing fees and other annual OM&A costs for the cloud-hosted ERP system?
- b) Was a business case or other type of economic study completed prior to moving to a cloud-based ERP solution? If yes please provide that study.
- c) What are the annual cost savings in moving to a cloud-based solution. Please identify separately any capital from annual OM&A cost savings?

9.0 –VECC - 43

Reference: Exhibit 9, Section 9.2.4, page 15

- a) Is RSL proposing to continue the Cloud Computing Account (1508) subsequent to the current balance disposition? If yes, please explain why.

End of document