

RSL Response to Interrogatories

2027 Electricity Distribution Rates Application

Rideau St. Lawrence Distribution Inc. (Rideau St. Lawrence Distribution) EB-2026-0069

August 28, 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.

The following provides a summary of the changes to RSL's capital expenditures, OM&A, Other Revenues, Cost of Capital and supporting cost of service models arising from the interrogatory process. Unless otherwise identified, RSL's evidence remains as filed.

SUMMARY OF CHANGES TO CAPITAL EXPENDITURES

The following summarizes the changes to RSL's capital plan since the June 15, 2026, filing. The updates reflect revised project costs and timing, updated capital contributions, and additional detail for the 2028–2031 forecast period. Historical capital expenditures for 2022–2025 are unchanged.

2026 Bridge Year

The 2026 net capital forecast increased by \$63,141, from \$4,533,086 to \$4,596,227.

The changes are as follows:

- System Access: Net expenditures increased by approximately \$160,000. Gross expenditures are essentially unchanged, with the only project-level adjustment being a reduction of \$8 to the Prescott Edward 44kV project. The increase in net expenditures results from System Access capital contributions being updated from \$552,000 to \$392,000. This was driven by moving the \$160k NRCan capital contribution to system service.
- System Renewal: Expenditures increased by \$63,149, from \$677,000 to \$740,149. This reflects updated project estimates for Fort Town Drive, Kingston Crescent and Morrisburg Plaza, together with the addition of \$43,265 for pole replacements.
- System Service: Gross expenditures remain unchanged at \$770,000. Capital contributions of \$160,000 have now been reflected, reducing net System Service expenditures by the same amount.
- General Plant: No change.

2027 Test Year

The 2027 net capital forecast increased by \$282,000, from \$1,608,929 to \$1,890,929.

The changes are as follows:

- System Access: Net expenditures increased by \$797,000, from \$(172,970) to \$624,030. This primarily reflects:
 - \$696,000 of Miscellaneous System Access expenditures now forecast in 2027 rather than commencing in 2028; and
 - System Access capital contributions being updated from \$480,000 to \$379,000, increasing net expenditures by \$101,000. This reflects two changes to capital contributions: (i) the \$480,000 NRCan contribution previously reflected within System Access has been reclassified to System Service; and (ii) \$379,000 of System Access capital contributions previously commencing in 2028 are now forecast in 2027. The net effect is a \$101,000 reduction in System Access capital contributions in 2027, from \$480,000 to \$379,000.
- System Renewal: Expenditures decreased by \$35,000, from \$637,670 to \$602,670, due to changes in the timing of station resurfacing projects:
 - \$20,000 for Iroquois MS1 moved from 2027 to 2028;
 - \$2,500 for Morrisburg MS1/MS2 moved from 2027 to 2029; and
 - \$12,500 for Prescott MS2/MS3/MS4 moved from 2027 to 2030.

- System Service: Gross expenditures remain unchanged at \$1,079,229. Capital contributions for NRCan of \$480,000 have now been reflected, reducing net System Service expenditures from \$1,079,229 to \$599,229.
- General Plant: No change.

Accordingly, the \$282,000 increase in the 2027 Test Year is reconciled as follows:

Change	Impact on 2027 Net Capital
System Access	+\$797,000
System Renewal	-\$35,000
System Service	-\$480,000
General Plant	\$0
Net change	+\$282,000

2028–2031 Forecast Period

RSL has also updated the 2028–2031 capital forecast to provide additional project-level detail and reflect updated project timing and capital contribution assumptions.

The principal updates include:

- the addition of future System Renewal projects and revised timing of station resurfacing work;
- additional pole replacement expenditures;
- additional NRcan SCADA projects within System Service;
- additional General Plant requirements, including future vehicles, equipment and trailers; and
- updated capital contributions associated with System Access and System Service projects.

The presentation of System Access capital contributions for 2028–2031 has also been corrected. In the June 15 filing, the \$379,000 annual capital contributions were presented as negative amounts, which resulted in the contributions increasing rather than reducing net capital expenditures. The updated schedule presents these amounts consistently as contributions that reduce net capital expenditures.

The June 15, 2026 Appendix 2-AA also contained formula errors in certain subtotals and totals, including amounts associated with General Plant. These formula errors have been corrected in the updated Appendix 2-AA.

The updated Appendix 2-AA reflects these changes.

Continuity Schedule Updates

The capital continuity schedules have been updated to reflect the revised 2026 Bridge Year and 2027 Test Year capital additions described above.

Changes to the 2026 Bridge Year capital additions are reflected in the 2026 closing PP&E balances and, consequently, flow through to the 2027 opening PP&E balances. Accordingly, certain changes to the 2027 opening balances reflect the updated 2026 capital forecast rather than changes to 2027 Test Year capital additions.

The following table identifies the changes to capital additions by OEB account:

Summary of Changes to Capital Expenditures

Year	OEB Account	Description	Error Corrections June 15 2026	Response to IRs	Change
2026	1830	Poles, Towers & Fixtures	\$259,842	\$303,107	+\$43,265
2026	1835	Overhead Conductors & Devices	\$160,418	\$160,370	-\$48
2026	1845	Underground Conductors & Devices	\$247,444	\$267,470	+\$20,026
2026	1850	Line Transformers	\$1,075,782	\$1,075,680	-\$102
		Total 2026 Change			+\$63,141
2027	1830	Poles, Towers & Fixtures	\$94,148	\$200,148	+\$106,000
2027	1835	Overhead Conductors & Devices	\$164,848	\$220,848	+\$56,000
2027	1840	Underground Conduit	\$0	\$30,000	+\$30,000
2027	1845	Underground Conductors & Devices	\$19,983	\$112,983	+\$93,000
2027	1850	Line Transformers	\$382,709	\$758,709	+\$376,000
2027	2440	Deferred Revenue	\$(480,000)	\$(859,000)	-\$379,000
		Total 2027 Change			+\$282,000

The changes to the 2026 additions result in total 2026 capital additions increasing from \$4,533,086 to \$4,596,227, an increase of \$63,141.

Separately, the changes reflected in the 2027 continuity schedule result in net 2027 additions increasing from \$1,608,929 to \$1,890,929, an increase of \$282,000.

Summary of Changes to OM&A

As part of preparing the interrogatory responses, RSL reviewed its 2026 year-to-date actual results against the 2026 Bridge Year forecast and considered the resulting impacts on the 2027 Test Year OM&A forecast. Based on this review, RSL is satisfied that the OM&A forecasts remain reasonable, subject to the following targeted updates:

- Meter Expense (Account 5065) increased by \$50,000 in both 2026 and 2027;
- Maintenance of Overhead Conductors and Devices (Account 5125) decreased by \$80,000 in both 2026 and 2027;
- Energy Conservation (Account 5415) increased by \$100,000 in 2026 and \$60,000 in 2027; and
- LEAP Funding (Account 6205) was updated to \$17,000 in 2027.

Overall, these changes increase forecast OM&A by approximately \$70,000 in 2026 and \$42,449 in 2027 compared to the June 15, 2026 filing. Apart from these adjustments, RSL has maintained its 2026 Bridge Year and 2027 Test Year OM&A forecasts. Updated OM&A schedules are provided with the interrogatory responses.

That last sentence is useful because it clearly tells interveners: we reviewed everything, these are the only changes.

Summary of Changes to OM&A

Account	Description	June 15, 2026	IR Response 2026	Change	June 15, 2027	IR Response 2027	Change
5065	Meter Expense	\$29,188.29	\$79,188.29	+\$50,000.00	\$30,063.94	\$80,063.94	+\$50,000.00
5125	Maintenance of Overhead Conductors & Devices	\$216,380.44	\$136,380.44	-\$80,000.00	\$222,871.85	\$142,871.85	-\$80,000.00
5415	Energy Conservation	\$1,275.64	\$101,275.64	+\$100,000.00	\$1,313.91	\$61,313.91	+\$60,000.00
6205	LEAP Funding	\$4,418.70	\$4,418.70	\$0.00	\$4,551.26	\$17,000.00	+\$12,448.74

OM&A Budget vs Actuals

USoA	Description	2026 Bridge	June 2026 YTD	% of Bridge	Variance from 50%	2027 Budget	2027 vs. 2026	Budget Assessment
5005	Operation Supervision and Engineering	\$257,960.60	\$122,814.79	47.61%	\$(6,165.51)	\$310,043.94	20.19%	YTD on track. 2027 increase reflects planned costs.
5012	Station Buildings and Fixtures Expense	\$3,974.46	\$3,418.86	86.02%	\$1,431.63	\$4,093.69	3.00%	Higher YTD %, but immaterial. No change.
5016	Distribution Station Equipment - Operation Labour	\$2,415.25	\$12,874.78	533.06%	\$11,667.16	\$2,487.70	3.00%	Over budget YTD, but only approximately \$10k. No change.
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$1,883.90	\$0.00	0.00%	\$(941.95)	\$1,940.42	3.00%	No YTD spend. Small account/timing. No change.
5035	Overhead Distribution Transformers - Operation	\$10,519.53	\$271.48	2.58%	\$(4,988.29)	\$10,835.12	3.00%	Timing of spend. No change.
5065	Meter Expense	\$79,188.29	\$51,748.58	65.35%	\$12,154.44	\$80,063.94	1.11%	Revised +\$50k in 2026 and 2027 based on YTD and expected costs.
5070	Customer Premises - Operation Labour	\$76,560.72	\$48,430.17	63.26%	\$10,149.81	\$78,857.54	3.00%	Slightly above run rate. No change.
5075	Customer Premises - Materials and Expenses	\$8,276.01	\$4,614.15	55.75%	\$476.15	\$8,524.29	3.00%	YTD on track.
5085	Miscellaneous Distribution Expense	\$149,273.68	\$115,479.50	77.36%	\$40,842.66	\$153,751.89	3.00%	Higher H1 spend. Full-year budget still reasonable.
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$52,000.00	\$25,500.00	49.04%	\$(500.00)	\$53,560.00	3.00%	YTD on track.
5114	Maintenance of Distribution Station Equipment	\$85,779.46	\$73,177.28	85.31%	\$30,287.55	\$88,352.84	3.00%	Maintenance spend front-loaded. No change.
5120	Maintenance of Poles, Towers and Fixtures	\$25,526.39	\$9,377.33	36.74%	\$(3,385.87)	\$26,292.18	3.00%	Timing of maintenance work. No change.
5125	Maintenance of Overhead Conductors and Devices	\$136,380.44	\$50,630.98	37.12%	\$(17,559.24)	\$142,871.85	4.76%	Revised -\$80k in 2026 and 2027 based on updated maintenance requirements.
5130	Maintenance of Overhead Services	\$28,191.71	\$19,500.41	69.17%	\$5,404.56	\$29,037.46	3.00%	Above run rate, but small dollar variance. No change.
5135	Overhead Distribution Lines and Feeders - Right of Way	\$300,000.00	\$81,417.32	27.14%	\$(68,582.68)	\$300,000.00	0.00%	Seasonal/timing of ROW work. No change.
5145	Maintenance of Underground Conduit	\$86.26	\$1,600.52	1,855.46%	\$1,557.39	\$88.85	3.00%	Immaterial. No change.
5150	Maintenance of Underground	\$5,880.95	\$6,576.31	111.82%	\$3,635.84	\$6,057.38	3.00%	Over budget, but immaterial. No change.

	Conductors and Devices							
5155	Maintenance of Underground Services	\$7,188.67	\$11,537.82	160.50%	\$7,943.49	\$7,404.33	3.00%	Above budget YTD, but small dollar variance. No change.
5160	Maintenance of Line Transformers	\$7,014.77	\$4,094.73	58.37%	\$587.35	\$7,225.21	3.00%	YTD reasonable.
5175	Maintenance of Meters	\$4,555.03	\$2,960.71	65.00%	\$683.20	\$4,691.68	3.00%	YTD reasonable.
5310	Meter Reading Expense	\$25,015.33	\$51,167.38	204.54%	\$38,659.72	\$25,765.79	3.00%	Higher YTD due to timing of costs. Full-year budget maintained.
5315	Customer Billing	\$463,936.39	\$322,080.73	69.42%	\$90,112.54	\$482,493.84	4.00%	Higher H1 spend. Full-year budget still reasonable.
5320	Collecting	\$37,148.03	\$24,877.81	66.97%	\$6,303.80	\$38,262.47	3.00%	Slightly above run rate. No change.
5325	Collecting - Cash Over and Short	\$0.00	\$0.00	N/A	\$0.00	\$0.00	0.00%	No activity.
5330	Collection Charges	\$0.00	\$(12,617.42)	N/A	\$(12,617.42)	\$0.00	0.00%	Credit balance. Not an ongoing cost.
5335	Bad Debt Expense	\$61,425.59	\$30,000.00	48.84%	\$(712.79)	\$63,268.36	3.00%	YTD on track.
5340	Miscellaneous Customer Accounts Expenses	\$8,515.81	\$963.10	11.31%	\$(3,294.81)	\$8,771.29	3.00%	Timing of spend. Small account. No change.
5410	Community Relations - Sundry	\$284.09	\$0.00	0.00%	\$(142.05)	\$292.61	3.00%	Immaterial. No change.
5415	Energy Conservation	\$101,275.64	\$33,785.86	33.36%	\$(16,851.96)	\$61,313.91	-39.46%	Revised to reflect eDSM-related costs and available funding in 2026 and 2027.
5420	Community Safety Program	\$0.00	\$0.00	N/A	\$0.00	\$0.00	0.00%	No activity.
5425	Miscellaneous Customer Service and Informational Expenses	\$21,961.82	\$9,266.70	42.19%	\$(1,714.21)	\$22,620.67	3.00%	YTD on track.
5605	Executive Salaries and Expenses	\$665,519.22	\$363,934.09	54.68%	\$31,174.48	\$679,304.80	2.07%	YTD reasonably on track. 2027 budget maintained.
5615	General Administrative Salaries and Expenses	\$267,031.00	\$186,912.81	70.00%	\$53,397.31	\$275,042.00	3.00%	Higher YTD spend, but 2027 forecast maintained based on expected full-year costs.
5620	Office Supplies and Expenses	\$11,263.71	\$2,978.98	26.45%	\$(2,652.87)	\$11,601.62	3.00%	Timing of spend. No change.
5625	Administrative Expense Transferred/Credit	\$42,631.74	\$0.00	0.00%	\$(21,315.87)	\$43,910.69	3.00%	Timing of allocations/entries. No change.
5630	Outside Services Employed	\$183,986.59	\$93,692.57	50.92%	\$1,699.28	\$189,506.18	3.00%	YTD on track.
5635	Property Insurance	\$46,303.00	\$18,222.24	39.35%	\$(4,929.26)	\$47,692.09	3.00%	Timing of insurance costs. No change.
5640	Injuries and Damages	\$39,441.00	\$20,421.68	51.78%	\$701.18	\$40,624.23	3.00%	YTD on track.
5655	Regulatory Expenses	\$77,675.21	\$32,651.57	42.04%	\$(6,186.04)	\$80,005.30	3.00%	YTD on track. No change.

5665	Miscellaneous General Expenses	\$259,452.62	\$52,180.23	20.11%	\$(77,546.08)	\$280,412.01	8.08%	Lower YTD spend reflects timing. 2027 budget maintained based on expected costs.
5670	Rent	\$1,855.89	\$0.00	0.00%	\$(927.95)	\$1,911.56	3.00%	Immaterial. No change.
5675	Maintenance of General Plant	\$69,246.64	\$36,076.47	52.10%	\$1,453.15	\$71,324.04	3.00%	YTD on track.
5680	Electrical Safety Authority Fees	\$3,962.26	\$1,977.00	49.90%	\$(4.13)	\$4,081.12	3.00%	YTD on track.
6205	LEAP Funding	\$4,418.70	N/A	N/A	N/A	\$17,000.00	284.73%	2027 revised to \$17,000 based on updated LEAP funding requirements.
6215	Penalties	\$0.00	N/A	N/A	N/A	\$0.00	0.00%	No activity.

OTHER REVENUES

RSL has reviewed the July 2026 YTD results in comparison to the 2026 Bridge Year forecast. As of July 31, approximately 58% of the year had elapsed. While individual accounts may vary due to the timing and nature of the underlying revenues, RSL considers the YTD results to be generally consistent with the 2026 Bridge Year forecast.

Based on this review, RSL does not consider the YTD results to warrant revisions to the 2026 Bridge Year or 2027 Test Year budgets. The 2026 forecast reflects RSL's current expectation of year-end results and is provided for informational purposes. RSL therefore proposes to maintain the 2026 Bridge Year and 2027 Test Year amounts as filed, except where specific corrections or updates have otherwise been identified.

USoA	2026 Bridge	July YTD	% of Bridge	2026 Forecast	2027 Test Year	Budget Assessment
4082	\$(8,910)	\$(5,366)	60.2%	\$(9,199)	\$(9,178)	Keep – on track
4084	\$(31)	\$(9)	27.6%	\$(15)	\$(32)	Keep – immaterial
4086	\$(23,500)	\$(13,354)	56.8%	\$(22,893)	\$(24,205)	Keep – on track
4210	\$(83,029)	\$(83,320)	100.4%	\$(83,320)	\$(85,520)	Keep – timing/annual revenue
4220	\$(62,874)	\$(33,099)	52.6%	\$(62,874)	\$(77,292)	Keep, but support 2027 increase
4225	\$(75,322)	\$(49,552)	65.8%	\$(80,552)	\$(77,582)	Keep – reasonably consistent
4235	\$(90,141)	\$(44,753)	49.6%	\$(76,719)	\$(80,000)	Keep – forecast reflects current pace
4360	\$4,913	\$0	0%	\$4,913	\$5,060	Keep – not suitable for YTD pacing
4375	\$(51,143)	\$(87,673)	171.4%	\$(60,000)	–	Explain – not part of 2027 rate-regulated revenue
4390	–	\$(3,483)	N/A	\$(3,483)	–	No issue
4405	\$(37,586)	\$(492)	1.3%	\$(844)	\$(1,000)	Keep 2027, but explain Bridge variance

COST OF CAPITAL PARAMETERS

As part of the interrogatory responses, RSL has updated its 2027 Cost of Capital schedule to reflect the revised rate base and an update to the interest rate applied to the two outstanding promissory notes.

The interest rate on the promissory notes has been revised from 4.73% to 4.50%, resulting in the weighted average cost of actual long-term debt decreasing from 3.88% to 3.84%. The revised capital additions also increase the 2027 rate base from approximately \$15.546 million to \$15.687 million, with corresponding changes to the deemed debt and equity amounts.

Overall, the resulting weighted average Cost of Capital decreases from 5.93% to 5.90%, while the total return on capital increases from approximately \$921,173 to \$925,874 as a result of the higher rate base.

Item	Error Corrections June 15 2026	Response to IRs	Change
Rate Base	\$15,545,678	\$15,687,306	+\$141,628
Promissory Notes	4.73%	4.50%	-0.23%
Actual LTD Cost Rate	3.88%	3.84%	-0.04%
Actual LTD Interest	\$247,097	\$244,421	-\$2,676
Notional LTD	\$2,337,062	\$2,416,373	+\$79,311
Short-Term Debt	\$621,827	\$627,492	+\$5,665
Common Equity	\$6,218,271	\$6,274,922	+\$56,651
Overall Cost of Capital	5.93%	5.90%	-0.03%
Total Return	\$921,173	\$925,874	+\$4,701

SUMMARY OF CHANGES TO COST-OF-SERVICE MODELS**RSL 2027 TESI Load Forecasting**

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-25	Non-Weather Sensitive	Correct Sentinel historical/forecast kWh and demand. Revised model supports subsequent IR responses.	Yes	Yes
3.0-VECC-21	Weather Sensitive / Non-Weather Sensitive	Clarify GS>50 methodology. Sentinel and Street Lighting revisions captured through Staff-25.	No	No
3.0-VECC-20	Weather Sensitive Forecast	Recalculate class allocations excluding Mar. 2020-Feb. 2022.	Yes	No
Staff-23	Regression Model	Prepare no-COVID sensitivity. Retain current model unless change is adopted.	Yes	No

RSL 2027 RTSR Workform

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-64	3. RRR Data	Update RRR data to 2025 actuals and reconcile GS>50 volumes.	Yes	Yes
8.0-VECC-39	Tabs 3 and 5	Ensure RRR data and billing determinants use the same year.	Yes	Yes

RSL 2027 Revenue Requirement Workform

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-1	Tabs 3, 10, 11, 13 and 14	Update final RRWF for all adopted IR adjustments.	Yes	Yes
Staff-55	Cost of Power	Update Cost of Power for revised retail service charges.	Yes	Yes
Upstream CapEx / OM&A / Other Revenue / PILs IRs	Relevant RRWF inputs	Incorporate final results from updated supporting models and schedules.	Yes	Yes

RSL 2027 Test Year Income Tax PILs

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-57	H4 Sch4 Loss Cfdw Hist	Reconcile loss carryforwards and AIIP/accelerated CCA treatment.	Yes	Yes
2-SEC-2 / Staff-10	CCA / Asset Additions	Update CCA/PILs for revised capital additions and depreciation.	Yes	Yes
Staff-77	AIIP / PILs Workpapers	Align accelerated CCA and PILs impact workpapers.	Yes	Yes

RSL 2027 Cost Allocation Model

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-59	I6.2 Customer Data	Correct customer, connection and device counts.	Yes	Yes
Staff-60	I6.1 Revenue / I6.2 Customer Data	Reconcile GS>50 connection counts.	Yes	Yes
Staff-61	Load Profile Inputs	Correct Sentinel and USL allocators and update Cost Allocation.	Yes	Yes
7.0-VECC-37	I6.2 Customer Data	Review Street Lighting adjustment factor; related customer-data corrections captured under Staff-59.	Yes	Yes
7-SEC-30	Primary / Secondary Allocation	Verify GIS-based primary/secondary allocation.	No	No
Staff-58	I5.2 Weighting Factors	Review Account 1855 weighting factors; no model change currently proposed.	No	No

RSL 2027 TESI Load Profile Model

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-61	ALL_CP_NCP_	Correct Sentinel and USL allocators.	Yes	Yes

RSL 2027 Commodity Accounts Analysis Workform

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-79	Note 4 / Note 8 / Principal Adjustments	Address loss-factor variance, unbilled consumption, GA reconciliation and principal-adjustment placement.	Yes	Yes

RSL 2027 DVA Continuity Schedule

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
9-Staff-68	DVA Schedules	Reconcile RRR balances to proposed disposition balances.	Yes	Yes
Staff-69	2a Group 1 / 2b Group 2	Reconcile Group 1 and Group 2 balances.	Yes	Yes
Staff-70	2a Group 1	Correct/reconcile Account 1589 GA balance.	Yes	Yes
Staff-71	1595	Confirm residual balance disposition treatment.	Yes	Yes
Staff-72	2b Group 2 / 1508 OEB Assessment	Confirm treatment of \$6,427 balance.	Yes	Yes
Staff-73	2b Group 2 / 1511	Reconcile Account 1511 balances.	Yes	Yes
Staff-75	Account 1522	Correct 2025 continuity using actual 2025 premium amounts.	Yes	Yes
Staff-76	Account 1525 / Group 2	Revise treatment and Group 2 balances/riders.	Yes	Yes
Staff-77 / Staff-78	2b Group 2 / 1592	Correct/reconcile PILs and CCA-related sub-account balances.	Yes	Yes
Staff-80	1508 LEAP EFA	Retain balance for disposition and discontinue account upon rebasing.	Yes	Yes

RSL 2027 Filing Requirements Chapter 2 Appendices

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
2-SEC-2	2-AA / 2-AB / 2-BA	Update 2026 actuals and revise 2027 forecast where required.	Yes	Yes
Staff-10	2-AA / 2-AB / DSP Schedules	Reconcile capital schedules to DSP.	No	No
Staff-9 / 2-SEC-3	Capital Contributions	Resolve NRCan contribution treatment.	Yes	Yes
Staff-29	2-JA	Reconcile historical A&G / recoverable OM&A.	Yes	Yes
Staff-31	2-K	Update compensation/FTE forecast.	N/a	N/A
4-SEC-17	2-JA / 2-JB / 2-JD / 2-K	Update 2026 actuals and 2027 forecasts where required.	Yes	Yes
Staff-40 / 4-SEC-26	2-JD	Correct vegetation management amounts and classifications.	TBD	TBD
Staff-73	OM&A Schedules	Ensure cloud SaaS/support costs and related savings are reflected correctly.	Yes	Yes
Staff-80	OM&A / LEAP	Update ongoing 2027 LEAP funding to \$17,000.	Yes	Yes
6-Staff-53 / Staff-54 / Staff-56 / 6-SEC-28 / VECC-31	2-H / 2-N / 4210 etc.	Update and reconcile Other Revenue schedules.	Yes	Yes
5.0-VECC-29	2-OB / Cost of Capital	Update weighted cost of debt using contractual 3.72% municipal note rate.	Yes	Yes

RSL 2027 Tariff Schedule and Bill Impact Model

IR	TAB / SCHEDULE	REQUIRED UPDATE	UPDATE?	ADOPT?
Staff-63	Rate Design / O2	Revise Sentinel fixed/variable split.	Yes	Yes
Staff-56	Tariff Sheet	Update pole attachment charge to \$41.81.	Yes	Yes
8-SEC-31	Tariff Sheet	Update pole attachment and energy retailer service charges.	Yes	Yes
8.0-VECC-38	Rate Design / CA O2	Recalculate/check fixed-variable split and maximum fixed charges.	Yes	Yes
Staff-66 / 8.0-VECC-40	Loss Factor / Table 12	Address 4.07% vs. 4.49% TLF discrepancy; no model change currently proposed.	No	No
Staff-67	Bill Impact Summary / Table 15	Correct miscoded bill impact table.	Yes	Yes
8.0-VECC-41	Bill Impact / Table 15	Explain Street Lighting impact above 10% and mitigation presentation; no model change currently proposed.	Yes	Yes

Exhibit 1 – Administration

Staff-1

Assigned to: Manuela

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.

[Response: The Applicant agrees and has filed an updated RRWF and applicable models reflecting the interrogatory responses, as requested. For ease of reference, the Applicant has also provided a side-by-side comparison of the Bridge Year and Test Year amounts in the table on the following page.](#)

Staff-2

Assigned to: Malcolm

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 not, please explain why.

Response

- a) The percentage of RSL customers who receive e-bills is approximately 38%.

For context: the 55% referenced in the preamble represents the percentage of respondents to RSL's March 2025 customer satisfaction survey who reported receiving an e-bill. The survey results stated:

"Among respondents, 55% receive an e-bill and 45% a paper copy. Paper recipients (47% residential & 30% business) were asked a follow-up question about switching to electronic billing, with 60% claiming that they are very likely (33%) or likely (27%) to switch to e-billing in the future."

- b) Yes. RSL actively encourages customers to enroll in e-billing and has a goal of increasing e-billing participation by continuing to make customers aware of the option and assisting them with enrollment.

RSL promotes e-billing through several channels, including:

- bill inserts provided to customers who continue to receive paper bills;
- assistance from customer service staff with e-billing registration, including for customers attending RSL's office in person;
- promotion of e-billing by customer service staff during telephone interactions with customers; and
- social media communications promoting the availability and benefits of e-billing.

RSL intends to continue these efforts to increase customer awareness and encourage customers who currently receive paper bills to transition to e-billing.

Staff-3***Assigned to: Simon*****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 Billing 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.

Response

- a) Rideau St. Lawrence Distribution continually evaluates opportunities to reduce Billing OM&A costs while maintaining customer service levels expected by its communities.

Initiatives implemented or evaluated include:

- Customer consultation regarding alternative customer service delivery models.
- Consolidation of in-person customer service by discontinuing regular in-person service in the Morrisburg and Westport offices while retaining service at the main office in Prescott.
- Evaluation of different in person customer service model including by appointment only and limited in person customer service window; however, customer feedback indicated that maintaining an open in-person service during business hours remained important, particularly for vulnerable and distant customers where travel and traffic can add to arrival variability.
- Implementation of 2D barcode payment technology, allowing customers to make bill payments at a broad network of retail payment locations, reducing reliance on utility office payments.
- Continued promotion of electronic billing, pre-authorized payments and other digital customer service options.

- Deployment of AI-assisted call handling to respond to routine customer inquiries and improve response times.
- Continued enhancement of the customer portal to increase customer self-service capabilities.
- Implementation of an Interactive Voice Response (IVR) system to improve outage communications and reduce manual customer inquiries.
- Implemented a redesigned website with online forms for service connection requests and other customer transactions.

While these initiatives have improved efficiency, Rideau St. Lawrence Distribution serves multiple small rural communities across a geographically dispersed service territory. This operating model requires maintaining customer accessibility across several communities, which limits the ability to reduce Billing OM&A costs to the levels achieved by more urban or centralized distributors.

b) i) Rideau St. Lawrence Distribution expects capital investment in poles and transformers to remain elevated through the 2025-2027 period as the utility continues addressing aging infrastructure, asset replacement requirements and targeted system reinforcement projects. While annual expenditures will fluctuate depending on project timing, investment levels are expected to remain elevated relative to historical averages as the utility continues to address renewal requirements and targeted system reinforcement projects.

ii) Rideau St. Lawrence Distribution has undertaken several initiatives to improve capital efficiency, including:

- Benchmarking capital programs against comparable Ontario distributors, including Cooperative Hydro Embrun.
- Standardizing construction practices and material specifications where practical.
- Coordinating projects to minimize mobilization costs.
- Maximizing competitive procurement of major equipment and contractor services.
- Optimizing asset replacement timing through condition assessments and risk-based asset management.

Benchmarking identified several structural factors contributing to higher unit costs, including:

- An older asset base requiring increased renewal investment.
- A geographically dispersed service territory consisting of six service areas, resulting in fewer assets replaced during each deployment.
- System reinforcement projects associated with customer growth and reliability improvements.
- Differences in customer capital contribution policies relative to some peer distributors.

Additional initiatives explored include:

- Participation in transformer group procurement initiatives to obtain lower pricing and improved commercial terms.
- Standardization of dual-voltage transformer specifications to reduce inventory requirements and improve procurement efficiency.
- Incorporating roadside relocations when replacing backyard distribution infrastructure during planned renewals, reducing future maintenance costs and improving operational access while decreasing reliance on third-party contractors.

While Rideau St. Lawrence Distribution continues to pursue opportunities to improve efficiency, the utility believes many of the remaining differences relative to peers reflect structural characteristics of serving multiple small communities across a geographically dispersed service territory rather than operational inefficiency.

c) Response: The increasing Billing OM&A trend primarily reflects:

- Normal wage escalation resulting from compensation adjustments.
- Increased vegetation management required to maintain system reliability and comply with industry best practices.
- Significant growth in Ontario One Call locate requests, increasing workload associated with responding to excavation notifications.
- Continued investment in business systems, including the implementation and stabilization of the new ERP platform.
- Staff turnover resulting from retirements and employee departures to larger utilities, requiring recruitment, onboarding and training of replacement staff. This turnover also required providing competitive compensation packages to staff.
- General inflationary pressures affecting contracted services, software licensing and other operating costs.

d) The table below shows 2021-2024 based on the OEB's APB report as published

Year	Billing O&M	Metering O&M	Vegetation Management O&M	Lines O&M	Stations O&M	Poles, Towers & Fixtures O&M
USoA	5315	5065 + 5175 + 5310	5135	5020 + 5025 + 5040 + 5045 + 5090 + 5095 + 5125 + 5130 + 5145 + 5150 + 5155	5016 + 5017 + 5114	5120
2020	\$360,502	\$83,084	\$45,334	\$309,974	\$45,490	\$26,897
2021	\$389,637	\$91,692	\$51,270	\$335,332	\$52,721	\$27,219
2022	\$378,702	\$67,065	\$29,364	\$288,000	\$124,596	\$43,471
2023	\$433,499	\$72,780	\$26,608	\$338,898	\$65,012	\$36,695
2024	\$428,516	\$55,225	\$39,223	\$336,349	\$82,891	\$23,991
2025	\$467,209	\$40,186	\$175,425	\$397,391	\$138,250	\$13,914
2026	\$463,936	\$58,759	\$300,000	\$311,612	\$88,195	\$25,526
2027	\$482,494	\$60,521	\$300,000	\$320,960	\$90,841	\$26,292

The table shows 2021-2024 based on amended trial balances.

Year	Billing O&M	Metering O&M	Vegetation Management O&M	Lines O&M	Stations O&M	Poles, Towers & Fixtures O&M
USoA	5315	5065 + 5175 + 5310	5135	5020 + 5025 + 5040 + 5045 + 5090 + 5095 + 5125 + 5130 + 5145 + 5150 + 5155	5016 + 5017 + 5114	5120
2020	\$360,502	\$83,084	\$45,334	\$309,974	\$45,490	\$26,897
2021	\$389,637	\$91,692	\$51,270	\$335,332	\$52,721	\$27,219
2022	\$378,702	\$67,605	\$48,474	\$353,168	\$13,596	\$43,471
2023	\$433,499	\$73,230	\$81,718	\$283,808	\$65,012	\$36,695
2024	\$428,516	\$55,225	\$112,523	\$263,049	\$82,891	\$23,991
2025	\$467,209	\$40,186	\$175,425	\$397,391	\$138,250	\$13,914
2026	\$463,936	\$58,759	\$300,000	\$311,612	\$88,195	\$25,526
2027	\$482,494	\$60,521	\$300,000	\$320,960	\$90,841	\$26,292

Staff-4***Assigned to: Simon*****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.
- a) The Connection Impact Assessment (CIA) to enable an additional 250 kW of distributed energy resources (DER) capacity in the Westport area has been completed. As a result, Rideau St. Lawrence Distribution is now able to accommodate additional net metering DER connections within the approved capacity allocation, and customers are continuing to connect under this available capacity.

With respect to the thermal constraint at the Hydro One Morrisburg Transformer Station (TS), Rideau St. Lawrence Distribution has continued discussions with Hydro One through both its account management and technical planning groups to identify potential long-term solutions. Hydro One has advised that relieving the thermal constraint through transmission system upgrades is not currently considered a practical near-term option, and no cost estimate has been provided.

Recognizing the importance of this issue for both customer load growth and DER integration, Rideau St. Lawrence Distribution requested that generation hosting capacity be incorporated into the St. Lawrence Integrated Regional Resource Plan (IRRP). Historically, the IRRP has focused primarily on forecast load requirements; however, participating organizations have agreed to also consider generation hosting capacity as part of the current planning process. The St. Lawrence IRRP is underway, and Rideau St. Lawrence Distribution will continue to work with Hydro One and regional stakeholders to identify opportunities to address both load growth and DER integration constraints.

Staff-5***Assigned to: Malcolm*****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,****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	\$	149,870
Ref	\$	999,552
Ref	\$	(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.

a) RSL has reviewed the balances reported in References 2, 3 and 4. The differences arise primarily from the treatment of the Morrisburg Station ACM expenditures and associated interest, as well as subsequent amendments to RSL's 2025 RRR trial balance.

For clarity, RSL has reconciled each reference separately below.

Reference 2 to Reference 3

Reference 2 reports a 2025 regulatory asset balance of \$149,870.17 in the audited financial statements. Reference 3, as originally filed, reports regulatory assets of \$999,552.04. The difference between these balances is attributable to the Morrisburg Station ACM expenditures:

Reconciliation of Reference 2 to Reference 3	Amount (\$)
Reference 3 – Regulatory Assets	999,552.04
Less: Morrisburg Station ACM expenditures	(849,681.87)
Reconciled balance	149,870.17
Reference 2 – 2025 Audited Financial Statements	149,870.17
Difference	0.00

The Morrisburg Station ACM expenditures relate to USoA Account 1508. During preparation of the 2027 Cost of Service application, these expenditures were separately identified as Morrisburg Station ACM costs.

Reconciliation to the DVA Continuity Schedule

The DVA Continuity Schedule contains both Group 1 and Group 2 DVA balances. Using the amended continuity schedule balances, the reconciliation to Reference 2 is as follows:

DVA Continuity Schedule Reconciliation	Amount (\$)
Group 1 total, including Account 1589	26,846.80
Group 2 total	978,898.86
Total DVA balances	1,005,745.66
Less: Morrisburg Station ACM expenditures	(849,681.87)
Subtotal	156,063.79
Less: ACM rate rider interest recorded in USoA Account 1525	(6,192.66)
Reconciled balance	149,871.13
Reference 2 – 2025 Audited Financial Statements	149,870.17
Difference	0.96

The remaining \$0.96 difference is attributable to rounding.

