

Ontario Energy Board

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

AND IN THE MATTER OF an application by Hydro Ottawa
Limited for an Order approving just and reasonable rates and
other charges for electricity distribution to be effective January
1, 2014.

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

October 9, 2013

**HYDRO OTTAWA LIMITED
2014 IRM CASE
EB-2013-0143**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory #1

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

The evidence indicates that Hydro Ottawa informed the Board that it believed that a Z factor event had occurred with respect to the derecognition of the Rex 1 meters. After further review of the issue Hydro Ottawa has determined that the derecognition of the Rex 1 meters is more appropriately related to the transition to IFRS.

- a) Please explain what changed the view of Hydro Ottawa.
- b) Does Hydro Ottawa believe that the derecognition of the Rex 1 meters qualify as a Z factor event? Please explain.

Interrogatory #2

Ref: Exhibit B1, Tab 1, Schedule 1, page 7

- a) Please update Table 2 to reflect the most recent year-to-date figure for 2013 along with the most recent estimate for the remainder of 2013. Please also update the forecasts for 2014 and 2015, if necessary, as a result of any changes in 2013.
- b) Will all of the Rex 1 meters be replaced by the end of 2015? If not, when are all of the meters expected to be replaced?
- c) Please indicate what other types of previously pooled assets are included in the third column of Table 2 and please confirm that these asset retirements are based on normal operations and do not reflect unique and special circumstances such as that associated with the Rex 1 meters. If this cannot be confirmed, please explain.

Interrogatory #3

Ref: Exhibit B1, Tab 1, Schedule 1, page 7

- a) Is Hydro Ottawa requesting one variance account or two? If one, does Hydro Ottawa believe that the different circumstances that appear to underlie the Rex 1 meters relative to the other pooled assets should be segregated in separate accounts? If not, why not?
- b) Please confirm that the amounts shown in the "Other previously pooled assets" category are strictly related to the requirements of IFRS, while the amounts shown in the "Rex 1 meters" column are related to the shortcomings of these meters that have discovered.

Interrogatory #4

Ref: Exhibit B1, Tab 1, Schedule 1, page 7

- a) When did Hydro Ottawa first recognize the shortcomings of the Rex 1 meters?
- b) What is the average installed cost of the Rex 1 meters?
- c) Please provide a continuity schedule that shows the additions, depreciation, accumulated depreciation and net book value for the Rex 1 meters from the time they began to be installed to the date when they have been fully replaced.
- d) What is the actual/forecasted installed cost of the meters being used to replace the Rex 1 meters?
- e) Has Hydro Ottawa negotiated any reduction in costs of the replacement meters from the supplier of the original Rex 1 meters now that their shortcomings have been identified? Please provide details.
- f) How will Hydro Ottawa be treating the removal of the Rex 1 meters and addition of the replacement meter costs for regulatory purposes while under IRM? For example, will the Rex 1 meters NBV be removed from rate base and put in the requested account as they are removed from service and at the same time, will the new replacement meters be put into rate base as they are put into service?

Interrogatory #5

Ref: Exhibit B1, Tab 1, Schedule 1, page 7

- a) What is the tax impact of disposing of the pooled assets (including the Rex 1 meters) that are not fully depreciated for CCA purposes?
- b) Please confirm that Hydro Ottawa proposes to remove the amounts shown in Table 2 from rate base in each of the years shown.
- c) Please confirm that the replacement meters installed in each of 2013 and subsequent years will be added to rate base in the year the meters are installed.