VECC-1

Ref: Manager's Summary p.18 Please complete the following Table:

ROE	2023	2024	2025	2026
OEB-Approved	8.66%	8.66%	8.66%	8.66%
Actual	10.66%	10.96%	9.34%	
Variance	2.00%	2.30%	0.68%	

Response:

Milton Hydro is not able to complete the requested table for 2026. The ROE calculation relies on Milton Hydro's audited financial statements, which will not be available for 2026 until after the fiscal year end. A forecast 2026 ROE, prepared on a best efforts basis, is provided in Attachment 1 to this response, which Milton Hydro has filed in confidence in accordance with the OEB's Practice Direction on Confidential Filings.

VECC-2

Ref: Manager's Summary p.23

The total incremental cost that is the subject of this ICM request represents 38.5% of Milton Hydro's total forecasted net capital expenditures for 2027.

Please provide this calculation.

Response:

The 38.5% is calculated as the forecast 2027 capital expenditures for the Palermo Project of $10,362,156 (Application, page 26, Table 8) divided by Milton Hydro's total forecast 2027 net capital expenditures of $26,923,187 (Application, page 25, Table 7), as set out in Table 1. The $10,362,156 is the portion of the total Palermo Project cost of $13,198,024 that is forecast to be incurred in 2027.

Table 1: Palermo Project as a Percentage of 2027 Forecast Net Capital Expenditures 2027 Forecast

	2027 Forecast
Palermo Project Capital Expenditures (A)	$10,362,156
Total Net Capital Expenditures (B)	$26,923,187
Palermo Project as a Percentage of Total Net Capital Expenditures (A / B)	38.5%

VECC-3

Ref: Manager's Summary p.24

The evidence states "The DSP assumes there will be no capital contribution required from MHDI due to the incremental increase in capacity solution that addresses the Palermo TS end-of-life status."

Please explain in detail how and why Milton Hydro and its 2023 to 2027 DSP determined there will be no capital contribution required.

Response:

The DSP assumption reflected Milton Hydro's position at that time that, under the Transmission System Code, no capital contribution should be required, as the Palermo TS upgrade was driven by Hydro One's replacement of end-of-life transformers rather than by a specific capacity need of Milton Hydro (Appendix L, page 22). The DSP also noted that Hydro One had indicated that a capital contribution may be required. The amount of any capital contribution had not been determined at that time and potentially none may have been required pursuant to sections 6.3.5 and 6.3.8 of the Transmission System Code. Please refer to the responses to Staff-10(c) i and SEC-12(b) for the subsequent determination of the capital contribution.

VECC-4

Ref: Manager's Summary p.25

a. Please provide 2025, 2026 and 2027 spending as of September 30 as per the categories in Table 7.

Response:

Table 1 provides 2025, 2026, and 2027 capital expenditures by the categories presented in Table 7 and includes actual capital expenditures as of August 31, 2026, representing the most recent capital expenditure information available at the time of preparing this response.

Table 1: Spending as of August 31, 2025, 2026, and 2027

OEB Category	2025 Actual Aug YTD	2026 Actual Aug YTD	2027 Forecast Aug YTD
System Access	$2,101,580	$5,274,198	$6,715,208
System Renewal	$1,906,062	$2,636,023	$3,547,669
System Service	$1,570,053	$1,027,225	$10,941,290
General Plant	$2,039,632	$1,362,373	$817,301
Total Gross Capital	**$7,617,327**	**$10,299,819**	**$22,021,468**
Capital Contribution	($480,210)	($4,105,212)	($2,917,735)
Total Net Capital	**$7,137,117**	**$6,194,607**	**$19,103,733**

b. Please provide an updated Appendix 2-AA capital project list in excel format for the years 2023 to 2027 based on actuals for 2023 to 2025 and plan/forecast amounts for 2026 and 2027.

Response:

Milton Hydro provides as Attachment 1 to this response an updated Appendix 2-AA capital project list for 2023 to 2027, in Excel format, based on actual capital expenditures for 2023 to 2025 and forecast capital expenditures for 2026 and 2027.

VECC-5

Ref: Manager's Summary p.26

With respect to Table 8, please provide actuals to date for 2026, i.e. to September 30, 2026.

Response:

Milton Hydro provides in Table 1 below the historical and forecast System Service capital expenditures on the same basis as Table 8 of the Application (page 26), updated to include actual capital expenditures for 2026 to August 31, 2026. Actual capital expenditures to September 30, 2026 were not available at the time of preparing this response.

Table 1: Historical and Forecast System Service Capital Expenditures, including 2026 Actuals to August 31, 2026

System Service Projects	2023 CoS	2023 Actual	2024 Actual	2025 Actual	August YTD 2026 Actual	2026 Forecast	2027 Forecast
TS Upgrade - Palermo Station	$—	$230,313	$148,894	$1,468,494	$399,907	$988,166	$10,362,156
Automation	$1,180,637	$489,509	$316,922	$622,357	$361,512	$1,148,141	$1,664,370
Scada/OMS	$179,957	$—	$113,331	$60,163	$91,930	$148,742	$148,742
System Service Miscellaneous	$—	$29,857	$56,484	$51,522	$7,085	$268,512	$210,505
13.8kV to 27.6kV MS4-F2 Feeder Conversion & Regulator Installation	$—	$446,830	$—	$—	$—	$—	$—
Boston Church JSP to 5 Side Rd	$350,698	$—	$—	$—	$—	$—	$—
MRS4 Regulator Installation	$—	$—	$—	$28,478	$166,792	$236,562	$—
Fifth Side Rd, Tremaine to Dublin, rebuild and add circuit	$—	$228,716	$—	$—	$—	$—	$—
Tremaine, 14 Side Rd to Steeles, add 2nd circuit	$—	$128,005	$—	$—	$—	$—	$—
Total Gross System Service	**$1,711,292**	**$1,553,230**	**$635,631**	**$2,231,014**	**$1,027,225**	**$2,790,123**	**$12,385,774**

VECC-6

Ref: Manager's Summary p.26

a. With respect to Table 9, please provide the 2024, 2025 and 2026 Capital Expenditures compared to the DSP.

Response:

Milton Hydro's 2024 and 2025 actual capital expenditures and 2026 forecast capital expenditures, compared to the corresponding DSP forecast, are set out in Tables 1 to 3 below, on the same basis as Table 9 of the Application.

Table 1 below sets out Milton Hydro's 2024 actual capital expenditures compared to the 2024 DSP forecast.

Table 1: 2024 Actual Capital Expenditures Compared to DSP Forecast

OEB Category	2024 Actual	2024 DSP	2024 Variance
System Access	$6,123,415	$5,308,225	**$815,191**
System Renewal	$2,882,521	$2,520,101	**$362,421**
System Service	$635,631	$1,879,768	**($1,244,137)**
General Plant	$3,171,750	$1,735,352	**$1,436,398**
Total Gross Capital	**$12,813,317**	**$11,443,446**	**$1,369,873**
Capital Contribution	($6,037,543)	($2,472,587)	**($3,564,957)**
Total Net Capital	**$6,775,774**	**$8,970,859**	**($2,195,084)**

Table 2 below sets out Milton Hydro's 2025 actual capital expenditures compared to the 2025 DSP forecast.

