



# **Ontario Energy Board Commission de l'énergie de l'Ontario**

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## **DECISION AND ORDER ON COST AWARDS**

**EB-2015-0004**

### **HYDRO OTTAWA LIMITED**

**Application for electricity distribution rates for the period from  
January 1, 2016 to December 31, 2020**

**BEFORE:   Emad Elsayed**  
Presiding Member

**Allison Duff**  
Member

**Christine Long**  
Member

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**March 9, 2016**

## INTRODUCTION AND SUMMARY

Hydro Ottawa Limited (Hydro Ottawa) filed a custom incentive rate (Custom IR) application with the Ontario Energy Board (OEB) on April 29, 2015 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hydro Ottawa charges for electricity distribution, to be effective January 1, 2016 and for each following year through to December 31, 2020. A Notice of Hearing was issued on May 27, 2015.

The OEB granted the Consumers Council of Canada (CCC), Energy Probe Research Foundation (Energy Probe), Mr. Maguire, School Energy Coalition (SEC), Sustainable Infrastructure Alliance of Ontario (SIA) and Vulnerable Energy Consumers Coalition (VECC) intervenor status and cost award eligibility.

On December 22, 2015, the OEB issued its Decision and Rate Order, in which it set out the process for intervenors to file their cost claims, for Hydro Ottawa to object to the claims and for intervenors to respond to any objections raised by Hydro Ottawa.

The OEB received cost claims from CCC, Energy Probe, SEC, SIA and VECC. Mr. Maguire did not file a cost claim.

On January 26, 2016, Hydro Ottawa raised concerns regarding SEC's and SIA's cost claims. Hydro Ottawa compared the total number of hours spent by intervenors on its recent 2016-2020 Custom IR application with the hours approved in its 2012 cost of service proceeding.<sup>1</sup> Hydro Ottawa noted that SEC's claim for 56.4 hours for preparation of interrogatories and 47.7 hours for preparation of the settlement proposal was excessive in comparison with other intervenors in the current case. Hydro Ottawa also observed that other intervenors claimed fewer hours in comparison with the previous cost of service proceeding. Hydro Ottawa requested that the OEB reduce the SEC total hours for the preparation of interrogatories and the settlement proposal by 20 hours (\$6,600) and 15 hours (\$4,950) respectively.

Hydro Ottawa noted that SIA claimed 8.25 hours for attending the technical conference but Hydro Ottawa did not recall a representative attending any of its technical conference days nor was SIA's attendance captured in the transcripts. Hydro Ottawa further noted that SIA claimed 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 hours for preparing for "other" conferences. Hydro Ottawa stated that the value of SIA's preparation for any of the conferences was not clear, with the one exception of SIA's

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<sup>1</sup> EB-2011-0054

letter regarding its review of the September 18<sup>th</sup> settlement proposal. As such, Hydro Ottawa requested a disallowance of 14.75 hours (\$4,277.50) from SIA's cost claim.

In reply dated February 1, 2016, SEC argued that Hydro Ottawa's cost comparisons to the 2012 proceeding were incorrect. Hydro Ottawa claimed VECC spent 10.5 hours preparing interrogatories but SEC states that the correct figure appeared to be 58.9 hours. SEC claimed 56.4 hours for interrogatory preparation. SEC noted that in this case there was about 25% more pre-filed evidence than the last case and it included expert evidence on benchmarking. SEC further noted that it took the lead in reviewing the econometric benchmarking evidence and preparing spreadsheet models to test the conclusions of the expert. SEC claimed 47.7 hours for preparation of the settlement proposal. SEC agreed that the claim was unusually high and explained that they had to spend more time than normal working to get the drafting properly reflective of the agreement between the parties, and suitable for presentation to the OEB. SEC submitted that the overall cost claim represented efficient participation in a complex proceeding and should be approved as filed.