Account-level reconciliation

The regulatory balances comprise the following USoA accounts and financial statement groupings:

Financial Statement Grouping	USoA Account(s)	Description	Treatment/Reconciliation
RSVA	1580	RSVA Wholesale Market Service Charge	Included in DVA balances
RSVA	1584	RSVA Retail Transmission Network Charge	Included in DVA balances
RSVA	1586	RSVA Retail Transmission Connection Charge	Included in DVA balances
RSVA	1588	RSVA Power	Included in DVA balances
RSVA	1589	RSVA Global Adjustment	Included in DVA balances
DVA 2021–2025	1595	Disposition and Recovery/Refund of Regulatory Balances	Included in DVA balances
Lost Collection Revenue	1508	[confirm applicable sub-account and amount]	[confirm treatment]
Pole Attachment	1508	Pole Attachment Revenue Variance	[confirm treatment/amount]
Other Variances	1511, 1518, 1522, 1525, 1548, 1550, 1551, 1592 and applicable 1508 sub-accounts	Other regulatory balances	Included as applicable
Morrisburg Station ACM	1508	Incremental Capital Expenditures	Reconciling item between References 2 and 3
ACM rate rider interest	1525	Miscellaneous Deferred Debits	\$6,192.66 reconciling item in the DVA Continuity Schedule

RSL notes that its 2025 RRR trial balance was amended subsequent to the filing of the application. The amendments included the treatment of Incremental Cloud Computing Implementation Costs in USoA Account 1511.

b) The principal reconciling items identified in part (a) are summarized below:

USoA Account	Amount (\$)	Nature of Reconciling Item
1508 – Incremental Capital Expenditures	849,681.87	Morrisburg Station ACM expenditures. These expenditures account for the difference between the \$999,552.04 regulatory asset balance originally reported in Reference 3 and the \$149,870.17 regulatory asset balance reported in Reference 2.
1525 – Miscellaneous Deferred Debits	6,192.66	Interest associated with the ACM rate rider. Removing this amount from the DVA Continuity Schedule reconciliation results in a difference of \$0.96 from the audited financial statement balance.
1511 – Incremental Cloud Computing Implementation Costs	48,373.42	The 2025 RRR trial balance was subsequently amended to increase the Account 1511 balance from \$166,816.86 to \$215,190.28. This amendment was made subsequent to the filing of the application.
[USoA]	[amount]	[Insert explanation of the asset-to-liability reclassification once confirmed.]
[Reference 4 item]	[amount]	[Insert following clarification of the \$(684,436) amount.]

c) RSL confirms that the \$149,870.17 reported in the 2025 audited financial statements is the regulatory asset balance presented for financial statement purposes.

The \$999,552.04 reported in Reference 3 was the regulatory asset balance reflected in Appendix C at the time the application was filed. As demonstrated in part (a), the difference between this amount and the audited financial statement balance is \$849,681.87 and relates to the Morrisburg Station ACM expenditures.

Subsequent to filing the application, RSL amended its 2025 RRR trial balance. Among other changes, the balance in USoA Account 1511, Incremental Cloud Computing Implementation Costs, was increased by \$48,373.42, from \$166,816.86 to \$215,190.28. Accordingly, RSL will file an updated Appendix C reflecting the amended 2025 RRR trial balance and the appropriate USoA classifications. RSL will also update any other affected schedules in the application, as applicable.

VECC

1.0-VECC-1

Assigned to: Simon

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.

Response

- a) Exhibit 3 contains an error. Rideau St. Lawrence Distribution Inc. does not serve the Town of Gananoque. The reference to Gananoque in Exhibit 3 should be removed.

Rideau St. Lawrence Distribution Inc. serves the following six communities, as correctly identified in Exhibit 1, page 30:

- Town of Prescott
- Village of Westport
- Former Village of Cardinal, now part of the Township of Edwardsburgh Cardinal
- Former Village of Iroquois, now part of the Municipality of South Dundas
- Former Village of Morrisburg, now part of the Municipality of South Dundas
- Former Village of Williamsburg, now part of the Municipality of South Dundas

1.0-VECC-2

Assigned to: Manuela

Reference: Exhibit 1, page 55

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

a)

Scorecard - Rideau St. Lawrence Distribution Inc.

8/19/2026

Performance Outcomes	Performance Categories	Measures	2021	2022	2023	2024	2025	Trend	Target	
									Industry	Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	100.00%	100.00%	100.00%	100.00%	🟢	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	🟢	90.00%	
		Telephone Calls Answered On Time	76.20%	75.84%	76.29%	88.47%	98.45%	🟢	65.00%	
	Customer Satisfaction	First Contact Resolution	99.91%	99.98%	99.9	99.9	95.2	🟢		
		Billing Accuracy	99.28%	98.90%	99.47%	98.45%	99.97%	🟢	98.00%	
		Customer Satisfaction Survey Results	B	B	B	85%	85%	🟢		
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	83.30%	83.30%	84.30%	84.30%	84.30%	🟢		
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	🟢		C
		Serious Electrical Incident Index	0	0	0	0	0	🟢		0
	System Reliability	Number of General Public Incidents Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000	🟢		0.000
		Average Number of Hours that Power to a Customer is Interrupted ²	0.28	0.63	1.77	0.41	1.57	🔴		0.55
		Average Number of Times that Power to a Customer is Interrupted ²	0.10	0.14	0.44	0.11	0.26	🟢		0.29
	Asset Management	Distribution System Plan Implementation Progress	116%	165%	116%	128%	178%			
		Efficiency Assessment	2	2	2	2	2			
	Cost Control	Total Cost per Customer ³	\$594	\$671	\$720	\$767	\$837			
		Total Cost per Km of Line ³	\$31,275	\$35,494	\$38,600	\$40,533	\$43,419			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	New Micro-embedded Generation Facilities Connected On Time							90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.63	0.47	0.79	0.79	0.78			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.61	0.43	0.81	0.89	1.20			
		Profitability: Regulatory Return on Equity	8.78%	8.66%	8.66%	8.66%	8.66%			
		Deemed (included in rates) Achieved	2.79%	0.80%	4.88%	5.48%	3.49%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.

3. A benchmarking analysis determines the total cost figures from the distributor's reported information.

Legend:

5-year trend
 🟢 up 🟡 down 🟠 flat
 Current year
 🟢 target met 🟡 target not met

1.0-VECC-3

Assigned to: Malcolm

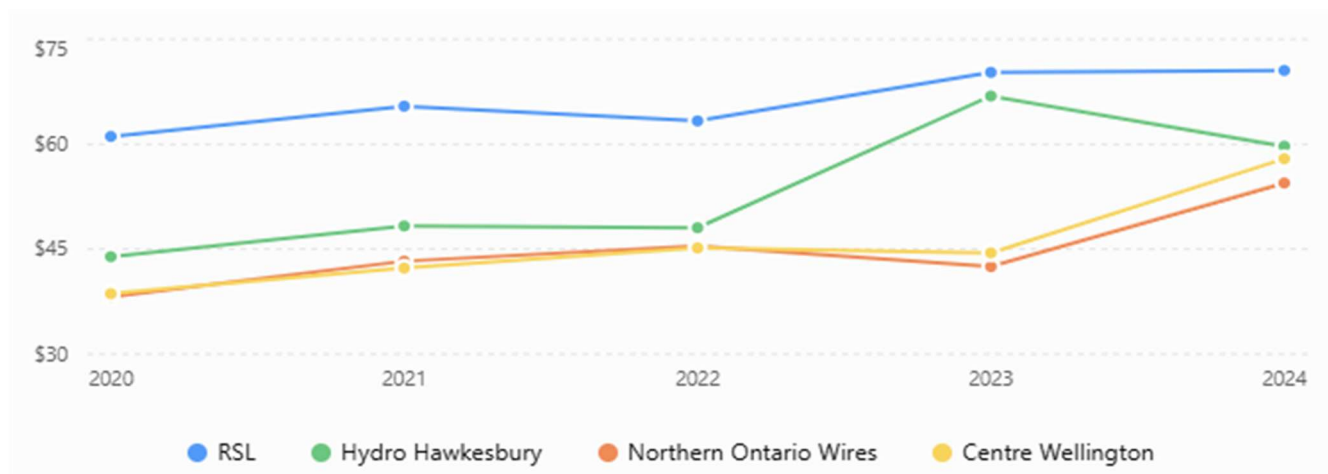
Reference: Exhibit 1, page 58, Table 16 2024 APB Benchmarking Results

- a) Does RSL have any insight into 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)
- a) It is difficult to determine the reasons for differences in Billing Unit Costs without a detailed review of the underlying billing costs, operating practices and cost allocation methodologies of each distributor. RSL does not have access to this information for the comparator utilities.

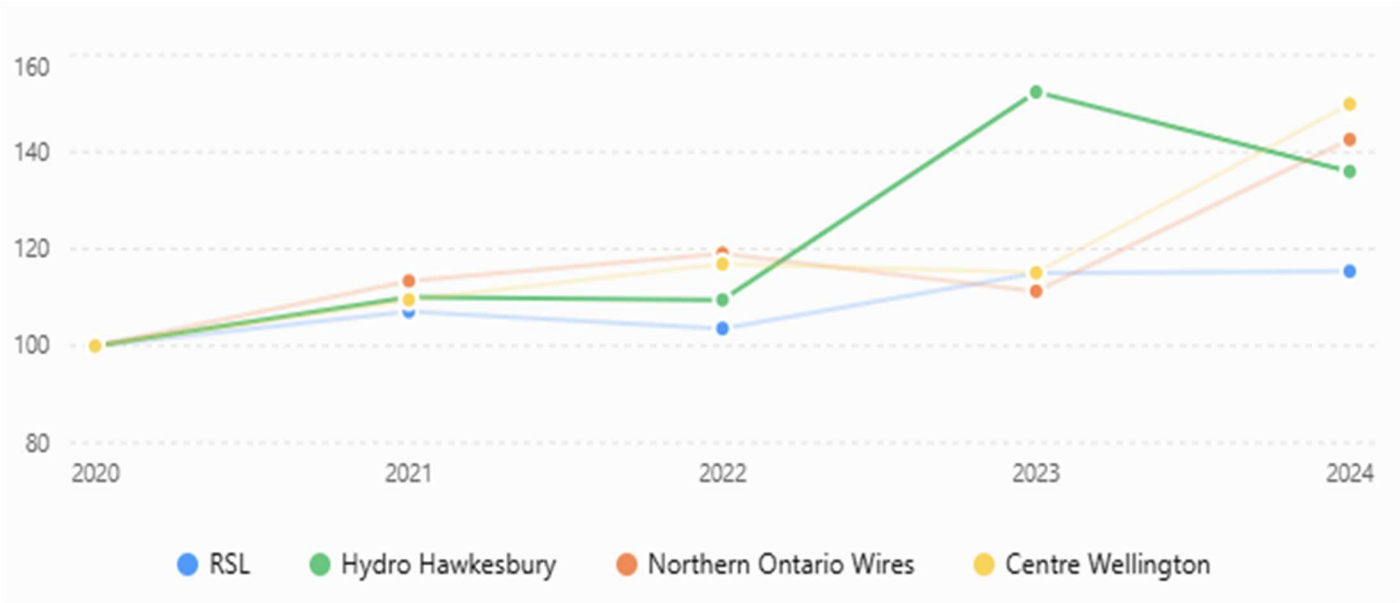
RSL notes that its Billing Unit Cost was already higher than the comparators at the beginning of the APB comparison period, at \$61.11 per customer in 2020. Although RSL's unit cost increased to \$70.55 in 2024, representing an increase of approximately 15%, the similar sized distributors experienced increases ranging from approximately 36% to 50% over the same period.

Accordingly, while RSL's absolute Billing Unit Cost remains higher, the relative difference has narrowed over the 2020-2024 period.

Billing Unit Cost: RSL and Similar-Sized Distributors



Change in Billing Unit Cost Since 2020



SEC

1-SEC-1

Assigned to: Simon

[Exhibit 1, p.33]

Please provide a copy of the 2026 Business Plan. b. Please provide a copy of any other documents provided to the Board of Directors with respect to this application.

a) RSL's 2026 Business Plan is provided at Exhibit 1, pages 33–39 of the Application.

The Application was developed through RSL's ongoing planning and budgeting processes, including consideration of historical financial results, capital planning and the Distribution System Plan. RSL's Board of Directors has received regular reporting on these matters as part of its normal governance activities, including reporting on the Cost-of-Service project timeline and resourcing.

RSL has interpreted this interrogatory as requesting documents specifically prepared for, or provided to, the Board in connection with its consideration and approval of the Cost of Service Application that have not already been filed as part of the Application. The following additional documents are attached:

1. Cost of Service Overview
2. Cost of Service Support Letter
3. DSP Project Summary

Exhibit 2 – Rate Base

Staff-6

Assigned to: Malcolm

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.

Response

Item	Ref 1	Ref 2	Difference
2026 Total Expenditure	\$5.085M	\$5.085M	None
2026 System Access	\$2.347M	\$2.347M	None
2026 System Renewal	\$0.677M	\$0.677M	None
2026 System Service	\$0.770M	\$0.770M	None
2026 General Plant	\$1.291M	\$1.291M	None
2027 Total Expenditure	\$2.089M	\$2.089M	None
2027 Net Capital Expenditures	\$1.609M	\$1.609M	None
2025 System O&M	\$1.357M	\$1.357M	None
Integrity Check – 2025 System O&M	\$1,357,171	\$1,227,891	\$129,280 difference due to the Error Checking phase where we updated 2-JA

- b) RSL reviewed the 2025 System OM&A amounts as part of the interrogatory process and made the required updates to Appendix 2-JA and the related schedules. As a result, the amounts have changed from those originally filed and the 2025 System OM&A amounts in the referenced appendices now reconcile.

Staff-7

Assigned to: Malcolm

Capital Contributions

Ref: Chapter 2, Appendix 2-AA, June 15, 2026

Question(s)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.

The negative values entered for System Access Capital Contributions for 2028–2031 were incorrect. RSL has corrected the signs of these amounts, along with other identified errors in Appendix 2-AA. The revised Appendix 2-AA has been provided with these interrogatory responses.

Staff-8***Assigned to: Simon*****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.

a) The 2027–2031 System Access forecast was developed using two components:

- (i) specifically identified customer- or municipality-driven projects that had progressed sufficiently to support an estimate of scope, timing and cost; and
- (ii) an allowance for other customer-driven System Access work expected to arise during the later years of the Distribution System Plan.

The specifically identified projects represent a subset of the development and connection activity being considered across RSL's service territory. RSL included projects individually where they had progressed sufficiently to support a reasonable estimate. These include the remaining phases of the Valecraft Merkle Oak development in Iroquois and the Cardinal Dundas Street rebuild. Other potential developments were known or being discussed at the time of planning but had not progressed sufficiently to warrant inclusion as individually identified capital projects.

RSL has a reasonable degree of confidence in the forecast based on the information available when the DSP was prepared. However, System Access expenditures are inherently customer-driven. There is no guarantee that every specifically identified development will proceed on the schedule assumed

in the DSP. Conversely, other developments that were not sufficiently advanced to be individually forecast may progress during the 2027–2031 period and require System Access investment.

This is particularly relevant for RSL because it is a small distributor and individual developments can have a significant impact on both system capacity requirements and annual capital expenditures. The historical variance between forecast and actual System Access expenditures reflects this characteristic. Individual developments may arise, accelerate, be delayed or change in scope after a capital plan has been prepared. The significant System Access expenditures in 2025 and 2026 reflect customer development activity, including the need for the Iroquois MS2 capacity project.

Accordingly, RSL considers the 2027–2031 System Access forecast reasonable for planning purposes based on the information available when the DSP was prepared, while recognizing that the particular projects, timing and annual expenditures may vary materially depending on the customer and municipal development activity that actually materializes.

b) Following completion of Iroquois Station MS2, RSL has not identified another station-level capacity shortfall that requires a specific capital project during the 2027–2031 DSP period based on currently known and sufficiently advanced customer connections.

The Iroquois MS2 project is intended to provide the additional station capacity required to accommodate the known and forecast growth in Iroquois, including the Merkley Oaks development. RSL is also monitoring potential future growth in Morrisburg, where development is being discussed at the municipal planning level. Based on the information currently available, however, these potential developments have not progressed sufficiently to establish the timing, magnitude or specific infrastructure requirements of another station-capacity project. Accordingly, no separate Morrisburg station-capacity project has been included in the 2027–2031 DSP.

The absence of another specifically identified station-capacity project does not mean that no additional System Access expenditures will arise during the DSP period. Customer connections may require extensions, relocations, upstream improvements or other System Access investments without creating a station-level capacity shortfall. The System Access forecast therefore includes both specifically identified projects and an allowance for other customer-driven requirements expected to arise over the planning period.

RSL will continue to monitor station loading, development activity and customer connection requests. If growth proceeds more quickly or at a greater scale than presently anticipated, RSL would reassess the associated system requirements through its normal engineering and capital planning processes.

c) Yes. Portions of the System Access forecast depend on the timing of specific customer or municipal developments. However, the overall System Access forecast is not dependent exclusively on those specifically identified projects.

The principal projects that had progressed sufficiently to be specifically identified in the 2027–2031 forecast include:

- the remaining phases of the Valecraft Merkley Oaks development in Iroquois, including homes

and apartments; and

- the Cardinal Dundas Street rebuild, which is coordinated with the municipality's planned road reconstruction.

These projects represent a subset of the potential System Access activity across RSL's service territory. DSP also includes an allowance for miscellaneous System Access projects and associated capital contributions. This reflects RSL's historical experience that additional customer-driven connection work is expected to arise during a multi-year planning period even though the identity, timing and scope of every project cannot be reliably determined several years in advance.

If a specifically forecast development is delayed, cancelled or proceeds on a different schedule, RSL would correspondingly defer, reduce or remove the associated capital expenditure where the expenditure is no longer required. RSL would not undertake a System Access investment solely because an amount had been included in the DSP forecast.

However, a delay in one identified development would not necessarily result in an equivalent reduction in RSL's total System Access expenditures. Other customer-driven developments may progress during the DSP period and require System Access investments that were not sufficiently defined to be individually identified when the DSP was prepared.

Conversely, if overall development activity is lower than anticipated and the forecast System Access investments are not required, the associated expenditures would not be incurred. Actual System Access expenditures will therefore reflect the aggregate connection and development activity that materializes during each year of the DSP period rather than expenditure against a predetermined capital budget.

Staff-9***Assigned to: Simon*****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.

Response

- a) At the time the application was filed, the project had not yet received final approval and remained in the due diligence stage. Conditional approval indicated that NRCan had approved the project in principle, subject to completion of due diligence and execution of contribution agreements with each participating LDC in the consortium. The original application was submitted as a consortium of 15 Ontario LDCs.

As of June 4, 2026, Rideau St. Lawrence has satisfied all due diligence requirements and received full project approval. Rideau St. Lawrence and NRCan are currently finalizing the contribution agreement. Accordingly, the remaining step to formalize the funding is execution of the Contribution Agreement.

- b) The application was intended to reflect NRCan's contribution as a capital contribution that offsets the gross capital cost of the SCADA project for rate-base purposes. However, the original Appendix 2-AA did not fully or correctly reflect that treatment.

Specifically, the original Appendix 2-AA included the NRCan capital contributions associated with the project for 2026 and 2027 but incorrectly classified those amounts under System Access Capital Contributions. In addition, neither the forecast capital expenditures for the NRCan project nor the associated NRCan capital contributions were included for 2028 to 2030.

These errors have been corrected in the revised Appendix 2-AA. The revised schedule reflects the forecast gross capital expenditures associated with the NRCan project and the corresponding NRCan funding as a capital contribution in the applicable years.

confirms that the NRCan funding is appropriately treated as a capital contribution for regulatory purposes. Accordingly, only the portion of the project cost funded by RSL, net of the NRCan contribution, is included in rate base.

Staff-10

Assigned to: Malcolm

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.

Response

RSL confirms that there were errors in certain capital expenditure amounts presented in the originally filed DSP tables. The errors included:

- capital contributions being entered with the incorrect sign;
- projects with expenditures of less than \$50,000 being omitted or allocated to the incorrect year;
- certain NRCan project expenditures being omitted from the outer years;
- certain System Access expenditures and capital contributions being omitted or allocated to the incorrect investment category; and
- certain formulas in Appendix 2 not including all General Plant expenditures in the calculated totals.

RSL has reviewed and reconciled the capital expenditure information in the DSP, including Tables 13 and 46, to the revised Appendix 2-AB for the period 2022–2031.

The revised Appendix 2-AB is the source of record for RSL's capital expenditure forecast. The corresponding DSP tables have been corrected to be consistent with the revised Appendix 2-AB.

For clarity, Table 46 presents gross capital expenditures by OEB investment category. Capital contributions are not netted against the individual investment categories in Table 46. Capital contributions and the resulting net capital expenditures are presented separately in Appendix 2-AB and, where applicable, in the corresponding DSP capital expenditure tables.

The corrected Table 13 and Table 46 are provided below.

Table 13:

	2028	2029	2030	2031
System Access	\$ 1,051,583.00	\$ 816,493.00	\$ 696,000.00	\$ 696,000.00
System Renewal	\$ 1,074,542.00	\$ 1,349,888.00	\$ 1,088,580.41	\$ 1,310,669.00
System Service	\$ 460,000.00	\$ 480,000.00	\$ 465,156.00	\$ -
General Plant	\$ 107,000.00	\$ 68,000.00	\$ 496,000.00	\$ 797,000.00
TOTAL EXPENDITURE	\$ 2,693,125.00	\$ 2,714,381.00	\$ 2,745,736.41	\$ 2,803,669.00
Capital Contributions	\$ 609,000.00	\$ 619,000.00	\$ 611,578.00	\$ 379,000.00
NET CAPITAL EXPENDITURES	\$ 2,084,125.00	\$ 2,095,381.00	\$ 2,134,158.41	\$ 2,424,669.00

Table 46:

CAPEX	2022-2026 Planned	2022-2026 Actual	2027-2031 Planned
System Access	\$ 640,000.00	\$ 4,241,548.00	\$ 4,263,106.00
System Renewal	\$ 2,868,012.00	\$ 2,499,044.00	\$ 5,426,349.00
System Service	\$ 293,000.00	\$ 2,334,610.00	\$ 2,484,385.00
General Plant	\$ 926,000.00	\$ 1,643,029.00	\$ 1,533,000.00
Total CAPEX	\$ 4,727,012.00	\$ 10,718,231.00	\$ 13,706,840.00
Total CAPEX / Customer	\$ 748.00	\$ 1,737.15	\$ 2,012.11
Total CAPEX / km of Line	\$ 42,973.00	\$ 90,069.17	\$ 115,183.53

Staff-11***Assigned to: Simon*****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.
-
- a) RSL attempted to utilize the OEB's Vulnerability Assessment and System Hardening (VASH) Toolkit in developing its Distribution System Plan. During this process, RSL encountered practical limitations in completing the toolkit and was therefore unable to finalize the assessment using the prescribed format.
Despite not completing the toolkit, RSL reviewed the climate data and guidance provided through the VASH Toolkit and incorporated those considerations, together with engineering judgment and local system knowledge, into its high-level climate vulnerability assessment.
 - b) Response
RSL intends to continue incorporating the OEB's VASH framework into future Distribution System Planning activities as its asset management and climate risk assessment processes mature. The utility recently hired a Distribution Engineer in 2026, which has increased internal engineering capacity to support more comprehensive vulnerability assessments and system hardening evaluations. RSL expects to further develop and refine its use of the VASH Toolkit in future DSP updates and rate applications.
 - c) Response
There are no capital investments in the DSP that were initiated solely because of climate vulnerability. However, climate resilience and system hardening were considered as part of the planning and design of several capital projects. The most significant examples are:

Project	Climate Resilience Consideration	Timing
Distribution Automation (Reclosers)	Installation of distribution reclosers will improve system reliability by reducing outage duration and limiting the number of customers affected by faults. These benefits also improve system resilience during increasingly frequent and severe weather events.	2026-2030
Iroquois Second Municipal Station (MS2)	While the project is primarily driven by load growth associated with new development, RSL selected a second municipal station rather than simply increasing transformer capacity at the existing station. The two-station configuration provides N-1 redundancy, allowing either station to supply the full community during equipment failures or weather-related events, thereby significantly improving system resilience.	DSP period

These projects were justified primarily on reliability, capacity, and customer service needs, with climate resilience incorporated as an important design consideration rather than the primary investment driver.

Staff-12**Assigned to: Simon****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.
- a) The approved ACM amount of \$775,000 was based on the estimated project costs available at the time of the ACM application. Actual project costs were \$849,682, resulting in an overall variance of \$74,682, or approximately 9.6%.

	Forecasted	Actual	Variance
1830 – Poles	\$205,000	\$225,471	\$20,471
1835 – Overhead Conductor	\$70,000	\$95,981	\$25,981
1845 – Underground Conductor	\$50,000	\$49,640	(\$360)
1850 – Transformer	\$445,900	\$478,590	\$28,590
Total	\$775,000	\$849,682	\$74,682

At the time the ACM application was prepared, the project estimates were based on budgetary and estimating quotations received from vendors. Following OEB approval of the ACM and as RSL moved into project execution, updated quotations and tenders were obtained for the required equipment, materials and construction activities.

The project was procured during a period of significant post-pandemic supply-chain constraints. In particular, RSL experienced increased pricing and limited availability for transformers, electrical materials and contractor resources. When RSL reissued requests for quotations as part of the project procurement process, market pricing had increased relative to the budgetary estimates used in the ACM application. These increases resulted primarily in higher costs for the transformer, poles and overhead conductor components of the project.

The project had been approved by RSL's Board of Directors prior to submission of the ACM application. Following OEB approval and receipt of updated procurement pricing, the Board subsequently approved proceeding with execution of the project.

During project execution, individual expenditures were subject to RSL's normal purchasing and approval processes. Where updated pricing exceeded the amounts originally estimated, the additional expenditure was reviewed and approved by management and, where required under RSL's approval authorities, escalated to the appropriate executive approval level prior to commitment.

RSL determined that proceeding with the project remained appropriate notwithstanding the increase from the original ACM estimate, as the underlying project remained necessary and the updated costs reflected the market pricing available when the equipment, materials and construction services were procured.

Staff-13

Assigned to: Simon

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.
- a) Two of the three vehicle replacements included in RSL's 2026 capital forecast were contemplated for replacement during the 2022–2026 DSP period approved in EB-2021-0056. The third vehicle was originally contemplated for replacement in 2027 and was subsequently advanced by one year:
- Replacement of the 2010 Altec single-bucket truck was planned for 2026 in EB-2021-0056.
 - Replacement of the 2015 GMC Sierra Trouble Call pickup was planned for 2026 in EB-2021-0056.
 - Replacement of the 2011 POSI double-bucket truck was contemplated for 2027 and therefore was not included in the 2022–2026 DSP.

The 2010 Altec single-bucket truck experienced an unanticipated condition failure in 2025. During inspection, deterioration of the upper turret was identified and the truck was determined to be structurally unsafe. The condition was subsequently confirmed by a heavy utility truck

mechanic, and the vehicle was removed from service. As described in RSL's current DSP, temporary rental equipment was required while the replacement truck was obtained.

The experience with the 2010 truck also informed RSL's decision regarding the 2011 POSI double-bucket truck. By 2026, that vehicle had reached approximately 15 years of service and was experiencing increasing age-related reliability and maintenance issues. Rather than attempt to extend the vehicle beyond its expected service life and risk a second unplanned loss of a critical line truck, RSL advanced the previously planned 2027 replacement into 2026. The current DSP explains that RSL's fleet-management approach is to use these specialized vehicles through their economic service lives while avoiding both premature replacement and operation beyond the point where condition and reliability materially increase customer and operational risk.

The Trouble Call vehicle is a 2015 GMC Sierra and remains included in the 2026 forecast. The filed DSP identifies the vehicle as having approximately 274,546 km and experiencing significant engine deterioration.

b) Both large bucket truck replacements have been purchased, delivered, and are currently in service.

- Large Bucket Truck #1 – RSL issued a purchase order on August 3, 2023. The vehicle has since been delivered and placed into service.
- Large Bucket Truck #2 – RSL issued a purchase order on August 21, 2025. The vehicle has since been delivered and placed into service.

Because both vehicles have already been delivered and are in service, the acquisitions cannot be cancelled or deferred to 2027 or 2028.

The Service Truck (Trouble Call Pick-up) has not been ordered, purchased, or otherwise committed. Accordingly, there would be no contractual cancellation cost associated with deferring that acquisition.

RSL estimates that deferring the replacement for one additional year would likely require approximately \$19k of incremental maintenance expenditure, consisting of:

1. Engine Rebuild: \$15k
2. Tire Replacement: \$2k
3. Lower Control Arms and ball Joints: \$2k

These amounts are current estimates of maintenance that would likely be required to continue operating the vehicle through 2027 and are not contractual commitments. Deferral to 2028 is considerably less predictable because continued deterioration, particularly body and structural corrosion, could result in the vehicle becoming uneconomic or unsafe to operate before that time.

c) The condition assessments for the three vehicles are summarized below.

Large Bucket Truck (2010)

The vehicle was condemned in 2025 due to deterioration of the turret structure resulting from corrosion. Prior to being removed from service, the vehicle experienced a number of significant age-related issues, including:

- Severe corrosion of the turret structure;
- Corrosion of structural hold bars and related components; and
- Increasing reliability and maintenance concerns associated with the age of the vehicle.

Large Bucket Truck (2011)

The second bucket truck experienced increasing reliability issues, including:

- Repeated drive belt failures;
- Air system failures; and
- Increasing maintenance requirements consistent with an aging heavy-duty fleet vehicle.

Although the vehicle remained operational, its condition no longer supported extending replacement beyond its planned service life.

Service Truck (2015 GMC Sierra)

The Service Truck is exhibiting significant deterioration, including:

- Metal shavings identified during routine engine oil maintenance, indicating internal engine wear;
- Corroded ball joints; and
- Significant body corrosion.

The vehicle remains in service but is approaching the end of its economic service life.

With respect to the buy-versus-lease and buy-versus-contract alternatives referenced in the DSP, RSL did not prepare a separate formal quantitative financial analysis. The alternatives were assessed as part of RSL's fleet planning and the individual project assessments included in the DSP.

For the heavy-duty bucket trucks, RSL considered continued ownership and replacement relative to leasing, rental and greater reliance on contracted line services. Heavy-duty line trucks are highly specialized utility vehicles, and suitable long-term lease and rental options are limited. Greater reliance on contracted line services would also not eliminate RSL's operational requirement for immediate access to this equipment for emergency response, outage restoration and routine line work.

RSL's experience following the unexpected failure of the 2010 Altec truck reinforced this assessment. RSL attempted to obtain a temporary rental unit from Altec and POSI while awaiting delivery of the replacement vehicle. After contacting suppliers across North America, the only available unit was a squirt-boom truck, which RSL rented for several months. This demonstrated the limited availability of suitable rental equipment and the operational risk associated with relying on rental equipment for RSL's core fleet requirements.

For the 2015 GMC Sierra Trouble Call vehicle, RSL similarly considered ownership relative to leasing or long-term rental. Given the ongoing utilization of the vehicle over its expected service life, RSL determined that ownership was the more economical alternative.

Accordingly, RSL's fleet strategy is to own the core vehicles required for routine and emergency operations while using contractors and rental equipment for temporary, peak or specialized requirements.

- d) Yes. RSL originally planned the replacement of the two heavy-duty bucket trucks over separate years. The replacement of the 2010 Altec single-bucket truck was planned for 2026 as part of the approved 2022–2026 DSP, while replacement of the 2011 POSI double-bucket truck was originally planned for 2027.

The staggered approach was reconsidered following the unanticipated condition failure of the 2010 Altec truck in 2025. The truck was determined to be structurally unsafe and was removed from service, requiring RSL to obtain temporary rental equipment while awaiting its replacement.

This experience informed RSL's assessment of the remaining 2011 POSI double-bucket truck. By 2026, that vehicle had reached approximately 15 years of service and was experiencing increasing age-related reliability and maintenance issues, including drive-belt and air-system failures. RSL considered maintaining the original 2027 replacement timing but determined that extending the vehicle for another year would create an increased risk of an unplanned failure of another critical line truck, particularly given the limited availability of suitable rental equipment experienced following the failure of the 2010 truck.

RSL therefore advanced the replacement of the 2011 POSI truck from 2027 to 2026. This decision was consistent with RSL's fleet-management approach of maximizing the useful life of its vehicles while replacing critical fleet assets when their condition and reliability no longer support prudent life extension.

- e) No capital investments included in the DSP were initiated or specifically driven by the climate vulnerability assessment. Accordingly, there are no capital amounts or associated timing to identify in response to this question.

RSL nevertheless considers climate resilience as one factor in its broader asset-management and system-planning processes. Certain investments included in the DSP, including distribution automation and investments that provide additional system redundancy, are expected to provide climate-resilience benefits. However, these investments were initiated and justified primarily

based on reliability, capacity, system modernization and customer-service requirements rather than as a direct result of the climate vulnerability assessment.

Staff-14

Assigned to: Simon

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.

Response

a) Response

The conversion of rear-lot distribution facilities to roadside construction has been contemplated by RSL for a number of years. Rear-lot construction has several disadvantages compared with roadside construction. Access for maintenance and system renewal is more difficult, work can result in greater disruption to customers and their property, and activities such as vegetation management are more challenging. Rear-lot work can also require specialized equipment, such as backyard derricks, which RSL does not own and therefore must rent or obtain through a third-party contractor.

Historically, these disadvantages did not, on their own, justify replacing otherwise serviceable rear-lot assets. RSL therefore continued to maintain the existing rear-lot system as required using RSL resources and third-party contractors.

Customer expectations have also evolved in recent years. In particular, since the COVID-19 pandemic, more customers are working from home and making greater use of their residential properties. RSL has received feedback from customers indicating a preference for utility infrastructure and maintenance activities to occur along the roadside rather than within rear yards.

RSL's strategy is therefore not to undertake a wholesale conversion of its existing rear-lot system. Instead, the need for system renewal is the trigger for conversion. Where an existing rear-lot section requires significant renewal, RSL will use that opportunity to relocate the facilities to the roadside where practical rather than reconstructing the facilities in the rear lot. This approach can be summarized as "touch it and improve it": RSL does not prematurely replace assets solely to change

their location, but when significant renewal is required, RSL improves the long-term configuration of that portion of the distribution system.

The proposed conversions begin in 2028 because this is when the identified rear-lot areas begin to require renewal based on RSL's asset condition assessments and system renewal planning. Advancing the projects would result in the premature replacement of assets that continue to provide acceptable service, while delaying the projects would defer renewal beyond the timing identified through RSL's asset management process.

b) Response

The proposed pace of the rear-lot conversion work is driven by the system renewal requirements of the existing assets rather than by a predetermined target to convert a certain number of rear-lot areas each year.

RSL identified rear-lot areas requiring renewal during the DSP planning period based primarily on the condition and expected remaining life of the existing assets. The individual projects were then sequenced according to the anticipated timing of the underlying renewal requirement. Where practical, assets and work within the same area were grouped together to improve construction efficiency and avoid repeated mobilization and disruption to customers.

Accordingly, the proposed projects should not be viewed as a separate program intended to eliminate rear-lot construction within a defined period. They are system renewal projects where RSL has determined that, once significant renewal is required, rebuilding the distribution facilities along the roadside provides a better long-term solution than reconstructing the facilities in the rear lot.

c) Response

The table below summarizes the major assets located within each of the proposed rear-lot conversion project areas

		Pole (#)	Tx (#)	Primary (m)	Secondary (m)	Services (#)
Morrisburg	Fifth St	15	4	650	500	50
Iroquois	Caldwell Dr	10	4	450	250	40
Iroquois	Maple St	20	4	920	920	45
Morrisburg	Orchard Way	25	6	725	725	40
Cardinal	Benson St	10	2	200	200	16
Prescott	Alexander/Sq	7	4	350	350	34
Prescott	Churchill E Ext	10	2	800	800	34
Prescott	Roberta Cr (V)	20	9	1000	1500	87

RSL's detailed condition assessments for the poles and transformers within each project area are provided in the tables below.

The assessments were completed at varying times during the last five years as part of RSL's inspection and asset management program. Accordingly, the health scores and remaining useful life estimates shown in the tables reflect the condition of the assets at the time of the applicable assessment and are not assessments performed as of the date of this interrogatory response.

Poles

For poles, age, visual condition and loading are each assessed on a scale of 1 to 4. The overall health score is calculated using the following weighting:

- Age – 20%
- Visual condition – 40%
- Loading – 40%

The age ratings for poles are as follows:

- 0–29 years – Rating 1
- 30–44 years – Rating 2
- 45–55 years – Rating 3
- 55+ years – Rating 4

The resulting overall health score is used to estimate the remaining useful life shown in the tables below.