Table 2: 2025 Actual Capital Expenditures Compared to DSP Forecast

OEB Category	2025 Actual	2025 DSP	2025 Variance
System Access	$7,030,675	$4,341,789	$2,688,885
System Renewal	$3,422,144	$2,574,647	$847,498
System Service	$2,231,014	$1,784,083	$446,931
General Plant	$3,503,636	$1,594,500	$1,909,136
Total Gross Capital	**$16,187,469**	**$10,295,019**	**$5,892,450**
Capital Contribution	($4,691,172)	($2,137,071)	($2,554,101)
Total Net Capital	**$11,496,297**	**$8,157,948**	**$3,338,349**

Table 3 below sets out Milton Hydro's 2026 forecast capital expenditures compared to the 2026 DSP forecast.

Table 3: 2026 Forecast Capital Expenditures Compared to DSP Forecast

OEB Category	2026 Forecast	2026 DSP	2026 Variance
System Access	$10,265,187	$6,576,025	$3,689,162
System Renewal	$3,077,541	$2,630,200	$447,341
System Service	$2,790,123	$1,806,523	$983,600
General Plant	$2,089,609	$1,075,900	$1,013,709
Total Gross Capital	**$18,222,460**	**$12,088,648**	**$6,133,812**
Capital Contribution	($5,145,881)	($2,876,844)	($2,269,037)
Total Net Capital	**$13,076,579**	**$9,211,804**	**$3,864,775**

Totals may not add due to rounding.

b. Please explain any material variances to the DSP by category for 2024 to 2026.

Response:

The material variances to the DSP forecast by category for 2024 to 2026 are explained below. The variances referred to are those set out in Tables 1 to 3 of the response to VECC-6(a). Please also refer to the responses to VECC-7 and VECC-8 for further detail on System Access and System Renewal expenditures, respectively.

In aggregate for 2024 to 2026, gross capital expenditures are $13,396,133 higher than the DSP forecast and net capital expenditures are $5,008,039 higher than the DSP forecast.

2024

- System Access expenditures were $815,191 higher than the DSP forecast, primarily due to higher Subdivisions - New Residential & Commercial, as a result of the timing of developer-led subdivision work and higher material and installation costs ($1,104,178) and higher general service customer connection expenditures as a result of higher material costs ($883,442). These higher expenditures were partially offset by lower road widening and relocation expenditures, as the road authority projects forecast in the DSP for 2024 were not undertaken ($1,004,825).

- System Renewal expenditures were $362,421 higher than the DSP forecast, primarily due to higher Reactive Overhead and Reactive Underground Replacement expenditures, which resulted from asset failures and condition-driven replacement needs ($731,278), and the commencement of the Regulator at MS4 project ($225,894). These higher expenditures were partially offset by lower Proactive Meter Replacement expenditures, as planned meter replacements were rescheduled while Milton Hydro prioritized mandatory System Access work and reactive replacements ($741,679).

- System Service expenditures were $1,244,137 lower than the DSP forecast, primarily due to lower Automation expenditures, as Milton Hydro prioritized non-discretionary Subdivisions work required to connect new developments and reactive System Renewal work.

- General Plant expenditures were $1,436,398 higher than the DSP forecast, primarily due to higher expenditures for office renovations and the renewal of building systems ($701,786), higher computer hardware and software expenditures ($576,896), and higher fleet expenditures, including a radial boom derrick truck originally planned for 2025 that was purchased in 2024 ($289,906).

- Capital contributions were $3,564,957 higher than the DSP forecast, primarily due to higher Subdivisions - New Residential & Commercial contributions ($2,309,885) and higher Customer Connections - General Services & Others contributions ($1,606,824), each resulting from the higher subdivision and customer connection expenditures described above. These higher capital contribution amounts were partially offset by lower road widening contributions ($400,000).

2025

- System Access expenditures were $2,688,885 higher than the DSP forecast, primarily due to higher Subdivisions - New Residential & Commercial expenditures, which resulted from higher material costs for mandatory connections.

- System Renewal expenditures were $847,498 higher than the DSP forecast, primarily due to higher Wood Pole Replacement Program expenditures, as a result of a higher number of pole replacements ($613,590), and higher Reactive Overhead and Reactive Underground Replacement expenditures, which resulted from asset failures and condition-driven replacement needs ($854,471). These higher expenditures were partially offset by lower Proactive Meter

Replacement expenditures, as planned meter replacements were rescheduled while Milton Hydro prioritized mandatory System Access work and reactive replacements and, subsequently, to align with the timing of a joint procurement process ($663,608).

- System Service expenditures were $446,931 higher than the DSP forecast, primarily due to expenditures for the TS Upgrade - Palermo Station ($1,468,494). These higher expenditures were partially offset by lower Automation expenditures, as Milton Hydro prioritized non-discretionary Subdivisions work required to connect new developments and reactive System Renewal work ($1,029,727).

- General Plant expenditures were $1,909,136 higher than the DSP forecast, primarily due to higher expenditures for office renovations and the renewal of building systems ($1,535,664), and higher computer hardware and software expenditures ($511,406).

- Capital contributions were $2,554,101 higher than the DSP forecast, primarily due to higher Customer Connections - General Services & Others contributions, as a result of the timing of contributions received for customer connection projects ($1,213,096), higher contributions for road relocation projects and customer-requested relocations ($256,273), higher Subdivisions - New Residential & Commercial contributions, as a result of higher subdivision expenditures described above ($645,163), and contributions received from third parties for pole line relocation work ($489,568).

2026

- System Access expenditures are forecast to be $3,689,162 higher than the DSP forecast, primarily due to higher Subdivisions - New Residential & Commercial expenditures ($2,696,921) and higher Customer Connections - General Services & Others expenditures ($810,290), each resulting from higher material costs for mandatory connections.

- System Renewal expenditures are forecast to be $447,341 higher than the DSP forecast, primarily due to higher Reactive Overhead Replacement ($557,084) and Reactive Underground Replacement ($285,813) expenditures, each resulting from asset failures and condition-driven replacement needs. These higher expenditures are partially offset by lower Proactive Meter Replacement expenditures, as planned meter replacements have been deferred to 2027 to align with the timing of a joint procurement process ($521,835).

- System Service expenditures are forecast to be $983,600 higher than the DSP forecast, primarily due to expenditures for the TS Upgrade - Palermo Station ($988,166), Residential Underground Feeder Improvements ($534,045), and the MRS4 Regulator Installation, which provides back-up for the voltage regulator at MS7 ($236,562). These higher expenditures are partially offset by lower Automation expenditures, as Milton Hydro prioritized non-discretionary Subdivisions work required to connect new developments and reactive System Renewal work ($1,088,387).

- General Plant expenditures are forecast to be $1,013,709 higher than the DSP forecast, primarily due to higher computer hardware and software expenditures ($699,467), and higher expenditures for office renovations and the renewal of building systems ($222,721).

- Capital contributions are forecast to be $2,269,037 higher than the DSP forecast, primarily due to higher Customer Connections - General Services & Others contributions ($1,534,079) and higher Subdivisions - New Residential & Commercial contributions ($1,125,770), each resulting from the higher customer connection and subdivision expenditures described above. These higher capital contribution amounts are partially offset by lower road relocation contributions ($390,817).

VECC-7

Ref: Manager's Summary p.2; 27

System Access capital expenditures are forecast to increase $9,440,035 relative to the 2027 DSP plan year, primarily due to higher costs related to customer connections and subdivision-related investments, as well as additional municipal road widening and relocation projects.

