



1 **Interrogatory**

2
3 **Letters of Comment**

4
5 **Ref: Letters of Comment Filed with the Board's Secretary's Office**

6 1. Your Notice of Application indicated that the letters of comment for your
7 application will be part of the public record and be provided to the Board
8 Members deciding the application. Board staff notes that, as of December
9 19, 2008, the Board Secretary's Office has received two letters of comment.

10
11 a) Please indicate whether Hydro Ottawa Limited ("Hydro Ottawa") has
12 responded to those letters of comments and, if not, if it intends to do so.

13
14 b) If Hydro Ottawa has responded to the letters of comments, please provide a
15 copy of your response to the Board's Secretary's Office.

16
17 c) If Hydro Ottawa has not yet responded, but intends to respond to the letters
18 of comments, please describe what Hydro Ottawa's response will be and
19 indicate the approximate date for such response.

20
21 **Response**

22 a) Hydro Ottawa has responded to the two letters of comment filed with the
23 Board Secretary's Office.

24
25 b) Copies of the responses are attached, as follows:

26 Attachment #1 – Response to Mr. Ed Laschuk, December 18, 2008

27 Attachment #2 – Response to Mr. Fraser Liscumb, January 8, 2009

28
29
30 c) Please see the above responses to parts a) & b).

Hydro Ottawa Limited
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Ottawa, Ontario K1G 3S4
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Hydro Ottawa Limited
EB-2008-0188
Filed: 2009-01-20
Tab A – Board Staff Interrogatory Responses
Attachment #1



BY EMAIL

December 18, 2008

Mr. Ed Laschuk
7 Redfield Avenue
Nepean, ON K2H 6A7

Dear Mr. Laschuk,

Thank you for your inquiry regarding Hydro Ottawa's 2009 rate application. I would like to assure you that we recognize the importance of keeping electricity rates low, and that we make every effort to continuously improve our efficiency in order to limit increases to our rates.

First, allow me to clarify that while the increase to the 'Delivery' line is 6%, the **increase to the typical residential customer's total bill is 2%, or \$2.35 per month** (excluding GST).

The application we have filed includes a small adjustment to account for inflation, minus a productivity improvement target established by our Regulator, the Ontario Energy Board. As such, the portion of the requested increase that is directly attributable to Hydro Ottawa's operations is approximately 0.2% on the total bill.

The remainder of the increase reflects increased costs to implement the provincial Smart Meter program, an increase to Hydro One's transmission charges, and the end of a previous adjustment that was returning money to customers.

Distribution charges represent only 25% of the total residential monthly bill for a customer using 1,000 kWh per month. While your total bill is paid to Hydro Ottawa, the distribution charges are the only ones retained by Hydro Ottawa. The rest of the charges are collected on behalf of others and passed through without any markup.

We recognize that regardless of what accounts for these increases, they appear on the same bill, and have an impact on our customers. We want you to know, however, that we are working hard to do our part to minimize any rate increases. Our Regulator, the Ontario Energy Board, regularly compares the operating, maintenance and

administration costs of Ontario utilities, and Hydro Ottawa's costs per customer have consistently been much lower than the provincial average.

I hope that this has clarified some of the factors behind our rate application. Please be assured that we will continue to work hard to minimize any increases to our customers' rates.

Sincerely,

Original signed by

Jane Scott
Manager, Rates and Revenue
Hydro Ottawa

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Tab A – Board Staff Interrogatory Responses
Attachment #2



January 8, 2009

Mr. Fraser Liscumb
372 Mayfair Avenue
Ottawa, ON K1Y 0K5

Dear Mr. Liscumb,

This letter is in response to your December 12th inquiry sent to the Ontario Energy Board regarding Hydro Ottawa's 2009 rate application. I would like to assure you that Hydro Ottawa recognizes the importance of keeping electricity rates low, and that we make every effort to continuously improve our efficiency in order to limit increases to our rates.

First, allow me to clarify that while the increase to the 'Delivery' line is 6%, the **increase to the typical residential customer's total bill is 2%, or \$2.35 per month** (excluding GST).

The 'Delivery' charge includes the cost of delivering electricity from generating stations across the province to your home or business. This includes the costs associated with building and maintaining the transmission and distribution lines, towers and poles. The 'Electricity' line on your bill represents the cost of the electricity commodity, and does not include fees for delivery. The cost of the electricity commodity is reviewed and set by the OEB every 6 months. Since the electricity commodity is a pass-through charge, Hydro Ottawa does not retain any funds collected for this line item.

The application we have filed includes a small adjustment to account for inflation, minus a productivity improvement target established by our regulator, the Ontario Energy Board. As such, the portion of the requested increase that is directly attributable to Hydro Ottawa's operations is approximately 0.2% on the total bill.

The remainder of the increase reflects increased costs to implement the provincial Smart Meter program, an increase to Hydro One's transmission charges, and the end of a previous adjustment that was returning money to customers.

Distribution charges represent only 25% of the total residential monthly bill for a customer using 1,000 kWh per month. While your total bill is paid to Hydro Ottawa, the distribution charges are the only ones retained by Hydro Ottawa. The rest of the charges are collected on behalf of others and passed through without any markup.

We recognize that regardless of what accounts for these increases, they appear on the same bill, and have an impact on our customers. We want you to know, however, that we are working hard to do our part to minimize any rate increases. Our regulator, the Ontario Energy Board, regularly compares the operating, maintenance and administration costs of Ontario utilities, and Hydro Ottawa's costs per customer have consistently been much lower than the provincial average.

I hope that this has clarified some of the factors behind our rate application. Please be assured that we will continue to work hard to minimize any increases to our customers' rates.

Sincerely,

Original signed by

Jane Scott
Manager, Rates and Revenue
Hydro Ottawa