Area	Street	Pole #	Pole ID	Age	Visual	Loading	Health	Remaining Life	Avg Health
Morrisburg	Fifth St	1	RSL1367	2	4	2	70%	8-20	79%
Morrisburg	Fifth St	2	RSL1368	3	4	3	85%	<7	
Morrisburg	Fifth St	3	RSL1369	2	4	3	80%	<7	
Morrisburg	Fifth St	4	RSL1370	3	4	3	85%	<7	
Morrisburg	Fifth St	5	RSL1371	3	2	4	75%	<7	
Morrisburg	Fifth St	6	RSL1889	2	4	3	80%	<7	
Morrisburg	Fifth St	7	RSL1890	2	2	4	70%	8-20	
Morrisburg	Fifth St	8	RSL1891	3	2	4	75%	<7	
Morrisburg	Fifth St	9	RSL1892	4	4	2	80%	8-20	
Morrisburg	Fifth St	10	RSL1893	3	4	3	85%	<7	
Morrisburg	Fifth St	11	RSL2561	1	4	3	75%	8-20	
Morrisburg	Fifth St	12	RSL1895	2	3	4	80%	<7	
Morrisburg	Fifth St	13	RSL1896	3	4	3	85%	<7	
Morrisburg	Fifth St	14	RSL1897	2	4	3	80%	<7	
Morrisburg	Fifth St	15	RSL1898	4	4	2	80%	8-20	
Iroquois	Caldwell Dr	1	RSL1591	2	4	3	80%	<7	79%
Iroquois	Caldwell Dr	2	RSL1592	4	4	2	80%	8-20	
Iroquois	Caldwell Dr	3	RSL1593	3	2	4	75%	<7	
Iroquois	Caldwell Dr	4	RSL1594	4	4	1	70%	8-20	
Iroquois	Caldwell Dr	5	RSL1595	3	4	3	85%	<7	
Iroquois	Caldwell Dr	6	RSL2521	2	3	4	80%	<7	
Iroquois	Caldwell Dr	7	RSL1597	2	4	3	80%	<7	
Iroquois	Caldwell Dr	8	RSL1598	4	4	1	70%	8-20	
Iroquois	Caldwell Dr	9	RSL1599	3	4	3	85%	<7	
Iroquois	Caldwell Dr	10	RSL1600	2	3	4	80%	<7	
Iroquois	Maple St	1	RSL1295	2	4	3	80%	<7	75%
Iroquois	Maple St	2	RSL1296	1	1	4	55%	8-20	
Iroquois	Maple St	3	RSL1297	4	4	2	80%	8-20	
Iroquois	Maple St	4	RSL1298	3	4	3	85%	<7	
Iroquois	Maple St	5	RSL1299	3	4	3	85%	<7	
Iroquois	Maple St	6	RSL1300	4	4	2	80%	8-20	
Iroquois	Maple St	7	RSL1301	3	4	3	85%	<7	
Iroquois	Maple St	8	RSL1302	4	1	3	60%	8-20	
Iroquois	Maple St	9	RSL1303	3	4	3	85%	<7	
Iroquois	Maple St	10	RSL2727	1	4	3	75%	8-20	
Iroquois	Maple St	11	RSL1304	4	3	1	60%	8-20	
Iroquois	Maple St	12	RSL1305	2	4	3	80%	<7	
Iroquois	Maple St	13	RSL1306	2	4	3	80%	<7	
Iroquois	Maple St	14	RSL1307	4	4	2	80%	8-20	
Iroquois	Maple St	15	RSL1308	4	4	1	70%	8-20	
Iroquois	Maple St	16	RSL1309	4	4	1	70%	8-20	

Iroquois	Maple St	17	RSL1310	2	2	4	70%	8-20	
Iroquois	Maple St	18	RSL1311	2	4	3	80%	<7	
Iroquois	Maple St	19	RSL1312	1	1	4	55%	8-20	
Iroquois	Maple St	20	RSL1313	2	3	4	80%	<7	

Area	Street	Pole #	Pole ID	Age	Visual	Loading	Health	Remaining Life	Avg Health
Morrisburg	Orchard Way	1	RSL1909	4	4	1	70%	8-20	79%
Morrisburg	Orchard Way	2	RSL1910	3	4	3	85%	<7	
Morrisburg	Orchard Way	3	RSL1911	4	3	3	80%	<7	
Morrisburg	Orchard Way	4	RSL1912	2	3	4	80%	<7	
Morrisburg	Orchard Way	5	RSL1913	4	4	1	70%	8-20	
Morrisburg	Orchard Way	6	RSL1914	3	4	3	85%	<7	
Morrisburg	Orchard Way	7	RSL1915	3	2	4	75%	<7	
Morrisburg	Orchard Way	8	RSL1916	4	4	2	80%	8-20	
Morrisburg	Orchard Way	9	RSL1917	4	4	2	80%	8-20	
Morrisburg	Orchard Way	10	RSL1918	4	4	2	80%	8-20	
Morrisburg	Orchard Way	11	RSL1919	2	4	3	80%	<7	
Morrisburg	Orchard Way	12	RSL2792	1	3	4	75%	<7	
Morrisburg	Orchard Way	13	RSL1921	2	2	4	70%	8-20	
Morrisburg	Orchard Way	14	RSL1922	3	4	3	85%	<7	
Morrisburg	Orchard Way	15	RSL1923	2	4	3	80%	<7	
Morrisburg	Orchard Way	16	RSL1924	3	4	3	85%	<7	
Morrisburg	Orchard Way	17	RSL1925	4	4	3	90%	<7	
Morrisburg	Orchard Way	18	RSL1926	2	3	4	80%	<7	
Morrisburg	Orchard Way	19	RSL1927	4	4	2	80%	8-20	
Morrisburg	Orchard Way	20	RSL1928	4	4	1	70%	8-20	
Morrisburg	Orchard Way	21	RSL1929	3	4	3	85%	<7	
Morrisburg	Orchard Way	22	RSL1930	3	2	4	75%	<7	
Morrisburg	Orchard Way	23	RSL1931	2	3	4	80%	<7	
Morrisburg	Orchard Way	24	RSL1932	2	4	3	80%	<7	
Morrisburg	Orchard Way	25	RSL1933	4	4	2	80%	8-20	
Cardinal	Benson	1	RSL1243	3	2	4	75%	<7	75%
Cardinal	Benson	2	RSL1244	3	4	3	85%	<7	
Cardinal	Benson	3	RSL1245	4	4	1	70%	8-20	
Cardinal	Benson	4	RSL1246	4	4	2	80%	8-20	
Cardinal	Benson	5	RSL1247	2	4	3	80%	<7	
Cardinal	Benson	6	RSL1248	4	4	1	70%	8-20	
Cardinal	Benson	7	RSL2134	1	3	4	75%	<7	
Cardinal	Benson	8	RSL2135	1	4	1	55%	21-45	
Cardinal	Benson	9	RSL1250	2	4	3	80%	<7	
Cardinal	Benson	10	RSL1251	3	2	4	75%	<7	
Prescott	Alexander/Sq	1	RSL0934	4	3	3	80%	<7	77%
Prescott	Alexander/Sq	2	RSL0935	4	4	2	80%	8-20	
Prescott	Alexander/Sq	3	RSL0936	4	4	2	80%	8-20	
Prescott	Alexander/Sq	4	RSL0937	4	2	3	70%	8-20	
Prescott	Alexander/Sq	5	RSL0938	4	4	2	80%	8-20	
Prescott	Alexander/Sq	6	RSL0939	4	3	3	80%	<7	
Prescott	Alexander/Sq	7	RSL0940	4	4	1	70%	8-20	

Area	Street	Pole #	Pole ID	Age	Visual	Loading	Health	Remaining Life	Avg Health
Prescott	Churchill E Ext	1	RSL1453	1	4	1	55%	21-45	73%
Prescott	Churchill E Ext	2	RSL1454	1	4	3	75%	8-20	
Prescott	Churchill E Ext	3	RSL1455	2	2	4	70%	8-20	
Prescott	Churchill E Ext	4	RSL1456	4	2	3	70%	8-20	
Prescott	Churchill E Ext	5	RSL1457	3	2	4	75%	<7	
Prescott	Churchill E Ext	6	RSL1458	3	1	4	65%	8-20	
Prescott	Churchill E Ext	7	RSL1459	2	4	3	80%	<7	
Prescott	Churchill E Ext	8	RSL1460	3	4	3	85%	<7	
Prescott	Churchill E Ext	9	RSL1461	2	3	4	80%	<7	
Prescott	Churchill E Ext	10	RSL1462	4	4	1	70%	8-20	
Prescott	Roberta Cr (V)	1	RSL1152	4	2	3	70%	8-20	71%
Prescott	Roberta Cr (V)	2	RSL1153	4	4	2	80%	8-20	
Prescott	Roberta Cr (V)	3	RSL1154	3	1	4	65%	8-20	
Prescott	Roberta Cr (V)	4	RSL1155	4	4	3	90%	<7	
Prescott	Roberta Cr (V)	5	RSL2350	1	1	4	55%	8-20	
Prescott	Roberta Cr (V)	6	RSL1157	4	4	1	70%	8-20	
Prescott	Roberta Cr (V)	7	RSL1158	2	4	3	80%	<7	
Prescott	Roberta Cr (V)	8	RSL1159	3	2	4	75%	<7	
Prescott	Roberta Cr (V)	9	RSL1160	4	4	1	70%	8-20	
Prescott	Roberta Cr (V)	10	RSL1161	4	2	3	70%	8-20	
Prescott	Roberta Cr (V)	11	RSL1162	4	4	1	70%	8-20	
Prescott	Roberta Cr (V)	12	RSL1163	4	4	2	80%	8-20	
Prescott	Roberta Cr (V)	13	RSL1164	4	4	1	70%	8-20	
Prescott	Roberta Cr (V)	14	RSL1165	2	4	3	80%	<7	
Prescott	Roberta Cr (V)	15	RSL1166	2	4	3	80%	<7	
Prescott	Roberta Cr (V)	16	RSL1167	4	2	3	70%	8-20	
Prescott	Roberta Cr (V)	17	RSL2351	1	1	1	25%	>45	
Prescott	Roberta Cr (V)	18	RSL1169	2	2	4	70%	8-20	
Prescott	Roberta Cr (V)	19	RSL1170	4	2	3	70%	8-20	
Prescott	Roberta Cr (V)	20	RSL1171	4	4	2	80%	8-20	

Transformers

For transformers, age, visual condition and loading are also assessed on a scale of 1 to 4. The overall health score is calculated using the following weighting:

- Age – 20%
- Visual condition – 20%
- Loading – 60%

The age ratings for transformers are as follows:

- 0–29 years – Rating 1
- 30–44 years – Rating 2
- 45–60 years – Rating 3
- 60+ years – Rating 4

The resulting overall health score is used to estimate the remaining useful life shown in the tables below.

Area	Street	Tx #	TX ID	Age	Visual	Loading	Overall Rating	Remaining Life	Avg Health
Morrisburg	Fifth St	1	RSL583	3	3	3	75%	<7	79%
Morrisburg	Fifth St	2	RSL584	3	3	3	75%	<7	
Morrisburg	Fifth St	3	RSL585	2	2	4	80%	<7	
Morrisburg	Fifth St	4	RSL586	4	4	3	85%	<7	
Iroquois	Caldwell Dr	1	RSL776	1	2	4	75%	<7	68%
Iroquois	Caldwell Dr	2	RSL777	2	2	3	65%	8-20	
Iroquois	Caldwell Dr	3	RSL778	3	3	3	75%	<7	
Iroquois	Caldwell Dr	4	RSL779	4	4	1	55%	8-20	
Iroquois	Maple St	1	RSL724	2	2	3	65%	8-20	56%
Iroquois	Maple St	2	RSL725	1	3	4	80%	<7	
Iroquois	Maple St	3	RSL692	1	1	2	40%	21-45	
Iroquois	Maple St	4	RSL693	1	1	2	40%	21-45	
Morrisburg	Orchard Way	1	RSL521	2	2	3	65%	8-20	59%
Morrisburg	Orchard Way	2	RSL650	1	1	3	55%	8-20	
Morrisburg	Orchard Way	3	RSL649	1	1	1	25%	>45	
Morrisburg	Orchard Way	4	RSL524	3	3	3	75%	<7	
Morrisburg	Orchard Way	5	RSL662	1	1	3	55%	8-20	
Morrisburg	Orchard Way	6	RSL663	2	2	4	80%	<7	
Cardinal	Benson	1	RSL232	2	2	3	65%	8-20	55%
Cardinal	Benson	2	RSL233	3	3	1	45%	8-20	
Prescott	Alexander/Sq	1	RSL700	1	1	2	40%	21-45	43%
Prescott	Alexander/Sq	2	RSL612	4	4	2	70%	8-20	
Prescott	Alexander/Sq	3	RSL701	1	1	1	25%	21-45	
Prescott	Alexander/Sq	4	RSL613	2	2	1	35%	21-45	
Prescott	Churchill E Ext	1	RSL156	3	3	3	75%	<7	50%
Prescott	Churchill E Ext	2	RSL671	1	1	1	25%	>45	
Prescott	Roberta Cr (V)	1	RSL147	4	4	3	85%	<7	57%
Prescott	Roberta Cr (V)	2	RSL149	2	2	3	65%	8-20	
Prescott	Roberta Cr (V)	3	RSL150	3	3	2	60%	8-20	
Prescott	Roberta Cr (V)	4	RSL151	4	4	2	70%	8-20	
Prescott	Roberta Cr (V)	5	RSL677	1	1	3	55%	8-20	
Prescott	Roberta Cr (V)	6	RSL678	1	1	1	25%	>45	
Prescott	Roberta Cr (V)	7	RSL154	1	1	4	70%	8-20	
Prescott	Roberta Cr (V)	8	RSL152	3	3	2	60%	8-20	
Prescott	Roberta Cr (V)	9	RSL679	1	1	1	25%	>45	

Staff-15***Assigned to: Malcolm*****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.

- a) The increase in the telephone call abandonment rate in 2025 was largely attributable to the implementation of a new telephone system. During the initial learning and configuration period, the system allowed a higher volume of calls to reach Customer Service Representatives than staff who had the capacity to answer, resulting in an increased number of abandoned calls.

Following implementation, the system settings were reviewed and adjusted to better align incoming call volumes with available staffing resources, ensuring that calls can be managed effectively.

In addition, Rideau St. Lawrence has implemented an AI-based first-contact solution that assists customers by answering frequently asked questions and routing calls to the appropriate department. These operational improvements have significantly enhanced call management, reduced customer wait times and helped minimize call abandonment rates.

Staff-16***Assigned to: Malcolm*****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.
-
- a) RSL identified that the fully depreciated amount for Account 1611 – Computer Software was incorrectly reported under Account 1609 in Appendix 2-C. Appendix 2-C has been corrected to move the applicable fully depreciated amounts to Account 1611 for each year and to correct the associated remaining life calculation. Following these corrections, the depreciation expense in Appendix 2-C reconciles to Appendix 2-BA..
 - b) The \$36,149 variance previously shown for Account 1611 resulted from the Appendix 2-C input and calculation issues described in part (a). Following the corrections, the depreciation expense for Account 1611 reconciles to Appendix 2-BA and there is no remaining variance.
 - c) RSL has corrected Appendix 2-C for Account 1980 – System Supervisor Equipment. The corrected schedule reflects 2027 additions of \$425,000 and the half-year rule, resulting in a depreciable amount of \$212,500. Applying the 20-year service life results in depreciation expense of \$10,625, consistent with Appendix 2-BA.
 - d) The \$10,625 variance previously shown in Appendix 2-C resulted from the input error corrected in part (c). Following the correction, the depreciation expense for Account 1980 reconciles to Appendix 2-BA and there is no remaining variance.

Staff-17***Assigned to: Malcolm***

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).

a) Response computer software considered intangibles in the Financial Statements

Assets:

2- BA	2023	2024
closing Balance	12109678.76	12830762.8
Def Rev	1870347.78	2050967.78
Total FA	13980026.54	14881730.5
Computer Software	-478894.35	-485894.35
	13501132.19	14395836.2
WIP	17303.46	247064.85
	13518435.65	14642901
Financial Statement	13518437	14642901
	-1.35	0.04

Depreciation:

2- BA	2023	2024
closing Balance	3736061.9	4204954.4
Def Rev	124801.68	167870.68
Total FA	3860863.6	4372825.1
Computer Software	-349692.7	-403750.7
	3511170.9	3969074.4
WIP		
	3511170.9	3969074.4
Financial Statement	3511172	3969076
	-1.08	-1.6

Staff-18**Assigned to: Malcolm****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.

- a) RSL confirms that the deferred revenue was credited to Account 4520 in the financial statements rather than Account 4220. RSL acknowledges that, in accordance with the Accounting Procedures Handbook, the deferred revenue should be recorded in Account 4220. RSL will record the deferred revenue in Account 4245 in its next financial statements and its RRR trial balance. Please also see the depreciation reconciliation provided in response to Staff-17.

Staff-19

Assigned to: Malcolm

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.

- a) The capital programs in these years included a greater proportion of equipment purchases and work undertaken by external contractors and therefore required less internal labour than the capital programs in the earlier years.

Staff-20

Assigned to: Simon

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.
-
- a) RSL ensures compliance with the OEB's requirement through its capital planning and approval process. Management and operations staff responsible for developing and reviewing capital investment proposals have been made aware of the requirement to consider and document non-wires solutions ("NWS") for investments with an expected capital cost of \$2 million or more.

For applicable investments, consideration of NWS will form part of the documented assessment of alternatives supporting the investment decision. The assessment will consider whether a NWS could reasonably address the identified system need, including its technical applicability, reliability, operational requirements and cost-effectiveness. Where a potentially viable NWS is identified, RSL will engage qualified third-party engineering or other technical support, as appropriate, to undertake further assessment.

This approach is consistent with the planning process described in section 2.4 of RSL's Distribution System Plan, under which NWS opportunities are initially considered through discussions between operations staff and management, supported by monitoring of industry developments and emerging NWS applications.

- b) RSL does not currently have a separate formal internal NWS policy or assessment framework.

RSL's current approach is documented in section 2.4 of its Distribution System Plan and is incorporated into its capital planning process through discussions between operations staff and management. RSL has also established the expectation that, for capital investment decisions with an expected cost of \$2 million or more, the consideration of NWS will be documented as part of the supporting investment assessment.

Accordingly, there is no additional internal policy, framework or documentation to provide beyond the process described above and in RSL's Distribution System Plan.

Staff-21

Assigned to: Simon

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.

a) [Preassessments are below:](#)

Iroquois MS2

Identified System Needs	Existing station transformer loading has reached approximately 95% of available capacity. In addition, RSL requires N-1 Station Capability for Iroquois to reduce exposure to single point of failure risk.
Traditional Wires Solution	Install a second distribution station to support N-1 capability and increase capacity of the town
Upstream System Conditions	The area is supplied from Hydro One Morrisburg TS through a 44kV that has identified a thermal constraint.
Energy Efficiency / Conservation	No. Energy efficiency and conservation measures could potentially reduce peak demand and defer a capacity-driven investment. RSL has supported conservation and demand-management initiatives through CDM and, more recently, eDSM. However, conservation measures would not provide an alternate source of supply or address the identified single-point-of-failure

	exposure associated with the existing station configuration. Accordingly, conservation would not address the complete identified system need.
Energy Storage	No. Energy storage could potentially reduce peak demand and defer a capacity-driven investment. However, energy storage would not provide equivalent N-1 station capability or eliminate RSL's exposure to the existing single point of failure. In addition, the area is supplied through Hydro One's Morrisburg TS, where Hydro One has identified upstream system constraints. RSL has previously explored energy storage in this supply area and was advised that the proposed connection could not be accommodated due to upstream system limitations. Accordingly, RSL did not identify a reasonable expectation that energy storage would provide a viable alternative to the proposed investment.
Distributed Generation	No. Distributed generation could potentially offset load and defer a capacity-driven investment. However, it would not provide equivalent N-1 station capability or eliminate the single-point-of-failure exposure. RSL has also previously encountered Hydro One connection restrictions associated with DER in this supply area. Accordingly, RSL did not identify a reasonable expectation that distributed generation would provide a viable alternative to the proposed investment.
Demand Response / Load Management	No. Demand response could potentially reduce peak demand and defer a capacity-driven investment. However, it would not provide equivalent N-1 station capability or eliminate the identified single-point-of-failure exposure. In addition, RSL does not currently have the customer participation, control infrastructure, contractual arrangements, measurement and verification framework, or operational capability necessary to rely upon demand response as a firm distribution system capacity resource. Accordingly, RSL did not identify a reasonable expectation that demand response would provide a viable alternative to the proposed investment.
Conclusion	RSL determined that there was not a reasonable expectation that an NWS would provide a viable alternative capable of addressing the complete identified system need. While certain NWS could potentially reduce peak demand and defer a capacity-driven investment, they would not provide the N-1 station capability and resiliency benefits required to address RSL's existing single-point-of-failure exposure. Accordingly, RSL did not proceed to a detailed NWS BCA.

Cardinal Transformer + Cooling Fan

Identified System Needs	Replacement of the existing station transformer due to asset condition to maintain reliable electricity service. The replacement also provides an opportunity to cost-effectively increase available station capacity through the specification of the replacement transformer and cooling equipment.
Traditional Wires Solution	Replace the transformer.
Energy Efficiency / Conservation	No. Conservation could reduce peak demand but would not address the asset-

	condition requirement necessitating replacement of the existing transformer. The transformer would require replacement irrespective of load reduction achieved through conservation measures.
Energy Storage	No. Energy storage could potentially reduce peak demand and therefore reduce the amount of capacity required from the station during peak periods. However, it would not address the condition of the existing transformer or eliminate the requirement to replace the asset to maintain reliable service. Accordingly, storage would not provide a viable alternative to the proposed investment.
Distributed Generation	No. Distributed generation could potentially reduce net demand supplied through the station but would not address the condition of the existing transformer or eliminate the requirement for its replacement. Accordingly, RSL did not identify a reasonable expectation that distributed generation would provide a viable alternative to the proposed investment.
Demand Response / Load Management	No. Demand response could potentially reduce peak loading but would not address the condition of the existing transformer or eliminate the requirement for its replacement. RSL also does not currently have the customer participation, control infrastructure, contractual arrangements, measurement and verification framework, or operational capability necessary to rely upon demand response as a firm distribution system capacity resource. Accordingly, RSL did not identify a reasonable expectation that demand response would provide a viable alternative to the proposed investment.
Conclusion	The primary investment driver is the condition and required replacement of the existing transformer. None of the NWS considered would address the underlying asset-condition need or eliminate the requirement to replace the transformer. Accordingly, RSL determined that there was not a reasonable expectation that an NWS would provide a viable alternative to the proposed investment and did not proceed to a detailed NWS BCA.

- b) The NRCan Project pre-assessment is provided below. There are no other projects in RSL's DSP, excluding general plant investments, with an expected capital cost of \$2 million or more.

Identified System Needs	Improve distribution system reliability and resiliency by reducing outage frequency, outage duration, and customer exposure to individual equipment failures, and by improving system sectionalizing, protection, system visibility and restoration capability.
Proposed Solution	Replace fused feeder protection with reclosers; install automated/SCADA-enabled switches to improve sectionalizing and system interties; and implement telemetry and SCADA to improve system visibility, fault response and restoration.
Energy Efficiency / Conservation	No. Energy efficiency and conservation could reduce electricity consumption and peak demand but would not provide the protection, sectionalizing, system visibility, remote switching or restoration capabilities required to address the identified reliability and resiliency need.
Energy Storage	No.

	Energy storage could provide localized capacity and potentially support customers during certain outage conditions. However, it would not provide the protection, fault interruption, sectionalizing, system visibility, remote switching and restoration capabilities addressed by the proposed reclosers, switches, telemetry and SCADA. Accordingly, RSL did not identify a reasonable expectation that energy storage would provide a viable alternative to the proposed investment.
Distributed Generation	No. Distributed generation could reduce net system demand and potentially provide localized supply under certain configurations. However, it would not provide the protection, fault interruption, sectionalizing, system visibility, remote switching and restoration capabilities addressed by the proposed investment. Accordingly, RSL did not identify a reasonable expectation that distributed generation would provide a viable alternative to the proposed investment.
Demand Response / Load Management	No. Demand response and load management could reduce or shift peak demand but would not provide the protection, fault interruption, sectionalizing, system visibility, remote switching or restoration capabilities required to address the identified reliability and resiliency need. In addition, RSL does not currently have the customer participation, control infrastructure, contractual arrangements, measurement and verification framework, or operational capability necessary to rely upon demand response as a firm distribution system resource. Accordingly, RSL did not identify a reasonable expectation that demand response would provide a viable alternative to the proposed investment.
Conclusion	The primary investment driver is to cost-effectively improve distribution system reliability and resiliency through improved protection, sectionalizing, system visibility, remote switching and restoration capability. None of the NWS considered would provide the functionality required to address the identified system need. Accordingly, RSL determined that there was not a reasonable expectation that an NWS would provide a viable alternative to the proposed investment and did not proceed to a detailed NWS BCA.

Staff-22***Assigned to: Simon*****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.

Response:

- a) No. RSL did not complete a benefit-cost analysis in accordance with the OEB's [Benefit-Cost Analysis Framework for Addressing Electricity System Needs](#) for either the Iroquois MS2 project or the Cardinal Transformer + Cooling Fan Capacity project.

As described in RSL's response to 2-Staff-21, RSL conducted pre-assessments of potential non-wires solutions for both projects. The pre-assessments determined that there was not a reasonable expectation that an NWS would provide a viable alternative capable of addressing the identified system needs. Accordingly, RSL did not proceed to a detailed NWS benefit-cost analysis for either project.

- b) Yes. RSL considered non-injection/non-storage NWS, including demand response/load management and energy efficiency/conservation, as part of the pre-assessments for both the Iroquois MS2 and Cardinal Transformer + Cooling Fan Capacity projects, as described in RSL's response to 2-Staff-21.

For Iroquois MS2, energy efficiency/conservation and demand response could potentially reduce peak demand and defer a capacity-driven investment. However, these alternatives would not

provide equivalent N-1 station capability or address RSL's existing single-point-of-failure exposure. In addition, RSL does not currently have the customer participation, control infrastructure, contractual arrangements, measurement and verification framework, or operational capability necessary to rely upon demand response as a firm distribution system capacity resource.

For the Cardinal Transformer + Cooling Fan Capacity project, energy efficiency/conservation and demand response could potentially reduce peak loading but would not address the asset-condition requirement necessitating replacement of the existing transformer. The transformer would require replacement irrespective of load reductions achieved through these measures.

Accordingly, RSL determined through its pre-assessments that these non-injection/non-storage NWS did not provide viable alternatives capable of addressing the identified system needs. Please also refer to RSL's response to 2-Staff-21 for the complete pre-assessments.

VECC

2.0-VECC -4

Assigned to: Malcolm

Reference: Exhibit 2, Page 8, Table 3

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

- a) The 2026 disposal primarily relates to three fleet vehicles being retired and replaced as part of RSL's 2026 fleet replacement program. Of the total \$387,748 disposal, approximately \$381,805 relates to a 2009 Altec bucket truck, a 2011 Posi Plus bucket truck and a pickup truck. The replacement of these vehicles is described further in RSL's fleet replacement evidence.

2.0-VECC -5

Assigned to: Malcolm

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.

a) Please see response to Staff-12 a)

2.0-VECC -6

Assigned to: Malcolm

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.
- a) RSL identified errors in the capital contribution amounts and signs included in the originally filed Appendix 2-AA. These have been corrected as described in RSL's response to Staff-10. The explanation below addresses the basis for the capital contribution forecasts.

RSL forecasts capital contributions using two approaches depending on the information available at the time the forecast is prepared:

1. Identified project-specific contributions. Where RSL has sufficient information regarding a specific project and the associated contribution, the forecast reflects the estimated contribution directly.
2. Longer-term planning allowance. Where specific customer-driven projects are not yet known, RSL uses historical and forecast information available at the time the DSP is prepared to establish a reasonable planning allowance for capital contributions.

2026:

RSL had greater visibility into customer-driven System Access projects because the DSP was prepared during late 2025 and the Cost of Service application was finalized in 2026. The updated 2026 forecast therefore reflects approximately \$392,000 of identified/estimated System Access capital contributions.

The application also reflects the anticipated NRCAN contribution associated with RSL's SCADA and grid-modernization program. The NRCAN funding was forecast at 50% of

eligible project expenditures based on the conditional approval received by RSL. The forecast allocation by year was as follows:

	2026	2027	2028	2029	2030	2031
System Service Capital Contributions	\$160,000	\$480,000	\$230,000	\$240,000	\$232,578	-

Accordingly, the 2026 capital contribution forecast includes approximately \$392,000 of identified/estimated System Access capital contributions and \$160,000 of forecast NRCan contributions.

2027:

For the longer-term System Access forecast, specific customer connection projects cannot generally be identified with reasonable certainty several years in advance. RSL therefore developed a planning allowance based on its historical and forecast capital contribution experience. Based on the five-year information shown below, the average annual capital contribution was approximately \$379,000, which RSL used as the longer-term planning allowance.

The information used in developing the DSP planning allowance was approximately as follows:

	2022	2023	2024	2025	2026	5 yr AVG
System Access Capital Contributions	\$181,880	-	\$180,620	\$503,473	\$534,000	
System Renewal capital Contributions	\$329,640	\$163,342				
Total Capital Contributions	\$511,520	\$163,342	\$180,620	\$503,473	\$534,000	\$378,591

The calculated five-year average of \$378,591 was rounded to \$379,000 and used as the annual forecast for 2027 to 2031.

Note: The 2025 and 2026 amounts shown above reflect the information available when the DSP planning allowance was developed. The 2026 System Access capital contribution forecast was subsequently updated to approximately \$392,000 based on improved visibility into the specific customer-driven projects expected in 2026.

RSL did not use the revised 2026 amount to reset the longer-term planning allowance because the two forecasts serve different purposes. The 2026 amount reflects identified or reasonably foreseeable projects, whereas the longer-term allowance reflects the five-year average calculated using the historical and forecast capital contribution information available when the DSP was prepared where the specific projects are not yet known. Accordingly, RSL has retained the approximately \$379,000 annual planning allowance for

the longer-term forecast period.

The \$379,000 annual planning allowance for 2027-2031 should not be interpreted as contributions associated with specifically identified projects. It is a planning allowance intended to recognize that RSL has historically received customer capital contributions and reasonably expects such contributions to continue over the DSP period, notwithstanding that the specific customer projects cannot be known several years in advance.

Accordingly, the 2027 capital contribution forecast includes the \$379,000 System Access planning allowance and \$480,000 of forecast NRCan contributions.

2028-2031:

RSL applied the same \$379,000 annual System Access planning allowance for 2028 through 2031. In addition, RSL forecast NRCan capital contributions of \$230,000 in 2028, \$240,000 in 2029 and \$232,578 in 2030. No NRCan contribution is forecast for 2031.

- b) The System Renewal capital contributions of \$329,640 in 2022 and \$163,342 in 2023 related to make-ready work undertaken for a fibre company. The fibre company contributed toward the cost of the work performed by RSL.

RSL has not forecast separate System Renewal capital contributions for 2026 through 2031 because there are no specifically identified System Renewal projects during that period for which RSL has forecast a third-party contribution.

For years in which specific customer-driven projects cannot be identified with reasonable certainty, RSL used the historical and forecast capital contribution information available when preparing the DSP to calculate the five-year average described in part (a). The fibre make-ready contributions received in 2022 and 2023 were included in that calculation. The resulting five-year average of \$378,591 was rounded to \$379,000 and used as the annual System Access planning allowance for 2027–2031.

Accordingly, although the 2022 and 2023 fibre make-ready contributions were recorded as System Renewal capital contributions, those amounts are already reflected in the calculation of the longer-term capital contribution allowance. Forecasting an additional System Renewal contribution based on the same historical activity would therefore duplicate amounts already reflected in the forecast.

Actual capital contributions may vary from the planning allowance depending on the nature, timing and classification of the customer-driven projects that materialize in each year.

2.0-VECC -7

Assigned to: Simon

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?

RSL has not retained METSCO or another third party to undertake a standalone formal asset condition assessment review or to prepare a separate report evaluating RSL's asset condition assessment methodology.

RSL has, however, worked with third-party engineering consultants in developing and applying its asset condition assessment approach as part of its distribution system planning activities. Oakley Engineering provided engineering input into the development of the methodology used by RSL. RSL has also worked with O'Reilly Engineering in applying and considering the methodology as part of its more recent asset condition assessment and distribution system planning work.

This work was undertaken collaboratively with RSL as part of the broader distribution system planning process rather than as separate third-party review engagements. Accordingly, Oakley Engineering and O'Reilly Engineering did not prepare standalone asset condition assessment review reports for RSL.

2.0-VECC -8

Assigned to: Malcolm

Reference: Exhibit 2, Appendix 2AA

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

The \$696,000 annual forecast for Miscellaneous System Access capital expenditures for 2028 to 2031 was developed using RSL's historical System Access capital expenditures and forecast for 2022 to 2026.

At the time the DSP was prepared, RSL calculated the five-year average of System Access capital expenditures and forecast for 2022 to 2026, excluding \$950,000 associated with the Iroquois MS2 project in 2026. The Iroquois MS2 expenditure was excluded because it is a discrete major capacity project and was not considered representative of the recurring System Access expenditures expected in the later years of the DSP.

The calculation used in developing the DSP forecast was as follows:

	2022	2023	2024	2025	2026	5 yr AVG
System Access	\$367,726	\$386,611	\$214,383	\$974,367	\$2,487,834	
Iroquois MS2					\$950,000	
System Access Excluding Iroquois MS2	\$367,726	\$386,611	\$214,383	\$974,367	\$1,537,834	\$696,184

The calculated five-year average of \$696,184 was rounded to \$696,000 and used as the annual forecast for 2028 to 2031.

The 2025 and 2026 amounts shown above reflect the forecasts available at the time the DSP planning allowance was developed.

RSL considered the five year average to be a reasonable basis for forecasting future System Access expenditures because these expenditures are driven principally by customer connections and development activity, while the specific projects that will require expenditures in 2028 to 2031 are not yet known. RSL has experienced ongoing residential development, including in Westport and Iroquois. Accordingly, rather than forecasting specific unidentified projects, RSL used its recent System Access expenditure experience as the basis for the \$696,000 annual planning allowance.

2.0-VECC -9

Assigned to: Simon

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.

a) I. The Iroquois MS2 station is currently planned to be placed in service in December 2026. The station transformer has been awarded through a competitive tendering process and is currently under construction. Delivery remains on schedule for December 2026.

The land purchase agreement has been completed with the seller, and the land is currently proceeding through the municipal severance process.

The design of the overhead intertie required to connect the new station to RSL's distribution system has also been completed. Materials are being procured and delivered in preparation for construction during the fall and winter of 2026, coordinated with the delivery and installation of the transformer.

Based on the current project schedule, RSL continues to target December 2026 for the station to be placed in service.

ii. The table below compares the developer's submitted connection schedule for Valecraft Phase 1 with the number of homes actually energized to date.

	Developer Connection Schedule	Actual Connected (Energized)
2025	42	0
2026	20	14 YTD
Total	62	14

As of the date of this response, 14 of the 62 homes identified in the developer's connection schedule have been energized, leaving 48 homes remaining to be connected.

Based on the developer's submitted schedule, all 62 homes were anticipated to be energized by the end of 2026. RSL is prepared to complete the required electrical connections as the homes become ready for service. However, construction of the homes is behind the developer's original schedule, and RSL does not currently anticipate that all 48 remaining homes will be ready for connection by the end of 2026.

The expansion of the primary distribution system into the subdivision has been completed, and the primary and secondary underground distribution infrastructure required for Phase 1 has been

installed. Transformers, customer services and meters have been installed for the homes constructed by the developer and ready for connection to date.

As construction of the remaining Phase 1 homes progresses, additional transformers, customer services and meters will be installed as required to complete the remaining connections.

2.0-VECC -10

Assigned to: Simon

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

- a) The number of customers affected should be considered together with the number of incidents. For example, the two primary equipment incidents affected 543 customers, whereas switch and transformer failures occurred more frequently but generally affected fewer customers per incident.

Defective Equipment	Sum of No of Customers Affected	Incidents
Primary	543	2
Switch	247	12
Transformer	78	10
Connection	65	1
Underground Primary	40	1
Secondary	35	1
Fuse	10	1
Service	2	1
Total	1020	29

- b) RSL's proposed DSP addresses defective equipment outages through a combination of risk-based system renewal, preventative maintenance and vegetation management, and improvements to system protection, sectionalization and monitoring.

RSL's system renewal investments are prioritized based on asset condition and system risk factors, including inspection results, asset age, observed deterioration and the consequences of asset failure. These investments include the replacement of aging poles, transformers, primary and secondary conductors, switches and associated distribution equipment.

The material system renewal projects and the specific assets renewed included in the DSP are summarized below:

	Poles (#)	Transformers (#)	Primary (m)	Secondary (m)	Service (#)
Cardinal Dundas St – Bridge to #2	10	4	450	450	21
Cardinal Dundas S – Bridge to Benson	14	4	542	542	25
Morrisburg Fifth St	15	4	650	500	50
Iroquois Caldwell Dr	10	4	450	450	40
Iroquois Maple St	20	4	920	920	45
Morrisburg Orchard Way	25	6	725	725	40
Cardinal Benson St	5	2	200	200	16
Cardinal Joseph St	12	3	330	330	25
Cardinal Perry St	6	2	300	300	17
Prescott Alexander St	7	4	350	350	34
Prescott Churchill	10	2	800	800	34
Prescott Roberta Cres (Victor Rd)	20	9	1000	1500	87

In addition to these material projects, the DSP includes smaller non-material asset replacements throughout the planning period. These include localized replacements of switches, switch components and insulators, transformers, primary and secondary conductor, services, poles and associated equipment where inspection or asset condition identifies a need for replacement.

This is particularly relevant to the historical defective equipment results. Switches and transformers accounted for 22 of the 29 defective equipment incidents identified in part (a). RSL has experienced switch failures associated with components such as porcelain insulators. The ongoing replacement of deteriorated switches, insulators and transformers through RSL's system renewal program directly addresses these types of equipment failures.

Vegetation management also complements RSL's equipment renewal program. Although outages directly attributable to vegetation are recorded separately under the Tree Contacts cause code, vegetation management reduces the frequency of tree contacts and associated faults and abnormal conditions on the distribution system. This reduces electrical and mechanical stresses on conductors, insulators, switches, transformers and other distribution equipment that can contribute to equipment deterioration or failure. Accordingly, vegetation management is one of the preventative measures used by RSL to reduce external conditions that can adversely affect distribution equipment.

The DSP also includes investments intended to reduce the consequences of equipment failures when they do occur. RSL's recloser and switching investments provide improved protection and sectionalization of the distribution system. Reclosers will replace certain fuse-based protection,

and additional switching points will provide greater flexibility to isolate faults, balance system loading and restore unaffected portions of the distribution system.

RSL's proposed SCADA and telemetry investments will also provide improved visibility of station and feeder conditions and facilitate more timely identification and response to abnormal system conditions. These investments are not expected to prevent all equipment failures; rather, they complement RSL's asset renewal activities by improving RSL's ability to identify, isolate and respond to failures and thereby reduce their duration and customer impact.

Overall, the DSP addresses defective equipment risk through three complementary approaches:

1. Reducing the probability of equipment failure through inspections, condition-based asset renewal and replacement of deteriorated equipment;
2. Reducing external conditions that can contribute to equipment failure through preventative activities such as vegetation management and improved system configuration; and
3. Reducing the consequences of equipment failures through improved protection, reclosers, sectionalization, SCADA, telemetry and switching capability.

Together, these investments and maintenance activities are intended to maintain system reliability by addressing both the likelihood and the customer consequences of equipment failure over the DSP period.