Capital contributions are forecast to increase $3,911,065 relative to the 2027 DSP, due to higher costs related to customer connections, subdivision development activity, and municipal road widening and relocation projects.

a. Please provide Historical and Forecasted Expenditures for System Access on the same basis as Table 8 on page 26. In the response, please add a column and provide actuals to date for 2026, i.e. to September 30, 2026.

Response:

Milton Hydro provides in Table 1 below the historical and forecast System Access capital expenditures on the same basis as Table 8 of the Application (page 26), updated to include actual capital expenditures for 2026 to August 31, 2026. Actual capital expenditures to September 30, 2026 were not available at the time of preparing this response.

Table 1: Historical and Forecast System Access Capital Expenditures, including 2026 Actuals to August 31, 2026

System Access Projects	2023 CoS	2023 Actual	2024 Actual	2025 Actual	August YTD 2026 Actual	2026 Forecast	2027 Forecast
Subdivisions - New Residential & Commercial	$2,530,000	$4,776,710	$3,634,178	$5,135,560	$3,406,937	$5,226,921	$6,759,196
Customer Connections - General Services & Others	$946,671	$1,670,985	$1,849,047	$794,311	$751,294	$1,814,905	$1,876,654
Fifth Line - Derry to Britannia	$950,000	$—	$1,301	$7,688	$34,105	$1,273,880	$1,641,220
Meters - Reverification Program	$441,055	$907,693	$167,035	$197,757	$318,841	$420,218	$537,958
Road Widening - James Snow Parkway - 401 to Tremaine	$—	$—	$—	$—	$—	$—	$1,614,511

System Access Projects	2023 CoS	2023 Actual	2024 Actual	2025 Actual	August YTD 2026 Actual	2026 Forecast	2027 Forecast
Meters - New Industrial/ Commercial	$306,490	$259,196	$135,962	$140,147	$77,186	$237,409	$369,916
Regional Road #25 (Steeles Avenue to 5 Side Road)	$—	$—	$325	$32,986	$8,255	$490,730	$547,508
Meters - New Mesh Equipment	$—	$168,654	$242,019	$196,963	$121,484	$184,589	$186,202
Region Halton Britannia, RR25 to JSP Relocation	$—	$672,539	$—	$—	$—	$—	$—
LBL - CN Pole Line Relocation	$—	$41,053	$—	$—	$—	$—	$—
Nipissing Road Pole Line Relocation	$—	$—	$11,971	$211,513	$59,169	$57,550	$—
4th Line - Louis St. Laurent to Britannia Rd - Pole Line Relocation	$—	$—	$—	$—	$—	$—	$518,660
Halton TS Instrument Transformer Relocation	$—	$—	$—	$—	$19,359	$83,533	$344,867
Road Widening - Derry Rd - Milburough Line to McNiven	$—	$—	$—	$—	$—	$—	$391,635
Ninth, Derry to Beach	$—	$—	$—	$9,516	$358,031	$362,847	$—
Peru Road Pole Line Relocation	$—	$—	$—	$237,449	$81,504	$98,697	$—
Derry Rd - JSP to 5th Line Pole Line	$—	$300,739	$3,088	$—	$—	$—	$—
Appleby Line - Derry North	$145,823	$—	$8,998	$—	$—	$—	$—
Steeles Avenue - Regional Rd 25 to Trafalgar Rd.	$291,747	$—	$—	$—	$—	$—	$—
Derry Rd - Bell School Line Pole Relocation	$—	$185,569	$—	$—	$—	$—	$—
Bronte St - Main St to Steeles Rd Widening	$—	$164,889	$1,304	$—	$—	$—	$—
Miscellaneous Roads	$—	$168,043	$68,188	$66,784	$38,034	$13,908	$162,654
System Access Gross Expenditures	**$5,611,786**	**$9,316,072**	**$6,123,415**	**$7,030,675**	**$5,274,198**	**$10,265,187**	**$14,950,981**
System Access Capital Contributions	($2,539,387)	($7,548,000)	($6,037,543)	($4,691,172)	($4,105,212)	($5,145,881)	($6,452,978)
System Access Net Expenditures	**$3,072,400**	**$1,768,072**	**$85,872**	**$2,339,503**	**$1,168,986**	**$5,119,305**	**$8,498,002**

2 Note: Figures may not sum due to rounding.

b. Please compare the annual customer additions forecast quantity and costs in the EB-2022-0049 DSP (Project SA-1) compared to historical actuals and forecast for the years 2023 to 2027.

Response:

Milton Hydro provides in Tables 1 and 2 below the annual customer additions and gross costs forecast for Project SA-1 in the EB-2022-0049 DSP, compared with actuals for 2023 to 2025 and forecasts for 2026 and 2027. The forecast figures for 2026 and 2027 are provided on a best-efforts basis as estimates only within the brief allotted timeline provided by the OEB. The values are derived from assumptions and information available at the time of preparation. Actual results may differ materially, including due to risks, uncertainties, and changes in market or business conditions. These forecasted figures have not been audited or independently verified.

Table 1: Annual Customer Additions – DSP Compared to Actual and Forecast, 2023 to 2027

Year	DSP	Actual/Forecast	Variance
2023 (Actual)	1,000	672	(328)
2024 (Actual)	1,000	782	(218)
2025 (Actual)	1,000	824	(176)
2026 (Forecast)	1,000	695	(305)
2027 (Forecast)	1,000	809	(191)
Total	**5,000**	**3,782**	**(1,218)**

Notes: DSP amounts are the planning basis of 1,000 new customers per year, being a blend of residential and non-residential connections.[1] Actual and forecast amounts are the annual increase in Milton Hydro's customer count.

Table 2: Project SA-1 Gross Costs – DSP Compared to Actual and Forecast, 2023 to 2027

Year	DSP	Actual/Forecast	Variance
2023 (Actual)	$3,783,161	$6,706,892	$2,923,731
2024 (Actual)	$3,808,225	$5,619,187	$1,810,962
2025 (Actual)	$3,833,789	$6,070,018	$2,236,229
2026 (Forecast)	$3,859,865	$7,279,235	$3,419,370
2027 (Forecast)	$3,886,462	$9,005,767	$5,119,305
Total	**$19,171,501**	**$34,681,098**	**$15,509,597**

Milton Hydro notes that investments in distribution system infrastructure in a given year do not translate directly into new connected customers in that year, as there is typically a lag before customers are

[1] EB-2022-0049, Interrogatory Responses, 2-Staff-46(a), page 145.

connected.[2] Please refer to the response to VECC-6(b) for the explanation of the System Access variances.

c. Please compare the road widening and relocation projects and costs forecast in the EB-2022-0049 DSP (Project SA-3) compared to historical actuals and forecast for the years 2023 to 2027.

Response:

The road widening and relocation projects and gross costs forecast in Project SA-3 of the EB-2022-0049 DSP, compared with actual gross costs for 2023 to 2025 and forecast gross costs for 2026 and 2027, are set out in Table 1. Table 1 also includes road authority relocation projects undertaken or forecast in 2023 to 2027 that were not included in Project SA-3.

Milton Hydro notes that road widening and relocation projects are mandatory System Access work. Milton Hydro is required to relocate its poles and associated attachments when required by the Town of Milton or Halton Region for road work, with costs shared in accordance with the *Public Service Works on Highways Act*, and the scope and timing of the work are determined by the road authority.[3]

[2] EB-2022-0049, Interrogatory Responses, 2-Staff-46(a), page 145, footnote 17.
[3] EB-2022-0049, Exhibit 2, Distribution System Plan, page 7; and Capital Project Sheet SA-3.

