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BY EMAIL and RESS

October 6, 2011

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2011-0054 – Hydro Ottawa Limited – Notice of Motion

Please find enclosed the Notice of Motion of the School Energy Coalition (SEC), for an order requiring Hydro Ottawa Limited to provide a full response and requested calculations, to certain Technical Conference questions.

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

Yours truly,

Originally signed by

Mark Rubenstein

cc: J. Shepherd, SEC
W. McNally, SEC
P. Hoey, Hydro Ottawa
F. Cass, Aird & Berlis
Interested Parties

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IN THE MATTER of the *Ontario Energy Board Act 1998*, 1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER of an Application by Hydro Ottawa Limited for an Order or Orders approving just and reasonable rates and other service charges for the distribution of electricity to be effective January 1, 2012.

NOTICE OF MOTION

The School Energy Coalition (“SEC”) will make a motion to the Ontario Energy Board (“the Board”) at its offices at 2300 Yonge Street, Toronto, on a date and at a time to be fixed by the Board.

PROPOSED METHOD OF HEARING

SEC proposes that motion be dealt with either orally or by written submissions.

THE MOTION IS FOR:

1. An order requiring Hydro Ottawa Limited to provide a full response to SEC Technical Conference Question 18(c) and (d), including the calculations requested therein.
2. Such further and other relief as the SEC may request and the Board may grant.

THE GROUNDS FOR THE MOTION ARE:

1. The Board issued a Notice of Proceeding on an application by Hydro Ottawa Limited (“Hydro Ottawa”) pursuant to section 78 of the *Ontario Energy Board Act, 1998* for an order or orders approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2012.
2. SEC is an intervenor in this proceeding.

3. As outlined by the Board in Procedural Order #1, parties were requested to file in advance a list of issues, questions or matters which they seek to address, or seek clarification on, at the Technical Conference. SEC filed its Technical Conference Questions with the Board on September 19th, and as advised by Hydro Ottawa because of delays in providing interrogatory responses and the filing of updated evidence, filed Supplementary Technical Conference Questions on September 20th.
4. The Technical Conference was convened on September 26th and 27th, 2011. On September 27th during SEC questioning, Hydro Ottawa refused to provide a response to SEC Technical Conference Questions 18 (c) and (d) respecting the Applicant's Estimate of Useful Lives report:¹

[K11, 11.1, Staff #79, Attachment 1]
With respect to the Applicant's Estimate of Useful Lives report:

 - c) [J2-1-1, J2-1-2, and K11, 11.1, Energy Probe #64] Please recalculate Tables 1 through 3 of J2-1-1, and the continuity schedules in J2-1-2, and Tables 1 through 6 of the Energy Probe IR response, using the Typical Lives set out in the Kinectrics Report.
 - d) Based on the Typical Lives calculation set forth in (c) above, please advise the impact on Test Year revenue requirement and deficiency of using those lives.
5. SEC was trying to elicit evidence to show the impact of using the asset lives determined by Hydro Ottawa, as opposed to those set out in the Kinectrics report. This information is important in providing the Board with all the factual information necessary to assess the appropriate useful lives to be used to calculate revenue requirement.
6. At the Technical Conference, witness panel member Mr. Geoff Simpson stated that he had not done the recalculations asked for by SEC in part (c) because it would be a difficult undertaking and that it is not relevant.²
7. SEC requests an order from the Board requiring Hydro Ottawa to provide the information

¹ Supplementary Technical Conference Questions of the School Energy Coalition, dated September 21st, Motion Record Tab B.

² Tr: TC: September 27, pp. 24-28, Motion Record Tab C.

requested in SEC Technical Conference Question #18 (c) and (d).

8. SEC submits that it is common practice for the Board, Staff and intervenors to ask utilities to run scenarios based on reasonable alternatives. This is fair since the utility has control of the information. Staff and intervenors do not have access to the data in the possession of the Applicant, and because of that that cannot present the necessary evidence to the Board on alternative scenarios.
9. Hydro Ottawa's position appears to be that it would be a difficult undertaking to recalculate the tables as requested by SEC. SEC submits that it simply cannot be the case that responding to the question is too onerous. All that is required from Hydro Ottawa would be inputting into its spreadsheet models used to make the original calculation, the useful lives set out in Kinectrics report. If Hydro Ottawa disputes this assessment, SEC asks for the opportunity to cross-examine the Hydro Ottawa witness to test whether the statement of Mr. Simpson, referred to above, is correct.
10. This information is important to answering issue 11.1, "[i]s the proposed revenue requirement determined using modified IFRS appropriate?" SEC submits that the time required is reasonable considering the revenue requirement impact, which is likely material. Additionally, since Hydro Ottawa has not undertaken a depreciation study, the Kinectrics report is the best independent information available. The Board is entitled to understand the impact of using the best available independent evidence, vs. the alternative approach developed internally by the Applicant.

THE FOLLOWING DOCUMENTARY MATERIAL AND EVIDENCE WILL BE RELIED UPON AT THE HEARING OF THE MOTION:

1. The Record in EB-2011-0054, including transcripts from the technical conference.
2. Such further and other material as counsel may advise and the Board may permit.

October 6, 2011

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Director, Regulatory Affairs

AND TO: Parties of Record

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

AND IN THE MATTER of an Application by Hydro Ottawa Limited for an Order or Orders approving just and reasonable rates and other service charges for the distribution of electricity to be effective January 1, 2012.

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