2.0-VECC -11

Assigned to: Simon / Malcolm

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.

a) This response is similar to the response to IR – Staff-10

Table 46 has been updated below to reflect the most current Appendix 2-AA.

For clarity, the capital expenditures by investment category presented in the revised Table 46 are gross capital expenditures, before the deduction of capital contributions. These amounts have been derived from the gross capital expenditures underlying Appendix 2-AA. Capital contributions are presented separately and deducted from gross capital expenditures to determine net CAPEX.

Net CAPEX, customer count and kilometres of line have also been added for clarity.

CAPEX	2022-2026 Planned	2022-2026 Actual	2027-2031 Planned
System Access	\$ 640,000.00	\$ 4,241,548.00	\$ 4,263,106.00
System Renewal	\$ 2,868,012.00	\$ 2,499,044.00	\$ 5,426,349.00
System Service	\$ 293,000.00	\$ 2,334,610.00	\$ 2,484,385.00
General Plant	\$ 926,000.00	\$ 1,643,029.00	\$ 1,533,000.00
Total Gross CAPEX	\$ 4,727,012.00	\$ 10,718,231.00	\$ 13,706,840.00
Capital Contributions	\$ 1,300,000.00	\$ 1,826,979.00	\$ 3,077,578.00
Net CAPEX	\$ 3,427,012.00	\$ 8,891,252.00	\$ 10,629,262.00
Customer Count	6320	6170	6812
KM of Line	110	119	119
Total Gross CAPEX / Customer	\$ 748.00	\$ 1,737.15	\$ 2,012.11
Total Gross CAPEX / km of Line	\$ 42,973.00	\$ 90,069.17	\$ 115,183.53

2.0-VECC -12

Assigned to: Simon

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.

- a) RSL's SCADA and distribution automation program is a multi-year initiative extending beyond 2027. The 2027 capital budget represents only one phase of the overall program.

Deferring portions of the 2027 work into 2028 or 2029 would present several challenges:

- **NRCan funding requirements.** The projects form part of RSL's approved NRCan Smart Renewables and Electrification Pathways (SREPs) funding application. Deferring 2027 work into 2028 or 2029 would push the 2028 and 2029 components of the projects out of the approved funding window which leads to a reduced or eliminate eligibility for grant funding. This would lose significant value for the customers.
- **Implementation efficiency.** The projects have been planned as an integrated deployment of communications, SCADA infrastructure, protection equipment, and field commissioning. Delaying individual projects would extend the overall implementation timeline and increase engineering, mobilization, project management, and commissioning costs.
- **Reliability benefits.** Delaying implementation would postpone the reliability, outage management, and operational benefits associated with distribution automation and remote switching.

Accordingly, RSL believes completing the projects within the planned implementation schedule provides the lowest overall cost and allows customers to realize the intended reliability benefits sooner.

- b) The NRCan – SCADA Iroquois project is currently in the detailed design stage. The engineering design has been substantially completed, and RSL is awaiting execution of the Contribution Agreement under the NRCan Smart Renewables and Electrification Pathways (SREPs) program.

Following execution of the agreement, RSL will proceed with procurement of the SCADA equipment and field installation in accordance with the project schedule.

- c) Yes. RSL intends to deliver the SCADA projects using a combination of internal resources and qualified external contractors.

Internal staff will perform work where practical and where it provides the greatest value to customers, while specialized activities and resource-intensive construction will be completed using external contractors as required. This hybrid approach allows RSL to efficiently utilize its internal workforce while maintaining project schedules.

- d) RSL is confident it has the capacity to complete the four SCADA projects over 2026 and 2027.

This confidence is based on:

- the projects being planned as a coordinated, multi-year program rather than independent initiatives;
- a combination of internal staff and external contractors being utilized for design, construction, and commissioning;
- the phased scheduling of procurement, engineering, and field work; and
- project management planning undertaken as part of the approved NRCan SREPs funding application.

RSL has incorporated these resource requirements into its capital planning and is confident the projects can be completed within the planned implementation period.

2.0-VECC -13

Assigned to: Simon

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?

a) Response

- i. For planning purposes, RSL considers the anticipated underlying growth in peak demand in Morrisburg to be generally consistent with the demand growth projected in Exhibit 3. RSL does not prepare a separate long-term load forecast for the central Morrisburg service area. For distribution system planning, RSL considers actual station peak demand and the overall expected demand-growth trend, supplemented by known customer developments and expected connections.

The reference to growing loads in central Morrisburg was intended primarily to explain the decision to relocate Morrisburg MS2 rather than replace the transformer at its former location. The former MS2 site, inherited from the former Morrisburg PUC, was located on

Jones Road, away from the principal load centre in Morrisburg. Replacing the transformer at that location would also have required RSL to construct or upgrade a significant length of feeder infrastructure along County Road 31 to deliver the required capacity into the central area of Morrisburg.

Accordingly, when the MS2 transformer required renewal, RSL determined that relocating the station adjacent to Morrisburg MS1 was the lower-cost and more operationally efficient alternative. The project therefore addressed the geographic location of existing and future load rather than being driven by a requirement to increase transformer capacity.

- ii. The Morrisburg MS2 relocation did not result in an increase in transformer capacity. The project replaced the existing 5 MVA transformer with a 5 MVA transformer.

The principal benefits of the project were asset renewal and relocation of the station closer to the Morrisburg load centre. The relocation also avoided the need for significant feeder upgrades from the former MS2 location and reduced feeder length, electrical losses, and operational exposure.

b) Response

- i. For planning purposes, RSL considers the anticipated underlying growth in peak demand in Prescott to be generally consistent with the demand growth projected in Exhibit 3. RSL does not prepare a separate long-term load forecast for the Prescott MS1 service area. For distribution system planning, RSL considers actual station peak demand and the overall expected demand-growth trend, supplemented by known customer developments and expected connections.

Prescott is served by four distribution stations, which provide RSL with the ability to transfer some load between stations through manual feeder switching. The 2025 station assessment estimated Prescott MS1 at approximately 1,710 kVA of load, or approximately 57% of transformer capacity, and did not identify a localized capacity constraint requiring an immediate increase in station capacity.

Accordingly, the Prescott MS1 transformer project was principally an asset renewal project rather than a project driven by an immediate capacity deficiency. The reference in the project write-up to “increasing load requirements” reflects RSL's consideration of the capacity that would be appropriate over the expected service life of a replacement transformer.

- ii. The existing Prescott MS1 transformer has a capacity of 3 MVA.

The transformer was originally contemplated for replacement because PCB concentrations in the transformer oil required remediation. Given the long expected service life of a replacement transformer, RSL originally contemplated increasing the transformer size from 3 MVA to 5 MVA at the time of replacement rather than installing another 3 MVA unit.

Before proceeding with the replacement, RSL investigated whether the PCB issue could be addressed through replacement of the transformer oil. RSL determined that this was feasible and proceeded with the oil replacement rather than replacing the transformer. This allowed RSL to continue using the existing asset and defer the transformer replacement.

Based on the transformer's current loading and anticipated demand growth, RSL considers the existing 3 MVA transformer sufficient for the current DSP period. As a result, there is presently no planned transformer replacement during the DSP period and therefore no immediate planned increase in Prescott MS1 capacity.

When the transformer ultimately requires renewal, RSL will reassess the appropriate transformer size based on station loading and forecast requirements at that time. RSL's current transformer specifications also contemplate forced-air cooling capability, which can provide additional capacity without necessarily requiring installation of a substantially larger transformer.

c) Response (complete 2026-08-10)

- i. For planning purposes, RSL considers the anticipated underlying growth in peak demand in Iroquois to be generally consistent with the demand growth projected in Exhibit 3. RSL does not prepare a separate long-term load forecast for the Iroquois service area. For distribution system planning, RSL considers actual station peak demand and the overall expected demand-growth trend, supplemented by known customer developments and expected connections.

Unlike Morrisburg and Prescott, however, Iroquois MS1 is already operating close to its available normal capacity. RSL's 2025 station and feeder capacity study identified Iroquois MS1 as operating at approximately 95% of its normal transformer capacity. As a result, even demand growth generally consistent with the system-level growth reflected in Exhibit 3, together with known residential and other customer development, creates a localized capacity requirement at Iroquois MS1.

The Iroquois MS2 project represents a change in scope from the originally planned Iroquois MS1 T1 transformer replacement project. RSL currently has two 3 MVA transformers located at Iroquois MS1: T1, installed in 1953, and T2, installed in 2016. T1 requires system renewal based on its age, inspections, and internal and external condition assessments. The original project therefore contemplated replacement of T1 at the existing MS1 site.

As RSL advanced its distribution system planning, the 2025 capacity assessment identified that MS1 was approaching its available normal capacity. RSL also considered known customer growth and the fact that Iroquois is the only RSL service area without redundancy provided through a geographically separate RSL-owned distribution station.

Based on the combination of the existing T1 renewal requirement, approximately 95% station loading, anticipated demand growth, known customer development, and the lack of geographically separate station redundancy, RSL changed the scope of the project from replacement of the aging MS1 T1 transformer to construction of a second distribution station, Iroquois MS2.

The Iroquois MS2 project therefore does not assume that Iroquois will experience a materially higher underlying growth rate than that reflected in Exhibit 3. Rather, the capacity requirement results from the existing high utilization of Iroquois MS1, combined with anticipated demand growth and known customer development.

- ii. Iroquois MS1 currently has a 3 MVA transformer (T2) serving load and a second 3 MVA transformer (T1) available as a backup transformer. T1 provides RSL with the ability to respond to a transformer failure but does not increase the normal operating capacity of MS1 and does not provide the same level of resiliency as a geographically separate distribution station. T1 is also the aging transformer identified for system renewal.

The proposed Iroquois MS2 will add a new 4 MVA distribution station in lieu of replacing the existing 3 MVA T1 transformer at MS1. Accordingly, the normal station capacity available to serve load in Iroquois will increase from approximately 3 MVA to 7 MVA, consisting of the existing 3 MVA T2 transformer at MS1 and the new 4 MVA transformer at MS2.

RSL elected to construct a second station rather than replace the aging T1 transformer at MS1 because the revised project addresses several needs concurrently:

- Iroquois MS1 is operating at approximately 95% of its normal transformer capacity;
- T1 requires system renewal;
- anticipated demand growth and known residential and other customer development will place additional demand on the existing station; and
- a geographically separate second station provides greater system resiliency and operational flexibility than replacing the backup transformer at the existing MS1 site.

The new MS2 therefore addresses the original T1 system renewal requirement while also providing additional capacity and improved redundancy and resiliency for the Iroquois service area.

SEC

2-SEC-2***Assigned to: Malcolm*****[Exhibit 2, Appendices 2-AA, 2-AB, and 2-BA]**

- a. Please update the above appendices with the most recent 2026 actuals.
- b. Please provide actuals to the same date as provided in part a), for the historical years in the Appendix 2-AA format.
- c. Please update the 2027 forecast based on the 2026 actuals if required.

Response

- a) a) Appendix 2-AA, Appendix 2-AB and Appendix 2-BA have been updated to reflect RSL's 2026 mid-year review. The appendices have also been revised to correct the errors identified in RSL's response to IR Staff-10 and to incorporate adjustments identified through the interrogatory process.
- b) b) RSL has provided comparable historical actual results for 2022 through 2025 in the Appendix 2-AA format to facilitate comparison with the 2026 results.
- c) c) As part of its mid-year review, RSL assessed the 2026 Bridge Year and 2027 Test Year forecasts based on actual results to date and information available through the interrogatory process. Where the review identified accounts requiring adjustment, the 2026 and 2027 forecasts were updated accordingly. Accounts for which no material change was identified remain as originally forecast.

2-SEC-3***Assigned to: Malcolm*****[Exhibit 2, Appendix 2-AA]**

- a. Please provide a copy of the updated Appendix 2-AA from the question above, which breaks out the capital contributions by line item.
 - b. Please explain how the capital contributions for 2027 to 2031 were forecasted.
-
- a) The amended Appendix 2-AA has been provided and includes the requested breakdown of capital contributions by line item. A more detailed breakdown is also provided in RSL's response to 2.0-VECC-6.
 - b) The methodology used to forecast capital contributions for 2027 to 2031, including the basis for the \$379,000 annual System Access planning allowance and the forecast NRCan contributions, is provided in RSL's response to 2.0-VECC-6(a).

2-SEC-4***Assigned to: Simon***

[Exhibit 2, p. 7; Distribution System Plan (“DSP”), Table 51; and Appendix 2-BA] RSL states: “All capital expenditures included in this application are in-service additions. RSL does not include work in progress (WIP) in rate base. Accordingly, capital expenditures and in-service additions are equivalent for this application.”

- a. Appendix 2-BA and Table 51 show changes in Construction Work In Progress (“CWIP”). Please reconcile with the above statement.
- b. What assets make up the changes to CWIP in 2025 and 2026.
 - a) RSL clarifies that the statement that “capital expenditures and in-service additions are equivalent” was imprecise. Capital expenditures may be incurred before an asset is available for use and are recorded as Construction Work in Progress (“CWIP”) until the project is placed in service. At that time, the accumulated costs are transferred from CWIP to the appropriate property, plant and equipment account.

Accordingly, the changes in CWIP shown in Appendix 2-BA and Table 51 represent the timing difference between when project costs are incurred and when the related assets are placed in service. CWIP is not included in RSL’s rate base.

2025 CWIP		137910	Posi			
		509828	Posi			
		99675		2411	CARDINAL TRANSFORMER MS1	
		99675		2411	CARDINAL TRANSFORMER MS1	
	1830	9706.29	2420 carry over from 2024		VALECRAFT SUBDIVISIONS	
	1820	1051.43	2411 carry over from 2024		CARDINAL TRANSFORMER MS1	
ions	1830	45654.56		2420	VALECRAFT SUBDIVISIONS	
	1830	1408.09		2511	VALECRAFT PHASE 1 HOMES	
	1830	36169.34		2515	Rosbay- Prescott Grocery Store	
	1830	29847.57		2518	Prescott Longterm Care	
	1830	1377.5		2520	NR CAN JOB	
	1835	1111.42		2420	VALECRAFT SUBDIVISIONS	
	1835	1707.24		2511	VALECRAFT PHASE 1 HOMES	
	1855	6386.54		2511	VALECRAFT PHASE 1 HOMES	
	1855	887.57		2514	Prescott EV	
	1855	961.54		2515	Rosbay- Prescott Grocery Store	
	1855	295.86		2516	Watercolour Phase 3	
	1855	369.82		2517	Iroquois Station	
	1855	2366.86		2518	Prescott Longterm Care	
	1820	3746.02		2517	Iroquois Station	
	1850	2319.87		2411	CARDINAL TRANSFORMER MS1	
	1850	21582.3		2420	VALECRAFT SUBDIVISIONS	
	1850	187485.09		2511	VALECRAFT PHASE 1 HOMES	
	1850	104733.5		2513	VALECRAFT PHASE 3 APARTMEN	
	1850	761.25		2514	Prescott EV	
	1850	52446.4		2515	Rosbay- Prescott Grocery Store	
	1850	928		2517	Iroquois Station	
	1850	21167.93		2518	Prescott Longterm Care	
	1845	4267.03		2420	VALECRAFT SUBDIVISIONS	
	1845	1097.92		2511	VALECRAFT PHASE 1 HOMES	
	1840	602.22		2511	VALECRAFT PHASE 1 HOMES	
	1840	72.5		2514	Prescott EV	
	1840	4588.4		2516	Watercolour Phase 3	
		\$ 1,392,188.06				

These amounts remain in CWIP until the applicable assets are placed in service, at which time they are transferred to the appropriate PP&E account.

2-SEC-5**Assigned to: Simon**

[Exhibit 2, p.9 and DSP, p.72; Appendix A, p.43] Please provide details of the number of connections realized and/or expected from each of the following:

- i. Valecraft Phase 1 Subdivision
- ii. Valecraft Phase 2 Subdivision
- iii. New Multiphase Subdivision – Watercolours
- iv. New Multiphase Subdivision – Merkley Oaks

i. Developer Name: Valecraft

Name of Development: Merkley Oaks

Location: Iroquois

Phase: 1 Subdivision

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2025	42	0	0
2026	20	15 YTD	17
Total	62	15	17

ii. Developer Name: Valecraft

Name of Development: Merkley Oaks

Location: Iroquois

Phase: 2 Subdivision

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2027	123	0	0
Total	123	0	0

iii. Developer Name: Land Ark

Name of Development: Watercolours

Location: Westport

Phase: 3 Subdivision

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2026	15	7 YTD	15
2027	30	0	30
2028	20	0	20
Total	65	7	65

iv. Merkley Oaks is the name of the Vallecrafft development in Iroquois. Accordingly, the Phase 1 and Phase 2 subdivisions reference below are the same developments identified in responses (i) and (ii) above and are not additional developments or connections. The overall Merkley Oaks development also includes a planned apartment phase, which is included below.

Developer Name: Valecraft

Name of Development: Merkley Oaks

Location: Iroquois

Phase: 1 Subdivision

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2025	42	0	0
2026	20	15 YTD	17
Total	62	15	17

Developer Name: Valecraft

Name of Development: Merkley Oaks

Location: Iroquois

Phase: 2 Subdivision

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2027	123	0	0
Total	123	0	0

Developer Name: Valecraft

Name of Development: Merkley Oaks

Location: Iroquois

Phase: 3 Apartments

	Developer Connection Schedule	Actual Connected (Energized)	RSL Total Expected
2027	32	0	0
2028	32	0	0
Total	64	0	0

2-SEC-6***Assigned to: Malcolm***

[Exhibit 2, p.27 and 28] On page 27 RSL states that it “confirms that it has applied the half-year rule to compute the net book value of Property, Plant and Equipment, and General Plant in the rate base”, and on page 28 RSL states “[d]epreciation begins when the asset is available for use, which is the date it is put into service.”

- a. Please reconcile the above two statements.
 - b. In which month in 2023 did MS2 Morrisburg go into service?
-
- a) The two statements address different aspects of RSL's depreciation methodology and are not inconsistent. Depreciation begins once an asset is available for use and has been placed in service. For assets placed in service during a year, RSL applies the half-year rule in calculating first-year depreciation. Accordingly, the in-service date determines when the asset is recognized as being available for use, while the half-year rule determines the depreciation expense recognized in the year the asset is placed in service.
 - b) Morrisburg MS2 was placed in service in Oct 2023, consistent with RSL's methodology, first-year depreciation was calculated using the half-year rule.

2-SEC-7

Assigned to: Simon

[Exhibit 2, DSP, Table 40] Please provide an update on the purchase of the three new vehicles in 2026.

Response

a) Rideau St. Lawrence Distribution provides the following update on the three vehicles identified for purchase in 2026:

Vehicle	Retired Vehicle	Replacement Vehicle	Purchase Status
1	2010 Single Bucket Truck	2026 Single Bucket Truck	Truck purchased, delivered, and placed in service
2	2011 Double Bucket Truck	2026 Double Bucket Truck	Truck purchased delivered and placed in service
3	2015 Service Pick-up Truck	2026 Service Pick-up Truck	Planned for purchase in 2026; not yet purchased

2-SEC-8**Assigned to: Simon****[Exhibit 2, DSP, p.73 and Tables 42 and 43] With respect to SAIDI and SAIFI:**

- a. Please confirm that RSL has not had any Major Events (as defined by the OEB) in the last five years.
 - b. Please explain the reasons for the large increase in SAIDI and SAIFI (after removing Loss of Supply) in 2023.
 - c. Please provide Tables 42 and 43 for each year, 2022-2025.
 - d. Please confirm that Tree Contacts represent 4.8% of Customer Hours Lost (excluding Loss of Supply) and 6.8% of Customer Interruptions (excluding Loss of Supply).
- a) Confirmed. While RSL has experienced unforeseeable, unpredictable, unpreventable, and unavoidable events over the last 5 years, it has not had these events qualify for the Major Event due to not meeting the substantial number of customers threshold.
- b) The change driving the increase of SAIDI and SAIFI after removing loss of supply in 2023 driven by adverse weather in the form of windstorms. The increase in wind severity in combination with the increased vegetation growing systems, and a fused infrastructure that exists causes the problem
1. Increase in Frequency and Intensity of a specific adverse weather – windstorm.
 2. Longer growing season and increased vegetation.
 3. A fused system.
- c) See table below

	Sum of Customer Hours Lost Per Cause				
Cause	2022	2023	2024	2025	Total
2 - Loss of Supply	2816	33453	13513	25110	74891
1 - Scheduled Outage	888	4060	1394	1503	7844
6 - Adverse Weather	2285	4364	210		6859
5 - Defective Equipment	72	360	601	5534	6567
9 - Foreign Interference	38		47	1964	2048
3 - Tree Contacts	255		266	745	1266
8 - Human Element	200				200
	6552	42237	16030	34855	99673

	Sum of Customer Interruption Per Cause				
Cause	2022	2023	2024	2025	Total
2 - Loss of Supply	5631	4771	6032	8901	25335

1 - Scheduled Outage	228	806	335	303	1672
6 - Adverse Weather	437	993	55		1485
5 - Defective Equipment	24	180	117	657	978
9 - Foreign Interference	25		17	489	531
3 - Tree Contacts	85		124	178	387
8 - Human Element	50				50
	6480	6750	6680	10528	30438

- d) Confirmed. From 2021-2025, tree contacts represented represent 4.8% of Customer Hours Lost (excluding Loss of Supply) and 6.8% of Customer Interruptions (excluding Loss of Supply).

2-SEC-9

Assigned to: Simon

[Exhibit 2, DSP, Appendix A – Project Writeup, p.34]

- a. Please explain in detail the work done each year for the Bell Fibre to the Home project.
- b. Please provide details of any contributions received for this project.

1 Electricity Reporting and Record Keeping Requirements, updated March 20, 2026

a) Response

Morrisburg – Bell FTTH – Y92452 - 2022

- 78 RSLU poles involved in the project.
- 52 anchors / guys / span guys rebuilt.
- 1 new pole added to the line.
- 9 poles replaced.
- 14 secondary risers were repaired or rebuilt.
- 540 m of three phase #6 copper was replaced with 1/0 ACSR.
- 58 poles required work on the streetlights.

Morrisburg – Bell FTTH – Y92560 - 2022

- 51 RSLU poles involved in the project.
- 45 anchors / guys / span guys rebuilt.
- 2 new poles added to the line.
- 4 poles replaced.
- 23 secondary risers were repaired or rebuilt.
- 17 grounding conductor risers were repaired or rebuilt.
- 1 pole had its porcelain insulators replaced.
- 18 poles required work on the streetlights.

Morrisburg – Bell JUA – 5th & Laurier – 2024

- 5 RSLU poles involved in the project.
- 1 anchor / guy / span guy rebuilt.
- 1 secondary riser was repaired or rebuilt.
- 1 grounding conductor riser was repaired or rebuilt.

Cardinal – Bell FTTH – Highway 2 – 2025

- 27 RSLU poles involved in the project.
- 6 anchors / guys / span guys rebuilt.
- 1 new pole added to the line.
- 2 poles had their porcelain insulators replaced.
- 2 poles required work on the streetlights.

Morrisburg – Bell JUA – Campbell Street (South) – 2025

- 6 RSLU poles involved in the project.
- 1 anchor / guy / span guy rebuilt.

Morrisburg – Bell JUA – Campbell Street (North) – 2026

- 7 RSLU poles involved in the project.
- No make ready required.

Overall Totals

- 174 RSLU poles involved.
- 105 anchors / guys / span guys rebuilt.
- 38 secondary risers were repaired or rebuilt.
- 18 grounding conductor risers were repaired or rebuilt.
- 4 new poles added to the line.
- 13 poles replaced.
- 3 poles had their porcelain insulators replaced.
- 540 m of three phase #6 copper was replaced with 1/0 ACSR.
- 78 poles required work on the streetlights.

b)

Invoice Date	Invoice	Details	Subtotal
Mar 25, 2022	22-018	FDS-1014A	\$128,845
Mar 25, 2022	22-019	FDS 1011A, FDS 1014A	\$35,042.50
Aug 29, 2022	22-031	FDS – 1011A	\$80,365.76
Dec 8, 2022	22-043	Contract, Materials, Eng	\$150,545.32

2-SEC-10

Assigned to: Simon

[Exhibit 2, DSP, Appendix A - Project Writeup, 3 - Morrisburg MS Relocation] With respect to the Advance Capital Module, please explain the variance between the forecast cost and the actual cost.

[Please see response to Staff-12 a\)](#)

2-SEC-11***Assigned to: Simon*****[Exhibit 2, DSP, Appendix A - Project Writeup, 19 - Meter Replacements – Regular residential meter replacement, and 42 – Smart Meter Replacement Program]**

- a. Please provide the total number of meters forecasted to be replaced and actually replaced for each year between 2022 and 2026 under Project 19. Please distinguish between residential and commercial meters.
- b. Please provide the total number of meters forecasted to be replaced under Project 42. Please distinguish between residential and commercial meters.

a) See table below

Year	Forecasted			Actual		
	Residential	Commercial	Total	Residential	Commercial	Total
2022	85	15	100	189	26	215
2023	85	15	100	130	3	133
2024	85	15	100	223	39	262
2025	85	15	100	214	73	287
2026 YTD	85	15	100	419	103	522

a) See table below

Year	Forecasted		
	Residential	Commercial	Total
2027	900	0	900
2028	900	100	1000
2029	900	100	1000
2030	900	300	1200
2031	900	300	1200

2-SEC-12

Assigned to: Simon

[Exhibit 2, DSP, Appendix A - Project Writeup, 30 - NRCAN – Iroquois Reclosers and SCADA Switches]

a. RSL originally planned to do this project over ten years, however when NRCAN funding was received, they choose to cut the time in half. Please explain why RSL did not choose to use the NRCAN funding to reduce the rate impact in 2027.

b. Please provide the NRCAN funding agreement.

c. What is the status of the funding?

d. If funding is not received what are RSL's plans?

- a) The NRCAN Smart Renewables and Electrification Pathways Program (SREP) funding is available only within a defined implementation period of approximately four years (2026–2030). To maximize the available funding and deliver the greatest benefit to customers, RSL advanced the timing of projects that were already included in its long-term asset management plan.

Without accelerating the work, a significant portion of the planned investments would fall outside the NRCAN funding window and would therefore not qualify for the federal contribution. As a result, customers would lose the opportunity to benefit from approximately 50% cost-sharing on these investments.

Accelerating the project also provides customers with the benefits of improved reliability, faster fault isolation and restoration, increased operational flexibility, and enhanced SCADA capabilities several years earlier than would otherwise occur.

The proposed implementation schedule also reflects practical resource constraints. The work has been phased over the four-year funding period to align with the availability of engineering, construction, commissioning, and internal resources.

- b) The project has received approval for funding under NRCAN's Smart Renewables and Electrification Pathways (SREP) Program. At the time of filing this response, the contribution agreement is being finalized by NRCAN and has not yet been executed. RSL will file the executed contribution agreement once it has been finalized.
- c) NRCAN has approved funding for the project. The contribution agreement is currently being drafted by NRCAN, and RSL is working with NRCAN to complete the final agreement. Project planning activities continue in accordance with the anticipated funding schedule.
- d) If the NRCAN funding is ultimately not received, RSL would revert to its original implementation strategy and complete the conversion of fuses to reclosers and associated SCADA installations over approximately ten years. The pace of investment would be reduced to better align with available capital funding, resulting in customers receiving the reliability and operational benefits over a longer period.

2-SEC-13**Assigned to: Simon****[Exhibit 2, DSP, Appendix A - Project Writeup, 45 - Rear Lot Derrick]**

- a. Will the Rear Lot Conversion and Small Conductors project eliminate all Rear Lot services?
- b. If the response to part a) is no, please provide details on the extent of Rear Lot services which will be remaining at the end of the rate term.
- c. Please provide details on the cost of rental of backyard machine to remove old poles from backyard construction.

a) Response

No. The planned Rear Lot Conversion and Small Conductors projects will not eliminate all rear-lot services within RSL's service territory.

b) Response

RSL currently has approximately 19.8 km of rear-lot construction within its service territory. Upon completion of the Rear Lot Conversion projects included in the DSP, approximately 5.1 km, or 26%, of the existing rear-lot construction will have been relocated. Approximately 14.7 km, or 74%, will remain.

The remaining rear-lot construction following completion of the DSP projects is located on the following streets:

Cardinal: Remaining Backyard Construction after the DSP Projects are Complete

Joseph St	Marjorie St.		
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Iroquois: Remaining Backyard Construction after the DSP Projects are Complete

Bay St	Billings Ave E	Brouse Dr	Charles St
College St	County Rd 2	Church St	Davis Dr
Elizabeth Dr	Ellis Dr	Grove St	Island Park Dr
Lakeview Dr			

Morrisburg: Remaining Backyard Construction after the DSP Projects are Complete

Cassleman Rd	Crysler St	Farlinger Ave	Kyle Dr
Lauden Terr	Lions Rd	Loyalist/Sheldrick Dr	Merkley St
Morningside Ct	Ontario St	Victoria Park Cr	

Prescott: Remaining Backyard Construction after the DSP Projects are Complete			
Claxton Dr	Howe Terrace	Industrial Rd	King St W
Linda St	McAuley Rd	Prescott Centre Dr	Royal Cres
Victor Cr	Victor Rd	Water St W	Woodland Dr

Westport: Remaining Backyard Construction after the DSP Projects are Complete			
Adam St			

Williamsburg: Remaining Backyard Construction after the DSP Projects are Complete			
Dundela Rd			

c) Response

RSL obtained a quote in 2025 for the rental of a backyard derrick suitable for work associated with backyard construction, including the removal of existing poles. The quoted rental cost was \$7,160 per 28-day period, equivalent to approximately \$93,400 annually.

The quoted rental cost does not include additional costs associated with CVOR registration, insurance requirements, equipment orientation and walk-through, or equipment pick-up and drop-off.

2-SEC-14

Assigned to: Simon / Malcolm

[Exhibit 2, Appendix 2-AA] Please provide details of the \$696k/year for 2028-2031

Miscellaneous Project under System Access

a) Response

Please refer to the response for IR 2.0-VECC-6

Exhibit 3 – Load and Customer Forecast

Staff-23

Assigned to: Manuela

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.

- a) RSL included the COVID-19 variable to account for the change in consumption patterns during the pandemic. While the variable is not statistically significant at the 95% confidence level, including it does slightly improve the overall regression results, with the adjusted R-squared increasing from 0.9374 to 0.9379.

RSL has also seen COVID-19 variables continue to be raised in the interrogatory process in other cost of service applications, including where an LDC has removed the variable. Given that the model performs slightly better with the variable included, RSL chose to retain it in the filed model.

RSL also notes that consumption patterns have not fully returned to pre-COVID levels. Some

of the changes in how customers work and use electricity have continued beyond the pandemic period. Eventhough COVID variable itself is not statistically significant, RSL felt there was still a reasonable basis to keep it in the model, particularly given that the overall regression results were slightly better with it included.

RSL would also like to clarify the statement in the Application regarding the treatment of the COVID-19 variable in the forecast period. The COVID-19 variable is carried through the forecast period. The statement that it was applied only to the historical period was incorrect.

As requested, RSL has rerun the model without the COVID-19 variable and has provided the resulting forecast in part (b). The impact of removing the variable is provided in part (c).

FORECASTED OUTPUT		Export Sheet						
Coefficients:		(14,779,662.09)	3,474.01	14,887.12	120,829.92	(584,613.17)	3,128.76	(140,087.45)
DATE	WHOLESALE	PREDICTED WHOLESALE	HDD	CDD	NoD in Month	Spring Fall	Cust Count	Covid Intensity
		11,465,914	817	0	31	0	6,290	0.12
		10,730,048	709	0	28	0	6,290	0.13
		10,716,418	601	0	31	0	6,290	0.13
		9,203,188	368	0	30	1	6,290	0.13
		8,814,571	155	16	31	1	6,290	0.13
		8,858,774	37	54	30	1	6,290	0.13
		10,393,915	4	118	31	0	6,290	0.13
		9,907,914	12	83	31	0	6,290	0.13
		8,549,349	83	23	30	1	6,290	0.13
		9,007,587	267	2	31	1	6,290	0.13
		9,664,395	501	0	30	1	6,290	0.13
		11,338,679	726	0	33	0	6,290	0.13
		11,559,681	818	0	31	0	6,319	0.13
		10,803,329	705	0	28	0	6,319	0.13
		10,809,375	602	0	31	0	6,319	0.13
		9,270,119	362	0	30	1	6,319	0.13
		8,888,025	156	14	31	1	6,319	0.13
		8,951,948	37	55	30	1	6,319	0.13
		10,491,274	4	118	31	0	6,319	0.13
		9,939,506	13	79	31	0	6,319	0.13
		8,638,453	84	23	30	1	6,319	0.13
		9,092,464	265	3	31	1	6,319	0.13
		9,772,010	506	0	30	1	6,319	0.13
		11,425,824	726	0	33	0	6,319	0.13

b) A hypothetical model has been filed with these responses.

c)

Metric	As Filed – With COVID-19	Without COVID-19	Difference	Observation
R-squared	0.9411	0.9400	(0.0011)	Virtually no change
Adjusted R-squared	0.9379	0.9374	(0.0005)	Slightly better fit with COVID
Standard Error	263,095	264,301	1,206	Slightly higher error without COVID
Intercept	(14,779,662)	(15,253,048)	(473,386)	Base point changes
HDD	3,474	3,450	(24)	Slightly less weight on cold weather
CDD	14,887	14,832	(55)	Slightly less weight on hot weather
Days in Month	120,830	120,005	(825)	Very little change

Spring/Fall	(584,613)	(592,427)	(7,814)	Slightly larger seasonal reduction
Customer Count	3,129	3,210	81	Slightly more weight on customer growth

Staff-24**Assigned to: Simon / Manuela****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.

Response

- a) Rideau St. Lawrence Distribution Inc. ("RSL") did not prepare a separate bottom-up electrification forecast for purposes of the 2027 load forecast. Rather, RSL undertook a planning-level assessment of whether known or reasonably foreseeable electrification developments within its service territory were likely to result in a material change from the load forecast presented in Exhibit 3.

The assessment considered the following:

1. Residential EV adoption trends

RSL reviewed EV registrations by postal code using information provided through the Electricity Distributors Association ("EDA"). The postal code boundaries extend beyond RSL's service territory and therefore do not provide an exact count of EVs connected to RSL's distribution system. However, RSL considered the data to be a reasonable indicator of the direction and rate of EV adoption in the communities it serves.

Area	Postal Code	EV Adoption				Index		
		2023	2024	2025	2026	23-24	24-25	25-26
Westport +	K0G 1X0	19	32	42	53	68%	31%	26%
Prescott +	K0E 1T0	22	46	59	70	109%	28%	19%
Cardinal +	K0E 1E0	13	20	23	34	54%	15%	48%
Iroquois +	K0E 1K0	8	22	29	33	175%	32%	14%
Morrisburg +	K0C 1X0	19	23	36	48	21%	57%	33%
Williamsburg +	K0L 2H0	62	91	137	165	47%	51%	20%
Total		143	234	326	403	64%	39%	24%

The data indicate that EV adoption continues to increase, although the aggregate year-over-year growth rate in the postal codes reviewed moderated from approximately 64% in 2023-2024 to 39% in 2024-2025 and 24% in 2025-2026.

RSL considered this residential EV adoption to form part of the underlying electricity-consumption trends captured through the historical load data used in the load forecast rather than as a separate discrete load addition.

2. Municipal EV charging infrastructure

RSL contacted the municipalities within its service territory regarding anticipated municipal EV charging installations over the DSP period. Based on those discussions, the municipalities have substantially completed their currently anticipated charging installations. The only identified additional municipal installation is one Level 2 charger anticipated in Westport. Given the relatively small load associated with a single Level 2 charger, RSL does not expect that installation to materially affect the system load forecast.

3. Commercial/public charging development

RSL also canvassed EV charging developers and considered potential charging development along the Highway 401 commercial corridor.

There had previously been interest from EV charging developers in additional infrastructure within RSL's service territory, particularly while funding and incentive programs were available. RSL understands that much of that prospective development has subsequently not proceeded.

The principal potential project presently known to RSL is a possible Tesla charging facility in Prescott with a contemplated maximum connected load of approximately 1.5 MW.

RSL considers the probability of this project proceeding during the forecast period to be

low. The proposed location is affected by a planned Ministry of Transportation Highway 401 interchange/on-ramp redesign, and RSL understands that the proponent is not presently prepared to install infrastructure that could subsequently require relocation or reconstruction.

If the project proceeds, it would also require a dedicated customer-driven system expansion associated with the 44 kV supply infrastructure, with the applicable connection and expansion costs addressed through RSL's normal customer connection and capital-contribution requirements.

4. Other electrification

RSL also considered broader electrification trends, including heat pumps, distributed energy resources and general customer load growth, as part of its distribution planning activities. RSL's system planning considers actual station loading, historical load growth, known customer developments and expected connections.

RSL has also considered higher- and lower-growth scenarios when assessing station capacity. Based on this work, RSL has not identified an electrification-driven capacity project, beyond projects already reflected in its DSP, that is required during the current DSP period. The next material station capacity requirement presently anticipated after the Iroquois MS2 project would be associated with Morrisburg and is expected to be considered in the subsequent planning/rate cycle.

Accordingly, based on observed EV adoption, discussions with municipalities, inquiries from charging developers and customers, and RSL's distribution system planning, RSL concluded that there was insufficient evidence of a specific incremental electrification load during the 2027 Test Year to warrant a separate adjustment to the load forecast.

- b) The approximately 1.5 MW Tesla charging facility discussed in the Application was considered as a potential but low-probability customer connection rather than as a committed project.