Table 1: Road Widening and Relocation Projects – DSP Compared to Actual and Forecast, 2023 to 2027

Project	DSP Year	DSP	Actual/ Forecast Year	Actual/ Forecast	Variance	Explanation
Steeles Ave – RR25 to Trafalgar Rd	2023	$291,746	N/A	$—	**($291,746)**	Not undertaken by the road authority in 2023 to 2027. Environmental assessment underway.
Appleby Line – Derry North	2023	$145,823	2024	$8,998	**($136,825)**	Road authority changed timing and scope; minor work completed in 2024.
Tremaine Rd – Lower Base Line to Britannia	2024	$1,000,000	N/A	$—	**($1,000,000)**	Not undertaken by the road authority in 2023 to 2027.
Tremaine Rd – Hwy 401 to Derry	2024	$100,000	N/A	$—	**($100,000)**	Not undertaken by the road authority in 2023 to 2027.
RR25 – Hwy 407 to Britannia	2025	$100,000	N/A	$—	**($100,000)**	Not undertaken by the road authority in 2023 to 2027.
Trafalgar Rd – Hwy 407 to Britannia	2026	$1,350,000	N/A	$—	**($1,350,000)**	Halton Region environmental assessment underway; construction deferred beyond 2027.
RR25 – Britannia to Derry	2026	$100,000	N/A	$—	**($100,000)**	Not undertaken by the road authority in 2023 to 2027.
Sixth Line – Hwy 401 to Derry	2026	$850,000	N/A	$—	**($850,000)**	Town of Milton environmental assessment underway; construction deferred beyond 2027.
Sixth Line – Derry to Britannia	2027	$1,100,000	N/A	$—	**($1,100,000)**	Town of Milton environmental assessment underway; construction deferred beyond 2027.
James Snow Pkwy – Hwy 401 to Tremaine	2027	$100,000	2027	$1,614,511	**$1,514,511**	DSP amount was a placeholder pending definition of scope by Halton Region; Halton Region has since completed its environmental assessment.
Region Britannia – RR25 to JSP Relocation	Not in SA-3	$—	2023	$672,539	**$672,539**	Continuation of Halton Region project that began prior to 2023.
Bronte St – Main St to Steeles Widening	Not in SA-3	$—	2023–2024	$166,194	**$166,194**	Continuation of Town of Milton project that began prior to 2023.
Derry Rd – Bell School Line Pole Relocation	Not in SA-3	$—	2023	$185,569	**$185,569**	Town of Milton project identified after the DSP.
Nipissing Road Pole Line Relocation	Not in SA-3	$—	2024–2026	$281,034	**$281,034**	Town of Milton project identified after the DSP.
Ninth Line – Derry to Beach	Not in SA-3	$—	2025–2026	$372,363	**$372,363**	Road authority project identified after the DSP.
RR25 – Steeles Ave to 5 Side Rd	Not in SA-3	$—	2024–2027	$1,071,549	**$1,071,549**	Halton Region project identified after the DSP.
Derry Rd – Milburough Line to McNiven	Not in SA-3	$—	2027	**$391,635**	**$391,635**	Halton Region project identified after the DSP.
Miscellaneous Roads	Not in SA-3	$—	2023–2027	$479,577	**$479,577**	Minor relocations required by road authorities.
Total		**$5,137,569**		**$5,243,969**	**$106,400**	

Note: Figures may not sum due to rounding.

VECC-8

Ref: Manager's Summary p.27

System Renewal capital expenditures are forecast to increase $2,097,337 relative to the 2027 DSP plan year, (an increase of close to 80%), primarily due to the end-of-life meter replacement program to maintain compliance with Measurement Canada requirements and higher levels of reactive overhead and underground asset replacement required to address asset failures and condition-driven replacement needs.

a. Please provide Historical and Forecasted Capital Expenditures for System renewal on the same basis as Table 8 on page 26. In the response, please add a column and provide actuals to date for 2026, i.e. to September 30, 2026.

Response:

Milton Hydro provides in Table 1 the historical and forecast System Renewal capital expenditures on the same basis as Table 8 of the Application (page 26), updated to include actual capital expenditures for 2026 to August 31, 2026. Actual capital expenditures to September 30, 2026 were not available at the time of preparing this response.

Table 1: Historical and Forecast System Renewal Capital Expenditures, including 2026 Actuals to August 31, 2026

System Renewal Projects	2023 CoS	2023 Actual	2024 Actual	2025 Actual	August YTD 2026 Actual	2026 Forecast	2027 Forecast
Wood Pole Replacement Program	$220,000	$699,326	$846,431	$1,362,678	$606,525	$863,480	$949,489
Reactive Overhead Replacement (formerly Miscellaneous Overhead Replacements)	$330,994	$873,391	$868,762	$914,619	$1,089,816	$908,337	$1,034,879
Proactive Meter Replacement	$539,892	$112,737	$217,011	$314,255	$262,207	$475,586	$1,953,379
Reactive Underground Replacement (formerly Miscellaneous Underground Replacements)	$280,000	$593,055	$485,730	$575,530	$622,565	$582,951	$477,433
Meter Room Upgrades - Cell Modems	$125,656	$92,422	$181,797	$113,327	$45,060	$135,823	$232,437
Replace Regulator at MS7	$200,000	$—	$—	$—	$—	$—	$—
Replace Regulator at MRS4	$—	$4,932	$225,894	$—	$—	$—	$—
Residential Submersible Transformer Modernization Program	$—	$—	$—	$122,895	$5,413	$99,413	$121,935
Other System Renewal Projects	$73,416	$—	$56,896	$18,840	$4,437	$11,952	$14,566
System Renewal Gross Expenditures	**$1,769,958**	**$2,375,864**	**$2,882,521**	**$3,422,144**	**$2,636,023**	**$3,077,541**	**$4,784,118**

Note: Figures may not sum due to rounding.

b. Please provide a breakdown of the incremental $2.097 million for the System Renewal budget.

Response:

The 2027 forecast System Renewal capital expenditures of $4,784,118 are $2,097,337 higher than the 2027 DSP forecast of $2,686,780 (Application, page 26, Table 9). The variance by project is set out in Table 2.

Table 2: 2027 System Renewal Capital Expenditures – Forecast Compared to DSP

Projects	2027 DSP	2027 Forecast	Variance
Wood Pole Replacement Program	$779,351	$949,489	$170,138
Reactive Overhead Replacement	$358,279	$1,034,879	$676,600
Proactive Meter Replacement	$1,017,369	$1,953,379	$936,010
Reactive Underground Replacement	$303,081	$477,433	$174,352
Meter Room Upgrades - Cell Modems	$138,700	$232,437	$93,737
Residential Submersible Transformer Modernization Program	$—	$121,935	$121,935
Other System Renewal Projects	$90,000	$14,566	($75,434)
System Renewal Gross Expenditures	**$2,686,780**	**$4,784,118**	**$2,097,337**

Note: Figures may not sum due to rounding.

The drivers of the variance are described at page 27 of the Application.

c. Please explain how this end-of-life meter replacement program compares to projects SA-4 and SR-4 in the EB-2022-0049 DSP.

