

Ms. Christine Long  
Registrar & Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

May 11, 2020

**Re: EB-2019-0261 Hydro Ottawa Custom IR 2021-2025  
Pollution Probe Interrogatories**

Dear Ms. Long:

Please find attached Pollution Probe Interrogatories for Hydro Ottawa for the above-noted proceeding.

Please reach out should you have any questions.

Respectfully submitted on behalf of Pollution Probe.



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Interested Parties (via email)  
Richard Carlson, Pollution Probe (via e-mail)

**ONTARIO ENERGY BOARD**

**Hydro Ottawa**

**Custom IR 2021-2025**

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**POLLUTION PROBE INTERROGATORIES TO HYDRO OTTAWA**

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**May 11, 2020**

**Submitted by: Michael Brophy**  
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**Michael.brophy@rogers.com**  
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**28 Macnaughton Road**  
**Toronto, Ontario M4G 3H4**

**Consultant for Pollution Probe**

Please find below the Interrogatories on behalf of Pollution Probe. All references to Hydro Ottawa refer to Hydro Ottawa Ltd. (the utility) unless otherwise specified.

Pollution Probe IR #1

[Ex.1, T1, S4 Updated]

Reference: Hydro Ottawa is proposing to increase its distribution charges annually from 2021 to 2025 by up to 6.91%.

- a) Please provide details on how the proposed increases compare to peer utilities over a similar period and what actions Hydro Ottawa has undertaken to reduce these charges.
- b) If the OEB does not approved an increase to Hydro Ottawa's distribution charges, please describe the impact to Hydro Ottawa, its parent company and affiliates.
- c) Please describe what actions Hydro Ottawa has undertaken to provide bill relief to customers impacted by COVID-19.

Pollution Probe IR #2

[Ex.1, T1, S5 Updated]

Reference: Hydro Ottawa proposes a 10.68% increase to OM&A in 2020.

- a) Please provide details on how the proposed increases compare to peer utilities over a similar period and what actions Hydro Ottawa has undertaken to reduce these costs.
- b) If the OEB does not approved an increase to Hydro Ottawa's OM&A, please describe the impact to Hydro Ottawa, its parent company and affiliates.
- c) Please describe what actions Hydro Ottawa has assessed to reduce OM&A costs for 2020 and beyond.

Pollution Probe IR #3

[Ex.1,T1,S5 Updated]

Reference: Table 12 'Summary of Overall OM&A Cost Drivers and Trends'

- a) Please provide a breakdown of the \$4.1 million increase in 2020 related to 'Labour Compensation and Benefits'.

- b) Please provide the Hydro Ottawa FTE counts for 2019 (actual not including vacancies), 2020 (current actual not including vacancies) and 2020 (forecast); and explain the differences.
- c) Please provide a breakdown of the \$3.7 million increase in 2020 related to 'Other' costs.

Pollution Probe IR #4

[Ex.1, T1, S4 Updated]

Reference: "By way of this Application, Hydro Ottawa is informing the OEB of minor modifications to the project's construction schedule. Whereas the original schedule had contemplated an in-service date of November 2021, this date has subsequently been revised to Q2 2022."

Reference [EB-2019-0077 Decision and Order]: As a result of the South Nepean Leave to Construct approval in 2019 (estimated project costs for Hydro Ottawa of \$50.1 million), Hydro Ottawa indicated that it expects to see a significant improvement in their supply reliability. According to Hydro Ottawa this will also support greater deployment of renewable resources, as the South Nepean MTS transformers have been specifically designed to accommodate injection of renewable energy into the local area's transmission system.

- a) Please provide a summary of the Cambrian MTS (formerly referred to as the South Nepean MTS) project status and any project cost impacts related to the delays and change to the in-service date.
- b) Please describe the cause of the delay to the Cambrian MTS project in-service date and what measures Hydro Ottawa needs to put in place to meet customer demand in the interim.
- c) Please describe the impact if the Cambrian MTS project was further delayed and put in service in 2023 rather than 2022.
- d) Please identify any changes to the Hydro Ottawa forecast filed in EB-2019-0077 for the South Nepean Leave to Construct.
- e) Please provide details on the forecasted costs for the South Nepean (Cambrian MTS) project and when Hydro Ottawa proposes to include these in Rate base.
- f) Please indicate how consumer and system benefits related to the above project will be tracked and reported over this IR period (emphasis on the improvement in supply reliability and greater deployment of renewable resources as outlined above).

- g) Please provide details on what activities Hydro Ottawa plans to undertake over this IR period to promote and encourage the additional distributed/renewable energy resources noted above.
- h) Please provide details on all coordination and communication activities Hydro Ottawa has conducted to promote greater deployment of renewable resources, including those in alignment with the City of Ottawa energy and emissions plan.

Pollution Probe IR #5

[Ex.1, T1, S7 Updated]

Please provide the cumulative percent bill increase for Residential and General Service (<50kW) over the Custom IR period and explain how that compares to OEB approved rate increases for peer utilities over a similar period.

Pollution Probe IR #6

[Ex.1, T1, S8 Updated]

Reference: Hydro Ottawa is proposing a target of 0% for 'Feeders Approaching Rated Capacity Existing'.