The principal assumptions were:

- maximum contemplated connected demand of approximately 1,500 kW;
- the project was not committed and no connection agreement or firm construction schedule had been established;
- the proposed location may be affected by the planned Highway 401 interchange/on-ramp reconstruction;
- if the project proceeds, it would require a customer-driven connection/expansion associated with the 44 kV supply infrastructure; and
- RSL had no reliable information regarding the number of chargers ultimately to be installed, charging utilization, customer throughput, charging duration or operating profile.

Accordingly, RSL did not include the project in the 2027 load forecast.

If the facility were ultimately constructed as presently contemplated, the maximum incremental connected demand would be approximately 1,500 kW. However, RSL cannot reliably

translate the 1,500 kW maximum connection capacity into an annual kWh amount without making assumptions regarding utilization and charging behaviour that were not available when the load forecast was prepared.

For example, the annual energy associated with a charging facility is determined by its actual utilization rather than its nameplate capacity. A facility capable of drawing 1,500 kW would only draw that amount when sufficient chargers were simultaneously operating at or near their maximum capacity. RSL therefore did not assign an assumed annual utilization factor solely for the purpose of incorporating this uncertain project into the load forecast.

The project consequently had an incremental impact of 0 kWh and 0 kW in the filed 2027 load forecast, because it was not forecast to be in service in the Test Year. If the project proceeds in the future, its actual load would be incorporated into RSL's load and system planning as further information regarding timing and operating characteristics becomes available.

- c) RSL did not prepare a separate detailed electrification or EV load-forecasting model supporting the assessment described above.

The assessment was undertaken on a best-efforts planning basis using information available to RSL, including:

- historical EV registration/adoption information by postal code provided through the EDA;
- discussions with the municipalities served by RSL concerning anticipated municipal EV charging installations;
- inquiries and discussions with EV charging infrastructure developers;
- discussions and inquiries associated with commercial properties and potential charging locations along the Highway 401 corridor;
- known customer developments and connection inquiries; and
- RSL's existing station loading and distribution system planning information.

The EV registration information summarized in response to part (a) is the principal quantitative information used specifically to assess EV adoption.

No separate spreadsheet model or calculation was prepared that converts forecast EV registrations into incremental Test Year kWh or kW. Residential EV charging is already developing within the historical period underlying RSL's load forecast and therefore contributes to the historical consumption trends upon which that forecast is based.

Similarly, because the potential 1.5 MW Prescott charging facility was not a committed project and no reliable utilization profile was available, RSL did not prepare an annual kWh forecast for that facility.

Based on the information available at the time of filing, RSL therefore concluded that there was not a sufficiently certain incremental electrification development requiring a discrete adjustment to the 2027 Test Year load forecast or a corresponding incremental capital requirement to be included in the Test Year revenue requirement.

- d) RSL has not included any utility-owned EV charging infrastructure projects in its DSP.

RSL canvassed the municipalities it serves, municipal economic development representatives, EV charging developers and prospective commercial charging locations regarding anticipated EV charging development during the DSP period.

Based on those inquiries, RSL is not aware of any committed material EV charging infrastructure projects requiring an RSL investment during the DSP period. The only identified municipal addition is one Level 2 charger contemplated in Westport, which does not require a material distribution system investment.

RSL is also aware of the potential approximately 1.5 MW Tesla charging facility in Prescott described above. This is not an RSL-sponsored EV charging project and has not been included as a DSP capital project because it remains uncertain and is customer driven.

Should that project, or another material EV charging development, proceed, RSL would assess the connection through its normal connection process, including the necessary system impact, design, expansion-cost and capital-contribution requirements. Any required customer-specific expansion would therefore be addressed when the project becomes sufficiently certain to proceed rather than through a speculative EV infrastructure investment included in the current DSP.

Staff-25***Assigned to: Manuela*****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.

RSL reviewed the Sentinel class data in response to this question and identified an issue with the formula used to pull historical Sentinel consumption into the Non-Weather Sensitive sheet. The formula was recreated and the historical consumption data now pulls correctly from the Monthly Load & Cust Input sheet.

As a result, the significant decline in Sentinel consumption shown in the filed model from 2023 to 2025 was not reflective of actual Sentinel consumption. The corrected historical consumption is much more consistent over the period, as shown below:

Sentinel					
Year	Demand (kW)	Consumption (kWh)	Ratio%	Cust/Conn	kW/cust
2016	297	113,970	0.26%	73	4.07
2017	273	106,656	0.26%	71	3.84
2018	266	104,996	0.25%	72	3.69
2019	271	106,134	0.26%	74	3.67
2020	268	104,583	0.26%	73	3.67
2021	246	95,863	0.26%	70	3.51
2022	242	94,991	0.26%	70	3.46
2023	241	94,444	0.26%	70	3.45
2024	240	93,750	0.26%	70	3.43
2025	252	90,421	0.28%	70	3.60
2026	226	87,341	0.26%	70	3.64
2027	219	84,934	0.26%	69	3.60

The corrected data shows that Sentinel consumption has remained relatively stable, declining from 94,444 kWh in 2023 to 93,750 kWh in 2024 and 90,421 kWh in 2025. This is consistent with the historical characteristics of the Sentinel class and confirms that the significant decline in consumption identified in the preamble was the result of the formula issue rather than a change in Sentinel load.

Staff-26

Assigned to: Manuela

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.

- a) RSL notes that the Streetlighting connection counts included in the originally filed load forecast were not updated to reflect the most recent actual information. The actual Streetlighting connection counts are 1,765 in 2023, 1,818 in 2024 and 1,873 in 2025.

Although total Streetlighting consumption remained relatively stable over this period, the number of connections increased. On a per-connection basis, consumption decreased from approximately 396 kWh in 2023 to 385 kWh in 2024 and 375 kWh in 2025.

RSL has updated the load forecast model to reflect the corrected connection counts.

- b) Streetlighting is treated as a non-weather-sensitive rate class in RSL's load forecast. The forecast is based on historical consumption, demand and connections.
- c) RSL has not included a specific adjustment in the 2026 or 2027 forecast for LED conversions, changes in operating hours or other efficiency measures.
- d) RSL has updated the load forecast model to reflect Streetlighting connection counts of 1,765

in 2023, 1,818 in 2024 and 1,873 in 2025. The revised model provided with this response includes the supporting calculations for the updated Streetlighting forecast.

RSL does not have additional supporting analysis regarding historical equipment or operational changes beyond the information available in its records and reflected in the load forecast.

Staff-27**Assigned to: Simon / Manuela****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.
-
- a) Yes. Rideau St. Lawrence Distribution ("RSL") currently faces practical barriers that may limit its ability to participate in or implement certain Stream 2 electricity demand side management ("eDSM") initiatives.

The principal barriers are as follows:

1. Staffing and program administration

RSL is a small distributor with limited internal staffing capacity. The level of funding available to RSL under the IESO's current eDSM framework is approximately \$60,000 annually. At this funding level, establishing and maintaining dedicated internal resources to administer a Stream 2 program is challenging, as the funding is more consistent with a part-time resource than a dedicated full-time position.

RSL's understanding of the applicable IESO funding arrangements is also that there

are limitations on the use of the funding to retain third-party service providers to perform program administration activities. This further limits RSL's ability to supplement its internal resources through outsourcing.

2. Limited distribution-system telemetry

RSL currently has limited real-time telemetry and distribution-system visibility. This limits RSL's present ability to implement certain demand-response or other non-wires solutions that require real-time or near-real-time system information, monitoring, or control.

RSL is continuing to improve distribution-system visibility and automation through its planned investments in SCADA, reclosers and automated switches. These investments may improve RSL's ability to evaluate and implement these types of solutions in the future.

3. DER hosting capacity constraints

Certain non-wires solutions may involve distributed energy resources ("DERs"). RSL currently has limited DER hosting capacity across a significant portion of its service territory due primarily to upstream thermal constraints associated with the Morrisburg TS, which supplies five of RSL's six service areas.

These constraints limit the locations and scale at which some DER-based solutions could presently be deployed.

Accordingly, RSL is not prevented from participating in Stream 2; however, its ability to implement particular initiatives is currently constrained by staffing capacity, available funding, system visibility and, for certain DER-based solutions, hosting capacity.

- b) RSL has not made a final determination regarding participation in Stream 2 over the rate term.

RSL remains interested in participating where an appropriate opportunity can be identified and where the program can be administered within RSL's available staffing and financial resources. In particular, RSL's ability to participate will depend on its ability to establish sufficient internal capacity to administer the program and on the suitability of potential Stream 2 initiatives for RSL's distribution system.

Accordingly, no Stream 2 program has been incorporated into RSL's load forecast at this time. However, RSL will continue to evaluate opportunities during the rate term and would participate where a suitable and practical opportunity is identified.

- c) No specific adjustment for future Stream 1 or Stream 2 programs has been incorporated into RSL's load forecast because no specific incremental programs, participation levels or resulting demand reductions are presently known.

If Stream 1 or Stream 2 programs are subsequently implemented in RSL's service territory, the impact on the load forecast would depend on the nature of the measures implemented,

customer participation and the resulting reduction or shifting of electricity consumption and peak demand.

RSL would monitor actual system demand and consumption as these programs are implemented. To the extent that program participation produces a material and sustained difference between forecast and actual load, that information would be incorporated into RSL's subsequent forecasting, distribution-system planning and capital planning processes.

- d) RSL would manage any meaningful and unexpected load impacts arising from Stream 1 or Stream 2 programs through its normal load monitoring, distribution planning and capital planning processes.

From a system-planning perspective, RSL's current five-year DSP does not include significant capital projects that are dependent upon forecast load growth and that could readily be avoided through incremental eDSM, with the exception of the Iroquois MS2 project. The Iroquois MS2 project was initially identified primarily to improve system resiliency and has subsequently also become necessary to address capacity requirements.

RSL is also participating in the regional planning process and has raised upstream generation and hosting-capacity constraints affecting its system. At present, RSL does not have line of sight to the removal of the Morrisburg TS constraint during the five-year DSP period.

Based on RSL's current planning outlook, the next significant capacity requirements beyond the investments already reflected in the DSP are expected in Morrisburg and Prescott beyond the current five-year planning period. Consequently, if Stream 1 or Stream 2 programs achieve material and sustained reductions in future load or peak demand, the principal system-planning impact would likely be to defer future capacity investments that are not presently included in the five-year DSP.

RSL would monitor actual load relative to its approved forecast throughout the rate term. If eDSM or other non-wires solutions resulted in a material and sustained change in RSL's load or revenue requirements that could not reasonably be addressed within the existing rate framework, RSL would assess the appropriate regulatory response, including whether an earlier rebasing application was warranted.

VECC

3.0-VECC -14

Assigned to: Manuela

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?
-
- a) RSL confirms that Table 3 contains a typographical error. The MSC metric for the GS>50 class should be identified as **Customer**, not Connection. The correct customer billing determinant was used in the rate-making calculations. For 2027, the forecast number of GS>50 customers and connections is the same at **66**.
 - b) There is no difference between the 2027 forecast number of customers and connections for the Residential and GS<50 classes. The forecast counts are **5,376 for Residential** and **742 for GS<50**, in each case for both customers and connections.

3.0-VECC -15

Assigned to: Simon / Manuela

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.

Please see response to 2-SEC-5 iii

3.0-VECC -16

Assigned to: Simon / Manuela

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.

[Please see response to 2-Staff-24](#)

3.0-VECC -17

Assigned to: Malcolm / Manuela

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?

a) The MicroFIT below consumption was not included in the load forecast.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	2,253	2,428	6,599	9,898	10,642	10,263	10,379	9,442	8,262	4,981	3,468	1,769
2017	2,425	3,267	6,309	7,362	7,740	8,370	7,521	7,732	7,202	5,439	2,750	1,693
2018	1,775	2,631	5,363	6,637	10,087	9,769	11,027	8,582	7,700	4,102	1,727	1,945
2019	1,769	3,395	7,474	7,016	7,751	9,236	10,449	9,648	7,380	4,810	2,033	1,576
2020	770	1,630	6,215	7,686	9,980	10,107	9,949	8,972	6,830	4,414	3,033	1,633
2021	1,179	1,846	5,980	7,745	9,788	9,155	8,251	8,440	6,535	4,122	3,483	1,783
2022	1,920	2,000	4,707	7,789	9,719	7,677	8,767	7,342	5,321	4,810	2,534	1,197
2023	639	1,436	4,388	6,821	8,521	6,357	7,031	6,146	5,519	3,026	2,419	908
2024	960	2,916	5,359	5,704	7,972	7,887	8,716	7,169	7,094	5,478	3,601	1,555
2025	2,250	1,465	6,330	7,130	6,817	8,325	9,046	8,572	0	0	0	0

- a) RSL does not purchase electricity from embedded generation facilities that are not MicroFIT.

3.0-VECC -18

Assigned to: Manuela

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.

- a) The statement at Exhibit 3, Page 9, Table 7 was made in error. The wholesale values have gone up historically.

3.0-VECC -19

Assigned to: Manuela

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?

a) Residential, GS>50, GS50-4999, USL, Sentinel and 5 customer accounts for Streetlights.

3.0-VECC – 20

Assigned to: Manuela

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.
- a) RSL agrees that USL is not a weather-sensitive class. In the filed load forecast, USL was grouped with the weather-sensitive classes for purposes of forecasting energy consumption because it is an energy-only class and does not have a demand billing determinant. The same historical allocation approach was therefore used to forecast USL consumption. However, the characterization of USL as a weather-sensitive class in the Application was incorrect and will be clarified.
 - b) The allocation percentages were based on a ten-year historical average, which included the COVID period. While RSL recognizes that consumption patterns during this period were unusual for some customer classes, the impact of those years is moderated by the use of the ten-year average. As requested in part (c), RSL has recalculated the allocation percentages excluding March 2020 through February 2022 to show the impact on the 2027 forecast. Please note that this scenario is hypothetical and is not proposed to be adopted by the utility,
 - c) See table below

2026 Load Forecast 2021/2022 removed from allocation

Class	As Filed	Excl. 2021 & 2022	Change
Residential	48,966,499	49,188,321	+221,822
GS < 50	22,498,615	22,780,439	+281,824
GS > 50	44,268,385	44,437,792	+169,407
USL	632,969	633,080	+111

2027 Load Forecast 2021/2022 removed from allocation

Class	As Filed	Excl. 2021 & 2022	Change	% Change
Residential	50,042,036	49,599,259	(442,777)	-0.88%
GS < 50	22,686,577	22,970,756	+284,179	+1.25%
GS > 50	44,638,220	44,809,043	+170,823	+0.38%
USL	638,257	638,369	+112	0.02%

3.0-VECC -21

Assigned to: Manuela

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.

- a) RSL confirms that the GS>50 class is treated as weather sensitive for purposes of the load forecast. The 2027 kWh forecast is therefore based on weather-normalized consumption.

The kW billing determinant is forecast separately using the historical relationship between demand and customer counts. This methodology is similar to that used for the non-weather-sensitive classes and, for convenience and to minimize the number of tabs in the model, the calculation is presented on the Non-Weather Sensitive tab. Its placement on that tab does not indicate that RSL considers the GS>50 class to be non-weather sensitive.

- b) Please see response to Staff-25 including revised model
- c) Please see response to Staff-25 including revised model

SEC

3-SEC-15

Assigned to: Malcolm

[Exhibit 3, Appendix 2-IB]

- a. Please provide year-to-date actual customer numbers/connections by class for 2026.
- b. Please confirm whether the customer numbers/connections shown in 2-IB are mid year or year end.
- c. Please provide year-to-date actual billing determinates by class for 2026.

a) See below

- Residential: 5409
- Commercial: 740
- Industrial: 69
- Scattered Load: 60
- Sentinel Lights: 26
- Streetlights: 6 accounts, 1712 connections
- MicroFIT: 7
- Net Metered: 14

b) Mid-Year

c) See below

- Residential: Metered residential units.
- Commercial (GS <50 kW): Small business with peak demand under 50 kilowatts or less than 250000 kWh annually.
- Industrial: (GS >50kW): Medium to large businesses and commercial accounts with peak demand of 50kW or higher.
- Scattered Loads: unmetered accounts, non-residential.
- Sentinel lights: unmetered, owned by customer.
- Streetlights: Calculated connected load.
- MicroFIT: Generation accounts
- Net metered: accounts <10 kw generation and load on same meter.

3-SEC-16

Assigned to: Simon

- [Exhibit 3, Table 4 and Exhibit 2, DSP, p.72]
- a. RSL states with respect to residential growth “[m]odest 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.” Please provide the name of the planned subdivision and number of new residential customers expected in 2027 due to the planned subdivision.
- b. With respect to growth in net-metering, EVs, and battery storage, please provide the number and size of connections in 2024-2026 and any expected connections in 2027-2031.
- c. Please reconcile the information in Table 4, i.e. that there is no significant load growth in RSL’s service area, with the list of new developments provided in the DSP.

Response

- a) The planned residential developments referred to in the DSP are:

Location	Builder	Development	Expected New Customers in 2027
Westport	Land Ark	Watercolours	Approximately 20
Iroquois	Valecraft	Merkley Oaks	Approximately 40

Accordingly, RSL expects approximately 60 new residential customer connections from planned subdivisions during the 2027 test year. While these subdivisions represent an increase in development compared to previous history where there have been no subdivisions, they are modest in absolute size and do not represent a step-change in customer or load growth across RSL’s overall service territory.

- b) **Electric Vehicles**

RSL does not maintain a database identifying customers with electric vehicles, as customers are not required to notify the distributor when purchasing an EV unless a service upgrade or new connection is required. While provincial and EDA datasets are available, they are reported at a geographic level larger than RSL’s licensed service territory and cannot be reliably allocated to RSL’s customer base. Accordingly, RSL is unable to provide accurate counts of EV connections for 2024-2026 or forecasts for 2027-2031.

Battery Storage

RSL has not received any standalone battery storage connection requests. RSL expects customer battery installations, if any, to continue to be installed as part of net-metered distributed energy resources rather than as standalone storage facilities.

Net Metering

Year	Net Metering Connections	Average Installed Capacity
2024	6	10kW
2025	6	9.6kW
2026 (Forecast)	5	9.2kW
2027 (Forecast)	4	10kW
2028 (Forecast)	4	10kW
2029 (Forecast)	4	10kW
2030 (Forecast)	5	10kW
2031 (Forecast)	5	10kW

c) There is no inconsistency between Table 4 and the DSP.

Table 4 refers to overall system-wide load growth, which RSL expects to remain modest over the planning period. The residential developments identified in the DSP are relatively small and, when combined with improvements in building energy efficiency (including Net Zero homes within the Watercolours subdivision), are not expected to result in significant growth in RSL's aggregate system load.

The DSP discusses these developments because, although they do not materially change overall system demand, they can have significant impacts at the local distribution level.

In particular:

- **Watercolours (Westport)** consists primarily of highly energy-efficient Net Zero homes, which moderate incremental load growth.
- **Merkley Oaks (Iroquois)** adds new customer load to a distribution area that is already capacity constrained. Although the incremental system load is modest from a utility-wide perspective, it contributes to the loading of the existing Iroquois MS1 station, where projected demand exceeds the practical capacity of the station.

For this reason, RSL's preferred solution has shifted from renewing the existing transformer to constructing a second distribution station in Iroquois. The second station will:

1. Accommodate future customer growth in the area;
2. Relieve loading on the existing station; and
3. Provide N-1 redundancy and improve overall system reliability.

Exhibit 4 – Operating Costs

Staff-28

Assigned to: Manuela

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 observe 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.

- a) RSL confirms that the differences identified by OEB staff were the result of typing errors in Appendix 2-JB. RSL has corrected the applicable account references and amounts as part of the interrogatory process, and the revised Appendix 2-JB now reconciles with Appendix 2-JD.

The OM&A amounts have also been updated through the interrogatory process. As a result, Table 16 in the originally filed Exhibit 4 is no longer current and has been superseded by the revised schedules filed with these responses.

Staff-29***Assigned to: Malcolm*****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.

a) RSL reviewed the Administrative and General expenses for 2022 to 2025 and updated Appendix 2-JA where required. The revised schedules reflect the correct amounts.

b) RSL confirms that the correct 2022 OEB-approved Administrative and General expense is **\$1,089,127** and the correct total OM&A is **\$2,485,912**. Appendix 2-JA has been corrected accordingly.

Staff-30**Assigned to:****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.

a) Response

RSL used the CHEC and MEARIE compensation surveys, supplemented by relevant local market comparisons, to assess the competitiveness of its management compensation.

The survey information relied upon by RSL is as follows:

- The **2023 CHEC survey** is referenced in EB-2024-0012.
- The **2023 MEARIE survey** is referenced in EB-2024-0012.
- The **2025 MEARIE survey** is referenced in EB-2025-0044.
- The **2025 CHEC survey** has not previously been filed on the public record.

The compensation benchmark information utilized by RSL is provided below. Amounts are in \$000s and represent base compensation.

RSL did not use any single survey result or statistic as the determinative benchmark. The survey results and local comparators were considered collectively to assess the market competitiveness of each position.

2023:**Position: President & CEO -**

Surveys	Comparison	Comparison	Comparison	Comparison
CHEC	Avg Min: \$146	-	Avg Max: \$175	-
MEARIE: customers	P25: \$160	P50: \$167	P75: \$176	Avg: \$180
MEARIE: region	P25: \$140	P50: \$198	P75: \$232	Avg: \$197
MEARIE: revenue	P25: \$160	P50: \$174	P75: \$193	Avg: \$185
Local: General Manager	-	\$190	-	-

Position: VP & CFO

Surveys - Base	Comparison	Comparison	Comparison	Comparison
CHEC	Avg Min: \$106	-	Avg Max: \$131	-
MEARIE: customers	P25: \$115	P50: \$134	P75: \$144	Avg: \$120
MEARIE: region	P25: \$127	P50: \$182	P75: \$203	Avg: \$167
MEARIE: revenue	P25: \$119	P50: \$136	P75: \$156	Avg: \$142
Local: CFO/IT	-	\$164	-	-
Local: CFO	-	\$144	-	-

Position: Operations manager

Surveys - Base	Comparison	Comparison	Comparison	Comparison
CHEC	Avg Min: \$102	-	Avg Max: \$123	-
MEARIE: #customers	-	P50: \$118	-	Avg: \$120
MEARIE: region	P25: \$113	P50: \$134	P75: \$144	Avg: \$129
MEARIE: revenue	-	P50: \$112	-	Avg: \$119
Local: Director of Operations	-	\$146	-	-
Local: Director of Operations	-	\$133	-	-

Position: Customer Service/Billing Manager

Surveys - Base	Comparison		Comparison	Comparison	Comparison
CHEC	Avg	Min: \$90	-	Max: \$103	-
MEARIE: #customers	-		P50: \$92	-	Avg: \$98
MEARIE: region	-		P50: \$108	-	Avg: \$108
MEARIE: revenue	-		P50: \$103	-	Avg: \$100

2024:

CHEC did not conduct a compensation survey in 2024 and RSL did not purchase the 2024 MEARIE survey.

2025:**Position: President & CEO**

Surveys - Base	Comparison		Comparison	Comparison	Comparison
CHEC	Avg	Min: \$167	-	Avg Max: \$199	-
MEARIE: #customers	P25: \$171		P50: \$196	P75: \$219	Avg: \$203
MEARIE: region	P25: \$176		P50: \$264	P75: 312	Avg: \$247
MEARIE: revenue	-		P50: \$179	-	Avg: \$188
Local: General Manager	-		\$211	-	-
Local: General Manager	-		\$184	-	-

Position: VP & CFO

Surveys - Base	Comparison		Comparison	Comparison	Comparison
CHEC	Avg	Min: \$143	-	Max: \$161	-
MEARIE: #customer	P25: \$124		P50: \$144	P75: \$166	Avg: \$150
MEARIE: region	P25: \$115		P50: \$143	P75: \$157	Avg: \$137
MEARIE: revenue	-		P50: \$166	-	Avg: \$172
Local: CFO/IT	-		\$171	-	-
Local: CFO/IT	-		\$158	-	-

Position: Operations manager

Surveys - Base	Comparison		Comparison	Comparison	Comparison
CHEC	Avg	Min: \$119	-	Avg Max: \$136	-
MEARIE: #customer	-		P50: \$130	-	Avg: \$135
MEARIE: region	P25: \$120		P50: \$141	P75: \$145	Avg: \$138
MEARIE: revenue	-		P50: \$120	NA	Avg: \$125
Local: Director of Operations	-		\$162	-	-
Local: Director of Operations	-		\$122	-	-

Position: Customer Service/Billing Manager

Surveys - Base	Comparison	Comparison	Comparison	Comparison
CHEC	Avg Min: \$95	-	Avg Max: \$108	-
MEARIE: # customer	-	P50: \$108	-	Avg: \$108
MEARIE: region	-	P50: \$97	-	Avg: \$100
MEARIE: revenue	-	P50: \$108	-	Avg: \$106

Position: Manager of Accounting: Finance and Regulatory

Surveys - Base	Comparison	Comparison	Comparison	Comparison
CHEC	Avg Min: \$106	-	Avg Max: \$124	-
MEARIE: #customer	-	-	-	-
MEARIE: region	-	P50: \$130	-	AVG: \$151
MEARIE: revenue	-	-	-	-

The 2026 and 2027 management survey results were not available at the time this response was prepared.

For unionized positions, RSL also conducted regional benchmarking as part of the 2026 collective bargaining process. The comparison used PLT, Lead Hand and Foreman wages at LDCs within approximately one hour's commuting distance of RSL.

Company	Distance (Minutes)	PLT Wage (Pd Lunch Effective)	Lead Hand Wage (Pd Lunch Effective)	Foreman Wage (Pd Lunch Effective)
RSL	0	\$47.75 (\$47.75)	\$49.85 (\$49.85)	\$51.42 (\$51.42)
Cornwall	33 - 54	\$47.41 (\$50.57) +2X	-	\$52.14 (\$55.61) +2x
CNP (Gan)	45	\$47.40 (\$50.56) +2X	\$49.77 (\$50.09) +2X	\$52.26 (\$55.74) +2X
Ottawa	46	\$51.62 (\$55.06) +2X	-	\$59.33 (\$63.29) +2X
Kingston	47 - 64	\$50.28 +(50.28) +2X	-	\$55.04 (\$55.04) +2X
ORP (Almonte)	61 - 72	\$48.19 (\$51.40*) +2X	\$51.56 (\$55.00*) +2X	\$53.97 (\$57.57*) +2x
Renfrew	94 - 98	\$47.10 (\$47.10) +2X	\$49.92 (\$49.92) +2X	\$52.76 (\$52.76) +2X

Prior to the 2026 collective bargaining negotiations, RSL's effective PLT wage of \$47.75 was the second lowest among the regional comparators for talent. RSL was also the only LDC in the comparison that did not provide double-time compensation on all applicable overtime days; prior to the negotiations, RSL paid double time only on Sundays and holidays.

- b) RSL is unable to provide the requested Executive and Non-Executive Management compensation information separately because the Executive Management category contains fewer than three employees. Providing compensation information at that level of disaggregation would disclose compensation information relating to an employee class of fewer than three employees. Accordingly, RSL has aggregated Executive and Non-Executive Management for purposes of this response.

RSL also does not have a separate Non-Union, Non-Management employee category. Employees are therefore represented within either the Management (including Executive Management) or Union categories.

RSL did not historically record annual management compensation adjustments as separate "benchmarking" and "normal annual increase" components. Compensation decisions were made based on the overall compensation review applicable to each year. Accordingly, RSL cannot retrospectively separate the annual increases between 2023 and 2025 into these components with precision.

Total annual employee compensation increases are provided in Exhibit 4, Table 20, Employee Costs. For 2026, where the components can be separately identified, approximately 2% represented the normal annual management compensation adjustment and approximately 6% represented an additional market adjustment intended to progressively reduce the identified compensation gap. For 2027, RSL's current forecast assumes a 3.5% management salary adjustment based on current best available information.

Unionized compensation is established through collective bargaining. The applicable 2026 and 2027 wage adjustments are established by the 2026 collective agreement.

- c) As explained in part (b), RSL is unable to separately disclose Executive and Non-Executive Management compensation benchmarking because the Executive Management category contains fewer than three employees. Management, including Executive Management, is therefore presented on an aggregated basis.

RSL also does not have a separate Non-Union, Non-Management employee category.
RSL's position relative to the applicable compensation benchmarks is summarized below:

	2022	2023	2024	2025	2026	2027
Management (including Execs)	NA	85%	NA	91%	NA	NA
Union	NA	NA	NA	NA	91% Pre Bargaining 96% Post Bargaining	NA

The percentages represent RSL's compensation relative to the applicable benchmark based on the market information available at the time. Where available, RSL used the median (50th percentile or P50) as the benchmark. Where a median was not available, such as in the CHEC survey, RSL used the available average minimum and average maximum salary range

information as part of its benchmarking.

The underlying benchmark is not a single fixed external value. Management benchmarking considers the applicable CHEC and MEARIE survey information and relevant local market comparators, while union benchmarking considers compensation at comparable regional LDCs and, where appropriate, relevant local labour-market comparators.

RSL's compensation objective is to progressively move toward the applicable market benchmark and then evaluate employee attraction, retention and attrition experience before determining whether further market-related adjustments are warranted.

- d) RSL's plan for 2026 and 2027 is to continue progressively closing identified compensation gaps while monitoring employee attraction and retention.

For management positions, RSL will continue to review compensation annually using the MEARIE and CHEC compensation surveys and relevant local market comparators. The objective is to progressively reduce identified market gaps rather than achieve a predetermined compensation level in any particular year. For 2027, RSL has forecast a 3.5% management salary adjustment based on its current best available information. Actual compensation decisions will continue to be informed by the most current benchmarking information available at the time of the annual compensation review.

For unionized positions, RSL used the 2026 collective bargaining process to improve its competitive position relative to LDCs within approximately one hour's commuting distance. For PLTs, the most directly comparable classification across LDCs, the 2026 agreement improved RSL's estimated position from approximately 91% to 96% of the regional benchmark. RSL will monitor attrition following these adjustments and use that experience, together with regional LDC and local labour-market comparators, to inform future collective bargaining.

RSL's objective is not to automatically match the highest-paying comparator or to directly match Hydro Ottawa, notwithstanding that Hydro Ottawa has been the primary destination for RSL's unionized employee attrition. Rather, RSL's objective is to maintain compensation at a level that is competitive enough to attract and retain qualified employees while remaining appropriate for the size and circumstances of the utility.

Staff-31**Assigned to: Simon****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.

- a) Executive Management incentives are determined by the Board of Directors. Each executive position has a predetermined maximum incentive opportunity expressed as a percentage of annual salary. Following the completion of each fiscal year, the Board determines the actual incentive award based on delivery of the business plan, corporate results, the executive's individual contribution to those results, and the overall financial circumstances of the organization.

Non-Executive Management incentives are determined by the Executive Management team. Each management position has a predetermined maximum incentive opportunity expressed as a percentage of annual salary. Following the completion of each fiscal year, the Executive Management team determines the actual incentive award based on delivery of the individual's work plan, results achieved, the individual's contribution to those results, and overall organizational performance.

- b) RSL is unable to provide Executive and Non-Executive Management compensation separately because the Executive Management category contains fewer than three employees. Providing compensation information at that level of disaggregation would disclose compensation information relating to an employee class of fewer than three employees. Accordingly, RSL has aggregated Executive and Non-Executive Management.

RSL also does not have a separate Non-Union, Non-Management employee category. Employees are therefore represented within either Management (including Executive Management) or Union.

Subject to these limitations, the revised Appendix 2-K below reflects RSL's updated 2026 and 2027 forecasts using current best available information.

File Number: EB-2026-0069
 Exhibit:
 Tab:
 Schedule:
 Page:
 Date: 30-Apr-26

**Appendix 2-K
Employee Costs**

	2022 OEB Approved	2022 Actuals	2023 Actuals	2024 Actuals	2025 Actuals	2026 Bridge Year	2027 Test Year
Number of Employees (FTEs including Part-Time)¹							
Management (including executive)	3	4	4	4	4	5	6
Non-Management (union and non-union)	12	10	10	10	9	9	9
Total	15	14	14	14	14	14	15
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$ -	\$ 483,374	\$ 570,390	\$ 664,449	\$ 764,122	\$ 811,295	\$ 961,307
Non-Management (union and non-union)	\$ 1,130,452	\$ 754,001	\$ 744,591	\$ 641,123	\$ 689,820	\$ 876,102	\$ 810,017
Total	\$ 1,130,452	\$ 1,237,375	\$ 1,314,980	\$ 1,305,572	\$ 1,453,942	\$ 1,687,397	\$ 1,771,324
Total Benefits (Current + Accrued)							
Management (including executive)	\$ -	\$ 124,257	\$ 142,348	\$ 195,015	\$ 183,318	\$ 218,834	\$ 257,447
Non-Management (union and non-union)	\$ 626,539	\$ 326,557	\$ 319,597	\$ 293,200	\$ 294,358	\$ 260,925	\$ 243,005
Total	\$ 626,539	\$ 450,813	\$ 461,945	\$ 488,216	\$ 477,676	\$ 479,759	\$ 500,452
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$ -	\$ 607,631	\$ 712,738	\$ 859,464	\$ 947,440	\$ 1,030,129	\$ 1,218,754
Non-Management (union and non-union)	\$ 1,756,991	\$ 1,080,557	\$ 1,064,188	\$ 934,323	\$ 984,178	\$ 1,137,027	\$ 1,053,022
Total	\$ 1,756,991	\$ 1,688,188	\$ 1,776,925	\$ 1,793,788	\$ 1,931,618	\$ 2,167,156	\$ 2,271,776
Total Compensation Breakdown (Capital, OM&A)							
OM&A	N/A	\$ 1,507,100	\$ 1,562,823	\$ 1,604,126	\$ 1,754,795	\$ 1,979,724	\$ 2,074,972
Capital	N/A	\$ 181,088	\$ 214,102	\$ 189,662	\$ 176,823	\$ 187,432	\$ 196,804
Total	\$ -	\$ 1,688,188	\$ 1,776,925	\$ 1,793,788	\$ 1,931,618	\$ 2,167,156	\$ 2,271,776

c) Response

- i. The updated 2026 forecast reflects actual staffing information available to RSL at the time this response was prepared. In particular, the Distribution Engineer commenced employment on May 11, 2026, and the maternity/parental leave affecting a management position ended in July 2026.

The 2027 forecast assumes a full complement of management staff, no employee turnover or extended leaves during the year, and a 3.5% management salary adjustment

- ii. The compensation adjustments incorporated into the forecast reflect both normal annual compensation adjustments and the continued implementation of RSL's compensation benchmarking strategy described in Staff-30.

For 2026, approximately 2% represented the normal annual compensation adjustment and approximately 6% represented an additional market adjustment intended to progressively reduce the identified compensation gap.

For 2027, RSL's current forecast assumes a 3.5% management salary adjustment. This represents RSL's current best estimate for forecasting purposes. Actual compensation decisions will continue to be informed by the most current benchmarking information available at the time of the annual compensation review.

d) Below are the assumptions:

- a 2.5% wage increase effective April 1, 2027, in accordance with the collective agreement
- A full complement of unionized employees
- Forecast overtime based on RSL's expected normal operating requirements.

The forecast does not specifically assume employee turnover or vacancies in 2027. Actual vacancies, if experienced, may result in lower regular wages but may also result in additional

overtime or other coverage costs.

- e) RSL does not have a Non-Union, Non-Management employee category. The methodology used to calculate employee burdens is consistent across Executive Management, Non-Executive Management and Union employees, although the individual burden components and resulting rates vary based on compensation level, benefit eligibility and employee classification.

1. Step One: Determine Projected compensation

- a. Union: contractual wages or forecast wages, as applicable, plus forecast overtime.
- b. Non-Executive Management: projected salary plus estimated incentive compensation.
- c. Executive Management: projected salary plus estimated incentive compensation.

2. Step Two: Apply applicable employer costs and benefits

Applicable burdens include CPP, EI, Employer Health Tax, WSIB, pension contributions, health benefits, statutory holidays, vacation, and employee-category-specific costs such as safety clothing where applicable.

While the resulting burden rates have changed between 2022 and 2027 due to changes in compensation, statutory rates and benefit costs, RSL has not changed its underlying methodology for calculating employee burdens.

Below is an example for a PLT

Employee Benefits	Average Wage	87705.28
CPP	4230.45	74600
CPP 2nd annual Cont	416.00	85000
EI	1572.30	68900
HT	1906.93	
WSIB	549.80	121700
Pension	6714.00	74600
Pension	2948.19	74600
Mearie	1171.74	1171.737
Holidays	4322.52	
Vacation	5763.36	
other	450.00	
	30045.28	28860.24
Wages	87705.28	97791.16
	117750.56	114233.5
hours worked	1856.00	
Avg cost per hour	63.44	
	47.26	
	16.19	
	34.26%	

Staff-32

Assigned to:

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.

a) Response

The Distribution Engineer position is intended to address RSL's increasing engineering requirements while reducing reliance on external engineering consultants over the longer term.

RSL's engineering workload has increased as a result of several factors, including:

- new and evolving regulatory requirements related to DER connections, EV connections, capacity allocation, centralized GIS-ready feeder mapping, load capacity reporting and Distribution System Plan expectations;
- increased development activity, including two large subdivisions and other significant customer-driven projects; and
- increased system renewal and capacity work, including the NRCan-funded recloser, smart switch and SCADA projects and the Iroquois MS2 project.

RSL estimates the fully loaded cost of external engineering consulting services at approximately \$145 per hour, compared with approximately \$75 per hour for the internal Distribution Engineer. This represents a cost differential of approximately \$70 per hour for engineering work that can be performed internally; it should not be interpreted as an immediate dollar-for-dollar reduction in historical consulting expenditures.

In 2025, RSL incurred approximately \$144,000 in external engineering services. RSL does not expect these expenditures to be eliminated following the hire, as external consultants will continue to be required for specialized engineering assignments.