Response:

The end-of-life meter replacement program included in the 2027 forecast forms part of project SR-4 (Meter Replacement Program) in the EB-2022-0049 DSP. SR-4 provides for the replacement of Milton Hydro-owned metering assets, including meter room communication upgrades, the proactive replacement of metering equipment and the reactive replacement of meter equipment failures, and identifies the proactive replacement of meters and meter equipment as driven by the age and condition of those assets.[4] The 2027 forecast for proactive meter replacement is $1,953,379, compared with $1,017,369 for proactive meter replacement under SR-4 for 2027 in the DSP.[5] Please refer to the responses to VECC-8(b) and VECC-8(d).

Project SA-4 in the DSP is a System Access program that provides for the replacement of metering equipment required in accordance with Measurement Canada standards, and is presented in the DSP capital expenditure summary as the Meter Reverification Program.[6] SA-4 was forecast at $424,483 for 2027 in the DSP, compared with the 2027 forecast of $537,958.

[4] EB-2022-0049, Exhibit 2, Distribution System Plan, Appendix A, Capital Project Sheet SR-4.
[5] EB-2022-0049, Exhibit 2, Distribution System Plan, page 128, Table 49.
[6] EB-2022-0049, Exhibit 2, Distribution System Plan, Appendix A, Capital Project Sheet SA-4 and page 128, Table 49.

d. Please provide the historical actuals and forecast for the years 2023 to 2027 for DSP projects SA-4 and SR-4.

Response:

The actual expenditures for 2023 to 2025 and forecast expenditures for 2026 and 2027 for DSP projects SA-4 and SR-4 are set out in Table 1 below.

Table 1: DSP Projects SA-4 and SR-4 – Actual and Forecast Expenditures, 2023 to 2027

DSP Project / Project Name	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast
SA-4 – System Access					
Meters - Reverification Program	$907,693	$167,035	$197,757	$420,218	$537,958
SA-4 Total	**$907,693**	**$167,035**	**$197,757**	**$420,218**	**$537,958**
SR-4 – System Renewal					
Meter Room Upgrades - Cell Modems	$92,422	$181,797	$113,327	$135,823	$232,437
Proactive Meter Replacement	$112,737	$217,011	$314,255	$475,586	$1,953,379
SR-4 Total	**$205,159**	**$398,808**	**$427,582**	**$611,408**	**$2,185,816**

Totals may not add due to rounding.

e. Please provide the asset information and data to support the need for higher levels of reactive overhead and underground asset replacement in 2027.

Response:

In Milton Hydro's 2023–2027 Distribution System Plan (DSP), the System Renewal section states that "Reactive replacement of defective/damaged overhead distribution equipment refers to emergency replacement work of distribution assets due to unexpected failure and other external causes (i.e., storms, foreign interference, etc.)" and that "Reactive replacement of defective/damaged underground distribution equipment refers to emergency replacement work of distribution assets due to unexpected failure and other external causes (i.e., pad mounted equipment hit by vehicles and transformers that are run to failure, etc.)."[7]

[7] EB-2022-0049, Exhibit 2, Distribution System Plan, page 12.

The increase in reactive replacement expenditures forecast for 2027 relative to the DSP is driven by an increasing number of assets reaching an unplanned end of useful life. An asset reaches its unplanned end of useful life when the equipment fails to operate, or when it is deemed unsafe to operate and must be removed from service.

Milton Hydro's 2027 forecast for reactive OH and UG replacement of $1,512,312 is based on historical reactive replacement levels. Actual reactive OH and UG replacement expenditures were $1,466,446 in 2023, $1,354,492 in 2024 and $1,490,149 in 2025. Actual expenditures to August 31, 2026 were $1,712,381. Please refer to the response to VECC-8(a).

Milton Hydro provides in Tables 1 and 2 below a summary of reactive overhead (OH) and underground (UG) asset replacements for 2023 to 2025, being the most recent full calendar years. As reactive replacements address unplanned asset failures, Milton Hydro does not forecast the number of reactive replacements by asset type.

Table 1: Reactive Overhead (OH) Replacements, 2023–2025

Category	2023	2024	2025
Pole – vehicle strike	6	10	2
Pole – defective	3	27	18
Transformer – defective	1	8	14
Switches	10	3	22
Blown arrester	—	1	—
Total	**20**	**49**	**56**

Table 2: Reactive Underground (UG) Replacements, 2023–2025

Category	2023	2024	2025
Transformer – defective	28	30	32
Switches	7	4	2
Switchgear	3	3	—
Secondary cable repairs	39	15	32
Total	**77**	**52**	**66**

Total reactive OH and UG replacements were 97 in 2023, 101 in 2024 and 122 in 2025.

VECC-9

Ref: Manager's Summary p.28

Milton Hydro provides a Project Timeline.

a. Please confirm the procurement for Primary Metering Units was completed by the August 30, 2026. If not, provide the latest completion date and the reason for the schedule variance.

Response:

Please refer to the response to Staff-8(a).

b. Please confirm the procurement for Switches was completed by September 30, 2026. If not, provide the latest completion date and the reason for the schedule variance.

Response:

Please refer to the response to Staff-8(a).

c. Please confirm the engineering design was complete by August 30, 2026. If not, provide the latest completion date and the reason for the schedule variance.

Response:

Please refer to the response to Staff-8(a,b).

d. Please confirm the contractor selection was complete by September 30, 2026. If not, provide the latest completion date and the reason for the schedule variance.

Response:

Please refer to the response to Staff-8(a).

e. Please update Table 10 to reflect the latest project timelines.

Response:

Please refer to the response to Staff-8(a).

f. The Q2 2026 Hydro One Project Status Report is provided in Appendix I. Please provide the Q3 2026 Project Status Report.

Response:

As of the date of this response, Milton Hydro has not received the Q3 2026 Project Status Report from Hydro One. Accordingly, Milton Hydro is unable to provide the report at this time.

VECC-10

Ref: Manager's Summary p.31

a. Please provide Milton Hydro's SAIDI and SAIFI results for the period 2022 to 2025 excluding Loss of Supply and Major Event Days.

Response:

Milton Hydro's SAIDI and SAIFI results for 2022 to 2025, excluding Loss of Supply and Major Event Days, are set out in Table 1 below. These results are consistent with those reported in Milton Hydro's RRR filings and its 2025 Electricity Distributor Scorecard.

Table 1: SAIDI and SAIFI Excluding Loss of Supply and Major Event Days, 2022 to 2025

	2022	2023	2024	2025
SAIDI	0.76	0.42	0.98	0.99
SAIFI	0.66	0.62	0.89	0.69

b. Please provide the number of outages, customer interruptions and customer interruption hours for Defective Equipment for the years 2022 to 2025.

Response:

The number of outages, customer interruptions and customer interruption hours attributed to Defective Equipment for the years 2022 to 2025 are set out in Table 1.

Table 1: Defective Equipment Outages, 2022 to 2025

	2022	2023	2024	2025
# of Outages	35	30	75	69
Customer Interruptions	18,994	889	22,724	2,506
Customer Interruption Hours	12,954	2,324	20,068	5,111

VECC-11

Ref: Manager's Summary p.32

Please provide the distribution bill impacts (%) for sub-total A for each rate class as a result of the ICM project.

Response:

The distribution bill impacts on Sub-Total A for each rate class as a result of the proposed ICM rate riders are set out in Table 1 below. Table 1 reflects the updated ICM Model and the updated Rate Generator Model filed in response to Staff-5© and Staff-1(a), respectively.

