

January 26, 2016

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: **Hydro Ottawa Limited Custom Incentive Regulation ("Custom IR")
Application for 2016-2020 Electricity Distribution Rates and Charges – Board
File Number EB-2015-0004**

1. Pursuant to the directions set out by the Ontario Energy Board (the "Board" or "OEB") in paragraph 4 on page 11 of the December 22, 2016 Decision and Rate Order issued in the above-referenced proceeding, Hydro Ottawa Limited (Hydro Ottawa), herein provides its response to cost claims received January 4, 2016 from registered and OEB recognized intervenors. Hydro Ottawa apologizes for its delayed response but notes that it received some cost claims late.
2. The intervenors from whom Hydro Ottawa received cost claims are Vulnerable Energy Consumers Coalition ("VECC"), Energy Probe Research Foundation ("Energy Probe"), Sustainable Infrastructure Alliance of Ontario ("SIA"), Consumers Council of Canada ("CCC" and School Energy Coalition ("SEC"). The following is Hydro Ottawa's responses to the intervenors' cost claims.
3. The following table summarizes the total monetary and hours claimed.

Table 1 – Total Costs Sought

	Intervenor	Total Hours Claimed	Costs ¹	Disbursements	HST	Total Costs
1	VECC	71.8 hrs @ \$330	\$59,900.25	\$650.20	\$2,385.69	\$62,936.14
2	Energy Probe	99.5 hrs @ \$330 & \$290	\$37,657.50	\$1,870.46	\$2,531.39	\$42,059.35
3	SIA	44.75 @ \$290	\$12,977.40	\$0	\$1,687.08	\$14,664.58
4	CCC	75.5 @ \$330 & \$300	\$26,797.95	\$0	\$3,082.95	\$26,797.95
5	SEC	241.4 @ \$330 & \$170 & \$100	\$66,400.00	\$504.80	\$8,697.62	\$75,602.42
	TOTAL	532.95 Hours or 66.61 days	\$203,733.10	\$3,025.46	\$18,384.73	\$225,143.29

¹ Before disbursements and taxes.

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Compliance with OEB's Revised Intervenor Framework

4. At the outset Hydro Ottawa commends the intervenors for the efforts they collectively made to co-ordinate their intervention in a manner that avoided overlap and duplication. Hydro Ottawa noted early in the proceeding with the interrogatories and into the technical conference and undertakings the differentiated focus by the intervenors that avoided undue issue overlap and consequently saved Hydro Ottawa both time and resources otherwise required to address the overlap.
5. Similarly Hydro Ottawa is generally satisfied that Intervenor took reasonable steps to comply with the OEB's directions and filing requirements throughout the course of the proceeding.
6. Despite Hydro Ottawa's general satisfaction with the Intervenor's efforts, Hydro Ottawa believes there is room for improvement as it relates to conduct that lengthen the process and conduct with Hydro Ottawa witnesses. Specifically Hydro Ottawa believes there scope for greater efficiencies being introduced to the settlement process to reduce the amount of time taken by the intervenors before a first offer is received. Hydro Ottawa further believes that intervenors should be held to the highest professional standard when examining and cross-examining witnesses so as not to be found in contravention of section 5.01(g).

Comparison to Hydro Ottawa's 2011 Cost of Service Proceeding

7. Tables 2 and 3 set out a comparison of the hours and costs claimed by intervenors in Hydro Ottawa's recently concluded 2016-2020 Custom IR application to those awarded in Hydro Ottawa's previous cost of service proceeding that took place in 2011. Tables 2 and 3 illustrate that despite the significant decrease in hours spent by intervenors in the recent 2016-2020 Custom IR application, the overall cost still increased by approximately 8% (based on total). The only notable difference between the two proceedings was the scope and complexity of evidence filed as well as the number of issues that went to oral hearing versus those that were settled. Table 1 below sets out the significant differences between Hydro Ottawa's 2011 Cost of Service proceeding and its 2016-2020 Custom IR rate application.

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Table 2 – Time & Volume Differences – HOL Rate Cases

	2015 Custom IR	2011 Cost of Service	Difference (2015 over 2011)
# of Pre-filed Evidence pages	2846	2278	568
# of Interrogatories	345	327	18
# of Undertakings	82	166	(84)
# of Hearing days	7	9	(2)

8. Tables 3 and 4 reveal that despite a significant reduction in the total number of hours spent by intervenors on Hydro Ottawa's 2016-2020 Custom IR application there remained an approximate 8% cost increase to be absorbed by Hydro Ottawa (based on total). Hydro Ottawa believes more can and should be done to ensure cost efficiencies result from time efficiencies particularly in light of Hydro Ottawa's requirements to do same.