Based on RSL's estimated fully loaded costs, engineering work transferred from an external consultant to the Distribution Engineer results in an estimated cost reduction of approximately \$70 per hour (\$145 per hour externally compared with approximately \$75 per hour internally). The actual annual savings will depend on the number and nature of consulting hours that can be displaced.

In addition, the position provides cost avoidance where the engineer performs incremental engineering work arising from increased development, system planning and regulatory requirements that would otherwise have required external resources. Accordingly, the financial benefit should not be interpreted as a dollar-for-dollar reduction of RSL's historical consulting expenditures.

Accordingly, RSL views the financial benefit of the position as consisting of both cost avoidance, by performing incremental engineering work internally that otherwise would have been outsourced, and cost savings, as the engineer progressively assumes work historically performed by external consultants. RSL expects these benefits to increase as the employee gains experience and familiarity with RSL's distribution system.

b) Response

The additional management FTE between 2022 and 2027 is the Distribution Engineer position. The other changes in the composition of management FTEs reflect the transfer of existing positions from the bargaining unit to management and did not increase RSL's overall FTE complement.

2022 Management Positions	2026 & 2027 Management Positions	Difference
President & CEO	President & CEO	No Change
VP & CFO	VP & CFO	No Change
Operations Manager	Operations Manager	No Change
-	Customer Service Supervisor	Transferred from the Union
-	Regulatory Accountant	Transferred from the Union
-	Distribution Engineer	Net New

Accordingly, of the three additional positions appearing within the management category compared with 2022, two represent reclassification/transfers of existing positions and one

represents an incremental FTE.

c) Response

The two technical positions that were vacant at the time of filing—the Distribution Engineer and a PLT position — have since been filled.

Subsequent to the filing, a separate PLT position became vacant. RSL is currently in the process of backfilling that position.

d) Response

Yes. The eDSM Administrator remains a temporary position. RSL's current plan is to maintain the position for the remainder of the 2026 calendar year.

RSL has not yet determined its staffing approach for eDSM administration beyond 2026. A significant consideration is that the eDSM funding available to RSL from the IESO is insufficient to support a full FTE beyond 2026. In addition, the eDSM agreement places restrictions on the use of contractors and shared staffing arrangements with affiliated businesses or associations. As a result, the ability to obtain suitable temporary staffing is an important consideration in determining how RSL will administer the program beyond 2026.

e) Response

Forecasted and Actual Turnover Rate from 2022 – 2026 are provided below.

	Forecasted	Actual
2022	7%	21%
2023	7%	7%
2024	7%	35%
2025	7%	14%
2026	7%	21%YTD

RSL's forecast assumes approximately one employee departure per year, equivalent to approximately 7% of its workforce.

Due to RSL's relatively small workforce, the calculated turnover rate can vary materially from year to year, as each employee departure represents approximately 7% of the workforce.

The higher actual turnover rates in certain years therefore reflect a relatively small number of employee departures. RSL continues to use approximately one employee departure per year, or 7%, as its normalized workforce planning assumption.

For purposes of calculating turnover, RSL considers an employee departure to occur when the employment relationship ends, including resignations, retirements and terminations. Temporary absences where the employment relationship continues, including short-term disability, long-term disability and maternity/parental leave, are not included in turnover.

f) Response

Forecasted and Actual Vacancy Rate from 2022-2026 are provided below.

	Forecasted	Actual
2022	2%	5%
2023	2%	1%
2024	2%	9%
2025	2%	4%
2026	2%	6%

For purposes of calculating vacancy rates, RSL considers a position vacant where an approved position does not have an incumbent. Temporary employee absences, including short-term disability, long-term disability, maternity/parental leave and other approved leaves, are not considered vacancies where the employee remains employed by RSL.

RSL forecasts an annual vacancy rate of approximately 2%. This represents a normalized workforce planning assumption that positions becoming vacant during the year will generally be backfilled within a reasonable recruitment period. Due to RSL's relatively small workforce, the actual vacancy rate can vary materially from year to year based on the timing and duration of individual vacancies.

Vacancies at RSL has not result in a corresponding reduction in RSL's overall labour-related costs. Depending on the position and operational requirements, RSL has incurred overtime, contractor or temporary staffing costs to maintain essential work while a position is vacant. For example, during 2024 RSL used additional contractor resources to support critical work during periods of vacancy. These costs has offset the compensation savings associated with a vacant position.

RSL therefore seeks to minimize the duration and operational impact of vacancies through workforce planning, cross-training, advance recruitment where practicable and timely backfilling.

g) Response:

Of the six management FTEs identified in Reference 4, four are people managers and two are individual contributors.

Staff-33

Assigned to:

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 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.

a) Response

The \$79k increase in 2022 actual Executive Salaries and Expenses was primarily attributable to changes in executive staffing and compensation during the year, together with a redistribution of management responsibilities.

The principal factors were:

1. VP/CFO transition: RSL had approximately one month of overlap between the outgoing and incoming VP/CFO to facilitate knowledge transfer and continuity in the finance function in anticipation of the outgoing VP/CFO's retirement.
2. Change in VP/CFO compensation: The compensation associated with the incoming VP/CFO differed from that of the outgoing incumbent, contributing to the year-over-year increase.
3. Redistribution of management responsibilities: RSL transitioned a Collections and Administration Clerk position into a Customer Service & Billing Manager role. Although senior leadership position is not an executive position, its compensation was recorded in Account 5605 during the period. The position took on the following responsibilities:
 - direct supervision and management of customer service and billing staff;
 - oversight of the Customer Information System;
 - oversight of the customer web portal; and
 - oversight of RSL's website.

The redistribution was intended to establish clearer functional accountability below the executive level and allow the executive team to focus on broader corporate, financial, regulatory and

operational responsibilities.

b) Response

The primary driver of the \$65k increase was the implementation of a management compensation catch-up following recruitment and retention challenges experienced by RSL in 2021 and 2022.

During those years, RSL experienced management turnover and found that compensation levels had to be adjusted to successfully recruit replacement management personnel. In 2023, RSL benchmarked its management compensation using the CHEC and MEARIE compensation surveys. Based on this benchmarking, RSL developed a phased approach to bring compensation closer to relevant market comparators. The 2024 increase reflects, in large part, the implementation of that compensation adjustment.

At the same time, RSL reviewed the scope of executive responsibilities and identified areas where executive accountability had expanded. In particular for 2024 cybersecurity, information security and privacy governance requirements had become increasingly formalized. Specific accountability was assigned to members of the executive team as follows:

- the President/CEO assumed the roles of Privacy Officer and Incident Response Lead; and
- the Vice President/CFO assumed the roles of Information Systems Owner and Information Security Officer.

These responsibilities increased executive involvement in cybersecurity, privacy, information systems governance, incident preparedness and associated compliance requirements. These functions require executive-level accountability because they involve enterprise-wide risk, regulatory compliance, business continuity and the protection of customer and corporate information.

Accordingly, the primary financial driver of the \$65k increase was the phased compensation adjustment arising from the benchmarking exercise. The evolving scope of executive responsibilities provides additional context for the compensation levels associated with these positions but was not the primary driver of the year-over-year increase.

c) Response

The primary driver of the 2025 increase in Executive Salaries and Expenses continued to be the phased management compensation adjustment arising from RSL's benchmarking process. Executive responsibilities also continued to evolve during 2025, although RSL is not representing that each additional responsibility resulted in a separate incremental compensation adjustment.

In 2025, executive responsibilities continued to broaden beyond the traditional management of RSL's day-to-day operations, finance and regulatory obligations.

In particular, there was increased executive involvement in:

- government and industry relations, including increased participation through PULSE and engagement arising from provincial energy policy initiatives;
- regional electricity system planning, including increased engagement related to the advancement of the Integrated Regional Resource Plan ("IRRP") in the St. Lawrence Region;
- shareholder relations and capital planning, as RSL evaluated its future capital requirements and potential sources of additional financial capacity; and
- supply-chain and procurement matters, including management of tariff-related impacts and other procurement risks affecting utility equipment and capital projects.

RSL does not classify a responsibility as an executive function solely based on the subject matter involved. Rather, executive functions generally comprise responsibilities requiring corporate-level accountability, strategic decision-making, governance, regulatory or statutory accountability, financial oversight, enterprise risk management, or representation of RSL with its Board, shareholders, government, regulators and other external stakeholders.

The executives remain accountable for the overall management of RSL. The nature and emphasis of those responsibilities have evolved over the period, particularly with the increased formalization of cybersecurity and privacy requirements, increased capital and financial planning requirements, and greater government, regulatory, industry and shareholder engagement.

Staff-34

Assigned to:

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.
- b) request volume with the corresponding costs from 2022 to 2027.

RSL clarifies that the increase in locate-related workload discussed in Exhibit 4 is not attributable to a material increase in the number of locate requests received. As shown below, annual request volumes have remained relatively stable.

	Regular	Emergency	Total
2022	846	34	880
2023	780	24	804
2024	734	34	768
2025	810	53	863
2026 YTD	417	25	442
2027 No Info	-	-	-

Locate labour costs are included within Operations labour costs and have not historically been tracked as a separate cost centre or by individual locate. RSL is therefore unable to reliably provide annual historical costs attributable solely to locate activities. RSL has instead provided below the available operational information demonstrating the change in effort associated with performing locate work.

The increase in locate-related workload is primarily attributable to an increase in the average labour and travel effort required to complete locate work rather than an increase in request volumes. Two factors have contributed to this change.

First, beginning in 2022, amendments to Ontario's locate legislation strengthened the existing five-business-day locate requirement. Prior to these amendments, infrastructure owners were required to make "all reasonable attempts" to complete the required locate activities within five business days. The amended legislation established a firmer compliance requirement, together with additional notification, reporting and oversight requirements.

For RSL, which operates across six geographically dispersed communities, in practice these strengthened requirements reduced RSL's operational flexibility to defer and geographically batch locate work with other planned field activities. Based on the operating experience of RSL staff, prior to 2022 approximately 10 locates could typically be grouped into a single field deployment within a service area. RSL estimates that this has decreased to approximately 7 locates per field deployment. As a result, a similar annual number of locate requests requires more field deployments and associated travel time.

Second, turnover among RSL's Powerline Technician ("PLT") staff has resulted in a greater proportion of locate requests requiring field verification. Historically, RSL had experienced PLTs with extensive knowledge of the utility's legacy underground distribution system and familiarity with its as-built drawings and records. Where the records were sufficiently clear and the experienced PLT had confidence in the location of the infrastructure, certain requests could be cleared from RSL's records without a dedicated field visit.

As experienced PLTs departed and replacement PLTs joined RSL, some of the institutional knowledge and familiarity with RSL's specific legacy infrastructure and historical records was necessarily reduced. To ensure locate information remains accurate and safe, staff undertake field verification where they are not sufficiently confident that a request can be cleared based solely on the available records. This has increased the proportion of requests requiring travel to the site, physical verification and/or marking of the infrastructure, and associated documentation. The following provides an illustrative comparison of the typical effort associated with a request that can be completed from RSL's records and a request requiring field attendance:

Activity	Locate completed from records	Locate requiring field attendance
Review request and available records	[5–10 minutes]	[5–10 minutes]
Travel to/from location	–	[15 – 120 minutes]
Field verification/markings	–	[15–30 minutes]
Documentation/administration	[5–10 minutes]	[5-10 minutes]
Typical total effort	[10–20 minutes]	[40 –170 minutes]

The time ranges and locates-per-deployment figures above are operational estimates based on RSL staff experience and are not derived from historical time records. Actual time varies depending on the location and complexity of the request and the ability to coordinate the locate with other work.

In 2023, RSL also acquired locate drawing software to improve the efficiency and consistency of documenting completed locates. While the software reduced the administrative effort associated with locate documentation, these efficiencies did not offset the increased field and travel effort described above.

Accordingly, relatively stable locate request volumes do not imply stable locate-related labour requirements. RSL's increased locate workload reflects a combination of more frequent field verification, increased travel associated with that field verification, and reduced ability to geographically batch locate work within the applicable completion timelines.

Because locate-specific labour hours and costs were not separately recorded, RSL is unable to reliably reconstruct annual historical locate costs without making assumptions that cannot be verified.

Staff-35

Assigned to:

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.

a) See table below

2022	2023	2024	2025	2026	2027
19110	53010	88625	151210	250000	250000

b) This statement relates to the work on repair and replacement of infrastructure. Included in RSL’s capital plan is the purchase of a rear lot derrick in 2028

Staff-36***Assigned to:*****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.

- a) Rideau St. Lawrence Distribution realized annual savings of **\$12,337** from the consolidation of its physical office footprint in Westport and Morrisburg. The savings were primarily associated with reduced rent and other facility-related costs, including telephone, internet, printer, payment terminal and security services.

Staff-37**Assigned to:**

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.
-
- a) Response The allocation of benefits increased in 2024 due to the age of the incumbent occupying the position, resulting in higher utilization of employee benefits and associated pension costs. In addition, the costs of two employees were included for a period of time to facilitate orientation and knowledge transfer in preparation for the planned retirement of the incumbent.
 - b) Response In 2024 there was an overlap of salaries due to the upcoming retirement of the incumbent and since only one individual was compensated in 2025 both salaries and benefits were lower, accounting for the bulk of the decrease in 2025.
 - c) Response After reviewing the increase in 2026 the incremental increase in burden was approximately \$26K which is consistent with the staffing increase.

Staff-38***Assigned to:*****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.

Response

- a) The write off of the inventory is attributable to the retention of materials retained for emergencies that accumulated over many years that had become obsolete. A corporate decision was made to eliminate the value of these items in order to reflect the true value of useable product.

RSL has initiated cycle counts, and the new ERP system has strengthened inventory controls through role-based user access, segregation of duties, automated inventory reconciliations, transaction approval workflows, and detailed audit trails. In addition, management has implemented enhanced inventory procedures and monitoring practices, including regular review of exception reports and cycle count results, to improve oversight of inventory-related transactions and inventory accuracy.

Staff-39**Assigned to:****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.

Response: The balances in Ref 1 are incorrect. The 2026.04.30 version was correct.

a)

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	\$182,894	\$148,744	\$190,992	\$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	\$48,474	\$81,718	\$112,523	\$175,425	\$300,000	\$300,000
5145	Underground Conduit	\$38,810	\$43,471	\$36,695	\$23,991	\$13,914	\$25,526	\$26,292
Subtotal		346,250	352,003	322,084	354,083	501,357	570,184	578,290

b)

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

c)

Staff-40**Assigned to:****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.
- Please explain how work was allocated before between internal and external resources.
 - 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.
- a) As explained in Exhibit 4, RSL historically performed vegetation management primarily on a reactive basis in response to identified hazards and reliability concerns. Historically, RSL did not track vegetation management using a physical measure (e.g., kilometres cleared or number of trees removed). Accordingly, annual expenditures are provided as the best available representation of the annual level of vegetation management activity. The Distribution System Plan establishes a structured, risk-based vegetation management program that prioritizes work as True Urgent, Near-Term and Long-Term. The program begins by addressing the highest-risk areas in 2026 and 2027 before transitioning to a sustainable maintenance cycle.

Year	Nature of Work	Veg Mgmt. Costs (\$)
2022	Primarily reactive – hazard trees, customer requests and reliability-related work	48,474
2023	Primarily reactive – hazard trees, customer requests and reliability-related work	81,718
2024	Primarily reactive – hazard trees, customer requests and reliability-related work	112,523

2025	Transition to a structured, risk-based vegetation management program	175,425
2026	Risk-based program – True Urgent and Near-Term work	300,000
2027	Risk-based program – True Urgent and Near-Term work	300,000

d) Response

- i. Work was allocated to internal resources based on availability, capacity, and whether RSL possessed the necessary skills and equipment to complete the required work. In cases involving significant events, specialized requirements, or where internal capacity was insufficient, the work was assigned to external resources.
- ii. RSL plans to enhance internal capabilities by training Powerline Technicians who are not currently qualified to perform vegetation management activities. Notwithstanding these efforts, internal resource capacity remains insufficient to deliver the full scope of work required to implement and maintain a disciplined vegetation management program. Consequently, RSL will continue to rely on qualified external contractors to supplement internal resources and meet program requirements.

e) Response 2031 costs are representative of the ongoing costs in subsequent years

Near-Term (\$)	Long-Term (\$)	Total (\$)
20,000	246,000	266,000

Staff-41**Assigned to:**

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.
- a) The approximately \$107,000 of 2024 expenditure comprised approximately \$31,000 of trouble-related work and \$76,000 of planned vegetation management activities.
- b) 2026 Trouble-related work and planned vegetation management to address immediate needs and backlog requirements total \$257K. This reflects reactive and planned vegetation management activities undertaken to address reliability concerns, clearance violations, and emergent conditions. In addition, \$50K is allocated to planned vegetation management activities to proactively maintain required vegetation clearances and support ongoing system reliability.

Staff-42***Assigned to:***

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.
-
- a) In 2022 RSL incurred MS2 Cardinal maintenance \$28.7K costs and purchased reclosures at a cost of \$22K, neither of which recurred in 2023.
 - b) In 2025 RSL incurred Substation Condition Assessment costs of \$64K for 9 stations, a cost that was not experienced in 2024.

Staff-43***Assigned to:***

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.

Response

- a) The increase is largely attributable to the staff member hired to replace the Accounting Manager maternity leave in mid-2025. The leave required temporary coverage and continued benefit payments. The enhanced administrative responsibilities refers to the tasks now conducted by the Analyst that were previously conducted by the on leave manager. Account 5605 costs reflect a reduction due to the Manager's leave that materially offsets the increase.

Staff-44***Assigned to:***

**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.
-
- a) The decrease in 2022 compared to the OEB approved amount is a result of a credit to the account in 2022 required to adjust, debit, the Joint Use Regulatory asset to the correct balance as per OEB guidance.
 - b) The decrease referenced in part a) was a one time impact; 2023 activity returned to a normal level of activity and is in line with the 2022 OEB approved adjusted for actual costs.

Staff-45***Assigned to:***

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.
-
- a) RSL confirms 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) The approximately \$74,000 increase in Account 5665 in 2026 is primarily attributable to approximately \$50,000 in ongoing SaaS licensing costs associated with the Acumatica cloud-based ERP system and an approximately \$10,000 increase in Directors' fees. The remaining increase reflects smaller changes in other expenses recorded in the account. As discussed in Staff-73, ongoing SaaS licensing and routine support costs are recorded in OM&A rather than Account 1511.

Staff-46***Assigned to:*****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.

The Miscellaneous (Residual) amounts do not relate to a specific expense account. Appendix 2-JB was prepared to show the year-over-year changes in RSL's OM&A costs and identify the main cost drivers.

RSL used a \$10,000 threshold to separately identify changes by USoA account. The \$10,000 threshold was used to provide greater transparency into the year-over-year changes in OM&A.

The Miscellaneous (Residual) captures the net change in all other OM&A accounts that were below the \$10,000 threshold and therefore were not separately identified in the table. As the cost driver table works as a continuity schedule, the separately identified cost drivers together with the Miscellaneous (Residual) reconcile the prior year's OM&A balance to the following year's balance.

Staff-47***Assigned to:*****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.

- a) RSL confirms that certain OM&A costs are capitalized, as reflected in Appendix 2-D. The statement in Exhibit 4, page 11, indicating that RSL does not and has never capitalized overheads is incorrect and should be disregarded. Appendix 2-D correctly reflects RSL's treatment of capitalized OM&A costs.

Staff-48***Assigned to:*****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 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.

- a) [See response to 4-SEC-27](#)

Staff-49***Assigned to:***

**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.

- a) RSL confirms that the methodology used to determine its shared service costs, including the underlying cost structures, calculations and allocation methodologies, has not materially changed since its 2022 Cost of Service application. The current shared service arrangements and allocation methodologies are described in Tables 24 through 28 and Section 4.4.1 of Exhibit 4.

VECC

4.0 -VECC -22

Assigned to:

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.

		2022	2023	2024	2025	2026	2027
5005	internal Labour	125391	147257	229282	141325	249,731	301,307
5005	external labour						
5005	other costs	13670	14312	12029	7990	8,230	8,737
	Total	139061	161,569	241,311	149,315	257,961	310,044
5012	internal Labour		7596	2040	244	2000	2060
5012	external labour						
5012	other costs	944	2,627	1,695	1,795	1,974	2,034
	Total	944	10,223	3,735	2,039	3,974	4,094
5016	internal Labour	891	517	1711	1610	1,658	1,708
5016	external labour						
5016	other costs	310	91	559	405	757	780
	Total	1201	608	2,270	2,015	2,415	2,488
5020	internal Labour	1586		1444	1565	1,612	1,660
5020	external labour						
5020	other costs	213	0	327	465	272	280
	Total	1799	0	1,771	2,030	1,884	1,940
5035	internal Labour	1675	2267	8129	176	8,698	8,959
5035	external labour						
5035	other costs	193	660	1758	1378	1,822	1,876
	Total	1868	2,927	9,887	1,554	10,520	10,835
5085	internal Labour	46082	36570	75648	101836	80,943	83,372
5085	external labour			15646	7177	10,000	10,000
5085	other costs	33669	23377	49,002	126,663	58,331	60,380
	Total	79751	59,947	140,296	235,676	149,274	153,752
5610	internal Labour						
5610	external labour						
5610	other costs						
	Total						

4.0 -VECC -23

Assigned to:

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 sub-total costs into (i) internal labour, (iii) external labour, (iii) other OM&A costs.

		2022	2023	2024	2025	2026	2027
5120	internal Labour	31005	29079	19934	7126	21,230	21,867
5120	external labour						
5120	other costs	7805	7616	4057	6788	4,296	4,425
	Total	\$38,810	36,695	23,991	13,914	25,526	26,292
5125	internal Labour	160214	124698	143662	142532	146808	151212.2
5125	external labour						
5125	other costs	22,680	24,046	47,330	88,682	69,572	71,660
	Total	\$182,894	148,744	190,992	231,214	216,380	222,872
5130	internal Labour	57925	43,422	22055	53017	23,433	24,136
5130	external labour						
5130	other costs	17391	8,705	4,441	23,462	4,759	4,901
	Total	\$75,316	\$52,127	26,496	76,479	28,192	29,037
5135	internal Labour	24799	21327	32238	35361	36,422	37,514
5135	external labour	19110	55110	73300	129280	254280	254280
5135	other costs	\$4,565	\$5,281	6,985	10,784	9,298	8,206
	Total	\$48,474	\$81,718	112,523	175,425	300,000	300,000
5145	internal Labour	1,387	2,212	81	2,608	87	89
5145	external labour						
5145	other costs	461	588	0	1,717	0	0
	Total	\$1,848	2,800	81	4,325	86	89

a)

4.0 -VECC -24

Assigned to:

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.
- a) Outside Services include costs for external services and organizations that support RSL’s operations. The increase from the 2022 OEB-approved amount is mainly due to higher audit fees, which have increased by approximately \$65,000 annually.
- RSL also became a member of USF after 2022, resulting in additional annual costs of approximately \$9,800. The remaining increase reflects higher costs for other services and organizations, including ESA, CHEC and EDA.

4.0 -VECC -25

Assigned to:

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.
-
- a) RSL confirms that vegetation management costs are recorded in Accounts 5125 and 5135.
 - b) Account 5135 includes external vegetation management costs that can be separately identified. Internal labour associated with vegetation management is recorded in Account 5125 along with other operating activities. RSL does not separately track vegetation management labour within Account 5125 and, as a result, is unable to provide the vegetation-related portion of this account separately.

4.0 -VECC -26

Assigned to:

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).
- a) RSL is requesting recovery of the 2027 vegetation management expenditure of \$300,000 as part of the 2027 Test Year revenue requirement. The amounts shown for 2028 through 2031 are forecast expenditures presented to demonstrate the anticipated progression of the vegetation management program following the Test Year and are not included in the 2027 revenue requirement
 - b) No. Table 39 presents the direct vegetation management expenditures and does not include the capital costs associated with System Renewal and Conversion to Roadside Design, the Backyard Derrick Truck, or the NRCAN Recloser Installation Program. Those initiatives are undertaken for broader system renewal, resiliency and operational purposes and are not vegetation management expenditures. To the extent those investments reduce future vegetation management requirements, those effects are reflected in RSL's forecast vegetation management needs and costs rather than by including the capital expenditures themselves in Table 39.

4.0 -VECC -27***Assigned to:***

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).

a) The annual fees paid to CHEC and EDA are provided in the following table.

	2022	2023	2024	2025	2026
CHEC	18752	18938	19298	19242	20000
EDA	18100	19000	19500	20100	20600

4.0 -VECC -28**Assigned to:**

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

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

The management positions in each year from 2021 to 2027

Management Position	2021	2022	2023	2024	2025	2026	2027
CEO	✓	✓	✓	✓	✓	✓	✓
CFO	✓	✓	✓	✓	✓	✓	✓
Operations Manager	✓	✓	✓	✓	✓	✓	✓
Business Manager	—	✓	✓	✓	✓	✓	✓
Financial Manager	—	—	—	—	✓	✓	✓
Distribution Engineer	—	—	—	—	—	✓	✓
Total Management Positions	3	4	4	4	5	6	6

SEC

4-SEC-17

Assigned to:

[Exhibit 4, Appendices 2-JA, 2-JB, 2-JD and 2-K]

- a. Please provide a version of the above Appendices that include the 2026 actuals to date.
- b. Please provide Appendices 2-JA and 2-JD that include historical actuals for each year to the actual date used to update 2026 in part a).
- c. Please revise the 2027 forecast in the Appendices if required due to updating 2026 actuals.

- a) RSL has updated Appendices 2-JA, 2-JB, 2-JD and 2-K to include 2026 actual results to date. The updated Appendices are provided with this response.
- b) RSL has also updated Appendices 2-JA and 2-JD to provide historical actual results for each year to the same period used for the 2026 year-to-date actuals.
- c) RSL has reviewed the 2026 actual results to date and has determined that no revisions to the 2026 Bridge Year or 2027 Test Year budgets are required, with the exception of Account 5655, as discussed in the response to Staff-45. The revised Appendices reflect this adjustment.

4-SEC-18***Assigned to:***

[Exhibit 4, p.7] With respect to the additional positions to be added in 2026:

- a. Please provide an update on the hiring process.
- b. Please confirm whether each of these new positions are Management or Nonmanagement.

- a) The hiring of the eDSM Administrator has been completed. The successful candidate commenced employment in January 2026.

The hiring of the Distribution Engineer has also been completed. The successful candidate commenced employment in May 2026.

- b) The eDSM Administrator position is a non-management bargaining unit position represented by the union.

The Distribution Engineer position is a management position and is classified as an individual contributor (i.e., it does not have direct supervisory responsibilities).

4-SEC-19***Assigned to:***

[Exhibit 4, p.9] With respect to the eDSM position, RSL states “The addition of eDSM program staffing also contributes to increased Operations costs. These costs are largely offset through program-related funding mechanisms and are required to support program delivery obligations.”

- a. Please explain the nature of the work for this position and the source of reimbursement.
 - b. What proportion of the costs are offset?
 - c. Please provide details of where the costs and the revenue for this position are recorded.
 - d. Is this position included in Appendix 2-K?
-
- a) The eDSM position supports RSL's delivery of IESO-funded electricity demand-side management programs. The work includes supporting customer engagement and participation in province wide Save on Energy programs, identifying opportunities for residential and business customers to manage their electricity consumption, providing local customer insights, and supporting program marketing and delivery activities.

Funding for the position is provided by the IESO through its eDSM funding arrangements with RSL.

- b) RSL expects the costs of the position to be fully offset by the IESO eDSM funding in 2026. Accordingly, the position does not result in a net staffing cost to RSL's distribution ratepayers.
- c) The costs associated with the eDSM position are recorded in Account 5415, and the corresponding IESO funding revenue is recorded in Account 4375.
- d) No. The eDSM position was not included in Appendix 2-K.

4-SEC-20***Assigned to:***

[Exhibit 4, p.17]

- a. Please quantify the increases in OM&A attributable to temporary backfill and operational continuity measures.
- b. Does RSL factor in vacancies in its budgeting? If so, please provide details. If not, please explain.

a) \$12,600 in 2025 and \$7,875 in 2026

b) No RSL does factor in vacancies in its budgeting – 2% annually

4-SEC-21***Assigned to:***

[Exhibit 4, p.21] Please explain the variation in costs for Meter Expenses for 2022-2026.

2026 and 2027 have increased due to the related reverification / testing activities required. 4385 meters that will require reverification. Fluctuations in other years relate to the number of meter changes/installs required.

4-SEC-22

Assigned to:

[Exhibit 4, p.23] Please provide details of what is included in Outside Services and explain increases in individual items.

Outside Services includes fees associated with industry and regulatory organizations, as well as external audit services. The primary items include:

- Electricity Distributors Association (EDA) membership fees;
- Canadian Hydro Electric Commission (CHEC) membership fees;
- Electrical Safety Authority (ESA) fees;
- USF membership fees; and
- External audit fees.

The increase in Outside Services is primarily attributable to the following:

- Audit Fees: The largest increase relates to external audit services, which have increased by approximately \$65,000 annually and represent the primary driver of the overall variance.
- USF Membership: RSL became a member of USF subsequent to the 2022 budget. This represents a new annual cost of approximately \$9,800.
- ESA, CHEC and EDA Fees: Fees associated with ESA, CHEC and EDA have also increased relative to 2022, reflecting increases in the annual fees charged by these organizations.
- Overall, the increase in Outside Services is primarily due to higher audit costs, the addition of the USF membership, and increases in existing industry and regulatory fees.

4-SEC-23**Assigned to:**

[Exhibit 4, p.35] RLS states that it has incorporated the OEB's inflation rate of 3.6% as "a general planning assumption as a starting point." Has RSL included a productivity/stretch factor in its planning assumptions? If so, please explain. If not, why not?

Yes. RSL incorporated the applicable productivity/stretch factor in developing its planning assumption. For 2026 and 2027, RSL used a rounded annual escalation assumption of 3.6% as a general planning assumption.

For context, the OEB inflation and resulting price cap adjustments applicable to RSL in recent years are shown below

Rate Year	OEB Inflation Factor	RSL Stretch Factor	RSL Price Cap Adjustment
2022	3.30%	0.15%	3.15%
2023	3.70%	0.15%	3.55%
2024	4.80%	0.15%	4.65%
2025	3.60%	0.15%	3.45%
2026	3.70%	0.15%	3.55%

4-SEC-24

Assigned to:

[Exhibit 4, p.58-59] With respect to compensation benchmarking:

a. Please provide the details of the comparison of management salaries to the CHEC and MEARIE surveys.

b. Please provide the details of the comparison of union salaries to neighboring union salaries.

a) Please refer to the details of the comparisons used for management salaries in IR Staff 30

b) Please refer to Exhibit 4, p.63, Table 22, which provides the comparison of bargaining unit compensation among neighbouring Ontario electricity distributors.

The comparison was intentionally limited to distributors within approximately a one-hour commuting distance of RSL, as these utilities compete for the same labour market and represent the most relevant comparators for recruitment and retention.

Table 22 compares the majority of bargaining unit positions, including Powerline Technicians (PLTs), which comprise the largest portion of RSL's unionized workforce. The comparison demonstrates that RSL's overall compensation was below neighbouring distributors.

Two key compensation differences contributed to this result:

1. **Overtime provisions** – At the time of the comparison, RSL was the only neighbouring distributor that did not provide double-time compensation for all overtime hours. RSL provided double time only for Sundays and statutory holidays, whereas neighbouring distributors generally provided double time for all overtime hours.
2. **Paid lunch periods** – RSL and one other neighbouring distributor were the only utilities that did not provide paid lunch periods for line crews. Most neighbouring distributors included a paid lunch period, increasing the effective hourly compensation.

Accordingly, although base wage rates were competitive, RSL's overall ("effective") compensation was lower than that of neighbouring distributors due to these collective agreement provisions.

For bargaining unit positions outside the PLT classification, direct comparisons are more limited because these positions are not consistently unionized across Ontario distributors and job classifications differ between utilities. Where comparable positions were available, RSL compared wage ranges against neighbouring utilities, as summarized below.

	RSL	Kingston	Kingston	
Comparable Role	Customer Service Representative	Receptionist Customer Care Clerk	Customer Billing Clerk	RSL VS Peer Utility
Top Rate	\$30.57	\$34.25	\$35.19	88%
Bottom Rate	\$22.91	\$30.89	\$31.74	73%
Average Rate	\$26.74	\$32.57	\$33.47	81%

	RSL	Ottawa River Power	Ottawa River Power	
Comparable Role	Customer Service Representative	Cashier Reception	Data Clerk	RSL VS Peer Utility
Top Rate	\$30.57	\$29.81	\$33.31	97%
Bottom Rate	\$22.91	\$26.23	\$29.31	82%
Average Rate	\$26.74	\$28.02	\$31.31	90%

	RSL	Kingston	
Comparable Role	Administration & Collections Clerk	Credit Collections Clerk	RSL VS Peer Utility
Top Rate	\$34.97	\$41.69	84%
Bottom Rate	\$25.50	\$33.32	77%
Average Rate	\$30.24	\$37.51	81%

These comparisons further demonstrate that compensation for non-PLT bargaining unit positions is also generally below that of comparable neighbouring distributors.

4-SEC-25**Assigned to:**

[Exhibit 4, p.59 and Appendix 2-K]

- a. Please explain how RSL's performance-based incentives are determined.
- b. Are any incentive dollars included in Appendix 2-K? If so, please provide details.
- c. Does Appendix 2-K include any FTEs that are located in an affiliate?

Response

- a) RSL's performance-based incentives are determined based on performance against the annual corporate plan and established performance objectives. Incentive compensation also considers relevant compensation and wage survey benchmarking and is subject to Board approval.
- b) Yes. As indicated in Appendix 2-K, the salary and wage amounts reported by RSL include overtime and incentive pay. The amounts reported for Management are reproduced below for reference.

Year	Management Salary & Wages*
2021	\$-
2022	\$483,374
2023	\$570,390
2024	\$664,449
2025	\$764,122
2026	\$887,046
2027	\$949,222

- c) No. Appendix 2-K does not include any FTEs employed by or located within an affiliate.

4-SEC-26

Assigned to:

[Exhibit 4, Table 38] With respect to vegetation management:

- Please break out external and internal resources for each year.
- Please explain what is meant by True Urgent, Near-Term and Long-Term.
- Does the budget shown in Table 38 include reactive tree trimming work, i.e. in response to a storm?
- Please break out the increases in vegetation management costs in 2025-2027 between increases in the volume of vegetation management relative to what was previously forecast, and the increase in unit cost of vegetation management.

- a) The vegetation management costs are broken out between internal labour, external labour and other costs as follows:

	2022	2023	2024	2025	2026	2027
Internal Labour	\$24,799	\$21,327	\$32,238	\$35,361	\$36,422	\$37,514
External Labour	\$19,110	\$55,110	\$73,300	\$129,280	\$254,280	\$254,280
Other Costs	\$4,565	\$5,281	\$6,985	\$10,784	\$9,298	\$8,206
Total	\$48,474	\$81,718	\$112,523	\$175,425	\$300,000	\$300,000

RSL notes that the other costs previously reported in Table 31 require correction as follows: \$29,364 in 2022, \$26,608 in 2023 and \$39,223 in 2024.

- b) The terms reflect the priority and timing of vegetation management work:

True Urgent – Critical Priority: Work that requires immediate attention due to reliability risk or existing vegetation management backlog.

Near-Term: Work required to manage vegetation-related risk until the long-term vegetation management plan is fully implemented.

Long-Term: The ongoing vegetation management program, where work will be completed across RSL's service areas on a planned rotating cycle.

- c) Yes. The total vegetation management budget includes reactive tree trimming, including work undertaken in response to storms and other unplanned events. Tables 32 through 39 relate specifically to the proposed long-term vegetation management plan and do not include reactive tree trimming work.

- d) The increase in vegetation management costs from 2025 to 2027 is primarily related to the increased volume of work. The level of vegetation management included in RSL's last cost of service was lower than what is now required and was not based on a structured rotating cycle. The additional volume of work accounts for approximately \$125,000 in 2025 and \$250,000 in each of 2026 and 2027. While there have been normal changes in the cost of providing the work, unit cost increases are not a significant driver of the overall increase.

4-SEC-27**Assigned to:**

[Exhibit 4, Appendix 2-M] With respect to the application costs:

- a. Please provide details of the \$76,480 spent between 2023 and 2025.
- b. Please provide actual spending in 2026, and update 2027 costs if required.

**Appendix 2-M
Regulatory Cost Schedule**

Regulatory Costs (One-Time)		Last Rebasing (2022 OEB Approved)	Last Rebasing (2022 Actual)	Sum Of Historical Years (2023-2025)	2026 Bridge Year	2027 Test Year
		(A)	(B)	(C)	(D)	(E)
1	Expert Witness costs					
2	Legal costs					25,000
3	Consultants' costs					85,000
4	Intervenor costs					60,000
5	OEB Section 30 Costs (application-related)					
6	Advert Costs/Public Notice/Other Costs					2,853
7						
8						
9	Total Regulatory Costs included in 2022	95,600				
10	1/5 of per year between 2022-2026		19,120	57,360	19,120	
11	Tallied in prepaid services until CoS				147,195	
12						
28						
Sub-total - One-time Costs		\$ 95,600	\$ 19,120	\$ 57,360	\$ 166,315	\$ 172,853

Application-Related One-Time Costs	Total (F =C+D+E)
Total One-Time Costs Related to Application to be Amortized over IRM Period	\$ 172,853
1/5 of Total One-Time Costs	\$ 34,571

- a) The \$76,480 represents four years of amortization, from 2022 to 2025, of the \$95,600 in regulatory costs approved in RSL's 2022 Cost of Service proceeding. These costs are amortized over five years at \$19,120 annually. Appendix 2-M reports \$57,360 for the 2023 to 2025 historical period, with the final \$19,120 shown separately in the 2026 bridge year.
- b) As of June 30, 2026, RSL has incurred \$147,195 in costs associated with the current 2027 Cost of Service application. These costs are recorded in prepaid services.
- c) RSL continues to forecast total application-related costs of \$172,853 and is not proposing to revise this forecast. The forecast costs are proposed to be amortized over five years, resulting in annual recovery of \$34,571 beginning in the 2027 test year.