Table 1: Impact of the Proposed ICM Rate Riders on Sub-Total A by Rate Class

Rate Class	Current Sub-Total A ($)	Monthly ICM Rate Rider before HST ($)	Impact on Sub-Total A (%)
Residential	$37.51	$1.33	3.55%
General Service < 50 kW	$71.66	$2.62	3.66%
General Service 50 kW - 999 kW	$739.64	$26.30	3.56%
General Service 1,000 kW - 4,999 kW	$6,058.18	$215.43	3.56%
Large Use	$14,382.29	$511.45	3.56%
Unmetered Scattered Load	$20.44	$0.71	3.49%
Sentinel Lights	$15.52	$0.55	3.57%
Street Lighting	$27,197.68	$974.98	3.58%

As noted in the response to Staff-5(c), the Street Lighting values are presented on the same basis as Tab 21 of the Rate Generator Model, being 2,890 connections and 1,185 kW.

VECC-12

Ref: Appendix D p.2

The acquisition of the Hydro One-owned poles and conductors associated with the Palermo TS feeder egress will eliminate Milton Hydro's embedded distributor arrangement at the station, allowing the affected feeders to be treated as transmission-connected assets. This will reduce ongoing charges paid to Hydro One, which will result in annual savings to Milton Hydro customers, improving the long-term value of the investment.

a. Please provide the annual savings.

Response:

Please refer to the response to SEC-3.

b. Please discuss how the savings have been accounted for in the request for ICM funding.

Response:

Please refer to the response to SEC-3.

VECC-13

Ref: Appendix D p.4

a. Please discuss the status of obtaining municipal permits and approvals and identify any known or anticipated delays in obtaining permits.

Response:

Milton Hydro anticipates applying for Municipal Consent and Road Occupancy permits with the local and regional municipalities in November 2026, in advance of the March 2027 construction start (Appendix D, pages 3 and 4). Milton Hydro is not aware of any delays in obtaining these permits and does not currently anticipate any. Milton Hydro notes that it identified municipal permits and approvals as a low-probability schedule risk and is engaging with the municipalities and road authorities to identify requirements and obtain approvals prior to construction (Appendix D, page 5, Table 2).

b. Please identify any known or anticipated potential delays to the Construction Start Date of March 2027.

Response:

Please refer to the response to Staff-8(b).

VECC-14

Ref: Appendix D p.5

Please expand Table 3 to include a breakdown and explanation of costs for each year.

Response:

Milton Hydro provides in Table 1 below a breakdown of the historical and forecast capital expenditures for the Palermo Project by cost category for each year. Please also refer to the response to Staff-9(b), Table 1, for the activities associated with the 2023 to 2025 expenditures.

Table 1: Palermo Project Capital Expenditures by Cost Category ($)

	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast	Total
External engineering/ consulting/ construction		$110,728	$228,064	$871,572	$5,569,673	**$6,780,037**
Capital contribution to Hydro One	$226,000		$1,137,190		$2,037,410	**$3,400,600**
Material and tools					$2,333,021	**$2,333,021**
Capitalized interest			$87,830	$86,571	$260,111	**$434,512**
Capitalized internal labour	$4,313	$38,166	$15,411	$30,023	$61,941	**$149,854**
Transfer of Hydro One Egress Poles					$100,000	**$100,000**
Palermo Project ($)	**$230,313**	**$148,894**	**$1,468,495**	**$988,166**	**$10,362,156**	**$13,198,024**

Note: Figures may not sum due to rounding.

VECC-15

Ref: Appendix D p.6

a. With respect to Table 4, please provide a detailed breakdown of “Other” costs.

Response:

Table 4 reproduces the cost estimate for the Palermo TS upgrade provided to Milton Hydro by Hydro One. As noted in the Hydro One Project Status Report (Appendix I), the costs categorized as "Other" include overhead, contingency and interest, as applicable. These costs are determined by Hydro One in accordance with its costing practices.

b. Please explain how the true-up works.

Response:

The true-up is performed by Hydro One in accordance with section 6.5 of the OEB's Transmission System Code and in accordance with the terms of the CCRA. At each true-up point, Hydro One recalculates Milton Hydro's capital contribution using the actual load to date and an updated load forecast. The true-up points applicable to the Palermo TS upgrade are set out in the CCRA. Please refer to the response to SEC-6(a).

c. Please provide the customer load growth used in the economic evaluation.

Response:

Please refer to the response to SEC-6(c).

d. Please provide a copy of the CCRA.

Response:

Please refer to the response to SEC-6(a).

e. Please discuss why there are no customer contributions included in the cost estimate.

Response:

Please refer to the response to SEC-10(a).

VECC-16

Ref: Appendix D p.7

With respect to the Palermo TS Feeder Egress Estimate in Table 7:

a. Please provide the average unit costs for poles, overhead conductors and underground cable.

Response:

Milton Hydro provides in Table 1 below the indicative average installed unit costs for poles, overhead conductor and underground cable for the Palermo TS feeder egress. The remainder of the egress estimate relates to other equipment and costs, including switches, primary metering units, civil works, and engineering.

Table 1: Feeder Egress Average Installed Unit Costs

	Poles (per pole)	Overhead conductor (per m)[8]	Underground cable (per m)[9]
Unit Cost	$30,000	$40	$450

b. Please discuss the basis for the estimate.

Response:

The feeder egress estimate reflects a modified version of Scenario 2 from the NBM Study (Appendix G), adjusted for the final two-feeder configuration and routing (Appendix D, page 7).

The unit costs provided in the response to VECC-16(a) are indicative installed costs. They reflect the complexity of constructing new facilities within an active station environment, adjacent to energized 27.6 kV feeder egresses that must remain in service throughout construction to maintain supply to customers served by Milton Hydro, Burlington Hydro, and Oakville Hydro. The work requires additional construction staging, supervision and coordination with Hydro One and the affected utilities to establish and maintain work protection in accordance with the Utility Work Protection Code.

The unit costs are limited to the pole, conductor and cable installations. The egress estimate also includes other equipment and costs, including transformers, switches, primary metering units and access roads required to facilitate construction of the egress facilities.

[8] Conductor quantity includes primary and neutral lengths.
[9] Cable quantity includes primary and neutral lengths.

c. Please reference any similar projects undertaken by Milton Hydro that support the estimate and why.

Response:

The feeder egress estimate was not developed from the costs of past Milton Hydro projects. The basis of the estimate is set out in the response to VECC-16(b).

VECC-17

Ref: Appendix D p.7

With respect to the Updated Palermo TS Feeder Extension Estimate in Table 8:

a. Please provide the average unit costs for poles and overhead conductors at each of the locations.

Response:

Milton Hydro provides in Tables 1 and 2 below the indicative average installed unit costs for poles and overhead conductor at each location of the feeder line extension. The feeder line extension estimate also includes other equipment and costs, including transformers, switches and other equipment.

Table 1: Palermo TS Feeder Line Extension – Indicative Average Unit Costs, Poles

	Lower Base Line	First Line	Britannia Rd (West of RR25)	Britannia Rd (East of RR25)
Unit Cost (per pole)	$20,000.00	$20,000.00	N/A	$15,000.00

Table 2: Palermo TS Feeder Line Extension – Indicative Average Unit Costs, Overhead Conductor

	Lower Base Line	First Line	Britannia Rd (West of RR25)	Britannia Rd (East of RR25)
Unit Cost (per m)	$35.00	$35.00	$35.00	$35.00

b. Please discuss the basis for the estimate.