Table 3 – Comparison to EB-2011-0054 of Hours Claimed

	Intervenor	2015 Hours Claimed	2011 Hours Claimed	Difference (hrs)	Difference (%)
1	VECC	71.8 hrs	165.3 hrs	(93.5)	(56.6%)
2	Energy Probe	99.5 hrs	124.1 hrs	(24.6)	(19.8%)
3	SIA	44.75 hrs	N/A hrs	44.75	100%
4	CCC	75.5 hrs	156.1 hrs	(80.6)	(51.6%)
5	SEC	241.4 hrs	274.2 hrs	(32.80)	(11.9%)
6	Ecology Ottawa	N/A	9 hrs	9.0	-100%
	TOTAL	532.95 Hrs or 66.61 days	728.7 Hrs or 91.08 days	(195.75 or 24.46 days)	(27%)

Table 4 – Comparison to EB-2011-0054 Costs Awarded

	Intervenor	2015 Cost Claim	2011 Cost awarded	Difference (\$)	Difference (%)
1	VECC	\$62,936.14	\$50,672.06	\$12,264.08	24%
2	Energy Probe	\$42,059.35	\$44,183.77	(\$2,124.42)	(5%)
3	SIA	\$14,664.58	N/A	\$14,664.58	N/A
4	CCC	\$26,797.95	\$58,440.45	(\$31,642.50)	(54%)
5	SEC	\$75,602.42	\$52,011.00	\$23,591.42	45%
6	Ecology Ottawa	N/A	\$3,118.50	N/A	N/A
	TOTAL	\$225,143.29	\$209,060.81	\$16,082.48	8%

Excessive Hours Claimed

9. With respect to the intervention by other intervenors, Hydro Ottawa notes that all by SEC significantly reduced the number of hours spent on Hydro Ottawa's overall Custom IR application. While Hydro Ottawa accepts the leadership role played by SEC during the settlement conference it nevertheless finds 56.4 hours or 7 days spent on the preparation of interrogatories to be excessive. This can be contrasted with the 22.9 hours spent on interrogatory preparation by Energy Probe

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and 10.5 hours spent by VECC. Similarly Hydro Ottawa believes SEC's 47.7 hours (or 6 days) spent on the preparation of the settlement proposal to be significant particularly that this 6 days is in addition to the 7.8 hours spent on the preparation of the original settlement proposal.

10. Hydro Ottawa consequently requests that the Board reduce the total hours spent by SEC on the preparation of interrogatories and the settlement proposal by 20 hours and 15 hours respectively. This would render claimed hours to 36.4 hours and 32.7 hours respectively and result in a total SEC cost claim reduction of 35 hours or \$11,550.00.

Intervention by SIA

11. Hydro Ottawa is perplexed by several elements contained within the cost claim submitted by Sustainable Infrastructure Association of Ontario (SIA). Among other things SIA claims 8.25 hours for attending Hydro Ottawa's technical conference but Hydro Ottawa does not recall a representative attending any of its technical conference days nor is SIA's attendance or representation captured in the technical conference transcripts. Similarly, SIA claims 0.25 hours for preparation for the issues conference, 1.0 hour for preparation for the settlement conference, 2.25 hours for settlement proposal preparation; 2.25 hours for preparation and attendance at the oral conference and 3.0 days for preparing for "other" conferences. Respectfully, it is not clear to Hydro Ottawa the value of the preparation for any of the conferences with the one exception of SIA's settlement proposal preparation which refers to the time spent by SIA to review Hydro Ottawa September 18th Settlement Proposal per its letter dated September 26th, 2015. As such Hydro Ottawa will not dispute the 2.25 hours claimed for Settlement conference proposal preparation. Hydro Ottawa does, however dispute the costs associated with preparing and/or attending technical conference, issues conference, oral hearing and "other conferences" as there is no record of such and no discernible value to the record of the proceeding or Hydro Ottawa customers. To this end, Hydro Ottawa seeks to have 14.75 hours removed from SIA's cost claim amounting to \$4,277.50.
12. Hydro Ottawa does not contest SIA's participation during the interrogatory stage and while many of the interrogatories overlapped with those filed by other intervenors and did not appear to probe the long term value of Hydro Ottawa's proposed infrastructure plans, Hydro Ottawa does not dispute the value of SIA's participation during the interrogatory phase.

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Conclusion

13. In summary, Hydro Ottawa requests that the OEB reject costs claimed by SIA for preparation or attendance on the technical, settlement and other conferences resulting in adjustments to the SIA of 14.75 hours or \$4,277.50. Further Hydro Ottawa requests the OEB adjust SEC's cost claim by removing 20 hours (\$6,600.00) for interrogatory preparation and 15 hours (\$4,950.00) from settlement proposal preparation. The aggregate result is a reduction of \$15,827.50. This reduction would render the Hydro Ottawa's total costs for its 2016-2020 Custom IR rate application closer to that incurred for its 2011 Cost of Service proceeding.

Thank you,

A handwritten signature in black ink, appearing to read "Geoff Simpson", with a long horizontal line extending to the right.

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EB-2015-0004 Intervenors

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