Exhibit 5 – Cost of Capital

Staff-50

Assigned to:

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 see VECC-29

c)

PROMISSORY NOTE

\$938,352.00

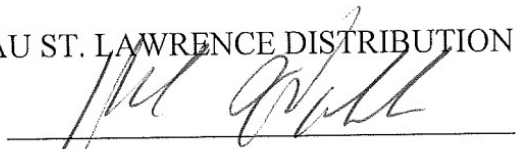
Date: October 31, 2000

For value received, the undersigned promises to pay on demand to the order of The Corporation of the Township of South Dundas, at its head office, the sum of Nine Hundred and Thirty-eight Thousand, Three Hundred and Fifty-two (\$938,352.00) Dollars.

This sum shall not bear interest from the date of the note to the earlier of the date of market opening or such time as the Directors shall decide.

Thereafter, interest is to be calculated with interest at a rate per annum as determined by the Directors from time to time, such amount not to exceed 7.25% per annum, or as negotiated annually. Interest shall be payable in the discretion of the Directors of the undersigned, taking into consideration the ability to pay of the undersigned (determined by the market value based rate of return phase in strategy, level of working capital or other reserves and the tax efficiency to shareholders of interest payments as opposed to dividend payments).

RIDEAU ST. LAWRENCE DISTRIBUTION INC.

Per: 

I have authority to bind the Corporation.

PROMISSORY NOTE

\$225,000.00

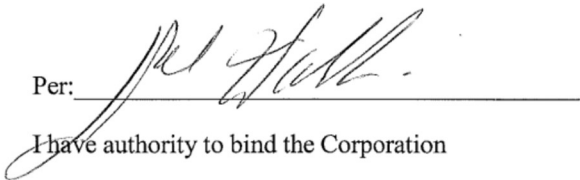
Date: July 15, 2001

For value received, the undersigned promises to pay on demand to the order of The Corporation of the Village of Cardinal, at its head office, the sum of Two Hundred and Twenty-five Thousand (\$225,000.00) Dollars.

This sum shall not bear interest from the date of the note to the earlier of the date of market opening or such time as the Directors shall decide.

Thereafter, interest is to be calculated with interest at a rate per annum as determined by the Directors from time to time, such amount not to exceed 7.25% per annum, or as negotiated annually. Interest shall be payable in the discretion of the Directors of the undersigned, taking into consideration the ability to pay of the undersigned (determined by the market value based rate of return phase in strategy, level of working capital or other reserves and the tax efficiency to shareholders of interest payments as opposed to dividend payments).

RIDEAU ST. LAWRENCE DISTRIBUTION INC.

Per: 

I have authority to bind the Corporation

Staff-51**Assigned to:****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 Appendix 2-OB to reflect the consolidated loan.

Response**Reference #1 - Table 4**

DEBT INSTRUMENTS									
Description for 2027	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%)	Interest (\$)	Additional Comments, if any
Promissory Note	Township of	Third-Party	Fixed Rate	01-Aug-01	Demand	\$225,000.00	4.73%	\$10,642.50	4.73%
	Edwardsburgh/							\$0.00	
	Cardinal							\$0.00	
Promissory Note	Township of South Dundas	Third-Party	Fixed Rate	01-Aug-01	Demand	\$938,352.00	4.73%	\$44,384.05	4.73%
LTD	Parent Company/TD Bank	Affiliated	Fixed Rate	20-Jan-23	4			\$0.00	\$4.93% is rate charged by TD/ 1 month
LTD	Parent Company/TD Bank	Affiliated	Fixed Rate	13-Mar-24	3			\$0.00	\$5.12% is rate charged by TD/ 3months
Line of Credit	Parent Company/TD Bank			20-Jan-23				\$0.00	
LTD	Parent Company/TD Bank	Affiliated	Fixed Rate	13-Mar-26	3	\$5,205,166.00	3.69%	\$192,070.63	
TOTAL						\$6,368,518.00	3.88%	\$247,097.18	

Reference #2 – Appendix 2-OB

Year 2027

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Township of	Third-Party	Fixed Rate	1-Aug-01	Demand	\$ 225,000	0.0473	\$ 10,642.50	0.0473
2		Edwardsburgh/							\$ -	
3		Cardinal							\$ -	
4	Promissory Note	Township of South D	Third-Party	Fixed Rate	1-Aug-01	Demand	\$ 938,352	0.0473	\$ 44,384.05	0.0473
5	LTD	Parent Company/TD	Affiliated	Fixed Rate	20-Jan-23	4			\$ -	\$4.93% is rate charged by TD/
6	LTD	Parent Company/TD	Affiliated	Fixed Rate	13-Mar-24	3			\$ -	\$5.12% is rate charged by TD/
7	Line of Credit	Parent Company/TD Bank			20-Jan-23				\$ -	
8	LTD	Parent Company/TD	Affiliated	Fixed Rate	13-Mar-26	3	\$ 5,205,166	0.0369	\$ 192,070.63	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 6,368,518	3.88%	\$ 247,097.18	

- There is no discrepancy between the two references. Reference 1, Table 4 and Appendix 2-OB both show a principal amount of \$5,205,166 for the consolidated LTD.
- There is no updated promissory note available at this time.
- Confirmed. Appendix 2-OA and Appendix 2-OB reflect the consolidated debt arrangement proposed for the 2027 Test Year.
- No update is required. The \$5,205,166 loan currently reflected in Appendix 2-OB is the consolidated debt arrangement proposed for the 2027 Test Year.
- No update is required. The \$5,205,166 LTD shown in Appendix 2-OB is the consolidated loan.

Staff-52**Assigned to:****Return on Equity****Ref: Exhibit 5, p. 6, June 15, 2026****Question(s):**

a) Please provide the up-to-date 2026 actual ROE.

a) The ROE is anticipated to be 1.02% based on the best-known information at the time of this filing.

	REVENUE SUFFICIENCY OR DEFICIENCY - ROE					
	BOARD APPR.	2022	2023	2024	2025	2026
Board Approved	8.66%	8.66%	8.66%	8.66%	8.66%	8.66%
(Appendix 1) Non-rate regulated items and other adjustments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(Appendix 2) Non-recoverable donations (Appendix 2)		\$205.00	\$305.00	\$88.00	\$90.00	\$172.00
(Appendix 3) Net interest/carrying charges from DVAs (Appendix 3)		-\$15,349.01	-\$45,173.35	-\$25,034.32	-\$12,373.77	-\$24,482.61
(Appendix 4) Interest adjustment for deemed debt		-\$71,891.29	-\$22,299.32	-\$10,871.31	-\$3,514.93	-\$27,144.21
Subtotal						
Adjusted Net Regulated Income		\$26,996.73	\$166,576.03	\$253,645.58	\$115,421.95	\$37,283.71
Add: Future/deferred taxes expense (6115)		\$15,845.00	-\$8,161.00	-\$61,000.00	\$16,395.00	\$16,886.85
Add: Current income tax expense (Does not include future income tax) 6110		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Deduct: Current income tax expense for regulated ROE purposes (Appendix 6) tax) 6111		\$20,369.26	-\$8,194.46	-\$4,369.75	-\$1,927.44	\$1,469.40
Subtotal						
Adjusted regulated net income		\$22,472.47	\$166,609.49	\$197,015.33	\$133,744.39	\$52,701.16
Achieved ROE		0.80%	4.88%	5.48%	3.49%	1.02%
Variance from Board Approved		-7.86%	-3.78%	-3.18%	-5.17%	-7.64%

VECC

5.0-VECC-29

Assigned to:

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.
- a) RSL apologises for any confusion with respect to the nature of the two promissory notes between itself and its shareholders the Township of Edwardsburgh/Cardinal, and the Township of South Dundas (the "Notes").

While the Notes are held by shareholders, those shareholders are not affiliates within the definition of the term used by the OEB in the context of the cost of capital policy.

However, the Notes are variable in nature, as the rate can be amended at the will of the RSL Board of Directors up to a cap of 7.25%. At the same time, the Notes are callable on demand by the note holders the Township of Edwardsburgh/Cardinal and the Township of South Dundas.

Accordingly, as variable rate debt, the Notes attract the OEB's deemed rate as a cap on the applicable rate at each cost of service.

RSL notes that in EB-2011-0274, the weighted average cost of long-term debt was approved at 3.75%, based on the use of the 2012 deemed long term debt rate for the Notes of 4.41%. (See EB-2011-0274, Response to VECC IR 24, filed May 11, 2012, and EB-2012-0274, Settlement Agreement filed August 26, 2012, page 30 and Appendix G).

Similarly, in EB-2015-0111, RSL's long term debt rate was set at 3%, based on the applicable 2017 deemed long term debt rate of 3.72% applied to the two Notes (EB-2015-0111, Settlement Agreement filed May 11, 2017, page 20, and Chapter 2 Appendices filed with the Settlement on May 11, 2017, Appendix 2-OB).

In EB-2021-0055 the parties agreed to a weighted average cost of long-term debt of 3.69% based on a rate of 3.72% on the Notes, rather than the applicable 2022 deemed long-term rate of 3.49%. From the record it appears that, while the nature of the Notes was clarified to the extent that they were not affiliates within the definition of the OEB's cost of capital policy, the notes were improperly characterized as fixed rate debt at the rate of 3.72% based on the previously approved rates in EB-2015-0111, as opposed to being characterized as variable rate debt that attracted the then applicable deemed rate of 3.49%. (EB-2021-0055, Settlement Proposal filed May 16, 2022, page 21).

A review of the notes shows that they are not fixed; they are subject to adjustment on an ongoing basis. Accordingly, RSL believes that the notes continue to be variable rate debt that attracts the OEB's deemed rate as a cap when considering the applicable rate for cost-of-service applications. To that end, RSL believes that under the circumstances the applicable rate is the OEB deemed rate for January 1, 2027, applications.

However, given that it is not clear on the record as to whether the parties in the settlement of RSL 2022 rate application intentionally approved a rate for the notes in excess of the applicable deemed rate, or whether there was an unintentional failure to apply the deemed rate in the context of the settlement agreement, RSL proposes, for 2027 rates, to apply the 2027 deemed long term debt rate as set by the OEB, subject to a .23% deduction to reflect the difference between the 3.72% used in 2022 and the 2022 deemed rate of 3.49%. Accordingly, pending the release of the 2017 deemed long term debt rate by the OEB, RSL has included a rate of 4.5% as a placeholder in the evidence updated through the IRR process, which is the prevailing deemed rate of 4.73% minus .23%. .

- b) As requested, RSL has recalculated the weighted average cost of its 2027 actual long-term debt using the current rate of 3.72% for the two municipal promissory notes.

Debt Instrument	Principal	Rate	Interest
Township of Edwardsburgh/Cardinal	\$225,000	3.72%	\$8,370
Township of South Dundas	\$938,352	3.72%	\$34,907
Parent Company / TD Bank	\$5,205,166	3.69%	\$192,071
Total	\$6,368,518	3.70%	\$235,347

The resulting weighted average cost of actual long-term debt is approximately 3.70%, compared with 3.88% reflected in the Application. This reduces the return associated with actual long-term debt by approximately \$11,750, from \$247,097 to \$235,347, before consequential impacts on the revenue requirement.

5.0-VECC-30

Assigned to:

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) 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.
- a) Yes. The 2027 financing reflects both the consolidation of RSL's existing debt arrangements and approximately \$500,000 of incremental borrowing to support RSL's capital expenditure requirements.

RSL therefore clarifies the statement in Exhibit 5 that the 2027 debt structure represents a continuation of existing financing practices rather than new borrowing. While the majority of the 2027 debt represents the refinancing and consolidation of existing obligations, the resulting 2027 debt balance also includes incremental financing associated with RSL's capital program.

The difference between the total debt reported in Table 5 for 2026 of \$5,901,690 and Table 4 for 2027 of \$6,368,518 is approximately \$466,828.

- b) RSL would like to clarify that it currently holds (and will hold in 2027) two types of long term debt.

The first is two promissory notes with shareholders, as described in detail in VECC-29 a). While shareholders, they are not affiliates but attract the OEB's deemed rate as a result of being variable rate debt.

The second type of debt, while arranged by RSL's affiliate, is ultimately issued by a 3rd party at a fixed rate and a market price. It is the rate that RSL was able to obtain for the debt. As can be seen in Exhibit 5, that debt is, for 2027, included in the revenue requirement at a principal amount of \$5,205,166 at a rate of 3.69%, below the prevailing deemed rate.

Exhibit 6 – Revenue Requirement

6-Staff-53

Assigned to:

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.

a) An updated Appendix 2-H has been provided based on the most recent 2026 estimates.

Appendix 2-H												
Other Revenue												
USoA #	USoA Description	2022 Actual	2023 Actual	2024 Actual	2025 Actual	Bridge Year	July	2026 Forecast	Test Year			
		2022	2023	2024	2025	2026			2027			
	Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			MIFRS			
	4082 Retail Services Revenues	-7765.25	-9979.78	-9288.57	-8650.78	-8910.3	-5365.96	-9198.79	-9177.61			
	4084 Service Transaction Requests (STR) Revenue	-23.69	-29.58	-12.3	-29.87	-30.7661	-8.5	-14.5714	-31.6891			
4086	SSS Administration Revenue	-22429.4	-22449.1	-22626.8	-22815	-23499.5	-13354.4	-22893.3	-24204.5			
	4090 Electric Services Incidental to Energy Sales	0	0	0								
	4205 Interdepartmental Rents	0	0	0								
	4210 Rent from Electric Property	-58137.8	-44185.1	-78509.9	-80610.9	-83029.3	-83320.4	-83320.4	-85520.1			
	4215 Other Utility Operating Income	0	14376.53	0								
	4220 Other Electric Revenues	-31887.3	-39291.4	-48606.7	-50886.2	-62874	-33098.5	-62874	-77292			
	4225 Late Payment Charges	-56594.5	-78093.2	-67188.1	-73128.5	-75322.4	-49551.7	-80551.7	-77582			
	4230 Sales of Water and Water Power	0	0	0								
	4235 Miscellaneous Service Revenues	-101003	-84800.1	-63470.3	-121496	-90141	-44752.9	-76719.3	-80000			
	4240 Provision for Rate Refunds	0	0	0								
	4245 Government and Other Assistance Directly Received	0	0	0								
	4305 Regulatory Debits	0	0	0								
	4310 Regulatory Credits	0	0	0								
	4315 Revenues from Electric Plant Leased to Others	0	0	0								
	4320 Expenses of Electric Plant Leased to Others	0	0	0								
	4325 Revenues from Merchandise	0	0	0								
	4330 Costs and Expenses of Merchandising	0	0	0								
	4335 Profits and Losses from Financial Instruments	0	0	0								
	4340 Profits and Losses from Financial Instruments	0	0	0								
	4345 Gains from Disposition of Future Use Utility Assets	0	0	0								
	4350 Losses from Disposition of Future Use Utility Assets	0	0	0								
	4355 Gain on Disposition of Utility and Other Properties	0	0	0								
	4357 Gain from Retirement of Utility and Other Properties	0	0	0								
	4360 Loss on Disposition of Utility and Other Properties	11685.21	-27666.7	1574.75	4769.93	4913.028		4913	5060.419			
	4362 Loss from Retirement of Utility and Other Properties	0	0	0								
	4365 Gains from Disposition of Allowances for Electric Plant	0	0	0								
	4370 Losses from Disposition of Allowances for Electric Plant	0	0	0								
	4375 Revenues from Non Rate-Regulated Utility Company	-66410.8	-4395	0			-51142.7	-87673.1	-60000			
	4380 Expenses of Non Rate-Regulated Utility Company	39413.2	8972.24	0								
	4385 Non Rate-Regulated Utility Rental Income	0	0	0								
	4390 Miscellaneous Non-Operating Income	0	0	0			-3483.36	-3483				
	4395 Rate-Payer Benefit Including Interest	0	0	0								
	4398 Foreign Exchange Gains and Losses, Including	0	0	0								
	4405 Interest and Dividend Income	-196.85	-27047.4	-50273.3	-8259.63	-37585.7	-492.09	-843.583	-1000		Excludes DVA interest	
	4410 Lessor's Net Investment in Finance Lease	0	0	0								
	4415 Equity in Earnings of Subsidiary Companies	0	0	0								
	4420 Share of Profit or Loss of Joint Venture	0	0	0								

b) The 2026 forecast is based on YTD results annualized and adjusted for known forecast changes not yet booked. For example, Account 4220 includes the amortization of 2026 contributed capital.

c) The higher revenue in 2025 was related to one-time service and connection work that is not expected to recur. The 2026 forecast is based on YTD results and expected activity for the balance of the year and reflects a more typical level of activity.

d) Account 4220 relates to the amortization of contributed capital.

e) The 2022 revenue in Account 4375 was related to one-time work on projects outside of regulated activities. This included make-ready work associated with the Bell FTTH project, such as relocating streetlights for the Municipality of Prescott and other related work.

The decrease in 2023 reflects the completion of this work. The revenue recorded in 2023 relates to a system upgrade requested by Westport.

f) Yes. Account 4405 included interest related to DVAs. The DVA interest has been removed from the amended Appendix 2-H in accordance with the Chapter 2 Filing Requirements.

Staff-54**Assigned to:****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.
- a) Response The amounts recorded in accounts 4375 and 4380 in 2022 relate to work completed on projects not associated with regulated activities. Specifically make ready work associated with the Bell FTTH project such as relocating streetlights for the municipality of Prescott and others. In 2023 4375 revenues relate to a system upgrade requested by Westport.
- These activities are not related to affiliate transactions. Affiliate transaction costs for shared services such as Billing and Collecting are fully allocated and recorded directly and credited to its OM&A expenses.
- b) Response Amounts related to accounts 4375 and 4380 are not recorded in OM&A, amounts related to affiliate transactions are credited to the appropriate OM&A accounts. When identified, non-rate regulated revenues and costs are recorded in 4375 and 4380.

Staff-55***Assigned to:*****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.

- a) [The Cost of Power has been updated to reflect the revised charges as per the Decision above.](#)

Staff-56***Assigned to:*****Distribution Pole Attachment Charge**

Ref: EB-2026-0176, [Decision and Order](#), June 16, 2026

Preamble:

On June 16, 2026, the OEB issued its 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.

a) [The final tariff sheet will reflect the correct charge.](#)

Staff-57**Assigned to:****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.

From KPMG

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

Please see CCA continuity schedule at the next page for 2022-2025 taxation years. For all but 2024, the CCA taken has been less than the regular CCA. For 2024 there was a partial but not full amount of AIP taken.

2022

CCA Class	Opening UCC	Audit Adj.	Additions	DIEP	AIIP	Proceeds of Disposition	CCA Rate	Max CCA	Max CCA Without AIIP	CCA Taken	Ending UCC
1	\$2,687,177	-	-	-	-	-	4%	\$107,487	\$107,487	\$107,487	\$2,579,690
10	146,879	-	-	-	-	-	30%	44,064	44,064	44,064	102,815
8	38,892	-	-	-	-	-	20%	7,778	7,778	7,778	31,114
45	987	-	-	-	-	-	45%	444	444	444	543
46	22	-	-	-	-	-	30%	7	7	7	15
47	5,052,597	(658,044)	742,208	-	-	-	8%	440,629	381,253	322,186	4,814,575
50	19,857	-	24,184	24,184	-	-	55%	35,105	35,105	35,105	8,936
46	-	-	38,268	38,268	-	-	30%	38,268	38,268	38,268	-
Total	\$7,946,411	\$(658,044)	\$804,660	\$62,452	-	-		\$673,782	\$614,406	\$555,339	\$7,537,688

2023

CCA Class	Opening UCC	Additions	DIEP	AIIP	Proceeds of Disposition	CCA Rate	Max CCA	Max CCA Without AIIP	CCA Taken	Ending UCC
1	\$2,579,690	\$19,950	-	-	-	4%	\$104,385	\$103,587	\$104,385	\$2,495,255
10	102,815	127,236	127,236	-	28,500	30%	149,531	149,531	149,531	52,020
8	31,114	82,828	82,828	-	-	20%	89,051	89,051	89,051	24,891
45	543	-	-	-	-	45%	244	244	244	299
46	15	-	-	-	-	30%	5	5	5	10
47	4,814,575	1,375,968	-	-	163,342	8%	537,215	427,137	277,137	5,750,064
50	8,936	-	-	-	-	55%	4,915	4,915	4,915	4,021
46	-	-	-	-	-	30%	-	-	-	-
Total	\$7,537,688	\$1,605,982	\$210,064	-	\$191,842	-	\$885,344	\$774,469	\$625,268	\$8,326,560

2024

CCA Class	Opening UCC	Additions	DIEP	AIIP	Proceeds of Disposition	CCA Rate	Max CCA	Max CCA Without AIIP	CCA Taken	Ending UCC
1	\$2,495,255	-	-	-	-	4%	\$99,810	\$99,810	\$99,810	\$2,395,445
10	52,020	-	-	-	-	30%	15,606	15,606	15,606	36,414
8	24,891	10,952	-	10,952	-	20%	8,264	6,073	7,169	28,674
45	299	-	-	-	-	45%	135	135	135	164
46	10	-	-	-	-	30%	3	3	3	7
47	5,750,064	876,873	-	696,011	180,862	8%	550,761	480,611	546,848	5,899,227
50	4,021	15,624	-	15,624	-	55%	15,101	6,508	10,805	8,840
46	-	-	-	-	-	30%	-	-	-	-
Total	\$8,326,560	\$903,449	-	\$722,587	\$180,862	-	\$689,680	\$608,746	\$680,376	\$8,368,771

2025

CCA Class	Opening UCC	Additions	DIEP	AIIP	Proceeds of Disposition	CCA Rate	Max CCA	Max CCA Without AIIP	CCA Taken	Ending UCC
1	\$2,395,445	-	-	-	-	4%	\$95,818	\$95,818	\$95,818	\$2,299,627
10	36,414	32,153	-	32,153	-	30%	25,993	15,747	20,570	47,997
8	28,674	21,156	-	21,156	-	20%	12,082	7,850	9,966	39,864
45	164	-	-	-	-	45%	74	74	74	90
46	7	-	-	-	-	30%	2	2	2	5
47	5,899,227	1,074,269	-	1,074,269	-	8%	600,850	514,909	416,978	6,556,518
50	8,840	-	-	-	-	55%	4,862	4,862	4,862	3,978
46	-	-	-	-	-	30%	-	-	-	-
Total	\$8,368,771	\$1,127,578	-	\$1,127,578	-	-	\$739,681	\$639,262	\$548,270	\$8,948,079

- 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

2021 opening loss carryforward balance: \$246,248

2021 losses used in the year: \$246,248

2021 ending carryforward balance: \$nil

There were no losses carrying forward between 2022 and 2025 taxation years. The losses are estimated as below:

2026 opening balance: \$nil

2026 loss generated in the year: \$512,924

2026 ending balance: \$512,924

2027 opening balance: \$512,924

2027 loss generated in the year: \$53,727

2027 ending balance: \$566,651

Please note that the losses estimated for 2026 & 2027 are as a result of a full CCA claim (not including potential AIIP).

- c) Please confirm whether Rideau St. Lawrence Distribution claimed AIIP in its corporate income tax returns for each year from 2022 through 2025.
- ii. 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
 - iii. 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.

Please see CCA continuity schedule attached. The only AIIP deduction taken was in 2024 in

the amount of \$71,630 which had an impact of reducing PILS by \$18,982. Please note that for 2022-2025 taxation years, including the projected 2026 & 2026 taxation years, the corporation did not have high enough taxable income to utilize the full CCA available. If the amount of CCA deduction was taken at the maximum (regular or with AIIIP benefit), this would result in a non-capital loss carryforward. For the 2022-2025 taxation years, including the projected 2026 & 2027 years, these losses would not be utilized and would be carried forward.

- 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.

Similar to 2022-2024 taxation years, taxable income was calculated without the discretionary CCA deduction. Once the amount was calculated, CCA was claimed in an amount sufficient to reduce the taxable income to \$nil but not to create a non-capital loss carrying forward. This was done with the view that a non-capital loss is subject to expiration whereas the undeducted CCA can carry forward indefinitely.

VECC

6.0-VECC-31

Assigned to:

Reference: Exhibit 6, page 14, Table 9

- a) Please provide the basis for the 2026 and 2027 forecasts for 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.
-
- a) For all Other Revenues accounts, RSL used the previous year inflated at 3%. The only exception was an adjustment to account number 4235 to add \$35,000.

2024								
		2024 pole rates						
		\$37.38						
						#of poles	Rate	Subtotal
	JP-P0207	Persona Communications	2024-01-15	Joint pole jan-june 2024	\$ 10,288.63	482	\$ 37.78	\$ 18,209.96
	JP-2013	Persona Communications	2024-07-01	Joint poles July-Dec 2024	\$ 10,288.63			
	JP-W0308	WTC Communications	2024-01-15	Joint pole jan-june 2024	\$ 3,735.50	175	\$ 37.78	\$ 6,611.50
	JP-W03014	WTC Communications	2024-07-01	Joint poles July-Dec 2024	\$ 3,735.50			
	JP-X0409	Xplornet Internet Services	2024-01-15	Joint pole jan-june 2024	\$ 3,116.47	146	\$ 37.78	\$ 5,515.88
	JP-X0415	Xplornet Internet Services	2024-07-01	Joint poles July-Dec 2024	\$ 3,116.47			
	JP-C0106	Cogeco Connexion	2024-01-15	Joint pole jan-june 2024	\$ 8,175.40	383	\$ 37.78	\$ 14,469.74
	JP-C0712	Cogeco Connexion	2024-07-01	Joint poles July-Dec 2024	\$ 8,175.40			
	JP-B02024	Bell	2024-03-01	Joint Use poles	\$ 35,603.70	874	\$ 36.05	\$ 31,507.70
	HP-2401	Hydro One	2024-02-29	Joint Use Poles 2024	\$ 1,262.83	31	\$ 36.05	\$ 1,117.55
						2091		\$ 77,432.33
2025		2025 pole rates						
		\$39.14						
						#of poles	Rate	Subtotal
	JP-C001	COGECO CONNEXION	2025-01-13	JOINT USE POLES JAN-JUL	\$ 8,469.70	383	\$ 39.14	\$ 14,990.62
	JP-CO102	COGECO CONNEXION	2025-07-02	JOINT USE POLES JUL-DEC	\$ 8,469.70			
	JP-P0201	PERSONA COMMUNICATIONS INC	2025-01-13	JOINT USE POLES JAN-JUL	\$ 10,659.00	482	\$ 39.14	\$ 18,865.48
	JP-PO202	PERSONA COMMUNICATIONS INC	2025-07-02	JOINT USE POLES JUL-DEC	\$ 10,659.00			
	JP-W0301	WTC COMMUNICATIONS	2025-01-13	JOINT USE POLES JAN-JUL	\$ 3,869.97	175	\$ 39.14	\$ 6,849.50
	JP-WO302	WTC COMMUNICATIONS	2025-07-02	JOINT USE POLES JUL-DEC	\$ 3,869.97			
	JP-X0401	XPLOARNET INTERNET SERVICES	2025-01-13	JOINT USE POLES JAN-JUL	\$ 3,228.66	146	\$ 39.14	\$ 5,714.44
	JP-XO402	XPLOARNET INTERNET SERVICES	2025-07-02	JOINT USE POLES JUL-DEC	\$ 3,228.66			
	JP-B02025	BELL	2025-03-01	JOINT USE POLES 2024	\$ 37,312.28	874	\$ 37.78	\$ 33,019.72
	JPH-2501	HYDRO ONE NETWORKS INC	2025-01-13	JOINT USE POLES JAN-DEC 2024	\$ 1,323.43	31	\$ 37.78	\$ 1,171.18
						2091		\$ 80,610.94
2026		2026 pole rates						
		\$40.59						
						#of poles	Rate	Subtotal
	AR16	COGECO CONNEXION	2025-01-13	JOINT USE POLES JAN-JUL	\$ 8,783.47	383	\$ 40.59	\$ 15,545.97
		COGECO CONNEXION	2025-07-02	JOINT USE POLES JUL-DEC	\$ 8,783.47			
	AR11	PERSONA COMMUNICATIONS INC	2025-01-13	JOINT USE POLES JAN-JUL	\$ 11,053.87	482	\$ 40.59	\$ 19,564.38
		PERSONA COMMUNICATIONS INC	2025-07-02	JOINT USE POLES JUL-DEC	\$ 11,053.87			
	AR14	WTC COMMUNICATIONS	2025-01-13	JOINT USE POLES JAN-JUL	\$ 4,013.33	175	\$ 40.59	\$ 7,103.25
		WTC COMMUNICATIONS	2025-07-02	JOINT USE POLES JUL-DEC	\$ 4,013.33			
	AR15	XPLOARNET INTERNET SERVICES	2025-01-13	JOINT USE POLES JAN-JUL	\$ 3,348.27	146	\$ 40.59	\$ 5,926.14
		XPLOARNET INTERNET SERVICES	2025-07-02	JOINT USE POLES JUL-DEC	\$ 3,348.27			
	AR19	BELL	2025-03-01	JOINT USE POLES 2024	\$ 38,655.45	874	\$ 39.14	\$ 34,208.36
	AR08	HYDRO ONE NETWORKS INC	2025-01-13	JOINT USE POLES JAN-DEC 2024	\$ 1,371.07	31	\$ 39.14	\$ 1,213.34
						2091		\$ 82,348.10
2027		2027 pole rates						
		\$41.81						
						#of poles	Rate	Subtotal
	AR16	COGECO CONNEXION	2025-01-13	JOINT USE POLES JAN-JUL	\$ 8,783.47	383	\$41.81	\$ 16,013.23
		COGECO CONNEXION	2025-07-02	JOINT USE POLES JUL-DEC	\$ 8,783.47			
	AR11	PERSONA COMMUNICATIONS INC	2025-01-13	JOINT USE POLES JAN-JUL	\$ 11,053.87	482	\$41.81	\$ 20,152.42
		PERSONA COMMUNICATIONS INC	2025-07-02	JOINT USE POLES JUL-DEC	\$ 11,053.87			
	AR14	WTC COMMUNICATIONS	2025-01-13	JOINT USE POLES JAN-JUL	\$ 4,013.33	175	\$41.81	\$ 7,316.75
		WTC COMMUNICATIONS	2025-07-02	JOINT USE POLES JUL-DEC	\$ 4,013.33			
	AR15	XPLOARNET INTERNET SERVICES	2025-01-13	JOINT USE POLES JAN-JUL	\$ 3,348.27	146	\$41.81	\$ 6,104.26
		XPLOARNET INTERNET SERVICES	2025-07-02	JOINT USE POLES JUL-DEC	\$ 3,348.27			
	AR19	BELL	2025-03-01	JOINT USE POLES 2024	\$ 38,655.45	874	\$ 40.59	\$ 35,475.66
	AR08	HYDRO ONE NETWORKS INC	2025-01-13	JOINT USE POLES JAN-DEC 2024	\$ 1,371.07	31	\$ 40.59	\$ 1,258.29
						2091		\$ 85,062.32
								1.032960332

6.0-VECC-32

Assigned to:

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.

RSL currently has seven MicroFIT accounts. The administration of these accounts requires approximately three hours of staff time per month. This includes retrieving and reviewing meter reads from Utilismart, processing the reads through billing, preparing the applicable credit invoices, and processing the resulting payments through Accounts Payable.

Based on the current monthly cost estimate of approximately \$120, the three hours of staff time represent an approximate blended labour cost of \$40 per hour. The current cost can therefore be summarized as follows:

	Current Cost
Number of MicroFIT accounts	7
Approximate monthly staff time	3.0 hours
Approximate blended labour cost	\$40/hour
Total monthly administrative cost	\$120
Approximate time per account	26 minutes/month
Administrative cost per account	\$17.14/month
Current approved MicroFIT charge	\$17.20/month

The activities identified above are required for each MicroFIT account and the associated workload therefore increases as additional MicroFIT accounts are added. Based on RSL's current administrative process and costs, the calculated cost of approximately \$17.14 per account per month is consistent with the existing approved charge of \$17.20 per month.

RSL therefore proposes to maintain the existing \$17.20 monthly MicroFIT service charge.

SEC

6-SEC-28

Assigned to:

[Exhibit 6, Appendix 2-H] With respect to Other Revenue,

- a. Please provide a version of the above Appendix that includes the 2026 actuals to date.
- b. Please provide Appendix 2-H that includes historical actuals for each year to the actual date used to update 2026 in part a).
- c. Please revise the 2027 forecast in the Appendix if required due to updating 2026 actuals.

[illegible]

Appendix 2-H											
Other Revenue											

6-SEC-29**Assigned to:**

[Exhibit 6, p.16] Please update the revenue related to the pole attachments using the updated pole attachment charge as per the OEB Decision EB-2026-0176, issued on June 16, 2026.

See staff-56

In additions

RSL has reviewed the changes to the OEB-approved service charges and pole attachment charge. RSL's 2027 budget reflects a 3% increase for these revenues, which is consistent with the changes approved by the OEB for 2027.

The changes to the service charges are summarized below:

Service Charge	Previous Charge	2027 Charge	% Change
Retailer Service Agreement	\$125.72	\$129.49	3.00%
Distributor Consolidated Billing	\$50.29	\$51.80	3.00%
Retailer Consolidated Billing	\$0.63	\$0.65	3.17%
Service Transaction Request	\$0.32	\$0.33	3.13%
Electronic Business Transaction	\$0.63	\$0.65	3.17%
Notice of Switch	\$1.24	\$1.28	3.23%

The OEB-approved pole attachment charges are shown below:

Year	Pole Attachment Charge	Year-over-Year Change
2023	\$36.05	—
2024	\$37.78	4.80%
2025	\$39.14	3.60%
2026	\$40.59	3.70%
2027	\$41.81	3.01%

As shown above, the 2027 changes are approximately 3% and are consistent with the increase already reflected in RSL's 2027 budget. RSL therefore has not made any further changes to the forecast as a result of these OEB-approved changes.

Exhibit 7 – Cost Allocation

Staff-58

Assigned to:

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.

- a) The Revenue Requirement associated with 1855 is \$60,114
- b) RSL tracks service-related capital costs through its accounting system and work orders; however, historically these costs have not been coded by customer class. The records also do not consistently identify details such as the type or capacity of the individual service. As a result, RSL does not have enough historical information to reliably break the Account 1855 balance down by customer class and develop new weighting factors.

RSL considered whether a broader measure, such as customer or connection counts, could be used instead. However, this would effectively assume that service costs are the same across customer classes and would not recognize differences in the type and size of services required. RSL therefore considered it more appropriate to continue using the 2022 Board-approved weighting factors rather than introduce a new allocation based on assumptions that are not supported by the underlying data.

- c) RSL understands why OEB staff is asking for this analysis and agrees that the weighting factors should be reviewed.

At this time, however, RSL does not have the detailed information by customer class needed to develop a reasonable alternative set of weighting factors. In the absence of that information, RSL considers it fairer to customers to continue using the existing Board-approved weighting factors rather than introduce a new allocation that is not supported by the underlying data.

As discussed in part (e), RSL is committing to improving its tracking of Account 1855 costs going forward so that this can be revisited in a future cost of service application.

- d) RSL considers that continuing to use the 2022 Board-approved weighting factors is the most reasonable approach at this time. As discussed above, RSL does not currently have sufficient class-specific information to develop updated weighting factors that it is comfortable relying on.

Changing the weighting factors would change how Account 1855 costs are allocated between customer classes. RSL did not consider it appropriate to make that change based on assumptions or information that cannot currently be supported by its underlying records.

RSL therefore considered it more prudent to maintain the weighting factors used in its previous cost of service application. This provides consistency in the allocation of these costs and avoids shifting costs between customer classes until RSL has sufficient information to support a change.

As discussed in part (5), RSL will begin collecting more detailed information so that the

weighting factors can be revisited in its next cost of service application.

- e) RSL has started developing a process to improve the tracking of Account 1855 costs by customer class. As a first step, RSL has developed the worksheet included in the Weighting Factors model filed with the Application, which parties can review.

The worksheet is still in the early stages of development and RSL expects to enhance it over time as the tracking process is implemented and RSL gains experience with the information being collected.

RSL plans to begin using the process in 2027. This will allow RSL to build more detailed information over time and provide a better basis for reviewing and updating the Account 1855 weighting factors in its next cost of service application.

Staff-59**Assigned to:****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.

Response

- a) RSL has reviewed Sheet I6.2 of the Cost Allocation Model and confirmed the customer, connection and device counts for the Street Light, Sentinel and Unmetered Scattered Load rate classes.

For the unmetered rate classes, the number of customers shown in the model reflects the number of customers receiving bills and is therefore not necessarily the same as the number of devices or connections. In particular, a single Street Light customer may have multiple street light devices and connections associated with its account.

RSL has updated the Cost Allocation Model, where required, to reflect the appropriate customer, connection and device counts.

Rate Class	May 2026 Customer Count	Revised Customer Count	Connections	Devices
Streetlight	1,713	6	1,873	1,873
Sentinel	69	26	66	66
Unmetered Scattered Load	60	60	60	60

Staff-60**Assigned to:****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.

a) [Please see Staff-59](#)

Staff-61**Assigned to:****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.

a) The issues have been corrected in the model filed with these responses.

b) Please see VECC-36 d)

Staff-62***Assigned to:*****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.

a) The billing and collecting weighting factors used in RSL's 2022 rebasing application were not updated at that time. Furthermore, the staff involved in preparing that application are no longer with RSL, so RSL is not able to confirm why the factors were not updated or the basis for the factors that were used.

