Burlington hydro inc.

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

October 16, 2026

Dear Mr. Murray,

Re: Burlington Hydro Inc.
2027 IRM Application for Electricity Distribution Rates (EB-2026-0028)

Burlington Hydro Inc. ("BHI") submits its responses to OEB Staff questions received on September 24, 2026 in proceeding EB-2026-0028.

BHI also provides an updated live version of the following model:

- Attachment 1_2027 IRM Model_BHI_20261016

BHI confirms that the responses do not include any personal information, as identified in the certification requirements for personal information in Chapter 1 of the filing requirements.

The submission and supporting materials are being filed through Board's RESS system.

Yours truly,

Adam Pappas
Director, Regulatory Affairs, Supply Chain & Capital Planning
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Attachments

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Staff-1

Ref.: 2027 Rate Generator Model (dated August 14, 2026)

Preamble

OEB staff has made the following updates to the original 2027 Rate Generator Model submitted by Burlington Hydro shown in reference 1:

Tab 2 and Tab 20

Row 165 shows a rate rider of $0.00 for Account 1509 (effective until December 31, 2027). Since the charge has zero value, it has been removed from these tabs.

Tab 20 and Tab 21

In Tab 20, the Group 2 rate rider for each rate class is shown in rows 24, 66, 104, 139, and 173. These rate riders were reflected in “Additional Fixed Rate Riders” or “Additional Volumetric Rate Riders” in Tab 21, Column I (under sub-total B) instead of “Fixed Rate Riders” or “Volumetric Rate Riders” (under sub-total A). OEB staff has updated the model so that the Group 2 rate rider for all the rate classes is reflected in sub-total A in Tab 21.

Tab 21

For GS<50kW, GS>50kW, Unmetered Scattered Load, and Street Lighting rate classes, the “Deferral/Variance Account Rate Riders” in Column I incorrectly included Group 2 rate rider, resulting in the double counting of Group 2 rate rider in the bill impact for each of these rate classes.

OEB staff has corrected the formula to exclude the Group 2 rate rider from the “Deferral/Variance Account Rate Riders” for each of these rate classes so that the Group 2 rate rider is reflected only in the “Volumetric Rate Riders” under sub-total A.

The attached file “Attachment A_OEB Staff_2027 IRM Model” contains the above noted updates and corrections on the 2027 Rate Generator Model made by OEB staff.

Question(s)

a) Please confirm the accuracy of the updates in "Attachment A_OEB Staff_2027 IRM Model".
b) If confirmed in (a), please use "Attachment A_OEB Staff_2027 IRM Model" as a starting point for any further updates to the 2027 Rate Generator Model as part Burlington Hydro's responses to OEB staff's questions.

Response:

a) Burlington Hydro ("BHI") confirms that the updates described above and reflected in "Attachment A_OEB Staff_2027 IRM Model" are accurate.

b) BHI used "Attachment A_OEB Staff_2027 IRM Model" as the starting point for further updates to the 2027 Rate Generator Model when preparing its responses to OEB staff's questions. The additional updates are as follows:
    i. Tab 6 (Class A Consumption Data): Updated Table 3b for 16 kWh difference in full-year Class A electricity consumption (Staff-2);
    ii. Tab 3 (Continuity Schedule): Recalculated projected interest using the OEB-published prescribed accounting interest rate for Q4 2026 (Staff-5); and
    iii. Tab 11 (RTSR - UTRs & Sub-Tx): Updated the Uniform Transmission Rates per the *2027 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates* (EB-2026-0246), issued October 14, 2026.

The updated model is filed as Attachment 1_2027 IRM Model_BHI_20261016.

Staff-2

Ref.1: 2027 Rate Generator Model (dated August 14, 2026), Tab 6. Class A Consumption Data
Ref.2: 2027 Commodity Accounts Analysis Workform, Tab GA 2025

Preamble

In reference 1, OEB staff calculated the sum of the Class A consumption data for 2025 in kWh in tables 3a and 3b to be 196,160,367 kWh (cells F45 + G30 + G33 + G36 + G39 + G492).

OEB staff notes that the total consumption figures of 121,756,051 kWh does not reconcile with the 2025 Reporting and Record-Keeping Requirement (RRR) data which is 197,160,351 kWh. OEB staff also notes that in reference 2, Burlington Hydro provided the non-RPP Class A consumption value of 197,160,351 kWh for 2025 which reconciles with the 2025 RRR data.