In reply dated February 1, 2016, SIA submitted that Hydro Ottawa's objection appeared to be based on a misunderstanding concerning the cost categorization used by SIA, rather than an objection to the underlying activities, costs or overall cost levels themselves. SIA noted that of the 14.75 hours that Hydro Ottawa argued should be disallowed, 7.75 were directly related to monitoring the technical conference and hearing by reviewing transcript records and SIA believed it was most appropriate to categorize the time spent on this activity as "attendance". SIA further noted that the remaining 7 hours related to numerous other activities undertaken during the course of the proceeding, including reviewing and analyzing various motion filings, motion responses, undertaking responses, evidence updates, procedural orders, decisions and other submissions.

## Findings

The OEB has reviewed the claims filed by CCC, Energy Probe, SEC, SIA and VECC to ensure that they are compliant with the OEB's *Practice Direction on Cost Awards*.

The OEB notes that Hydro Ottawa's January 26, 2016 response to the cost claims contained a comparative analysis of claimed hours, some of which were incorrect (e.g. Hydro Ottawa's letter showed VECC's claimed hours as 71.8 and Energy Probe's claimed hours as 99.5 which should have been 182.05 and 116.75, respectively). This Decision and Order is based on the correct numbers.

Hydro Ottawa objected to SEC's claimed hours for interrogatory preparation (58.2 hours)<sup>2</sup> based on a comparison with VECC (21.0 hours) and Energy Probe (22.9 hours). As SEC pointed out, VECC's hours were likely closer to SEC's as VECC included another 36.9 hours under the general category of "Preparation"<sup>3</sup>; the only intervenor to do so. In addition, SEC took the lead on the benchmarking issue. The OEB agrees with SEC's view and finds that SEC's claimed hours for interrogatory preparation are reasonable.

Hydro Ottawa also objected to SEC's claimed hours for drafting of the settlement proposal (47.7 hours). As acknowledged by Hydro Ottawa, SEC took the lead on the settlement proposal drafting process. SEC indicated that this was a significant effort which involved three drafts with significant revisions. The OEB finds that the hours claimed by SEC related to the settlement proposal are reasonable.

Based on the above, the OEB finds that the cost claim filed by SEC is reasonable and shall be reimbursed by Hydro Ottawa. The claim of SEC requires a minor reduction of \$2.77 to comply with the government's *Travel, Meal and Hospitality Expenses Directive*.

Hydro Ottawa objected to SIA's claimed hours based on its view that SIA did not actively participate in certain aspects of the proceeding and, even when they did, may not have added much value. SIA clarified that its activities primarily involved the review of transcript records and general review and analysis of relevant information. The OEB notes that SIA did not attend the technical conferences, participate in the settlement process, or participate in the oral hearing / cross examination process. While the OEB acknowledges that some level of review by an intervenor is warranted regardless of how active the intervenor intends to be, the OEB finds that the lack of active involvement by SIA in most aspects of this proceeding did not add much value. The OEB will therefore reduce SIA's claimed hours from 44.75 to 30.0 as proposed by Hydro Ottawa.

The OEB finds that the cost claims filed by CCC and Energy Probe are reasonable and shall be reimbursed by Hydro Ottawa. The claim of VECC requires a minor reduction of \$14.18 due to double HST charged on mileage. The OEB finds that the adjusted claims of SIA, SEC and VECC are reasonable and each of these claims shall be reimbursed by Hydro Ottawa.

#### **THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro Ottawa shall immediately pay the following amounts to the intervenors for their costs:

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<sup>2</sup> There were two SEC claims for interrogatory preparation: one for 56.4 hours and one for 1.8 hours

<sup>3</sup> VECC was the only intervenor to claim general preparation hours as VECC used an older version of the cost claim form

• Consumers Council of Canada	\$26,797.95
• Energy Probe Research Foundation	\$42,059.35
• School Energy Coalition	\$75,599.65
• Sustainable Infrastructure Alliance of Ontario	\$9,831.00
• Vulnerable Energy Consumers Coalition	\$62,921.96

2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro Ottawa shall pay the OEB's costs of, and incidental to, this proceeding immediately upon receipt of the OEB's invoice.

**DATED** at Toronto March 9, 2016

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary