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November 26, 2007

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Kirsten Walli  
Board Secretary

**Re: Interrogatory Responses - Application for an Accounting Order to Establish a Variance Account  
EB-2007-0770**

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Attached please find Hydro Ottawa's responses to the interrogatories sent by Board Staff and the Vulnerable Energy Consumers Coalition on November 13, 2007 for the above noted proceeding.

If further information is required, please contact the undersigned at 613-738-5499 ext 527 or [lynneanderson@hydroottawa.com](mailto:lynneanderson@hydroottawa.com).

Yours truly,

A handwritten signature in black ink, appearing to read "Lynne Anderson", written in a cursive style.

Lynne Anderson  
Chief Regulatory Affairs and Government Relations Officer  
Hydro Ottawa



**Question**

Reference: Exhibit B1, Tab 3, Schedule 1, page 3

Preamble: On page 3, Hydro Ottawa indicates that the change in capitalization policy will lower amortization and return on rate base expense for 2008.

a) Is there a similar effect for the period October 1, 2007 to December 31, 2007? If not, why not?

b) If yes, will this offset be included in the proposed variance account? If not, why not?

c) If yes, what is the estimated amount for 2007?

**Response**

a) Yes, amortization and return would be lower in the final quarter of 2007.

b) Yes, this offset would be included in the proposed variance account.

c) The estimated amount for 2007 is as follows:

Increase in OM&A	\$1,000,000	
Decrease in Amortization		\$10,000
Decrease in Return		<u>\$16,706</u>
Total decrease in amortization and return		<u>\$26,706</u>
Net balance estimated for variance account	\$973,294	