Question(s)

a) Please explain the variance between the total Class A consumption figure of 196,160,367 kWh in reference 1 and 197,160,351 kWh from the 2025 RRR data in the preamble. Please revise the evidence as required.

Response:

a) The Class A consumption reported in Ref. 1 is 197,160,367 kWh, not 196,160,367 kWh as stated in Staff-2, question (a). The value in Staff-2, question (a) is exactly 1,000,000 kWh lower than the amount reported in Ref. 1. BHI believes this was a typing error.

   The 16 kWh difference between Ref. 1 and the 2025 RRR data has been adjusted in Table 3b of the 2027 Rate Generator Model for full-year Class A customers, filed as Attachment 1_2027 IRM Model_BHI_20261016.

Staff-3

Ref.1: OEB Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589 (Accounting Guidance), April 28, 2025
Ref.2: Updated Illustrative Commodity Model, April 28, 2025

Preamble

The OEB issued final updates to the Accounting Guidance and the updated Ilustrative Commodity Model related to the implementation of the Independent Electricity System Operator (IESO)'s Market Renewal Program (MRP), effective May 1, 2025. Page 11 of Reference 1 states that:

In Tab "Variances in ac 1588" of the updated Illustrative Commodity Model, two new tables are added to quantify the energy variances that are included in Account 1588 for records-keeping purposes. While the quantification tables are not required to be filed with the OEB at this time, these tables assist the distributors in explaining the 1% threshold test in Account 1588.

Reference 2 introduced two new reconciliation tables under the "Variances in ac 1588" tab to quantify energy cost variances arising from the implementation of MRP. In Page 11 of Reference 1, the OEB stated that these tables are intended for record-keeping purposes and are not required to be filed with the OEB. However, these two reconciliation tables may assist the distributors in explaining the 1% threshold test in Account 1588 where applicable.

Question(s)

a) Has Burlington Hydro utilized Table 42 and/or 43 of reference 2 to track or quantify the MRP-related energy variances recorded in Account 1588?

a. If so, please explain whether the variances recorded in Table 42 and Table 43 were material in 2025, respectively. Please provide the corresponding quantum of the variances if the variance(s) are material.
b. If not, please explain why not.

Response:

a) BHI has not utilized Table 42 and/or Table 43 of Reference 2 to track or quantify the MRP-related energy variances recorded in Account 1588.

a. Not applicable.

b. BHI does not bill non-RPP customers using the preliminary settlement OZP and LFDA average price. Instead, BHI bills customers using the pricing posted by the IESO on the 10th business day, which is the same pricing that the IESO uses to bill BHI for wholesale electricity purchases. As such, this approach does not generate a material variance between Cost of Power revenue and purchases for non-RPP customers.

   BHI's completed Account 1588 Reasonability Test reports 2025 transactions of $1,397,894, principal adjustments of $159,694, reconciling items of $519,792, and total activity of $1,037,795. Compared with Account 4705 power costs of $135,730,887, this resulted in a ratio of 0.8%, which is within the OEB's 1% threshold. The completed reconciliation did not identify an unexplained difference above the threshold which would require separate quantification through Tables 42 or 43.

Staff-4

Question(s)

a) In the instance the OEB releases any updated rates/charges (e.g., 2027 preliminary Uniform Transmission Rates) before Burlington Hydro provides its responses to OEB staff's questions, please update the Rate Generator Model, as applicable. If any updates are made, please identify the rate and/or charge that have been updated.

Response:

a) Per Staff-2 b), BHI has updated the Uniform Transmission Rates in Tab 11 of the Rate Generator model to reflect the *2027 Preliminary Uniform Transmission Rates and Hydro One Sub-Transmission Rates* (EB-2026-0246), issued October 14, 2026.

The updated model is filed as Attachment 1_2027 IRM Model_BHI_20261016.

Staff-5

Ref.: 2027 Rate Generator Model, Tab 3. Continuity Schedule

Preamble

On September 14, 2026, the OEB published Q4 2026 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s)

a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2026 OEB-prescribed interest rate of 2.87%

Response:

a) BHI updated Tab 3 (Continuity Schedule) to reflect the OEB-prescribed interest rate of 2.87% for Q4 2026, attached as Attachment 1_2027 IRM Model_BHI_20261016.