For this application, RSL has taken a more detailed approach to developing the billing and collecting weighting factors based on the information currently available. This has resulted in differences from the factors used in 2022.

RSL has filed the supporting worksheet as part of its response to show how the current weighting factors were developed. RSL is also working toward a more formal process for tracking the underlying billing and collecting activities, which should allow these allocations to be further refined in future applications.

VECC

7.0-VECC-33

Assigned to:

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

Preamble: The Application states:

"In sheet 14, 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?
- a) The updated primary and secondary breakout was based on RSL's current GIS records. RSL used the lengths of primary and secondary conductor recorded in its GIS to determine the relative proportion of primary and secondary infrastructure.

For overhead assets, the relative lengths of primary and secondary overhead conductor were used to establish the primary/secondary breakout for Account 1835 – Overhead Conductors and Devices. The same breakout was applied to Account 1830 – Poles, Towers and Fixtures as a reasonable proxy because individual poles frequently support both primary and secondary conductors and therefore cannot be readily classified as serving exclusively a primary or secondary function. The conductor-length breakout was also used as a proxy for associated devices, which are not separately tracked between primary and secondary at a level that would support an independent breakout.

A similar methodology was used for underground assets, using the relative lengths of primary and secondary underground conductor recorded in RSL's GIS to establish the breakout for the applicable underground conductor and associated asset accounts.

This resulted in the updated primary/secondary percentages presented in Exhibit 7, Table 4.

7.0-VECC-34**Assigned to:**

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.

a) [The worksheet responses RSL B&C 2026.04.30 is being filed with these](#)

7.0-VECC-35

Assigned to:

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 RSL's Residential, GS<50 and GS>50 customer each only have one meter that is owned and read by RSL.
-
- a) RSL confirms that the 62 meters shown for the GS>50 class in Tab I7.1 was an error. The number of meters should be 66, consistent with the number of GS>50 customers shown in Tab I6.2. RSL has corrected Tab I7.1 accordingly.
 - b) Confirmed. RSL's Residential, GS<50 and GS>50 customers each have one meter that is owned and read by RSL. Accordingly, for these customer classes, the number of meters is equal to the number of customers.

7.0-VECC-36

Assigned to:

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).

- a) In the original Load Profile Model, the regression results and associated statistics were included in columns that were hidden for presentation purposes, as noted at the top of the applicable tabs.

RSL has updated the Load Profile Model filed with these responses so that the regression results and associated model statistics for the Residential, GS<50 and GS>50 classes are clearly visible.

- b) R The reference to \$AG\$1 in the Model Normal tabs is intentional. The normalized load uses the same formula and regression results as the actual load calculation. The difference is that the actual HDD and CDD values are replaced with the 10-year average HDD and CDD values to represent normal weather.

The applicable intercept and hourly factors are then used to calculate the normalized load for each hour. This is why the values in column AD vary by hour even though they reference the same normalized weather calculation in \$AG\$1.

- c) RSL has reviewed the TEST YR DEMAND ALLOC tab and confirmed that the model is functioning as intended. The model does not contain any external links or macros. It does, however, use a formula that may not be supported by older versions of Excel. This formula is used in place of Excel's standard regression function due to the limitation on the number of variables that can be included in that function. RSL has also confirmed with OEB staff that the model is functioning and displaying the resulting CP and NCP values by class.

An updated copy of the Load Profile Model is provided with these responses.

- d) The USL and Sentinel loads are shown as the same in each hour of the month based on the format of the data provided to RSL by the IESO and NorthStar. The information received for these classes provides the monthly load used in the model rather than a varying hourly load profile.

Accordingly, for purposes of the load profile model, the monthly load is allocated evenly

across the hours of the applicable month, resulting in the same load being shown in each hour in the ALL_CP_NCP tab.

7.0-VECC-37

Assigned to:

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

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

Please see Staff-59

SEC

7-SEC-30

Assigned to:

[Exhibit 7, Table 4] Please explain how RSL determined that the primary/secondary split for certain assets was to be changed to increase the % of primary.

RSL updated the primary/secondary asset breakout using current physical system information contained in its GIS rather than simply carrying forward the percentages used in its 2022 Cost of Service application.

RSL used the relative lengths of primary and secondary conductor recorded in its GIS to determine the updated breakout. For assets that cannot readily be classified exclusively as primary or secondary, such as poles that may support both primary and secondary conductors, the conductor-length breakout was used as a reasonable proxy.

Accordingly, the changes in the percentages from the 2022 Cost of Service application were the result of refreshing the calculation using current GIS information. The methodology resulted in an increase in the proportion allocated to primary for the underground accounts and a decrease in the proportion allocated to primary for the overhead accounts.

Specifically, the overhead primary allocation decreased from 57% to 52%, while the underground primary allocation increased from 26% to 37%, as reported in Exhibit 7, Table 4.

Exhibit 8 – Rate Design

Staff-63

Assigned to:

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.

a) RSL confirms that this applies to the Sentinel class. The Sentinel fixed charge has therefore been revised so that the fixed and variable charges increase by the same percentage.

For Street Lighting, the proposed fixed charge based on the current fixed/variable split would be higher than the maximum fixed charge in the Cost Allocation Model. RSL therefore maintained the current fixed charge and applied the increase to the variable charge. As a result, no change is required for Street Lighting.

The revised Sentinel rates are reflected in the updated rate design model.

Customer Class	Fixed Charge	Variable Rate
Residential	\$44.82	\$0.0000
GS < 50 kW	\$37.49	\$0.0263
GS 50–4,999 kW	\$357.29	\$4.9121
Unmetered Scattered Load	\$7.62	\$0.0349
Sentinel	\$5.21	\$38.0249
Street Lighting	\$5.85	\$22.2289

Staff-64**Assigned to:****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, please 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.

- a) RSL has updated the RRR Data in the RTSR Workform using 2025 actual data, as requested by OEB Staff. The GS 50 to 4,999 kW volumes have also been updated to ensure that the regular and, where applicable, EV Charging volumes reconcile to the total 2025 actual energy and demand for the class.

RSL notes that the instructions in sheet 3, RRR Data, of the RTSR Workform state that the tab is to be completed using 2024 data. RSL had therefore originally populated the tab using 2024 data in accordance with the instructions in the model.

A corrected version has been filed with these responses. However, RSL requests that OEB Staff provide a corrected RTSR Workform reflecting the appropriate data year and post the corrected version on the OEB website to ensure that the instructions are consistent for distributors completing the model.

Staff-65**Assigned to:****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.
-
- a) Confirmed. The reference to an “increase” in the TLF was a drafting error. The proposed TLF is lower than the currently approved TLF.
 - b) The currently approved TLF is 7.86%, compared with the proposed TLF of 4.07%. This represents a decrease of 3.79 percentage points. Any statements in the Application indicating that the proposed TLF represents an increase were made in error.

Staff-66**Assigned to:****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.

- a) RSL confirms that the reference to a proposed TLF of **4.07%** in Exhibit 8 was a typographical error. The correct proposed TLF is **4.49%**, consistent with the five-year historical average shown in Table 12 and Appendix 2-R.
- b) The difference between the currently approved TLF of 7.86% and the more recent historical loss factors reflects the lower actual losses experienced on RSL's distribution system during the 2021–2025 period.

Capital investments undertaken since RSL's previous cost of service application have contributed to reducing electrical losses. In particular, RSL relocated Morrisburg MS2 from its former location on Jones Road to the existing Morrisburg MS1 site, closer to the principal load centre in Morrisburg. The alternative would have required RSL to construct or upgrade a significant length of feeder infrastructure to deliver capacity from the former MS2 location into the central area of Morrisburg. Relocating the station therefore reduced the feeder distance required to serve the load and the associated electrical losses.

As described in RSL's response to 2.0-VECC-13, the Morrisburg MS2 relocation avoided significant feeder upgrades and reduced feeder length, electrical losses and operational

exposure.

Additionally, as part of RSL's PCB transformer replacement program, certain distribution transformers were right-sized to better reflect the loads being served. In some locations, historical conservation and demand management initiatives and changes in local economic activity had reduced electricity demand, resulting in existing transformers being larger than required for the current load. Where appropriate, replacement transformers were therefore sized to better match actual and expected loading. This would be expected to improve transformer utilization and reduce no-load losses associated with maintaining unnecessarily oversized transformer capacity.

- c) These system improvements, together with the Morrisburg MS2 relocation and changes in system loading and operating conditions, contributed to RSL's lower distribution losses. However, RSL has not undertaken an engineering study that isolates or quantifies the contribution of individual capital projects to the change in the system-wide TLF. Accordingly, RSL cannot attribute the difference between 7.86% and 4.49% to any single project. RSL confirms that there has been no change in the methodology used to calculate the TLF. The current calculation follows the same approach as the previous cost of service application, using updated historical data and the applicable Supply Facilities Loss Factor.
- d) RSL confirms that the proposed TLF is **4.49%**, See response to a).

Staff-67

Assigned to:

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)				
Faitv#	Vxewvdc#/#	Vxewvdc#/#	Vxewvdc#/#	Wvdc#/#
Uhvghgwd#/#SS#	. '43B9# 5<B (#	. '7B5# ;1; (#	. '31;9# 4I (#	. '3B5# 3I (#
JV#B3#Z #/#SS#	. '4;1<5# 581; (#	. '5B4# 41< (#	0'81<# 0716 (#	0'81;8# 0419 (#
JV#B3,7/<<#Z #/#QrgUSS#	. '648I75# 6;14 (#	. '464165# 441< (#	0'94B<# 0513 (#	0'68;B8# 0519 (#
Xqp hwnhg#fclwnhg#Drg#/#SS#	. '4147# 61; (#	0'915;# 0475 (#	0'<1;5# 049I (#	0';1<9# 0819 (#
Vhgwdh#Djkwlgj #/#QrgUSS#	. '46B3# 469< (#	. '45I74# 438I (#	. '4515# <914 (#	. '431<4# 6;15 (#
Vvzhhw#Djkwlgj #/#SS#	. '5I79# 6<1< (#	. '5153# 66I7 (#	. '5145# 6316 (#	. '516<# 4;18 (#
Uhvghgwd#/#QrgUSS#Uhwldhu#	. '43B9# 5<B (#	. '6155# 91; (#	0'3147# 0815 (#	0'315;# 0815 (#

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?

- a) The bill impacts have changed as a result of RSL's responses to IRs
- a. Below is the revised table

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	Units	Sub-Total						Total	
		A		B		C		Total Bill	
		\$	%	\$	%	\$	%	\$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kwh	\$11.74	32.8%	\$5.03	10.5%	\$5.43	8.7%	\$4.71	3.2%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kwh	\$23.52	32.0%	\$5.82	5.6%	\$6.81	4.9%	\$5.71	1.6%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	kw	\$402.86	47.4%	\$197.02	17.9%	\$261.33	12.7%	\$7.56	0.1%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - RPP	kwh	\$10.90	35.4%	\$3.14	7.1%	\$3.58	6.0%	\$3.04	1.9%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kw	\$2.49	25.1%	\$1.50	12.7%	\$1.56	12.3%	\$1.37	4.7%
STREET LIGHTING SERVICE CLASSIFICATION - RPP	kw	\$1.53	24.9%	\$1.27	19.2%	\$1.30	18.5%	\$1.46	11.3%
RESIDENTIAL SERVICE CLASSIFICATION - Non-RPP (Retailer)	kwh	\$11.74	32.8%	\$3.20	6.8%	\$3.60	5.9%	\$3.08	2.3%

- b) RSL has not undertaken separate consultation with the municipalities specifically regarding the proposed Street Lighting bill increase. Accordingly, RSL has not received a specific response from the Street Lighting customers regarding that increase.

SEC

8-SEC-31

Assigned to:

[Exhibit 8, p.18 and 19] With respect to Pole Attachment Charge and the energy retailer service charges:

- a. Please update the Pole Attachment Charge as per the OEB Decision EB-2026-0176, issued on June 16, 2026.
- b. Please update the energy retailer service charges as per the OEB Decision EB-2026-0175, issued on June 16, 2026.

Please see Staff-56 and 6-SEC-29

VECC

8.0-VECC-38

Assigned to:

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.

- a) Confirmed. The table reference should have said Table 4 below shows the Minimum Fixed Rate and Maximum Fixed Rate as calculated by the Cost Allocation process. Table 5 shows the resulting rates if RSL were to keep its current fixed to variable split. Table 6 shows the proposed rates after the RSL adjusted its fixed to variable split to fall within the minimum and maximum range.
- b) The current fixed rate is the Board approved fixed rate. And yes, the fixed to variable ratios at current rates are calculated on the 2027 load forecast (found at table 3 of Exhibit)
- c) Confirmed. In Table 4, RSL used the existing approved fixed charge as the maximum fixed charge. RSL has reviewed Table 4 against Tab O2 of the Cost Allocation Model and confirms that the applicable Cost Allocation values should also be reflected.

For clarity, the table below shows the minimum fixed charge based on Avoided Cost, the existing approved fixed charge used by RSL in the original Table 4, and the Customer Unit Cost per month - Minimum System with PLCC Adjustment from Tab O2 of the Cost Allocation Model.

Customer Class	Minimum Fixed Rate – Avoided Cost	Existing Approved Fixed Charge	Cost Allocation – Minimum System with PLCC Adjustment
Residential	\$7.66	\$36.56	\$30.90
General Service < 50 kW	\$9.87	\$37.49	\$34.08
General Service 50– 4,999 kW	\$43.12	\$357.29	\$110.67
Unmetered Scattered Load	\$6.59	\$6.22	\$26.17
Sentinel	\$3.02	\$4.32	\$21.69
Street Lighting	\$0.77	\$4.85	\$7.35

d) See Staff-63

8.0-VECC-39

Assigned to:

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.

[See staff 64](#)

8.0-VECC -40**Assigned to:**

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.

[See Staff 65 & Staff 66](#)

8.0-VECC -41

Assigned to:

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?.
- a) Confirmed: RSL does not believe mitigation is required at this time. The Street Lighting bill impact is now 11.3%, which represents an increase of approximately \$1.46 annually per connection. The percentage impact is largely due to the relatively small base bill and the change in revenue responsibility resulting from the updated cost allocation study.
- b) RSL will reassess the bill impacts following settlement. If the Street Lighting impact remains above 10%, RSL may consider phasing in the change to the revenue-to-cost ratio over more than one year. RSL may also discuss the impact directly with the affected customer to understand its preference before determining whether mitigation is necessary.

Exhibit 9 – Deferral and Variance Accounts

Staff-68

Assigned to:

**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

a) Upon further review, RSL confirms that there are no differences between the 2025 RRR balances and the audited December 31, 2025 principal and interest balances reflected in the updated DVA Continuity Schedule.

The statement in Exhibit 9 that the model showed variances between the RRR balances and the balances proposed for disposition was incorrect. The differences between the 2025 RRR balances and the amounts proposed for disposition arise from the inclusion of projected 2026 carrying charges in the disposition balances.

b) RSL has provided the requested reconciliation in the table below. For each applicable account, the variance represents the projected carrying charges from January 1, 2026, to the proposed disposition date.

Staff-69**Assigned to:****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.

DVA Group	Account	Account Description	Balance Sought for Disposition	Allocator
GROUP 1				
	1550	LV Variance Account	\$(104,294)	kWh
	1551	Smart Metering Entity Charge Variance Account	\$(2,432)	# Customers
	1580	RSVA – Wholesale Market Service Charge	\$(184,676)	kWh
	1584	RSVA – Retail Transmission Network Charge	\$12,594	kWh
	1586	RSVA – Retail Transmission Connection Charge	\$(26,087)	kWh
	1588	RSVA – Power (excluding Global Adjustment)	\$(13,016)	kWh
	1595	Disposition – 2021	\$43	%
	1595	Disposition – 2022	\$(9,602)	%
Group 1 Total excluding Account 1589			\$(327,469)	
	1589	RSVA – Global Adjustment	\$(35,361)	Non-RPP kWh
GROUP 2				
	1508	Customer Choice Initiative Costs	\$7,056	kWh
	1508	Green Button Initiative Costs	\$9,144	kWh
	1508	ULO Implementation Costs	\$2,420	kWh
	1508	LEAP EFA Funding Deferral Account	\$34,046	kWh
	1508	Lost Revenue – Collection of Account Charges	\$55,533	kWh
	1508	OEB Assessment	\$6,271	kWh
	1511	Incremental Cloud Computing Implementation Costs	\$220,605	kWh
	1518	Retail Cost Variance Account – Retail	\$(1,566)	# Customers
	1522	Charges	\$(535)	kWh
	1525	Miscellaneous Deferred Debits	\$83,045	kWh

	1548	Retail Cost Variance Account – STR	\$223	# Customers
	1592	PILs and Tax Variance – CCA Changes	\$3,142	kWh
Group 2 Total			\$413,192	

As a note: the OEB needs to fix tab 5 of the DVA model to unhide 1595 dispositions and also be clear about the total for group 1 at cell D20 in that it does not include 1589.

Staff-70**Assigned to:****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.

- a) RSL has reviewed the balance in Account 1589 – RSVA Global Adjustment and has updated the DVA Continuity Schedule filed with these interrogatory responses. The updated model identifies and reconciles the difference between the amount originally reported in Exhibit 9 and the DVA Continuity Schedule, including the applicable principal, interest and other adjustments.
- b) Please refer to Tab 2a, Continuity Schedule Group 1, of the updated DVA Continuity Schedule for the detailed reconciliation.

RSL confirms that the corrected December 31, 2025, balance for Account 1589 – RSVA Global Adjustment for disposition purposes is the amount reflected in the updated DVA Continuity Schedule filed with these responses.

Staff-71**Assigned to:****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.

a)RSL is requesting disposition of two years of residual balances in Account 1595, as reflected in the DVA Continuity Schedule filed with the Application. The evidence should have reflected this disposition request.

Staff-72**Assigned to:****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.

- a) RSL closed Account 1508, Sub-account OEB Cost Assessment Variance, in 2022 in accordance with the Settlement Proposal.

Effective April 1, 2025, the OEB directed distributors to reactivate this sub-account to record variances arising from the updated cost assessment model. The \$6,427 balance relates to amounts recorded following the reactivation of the account and is therefore not related to the account that was closed in 2022.

RSL has retained the \$6,427 balance for disposition and proposes to keep the sub-account open until its next cost of service application.

Reference: OEB letter dated October 1, 2025, *Cost Assessment – Fiscal Year 2025/2026*.

Staff-73**Assigned to:****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								
Offset Savings								
Total Cloud Computing Costs	\$42,69 7	\$121,28 5						

- c) Please provide a detailed breakdown of the project management costs included in Account 1511, including:
- description of services provided;
 - whether any internal labour costs were recorded;
 - if internal labour costs were included, the associated hours, labour rates, and calculation methodology; and
 - 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.
- 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.

- a) Confirmed. Costs associated with the legacy on-premises system were embedded in rates from RSL's last cost of service.

During the implementation period, RSL continued to operate the legacy system while also incurring costs for the Acumatica cloud-based system. The legacy system remained RSL's system of record through the end of 2025 and continued to be required for access to historical information, including for RRR reporting and the Cost-of-Service application.

The Acumatica licensing costs incurred during the transition period were incremental as RSL continued to incur the costs of the legacy system at the same time. The initial Acumatica licence was also required to establish and operate the test environment prior to the system going live on January 1, 2026. The initial annual SaaS licence was \$42,697.20 after the applicable licence discount.

Beginning in August 2026, the monthly support cost for the legacy system was reduced by 50%, resulting in savings of \$714.56 per month, or approximately \$8,600 annually.

- b) The ongoing SaaS licensing and support costs are reflected in RSL's 2027 Test Year OM&A. The implementation and transition costs shown in the table are one-time costs and are not included in 2027 Test Year OM&A.

Cost Type	Estimated	2024	2025	2026	2027	2028	2029	2030	2031	Total
SaaS Licensing		\$42,697.20	\$ 48,373.42							\$ 91,070.62
System Configuration	\$ 32,200.00		\$ 39,087.50	\$ 2,937.50						\$ 42,025.00
Data Mitigation	\$ 13,800.00		\$ 4,937.50	\$ 2,437.50						\$ 7,375.00
Testing	\$ 5,290.00		\$ 2,618.75	\$ 393.75						\$ 3,012.50
Training	\$ 12,650.00		\$ 4,625.00							\$ 4,625.00
Conference Room Pilot	\$ 18,630.00		\$ 18,300.00	\$ 960.00						\$ 19,260.00
Go-live Activities	\$ 26,220.00		\$ 125.00	\$27,051.25						\$ 27,176.25
Project Management	\$ 20,700.00		\$ 9,897.50	\$ 3,541.25						\$ 13,438.75
3rd Party Integrations	\$ 10,350.00		\$ 6,768.75	\$ 5,112.50						\$ 11,881.25
3rd Party Integrations Harris			\$ 34,925.00							\$ 34,925.00
Offset Savings				\$ 3,572.80	\$ 8,600.00	\$ 8,944.00	\$ 9,301.76	\$ 9,673.83	\$10,060.78	\$ 3,572.80
Total Cloud Computing Costs - Licencing		\$42,697.20	\$ 48,373.42	\$50,000.00	\$54,000.00	\$58,320.00	\$62,985.60	\$68,024.45	\$73,466.40	\$457,867.07
Total Cloud Computing Costs - Implimentation			\$121,285.00	\$42,433.75						\$163,718.75
Total Cloud Computing Costs		\$42,697.20	\$169,658.42	\$92,433.75	\$54,000.00					\$358,789.37
	\$ 139,840.00	42697.2	\$ 48,373.42							
	\$ -		\$ 121,285.00	\$ 42,433.75						\$ 163,718.75
										\$ 254,789.37

- c) Response

i. The project management services covered the implementation of the Acumatica ERP system from project initiation through go-live and project close-out. This included establishing the project scope and objectives, governance structure, implementation schedule and milestones; resource and budget planning; risk assessment and monitoring; stakeholder communication; requirements gathering and business process reviews; and planning for system configuration and data migration.

During implementation, the project management work included oversight and coordination of the ERP configuration, integrations and data migration, coordination with the software vendor and other parties involved in the implementation, and management of the development, testing and production environments. The services also included

coordination of user acceptance testing, issue and defect tracking, system validation, and security and compliance considerations.

The project management services also covered change management and user adoption, including user communications, training coordination, documentation and knowledge transfer. As the project moved toward go-live, the work included cutover planning, go-live readiness, deployment coordination, support and issue escalation. Project reporting, risk and quality monitoring, documentation handover and transition to ongoing support were also included.

ii. No internal RSL labour costs were recorded in Account 1511.

iii. Not applicable.

iv. The project management costs were incurred with the software implementation provider. No other third-party consulting or contractor costs were included under project management.

No offsetting savings were realized in 2024 or 2025 as RSL continued to operate and incur costs for the legacy system while Acumatica was being implemented. The legacy system remained the system of record through the end of 2025 and continued to be required for access to historical information.

Beginning in August 2026, the monthly support cost for the legacy system was reduced by 50%, resulting in savings of \$714.56 per month. This represents approximately \$3,573 in 2026 and approximately \$8,600 annually thereafter, subject to the provider's annual inflationary adjustment. These savings are reflected through the reduction in the ongoing legacy system support costs recorded in OM&A.

- d) No offsetting savings were realized in 2024 or 2025 as RSL continued to operate and incur costs for the legacy system while Acumatica was being implemented. The legacy system remained the system of record through the end of 2025 and continued to be required for access to historical information.

Beginning in August 2026, the monthly support cost for the legacy system was reduced by 50%, resulting in savings of \$714.56 per month. This represents approximately \$3,573 in 2026 and approximately \$8,600 annually thereafter, subject to the provider's annual inflationary adjustment. These savings are reflected through the reduction in the ongoing legacy system support costs recorded in OM&A.

- e) RSL does not propose to discontinue Account 1511. The remaining eligible implementation and transition costs associated with Acumatica will be recorded in the account in 2026. RSL does not expect any further Acumatica implementation costs after 2026.

While RSL does not currently have any additional cloud implementation projects planned, it proposes to maintain Account 1511 during the rate term should eligible incremental cloud implementation costs arise. Ongoing SaaS licensing and routine support costs are recorded in OM&A and will not be recorded in Account 1511.

Staff-74**Assigned to:****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,****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.

a) RSL confirms that Accounts 1518 and 1548 have not yet been discontinued. The wording in Exhibit 9 stating that the accounts "have been discontinued" was incorrect.

- a. RSL is proposing to discontinue both accounts as part of this Application. Subject to OEB approval, RSL would no longer record new amounts in Accounts 1518 and 1548 effective January 1, 2027, consistent with the effective date of the rates arising from this Application.
- b. The balances currently recorded in these accounts relate to historical activity. Accordingly, the questions in part (i) regarding a previous discontinuation date and transactions recorded after that date are not applicable

Staff-75**Assigned to:****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.

- a) The \$583.33 monthly amount was the 2022 COS forecast for OPEB retiree life insurance premiums. RSL records the difference between that forecast amount and the actual MEARIE premium payment in Account 1522, with the offset recorded in Account 1523. The \$535 is the accumulated carrying charge on those monthly variances. In reviewing the continuity, RSL identified that the 2025 monthly calculation had inadvertently continued to use the 2024 actual premium amount instead of the 2025 actual monthly MEARIE billings.

Staff-76

Assigned to:

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.

RSL confirms that the balance in Account 1525 is **not proposed for disposition through the Group 2 DVA rate riders**. The balance relates to the accounting for the Morrisburg Station ACM carrying charges and will be cleared through the appropriate accounting entries upon rebasing.

RSL also confirms that the description in Table 5 indicating that the Account 1525 balance would be transferred to Distribution Revenue, Account 4080, was incorrect.

In reviewing the ACM accounting, RSL identified that the carrying-charge balances associated with the ACM had not been separately presented by sub-account in the DVA continuity schedule. RSL has revised the continuity schedule to separately identify the following ACM carrying-charge balances:

i.

- Account 1525 was inadvertently included in Table 7 as part of the Group 2 accounts proposed for disposition. Table 7 has been revised to remove Account 1525 from the Group 2 disposition. As noted above, RSL has also corrected the DVA continuity schedule to separately reflect the corresponding Account 1508 ACM carrying charges.
- RSL has revised the Group 2 disposition balances to reflect the corrected treatment of Account 1525 and the related Account 1508 ACM carrying charges. The revised balances are provided in the updated DVA continuity schedule filed with this response.
- Table 10 has also been updated to reflect the revised Group 2 balances. The resulting Group 2 rate riders are provided in the revised Table 10 filed with this response.

Staff-77

Assigned to:

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 Approved Disposition in Ref 1		2022 OEB-Approved Disposition En
	Principal	Inte	
1592 - PILs and Tax Variance for 2006 and Subsequent Year			
1592 - PILs and Tax Variances - CCA			
Net Effect			

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.

Please see response to Staff-57

Staff-78

Assigned to:

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.

[Please see response to Staff-57](#)

Staff-79**Assigned to:****Commodity 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.

The revised model addresses all of the above issues.

Staff-80**Assigned to:****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.

- a) Confirmed. The \$34,046 balance in Account 1508 – Sub-account LEAP EFA Funding Deferral is below RSL's \$50,000 materiality threshold.

Although the balance is below the materiality threshold, RSL is seeking disposition

because it represents incremental LEAP EFA funding provided to eligible customers that was not recovered through existing distribution rates.

Account 1508 was established to record incremental LEAP EFA funding for future review and disposition. If the balance is cleared without disposition, RSL would absorb the \$34,046 of incremental LEAP EFA funding provided to customers. RSL is therefore requesting disposition of the balance as part of this proceeding.

- i. RSL does not propose to maintain Account 1508 – Sub-account LEAP EFA Funding Deferral following rebasing. Based on recent LEAP funding requirements, RSL has revised its 2026 forecast to \$16,520 and its 2027 forecast to \$17,000. RSL proposes to incorporate the \$17,000 ongoing funding requirement into 2027 base rates and discontinue the account upon rebasing, following disposition of the existing balance.
- ii. RSL does not propose to continue Account 1508 following rebasing. Based on recent LEAP funding requirements, RSL has revised its 2026 forecast to \$16,520 and its 2027 forecast to \$17,000. RSL proposes to include \$17,000 in 2027 base rates and discontinue the account following disposition of the existing balance.

The table below provides RSL's historical and forecast LEAP funding information. Amounts recorded in USoA 6205 reflect regular LEAP funding expenditures, while incremental LEAP EFA amounts were recorded in Account 1508. Based on 2026 experience, including \$10,520.20 of LEAP funding provided through July 2026, RSL has revised its 2026 forecast to \$16,520.20 and its 2027 forecast to \$17,000. RSL proposes to incorporate \$17,000 into 2027 base rates.

LEAP Funding	2022	2023	2024	2025	2026 YTD (July)	2026 Projection	2027 Projection
Amount Embedded in Rates	\$5,400	\$5,400	\$5,400	\$5,400		\$5,400	\$5,400
USoA 6205 – LEAP Funding	\$3,710	\$3,805	\$6,288	\$4,290		\$4,419	\$4,551
1508 – LEAP EFA Funding DVA – Transactions			\$26,724	\$5,103			
1508 – Carrying Charges			\$512	\$896		\$812	
1508 – Balance for Disposition							\$34,046.37
LEAP Funding – 2026 YTD Actual					\$10,520.20		
Revised LEAP Budget						\$16,520.20	\$17,000

VECC

9.0 –VECC – 42

Assigned to:

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?
 - a) Please see Staff-45 and Staff 73
 - b) RSL did not conduct a business case or economic study prior to moving to a cloud-based ERP solution
 - c) Please see Staff-45 and Staff 73

9.0 –VECC – 43

Assigned to:

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.

a) Please see Staff-73

SEC

9-SEC-32

Assigned to:

[Exhibit 9, p. 7] With respect to Account 1592, please provide the detailed calculations underlying the balances.

There are not balances per the amended group 2 DVA continuity schedules filed with these responses

9-SEC-33***Assigned to:***

[Exhibit 9, p. 7 and 15] With respect to the LEAP deferral and variance account ("DVA"),

- a. Please provide details of the amount for LEAP funding built into rates.
- b. Please provide the actual/forecast cost of the LEAP program for 2022-2027.

Please explain why RSL is not proposing to close the LEAP DVA.

[For all responses above, please see responses to Staff-80](#)

9-SEC-34***Assigned to:***

[Exhibit 9, p. 8 and 15] With respect to the Cloud Computing DVA:

- a. Please provide details of computing costs (both operating and capital) included in the previous cost of service application.
- b. Please provide details of the Implementation & Deployment costs recorded in this DVA.
- c. Please explain why RSL is not proposing to close the Cloud Computing DVA.

[Response see Staff-73](#)

9-SEC-35**Assigned to:**

[Exhibit 9, p. 8] Please provide details of the amounts recorded in the Lost Revenue - Collection of Account Charges DVA since the last cost of service application.

Response

	2016 COS		2022
All Classes	Approved Revenue		Lost Revenue
January	4,840		4840
February	8,873		8873
March	1,448		1447.5
April	13,239		13239
May	13,312		13312
June	5,370		5370
July	1,695		
August	14,333		
September	10,733		
October	1,853		
November	3,683		
December	3,690		
a) Response Ground Total	83,067		47,082

9-SEC-36**Assigned to:**

[Exhibit 9, p. 11-13] With respect to the ACM:

- Please provide detailed calculations of the amounts recorded for the ACM.
- Please explain the statement related to the ACM under Account 1522- Pension and OPEB Forecast Accrual vs Actual Chas Payment Differential Carrying Charges.

Response

a) See table below

b) See Staff-75

						2023	2023	2023			2023	2023
			Asset	Accum Depn	Book Value	Remaining Cost	Remaining Accum Depn	Remaining Book Value	Remaining Years	2023 Depreciation	Accum Depn	Book Value
2209 Morrisburg Stn transfer	1830	1508.1270.1830	225,470.90		225,470.90	225,470.90	-	225,470.90	45.0	2,505.23	-	222,965.67
	1835	1508.1270.1835	95,980.69		95,980.69	95,980.69	-	95,980.69	60.0	799.84	-	95,180.85
	1845	1508.1270.1845	49,640.62		49,640.62	49,640.62	-	49,640.62	40.0	620.51	-	49,020.11
	1850	1508.1270.1850	478,589.66		478,589.66	478,589.66	-	478,589.66	45.0	5,317.66	-	473,272.00
			849,681.87	-	849,681.87	849,681.87	-	849,681.87		9,243.24	(9,243.24)	840,438.63
						2024	2024	2024			2024	2024
			Asset	Accum Depn	Book Value	Remaining Cost	Remaining Accum Depn	Remaining Book Value	Remaining Years	2024 Depreciation	Accum Depn	Book Value
2209 Morrisburg Stn transfer	1830	1508.1270.1830	225,470.90	-2505.23	222,965.67	225,470.90	- 2,505.23	222,965.67	44.5	5,010.46	- 7,515.69	217,955.21
	1835	1508.1270.1835	95,980.69	-799.84	95,180.85	95,980.69	- 799.84	95,180.85	59.5	1,599.68	- 2,399.52	93,581.17
	1845	1508.1270.1845	49,640.62	-620.51	49,020.11	49,640.62	- 620.51	49,020.11	39.5	1,241.02	- 1,861.53	47,779.09
	1850	1508.1270.1850	478,589.66	-5317.66	473,272.00	478,589.66	- 5,317.66	473,272.00	44.5	10,635.33	- 15,952.99	462,636.67
			849,681.87	(9,243.24)	840,438.63	849,681.87	(9,243.24)	840,438.63		18,486.49	(27,729.73)	821,952.14
						2025	2025	2025			2025	2025
			Asset	Accum Depn	Book Value	Remaining Cost	Remaining Accum Depn	Remaining Book Value	Remaining Years	2025 Depreciation	Accum Depn	Book Value
2209 Morrisburg Stn transfer	1830	1508.1270.1830	225,470.90	(7,515.69)	217,955.21	225,470.90	(7,515.69)	217,955.21	43.5	5,010.46	(12,526.15)	212,944.75
	1835	1508.1270.1835	95,980.69	(2,399.52)	93,581.17	95,980.69	(2,399.52)	93,581.17	58.5	1,599.68	(3,999.20)	91,981.49
	1845	1508.1270.1845	49,640.62	(1,861.53)	47,779.09	49,640.62	(1,861.53)	47,779.09	38.5	1,241.02	(3,102.55)	46,538.07
	1850	1508.1270.1850	478,589.66	(15,952.99)	462,636.67	478,589.66	(15,952.99)	462,636.67	43.5	10,635.33	(26,588.32)	452,001.34
			849,681.87	(27,729.73)	821,952.14	849,681.87	(27,729.73)	821,952.14		18,486.49	(46,216.22)	803,465.65

9-SEC-37**Assigned to:**

[Exhibit 9, 2027 DVA Continuity Schedule]

- a. The total Group 2 to be disposed of in the Continuity Schedule shows \$203,860 and Exhibit 9 shows \$176,456. Please reconcile.
- b. Please explain why RSL is not proposing to dispose of the Pole Attachment Revenue Variance account.
- c. Please provide the details of how the balance of this account was calculated.

- a) The amount shown in Exhibit 9 was incorrect. The total Group 2 balance proposed for disposition should have been \$203,860, consistent with the 2027 DVA Continuity Schedule.
- b) As discussed in Exhibit 6, Wireline Pole Attachment Charges, RSL had historically tracked amounts in the Pole Attachment Revenue Variance account. In preparing the current Application, RSL reviewed the account and determined that there was no longer a need to track this variance, as since 2022 (last cost of service), the pole attachment charges are updated annually through the OEB's rate-setting process. As a result, RSL is not requesting disposition of this balance.
- c) The balance was calculated by comparing the pole attachment rate of \$34.76 per pole reflected in RSL's last Cost of Service with the applicable OEB-approved pole attachment rate for each year. The difference was applied to the applicable number of pole attachments, with carrying charges added to the resulting annual variance. The calculation is summarized below.

Year	Pole Group	CoS Rate per Pole	Actual/OEB Rate per Pole	Incremental Rate	# Poles	Revenue Variance	Carrying Charges	Total Annual Variance	Cumulative Balance
2022	All	\$34.76	\$34.76	\$0.00	1,174	\$0.00	\$0.00	\$0.00	\$0.00
2023	General	\$34.76	\$36.05	\$1.29	1,174	\$(1,514.46)	\$(76.41)	\$(1,590.86)	\$(1,590.86)
2023	HONI and Bell	\$34.76	\$34.76	\$0.00	905	\$0.00	\$0.00	\$0.00	\$(1,590.86)
2024	General	\$34.76	\$37.78	\$3.02	1,186	\$(3,581.72)	\$(184.28)	\$(3,766.00)	\$(5,356.86)
2024	HONI and Bell	\$34.76	\$36.05	\$1.29	905	\$(1,167.45)	\$(60.07)	\$(1,227.52)	\$(6,584.38)
2025	General	\$34.76	\$39.14	\$4.38	1,186	\$(5,194.68)	\$(163.89)	\$(5,358.57)	\$(11,942.95)
2025	HONI and Bell	\$34.76	\$37.78	\$3.02	905	\$(2,733.10)	\$(86.23)	\$(2,819.33)	\$(14,762.28)
2026	General	\$34.76	\$40.59	\$5.83	1,186	\$(6,914.38)	\$(176.32)	\$(7,090.70)	\$(21,852.98)
2026	HONI and Bell	\$34.76	\$39.14	\$4.38	905	\$(3,963.90)	\$(101.08)	\$(4,064.98)	\$(25,917.96)

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