Response:

The feeder line extension estimate reflects a modified version of Scenario 2 from the NBM Study (Appendix G), adjusted for the final two-feeder configuration and routing (Appendix D, page 7).

The unit costs provided in the response to VECC-17(a) are indicative installed costs. They reflect the specific assets being installed, including pole size and class and the number of circuits carried on each structure, as well as site conditions and the level of effort required to complete the work. The unit costs are influenced by construction adjacent to travelled roadways requiring traffic protection, and by work in proximity to energized circuits 280M-11 and 280M-12 along First Line and Lower Base Line, which must remain in service during construction. These conditions require additional planning, staging, supervision and work protection measures to maintain worker safety and system reliability.

The unit costs are limited to the installation of poles and overhead conductor. The feeder line extension estimate also includes other equipment and costs, including transformers, switches and other equipment.

c. Please reference any similar projects undertaken by Milton Hydro that support the estimate and why.

Response:

The most similar recent project undertaken by Milton Hydro is the relocation and rebuild of the overhead pole line on Britannia Road between James Snow Parkway and Highway 407, completed in 2020 to accommodate road widening.[10] That project is similar in scope to the feeder line extension, as it replaced an existing single-circuit pole line with a new two-circuit pole line. However, the costs of the two projects are not directly comparable. The new Britannia Road poles were installed behind the existing line corridor, offset from the existing energized facilities, which reduced the work required in proximity to live circuits.

The Palermo TS feeder line extension differs from the Britannia Road project in the following respects:

- **Energized circuits:** Portions of the Palermo TS feeder line extension along First Line and Lower Base Line require work in proximity to energized circuits 280M-11 and 280M-12, which

[10] EB-2022-0049, Exhibit 2, page 72, Table 2-37.

must remain in service during construction. This adds construction complexity, work protection requirements and installation time. Please refer to the response to VECC-17(b); and

- **Material costs:** Material costs, particularly for wood poles and line hardware, have increased since 2020;
- **Design standard:** The Palermo TS feeder line extension has been designed to the current edition of CSA C22.3 No. 1, Overhead Systems, which includes more stringent pole loading, system resilience, climate adaptation, storm hardening, and enhanced weather-loading design requirements than those required for the Britannia Road project..

Accordingly, while the Britannia Road project is similar in scope, it does not provide a direct cost comparison for the feeder line extension. The Palermo TS feeder line extension estimate was instead developed on a project-specific basis from a modified version of one of the routing scenarios assessed in Appendix G, adjusted for the final two-feeder configuration and routing, and the contractor labour was procured through a competitive Request for Proposal process. Please refer to the responses to VECC-17(b), VECC-18(a), and Staff-7(a).

VECC-18

Ref: Appendix D p.7

a. Please discuss the procurement process undertaken to select the contractor. In the response include the contractors that bid on the work, their bids and why the contractor was selected?

Response:

Milton Hydro used a competitive bidding process for both the Palermo TS Egress project (RFP-Eng-2026-06) and the Palermo TS Feeder Pole Line Build Out project (RFP-Eng-2026-05). Milton Hydro issued a Request for Proposal for each project to four approved contractors, and held a site meeting at Palermo TS on August 17, 2026, which was attended by representatives of each bidder. All four contractors submitted bids on both projects.

Milton Hydro evaluated the bids on the basis of price, schedule, relevant experience, safety, and bid completeness. The contractor that received the highest evaluated score on each project was selected as the contractor for both projects.

The bid amounts are for contractor labour only. Materials are procured separately by Milton Hydro and are included, together with the contractor labour, in the estimates in Appendix D (pages 7 and 8). The names of the bidders and the bid amounts are provided in Attachment 1 to this response, which Milton Hydro has filed in confidence in accordance with the OEB's Practice Direction on Confidential Filings.

b. Please summarize the site investigation work undertaken and planned to be undertaken for the project and discuss the likelihood of underground conflict and delays during construction.

Response:

Milton Hydro reviewed the site conditions. As a starting point for design work, it obtained site plans and surveys of Palermo TS from Hydro One to assess potential site impacts.

After a competitive bid process, Milton Hydro engaged NBM Engineering to design both the Palermo TS egress and the feeder pole line build-out. NBM was tasked with making sure the proposed distribution infrastructure, including the underground egress duct banks and the new pole line, would not conflict with other underground utilities on the Palermo TS property or in the public right-of-way. As part of its work, NBM assessed existing and potential constraints along the route, including right-of-way restrictions and routing challenges (Appendix G), and obtained engineering locates of existing in-ground infrastructure. Based on the design and the information available, Milton Hydro does not expect in-ground conflicts with other utilities.

Milton Hydro also received a geotechnical (soil) study of the Palermo TS site from Hydro One. For the study, six test holes were drilled on the property and soil samples were taken at regular depths. The test holes found a thin layer of topsoil at the surface. Below it is a firm, dense clay soil that extends roughly 10 metres or more below the surface. The egress trenches on the Palermo TS property will be about 1 to 2 metres deep, so they will be dug entirely within this clay layer. Groundwater was not expected within about 3 metres of the surface, which is below the planned trench depth. Milton Hydro therefore does not expect the soil to adversely affect the egress trench and duct installations.

Before construction, the awarded bidder must obtain locates through the Ontario Dig Authority. The bidder must keep the locates up to date and on site at all times during construction.

Based on this work, Milton Hydro considers the likelihood of underground conflicts and resulting construction delays to be reduced. The remaining risk is managed through site investigations, utility locates, field reviews and project contingencies, as described in Appendix D, Table 10.

VECC-19

Ref: Appendix D p.9

Planning for the Palermo TS began in 2021. In April 2023, Milton Hydro executed a Connection Cost Estimate Agreement with Hydro One to obtain a budgetary estimate and preliminary engineering for the station upgrade.

Please provide a copy of the executed Connection Cost Estimate Agreement.

Response:

The Connection Cost Estimate Agreement ("CCEA") between Milton Hydro and Hydro One, with an execution date of April 17, 2023, is currently under review by Hydro One in accordance with the confidentiality provisions of the CCEA. Pursuant to those provisions, Milton Hydro is required to obtain Hydro One's review and consent with respect to any confidential information requiring redaction prior to filing the CCEA in this proceeding. Milton Hydro has requested Hydro One's review and consent and is awaiting a response. Accordingly, Milton Hydro is unable to file the CCEA at this time and will file the it, together with any necessary redactions, promptly upon receiving Hydro One's response.

VECC-20

Ref: Appendix D p.10

Please provide a schedule that compares Power Advisory's 2024 capacity needs assessment results to 2026.

Response:

Milton Hydro provides in Tables 1 to 3 a comparison of the results of the 2024 Report (Appendix E) and the 2026 Report (Appendix F). The comparison has been prepared by Milton Hydro on a best-efforts basis from the information contained in the two reports. The 2024 Report and the 2026 Report were prepared at different times and use different base years, scenarios, methodologies and assumptions, and their results are therefore not directly comparable.

