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## THE BOARD OF DIRECTORS

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*Columnist, Globe and Mail*

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November 14, 2007

BY EMAIL & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2007-0713**  
**Hydro Ottawa Limited – 2008 Rates Rebasing Application**  
**Energy Probe Interrogatories**

Attached please find two hard copies of the Interrogatories of Energy Probe Research Foundation (Energy Probe) as directed in Procedural Order No. 1, issued October 29, 2007. An electronic version of this communication will be forwarded in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Lynne Anderson, Hydro Ottawa Limited (By email)  
Jerry Farrell, Fraser Milner Casgrain LLP (By email)  
Helen Newland, Fraser Milner Casgrain LLP (By email)

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**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15, Sched. B, as amended;

**AND IN THE MATTER OF** an Application by Hydro Ottawa  
Limited for an Order or Orders approving or fixing just and  
reasonable rates for 2008.

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**INTERROGATORIES OF  
ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

**November 14, 2007**

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**HYDRO OTTAWA LIMITED  
2008 RATES CASE**

**EB-2007-0713**

**ENERGY PROBE RESEARCH FOUNDATION  
INTERROGATORIES**

**Interrogatory # 1**

**Ref: Exhibit A1/Tab 7/Schedule 2**

**Background:**

**The evidence in this Schedule on Page 2 consists of 2 lists:**

- (a) the senior leadership team for Hydro Ottawa, which portrays a headcount of 7, only one of whom holds an operational management position above Director; and,**
- (b) the strategic leadership team for Hydro Ottawa, which portrays a headcount of 7, 6 of whom hold a strategic management position of Chief, plus there is a General Counsel and Corporate Secretary position included in the list.**

**Questions:**

- a) Please provide a chart portraying the reporting relationships among all of the senior leadership team for Hydro Ottawa listed in this Schedule, both one level above and one level below in terms of responsibility.**
- b) Please provide a chart portraying the reporting relationships among all of the strategic leadership team for Hydro Ottawa listed in this Schedule, both one level above and one level below in terms of responsibility.**
- c) Please identify the president and the CEO of Hydro Ottawa, and indicate whether they are employees of the Applicant or if the functions are outsourced.**
- d) Please advise the economies or benefits, if any, achieved by this arrangements for residential customers of Hydro Ottawa.**
- e) Please provide any strategic study or report secured by, or generated by, the Applicant or Holding Company in support of the current corporate arrangement.**

## **Interrogatory # 2**

**Ref: Exhibit A1/Tab 7/Schedule 2**

### **Background:**

**The evidence in this Schedule on Page 2, beginning at Line 13, in referring to the strategic leadership provided by the listed positions in the Holding Company, states the following in the third sentence:**

**Operational activities related to these functions remain within Hydro Ottawa.**

### **Questions:**

- a) Please provide the headcount number in the Holding Company which supports the strategic leadership positions listed.**
- b) Please provide the amount of time each one of the Chiefs listed in the Holding Company spends on direct strategic leadership of their reporting operational activities in Hydro Ottawa.**
- c) Can the Applicant envision any negative effects on its regulatory relationship with the Board caused by having its strategic leadership outside of the regulated entity?**

## **Interrogatory # 3**

**Ref: Exhibit A1/Tab 7/Schedule 1  
Exhibit A1/Tab 7/Schedule 3**

### **Background:**

**The evidence in Exhibit A1,Tab 7, Schedule 1 on Page 2, beginning at Line 1, describes the principle business of the Holding Company as being the strategic oversight of Hydro Ottawa, Energy Ottawa and Telecom Ottawa. The evidence goes on to describe the role of the Holding Company in greater detail.**

**The evidence in Schedule 3 provides Service Level Agreements, including Attachments I, J and K which describe services provided to the Holding Company by the Applicant.**

**Questions:**

- a) Please provide the Service Level Agreement between Hydro Ottawa Holding Inc. and Hydro Ottawa Limited detailing the services provided to the Applicant by the Holding Company described on Page 2 of Tab 7, Schedule 1 at the top of Page 2.**
- b) Please describe the relationship, including communication channels, between the Board of Directors of the Applicant, charged with oversight of the Applicant, and those employees of the Holding Company providing strategic oversight of Hydro Ottawa.**

**Interrogatory # 4**

**Ref: Exhibit D1/Tab 5/Schedule 1**

**Background:**

**The evidence in this Schedule on Page 10, Section 7 – Pension Costs – provides pension premiums for 2006, Forecast and Actual, as well as an Estimate for 2007 and a 2008 Forecast. There was no mention of an actuarial report.**

**In Section 8 – Post Retirement Benefits – the evidence, through Footnote # 4, indicates that the Applicant recorded the following:**

**“...a one-time provision related to retirement grants paid to unionized employees who leave the company with at least 25 years of continuous service.”**

**Questions:**

- a) Please describe the Applicant's actuarial support for its Pension Plan.**
- b) Are all permanent employees of the Applicant enrolled in the OMERS Plan when they become eligible?**
- c) Is the Post Retirement Benefits one-time provision described in Footnote # 4, a one-time per retiring employee benefit, or is the evidence describing a one-time initiative of the Applicant?**
- d) Is the retiring employee grant paid out of a pension fund or is it part of the collective agreement with the International Brotherhood of Electrical Workers?**
- e) Please provide the financial details of how the retirement grant is computed.**