Table 1: Methodology and Key Inputs

Item	2024 Report (Appendix E)	2026 Report (Appendix F)
Scenarios	Two (High, Low)	Three (Low, Reference, High), consistent with Order-in-Council 802/2025
Starting year for load	2023	2025
Population and employment source	Halton Region Land Needs Assessment (2022) and draft ROPA 49 (Appendix E, page 10)	Town of Milton Needs Analysis Addendum #1, adjusted downward using Ministry of Finance projections
Other utilities' load at shared stations	Hydro One 2022 GTA West RIP and KWCG RIP (Appendix E, page 9)	IESO GTA West IRRP draft forecasts (June 2025)
Large customers	Large customer connection requests of 131 MW by 2030 (High); Low assumes 50% (Appendix E, pages 16 and 19)	Large distribution account connection requests of 96.5 MW (summer), reduced to 0% to 100% depending on scenario, with delays of 0 to 3 years (Appendix F, page 15, Table 5)
Electric vehicles	Federal sales targets met (Appendix E, page 14)	Targets met in High; 4-year delay in Reference; 8-year delay in Low (Appendix F, page 14)
Heat pump adoption by 2050	20% of buildings (Appendix E, page 14)	7% of buildings (Appendix F, page 13)
Palermo TS rating	110 MW currently; 180 MW after upgrade (Appendix E, page 24)	187 MW after upgrade
Glenorchy MTS	Agreement assumed to end in 2033 (Appendix E, page 23)	Agreement assumed to expire in 2032

Table 2: Combined Summer Load at Halton TS, Palermo TS and Tremaine TS (MW)

Year	2024 Report High	2026 Report High	Change	2024 Report Low	2026 Report Low	Change	2026 Report Reference
2027	570	393	(177) (31%)	507	364	(143) (28%)	371
2030	626	476	(150) (24%)	550	417	(133) (24%)	438
2032	650	532	(118) (18%)	574	440	(134) (23%)	465
2035	749	577	(172) (23%)	670	468	(202) (30%)	513
2038	800	623	(177) (22%)	722	496	(226) (31%)	552

Table 3: Station Need Dates

Need	2024 Report (Appendix E)	2026 Report (Appendix F)
Palermo TS	Already over capacity (113 MW against 110 MW rating); upgrade needed (Appendix E, page 22)	Upgrade needed by 2027 (Appendix F, pages 20 and 32)
Halton TS rating exceeded	2025 (High); 2026 (Low)	2032 (High); 2037 (Reference); not exceeded through 2042 (Low)
Tremaine TS rating exceeded	2027 (High); 2031 (Low)	Not exceeded through 2042 in any scenario
Halton TS, Palermo TS and Tremaine TS combined, after Palermo TS upgrade	Exceeded from 2027 (High); 2031 (Low)	2035 (High); 2040 (Reference); not exceeded through 2042 (Low)
Next new station	New Milton TS needed by 2030 (High) or 2032 (Low) (Appendix E, page 7)	Halton #2 TS needed between 2032 and 2039 (2037 in Reference); assumed buildable five years after a final investment decision (Appendix F, page 24)

VECC-21

Ref: Appendix D p.12

Please provide the data points that underpin Figure 1.

Response:

Milton Hydro provides in Tables 1 and 2 below the data points underpinning Figure 1 of Appendix D (page 12).

Table 1: Milton Hydro Forecast System Peak Demand (Summer Peak), 2026 to 2036 (MW)

Scenario	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Low	207	209	216	223	231	240	245	251	258	263	269
Reference	208	218	233	243	253	263	270	291	300	308	318
High	221	246	264	280	292	304	337	349	361	373	385

Table 2: Milton Hydro System Planning Capacity (MW)

Capacity Case	MW
Current capacity	269.3
System capacity without Palermo TS upgrade and Glenorchy MTS agreement terminated / expired	237.6
System capacity with Palermo TS upgrade and Glenorchy MTS capacity secured	295.7

Milton Hydro notes that Figure 1 compares forecast system peak demand with Milton Hydro's overall available system planning capacity (Appendix D, page 12). The transformer station need dates set out at page 10 of Appendix D are derived from the station capability assessment in the 2026 Report, which assumes load balancing capability via existing station ties (Appendix F, page 3).

VECC-22

Ref: Appendix D p.14

Please provide the data points that underpin Figure 3.

Response:

Milton Hydro provides in Table 1 below the data points underpinning Figure 3 of Appendix D (page 14).

Table 1: Milton Hydro Historical System Peak Demand, 2015 to 2025

Year	Peak System Loading (MW)
2015	166.8
2016	178.7
2017	162.9
2018	180.3
2019	169.6
2020	194.8
2021	190.2
2022	189.3
2023	186.8
2024	189.6
2025	209.8

VECC-23

Ref: Appendix D p.18

Please provide the age of each transformer at Palermo TS and the end-of-life date of each transformer.

Response:

The Palermo TS transformers are owned by Hydro One. As set out in Table 4 of Hydro One's GTA West Needs Assessment dated August 30, 2024, transformers T3 and T4 were each built in 1969 and placed into service in 1970.[11] Each transformer has therefore been in service for approximately 56 years.

The IESO's GTA West Integrated Regional Resource Plan identifies 2025 as the end-of-life date for both transformers (Appendix M, section 2.1.3).

VECC-24

Ref: EB-2022-0049 DSP Appendix H p. 2

The only project with cost implications for Milton Hydro is the Palermo TS project where the existing 230/27.6kV,50/83 transformers are to be replaced with larger 75/125MVA units. Milton Hydro will be responsible for the incremental costs as per the transmission System Code for this upgrade. The Halton TS #2 project has been deferred to 2033 as a result of the Palermo TS upgrade work and will be reassessed in next cycle.

Given incremental costs for Milton Hydro were flagged early, VECC seeks to better understand why Milton Hydro did not include any expenditures in its 2023 to 2027 DSP for work related to the Palermo TS. Please explain.

Response:

Milton Hydro confirms that Hydro One's letter of January 25, 2022 indicated that Milton Hydro would be responsible for the incremental costs of the Palermo TS upgrade under the Transmission System Code. The DSP noted that Hydro One had indicated that a capital contribution may be required, set out Milton Hydro's position at that time that no capital contribution should be required, and assumed for planning purposes that none would be required (Appendix L, pages 21 and 22).

[11] Hydro One Networks Inc., GTA West Needs Assessment Report, August 30, 2024, page 25, Table 4.

At that time, the amount of any capital contribution had not been determined and the distribution works forming part of the Palermo Project had not been defined. The information available to Milton Hydro when the DSP was prepared is set out in the response to Staff-11(b) ii and iv. The developments after the DSP that defined the capital contribution and the scope and cost of the distribution works are set out in the response to Staff-10(c) i and ii. The reasons Milton Hydro now considers the capital contribution reasonable are set out in the response to SEC-12(b).

VECC-25

Ref: Appendix M p. 34

It is important to note that the nearby Tremaine TS is expected to exceed its station supply capacity limits by 2033. Therefore, it is prudent to consider the needs of Tremaine TS when addressing the end-of-life issues at Palermo TS.

Please discuss the current plans for Tremaine TS.

Response:

The 2021 IRRP forecast that Tremaine TS would reach its station capacity in 2033, and considered that need together with the end-of-life need at Palermo TS. Under the option recommended in the IRRP, being the upsizing of Palermo TS at end-of-life, no further action was identified for 2033 (Appendix M, page 43, Table 7.2). The 2021 IRRP did not establish a revised need date for Tremaine TS following the Palermo TS upgrade.

In the current cycle of GTA West regional planning, the June 2025 draft IRRP demand forecast shows demand at Tremaine TS remaining below the station's capacity of 185 MW through 2042 (Appendix F, page 23, Table 8). Milton Hydro is not aware of any current plan for capacity reinforcement at Tremaine TS. Tremaine TS is owned by Hydro One, and any future capacity requirement at the station will be assessed through subsequent regional planning cycles.