- a) Please explain how this metric is calculated and what % of rated capacity Hydro Ottawa uses as the threshold to define "approaching rated capacity".
- b) The South Nepean project was necessitated in part by feeders approaching or operating over capacity. What is the current value for Hydro Ottawa for this metric?
- c) Please explain what actions Hydro Ottawa plans to undertake to achieve its metric target and describe any of the actions related to local DER solutions (including energy efficiency).
- d) Please explain how the target above relates to the utility's asset demographic ratings that shows 17% of assets are in Poor or Very Poor condition<sup>1</sup>.

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<sup>1</sup> Exhibit 2-4-3: Distribution System Plan

Pollution Probe IR #7  
[Ex.1, T1, S8 Updated]

Reference: Hydro Ottawa is proposing a new scorecard metric related to OM&A per Customer.

- a) Please explain what reports, data and methodologies Hydro Ottawa has or intends to use to determine if its OM&A per customer is acceptable.

Pollution Probe IR #8  
[Ex.1 T1, S9 Updated]

Reference: Updated Hydro Ottawa Business Plan 2021-2025

- a) Please provide a diagram showing all companies within the 'larger corporate enterprise' and their relationship. Please also provide the name of the President and CEO for each of these companies.
- b) Please provide a list of all contracts and service agreements Hydro Ottawa has with any companies within the 'larger corporate enterprise' and indicate the approximate annual value for each.
- c) Please provide details on the budget and FTE impacts to Hydro Ottawa if all required utility work currently provided by affiliates was instead conducted within Hydro Ottawa directly.
- d) Please provide a copy of all presentations and materials provided to the Board of Directors for Hydro Ottawa and the holding company related to approval of the Business Plan and Custom IR Plan (2021-2025).
- e) Please provide a copy of the strategic plan approved by the holding company Board.

Pollution Probe IR #9  
[Ex.1 T1, S9 Updated]

Reference: Updated Hydro Ottawa Business Plan 2021-2025

- a) Please provide specific details on any cost savings or capital efficiencies Hydro Ottawa plans to achieve over the Custom IR period through coordination with the City of Ottawa on activity related to Energy Evolution, the City of Ottawa's Energy and Emissions Plan (including projects, customer outreach, social media, DER planning, CDM, etc.). Please indicate the estimated costs savings to Ratepayers associated with these efforts by year.

- b) Please confirm if Hydro Ottawa has compared its Custom IR period load forecast against the City of Ottawa's forecast for its Energy Evolution plan. If yes, please identify any areas where these forecasts vary and the drivers (e.g. EVs, DER, CDM, customer growth, load growth, etc.).
- c) The City of Ottawa Official Plan is under development for the period starting 2021 and will support Energy Evolution goals and outcomes. Please provide details on Hydro Ottawa's intended coordination efforts over the Custom IR period related to Energy Evolution (including growth in DER, renewables, microgrids, CDM, and climate resilience planning).
- d) Hydro Ottawa indicates that the "implementation of smart grid equipment and devices, alongside the proliferation of distributed energy resources ("DERs"), has fostered a more dynamic ecosystem of transactions, participants, and flows of energy, information, and communications"<sup>2</sup>. Please provide any reports, analysis or other materials Hydro Ottawa has to assess the opportunities and threats related to these technologies.
- e) One of Hydro Ottawa's Corporate Performance Goals is: "Continue to improve our environmental performance and reduce our impact on the environment"<sup>3</sup>. Please provide the metrics to measure success against this goal and provide actuals for 2019 and targets for 2020-2025.

Pollution Probe IR #10

[Ex.2 T1, S1 Updated]

Reference: "Based on 2019 actual net fixed assets, Hydro Ottawa's average net fixed assets for 2022 are budgeted to be \$79.4M higher than 2021. These additions include \$26.9M related to Cambrian MTS."<sup>4</sup>

Reference: "2021 average net fixed assets are budgeted to be \$171.9M higher than 2020. These include \$50.0M in additions related to Cambrian Municipal Transformer Station ("MTS")."<sup>5</sup>

Reference: "The incremental cost to Hydro Ottawa for the line work is \$50.1 million. This cost will be met through a capital contribution of \$48.2 million and load revenue. The station facilities costs of \$27.0 million will be included in Hydro Ottawa's rate base once in service"<sup>6</sup>.

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<sup>2</sup> EB-2019-0261 Exhibit 1, Tab 1, Schedule 9, UPDATED. Page 14

<sup>3</sup> EB-2019-0261 Exhibit 1, Tab 1, Schedule 9, UPDATED. Page 23

<sup>4</sup> EB-2019-0261 Exhibit 2, Tab 1, Schedule 1, UPDATED. Page 17

<sup>5</sup> Ibid.

<sup>6</sup> EB-2019-0077 Decision and Order, dated October 17, 2019. Page 9

- a) Hydro Ottawa has used this application to notify the OEB that the Cambrian MTS (formerly referred to as the South Nepean) Project is behind schedule and that the in-service date is moving from 2021 to 2022. Please explain how the Cambrian MTS Project contributes to \$50 million of capital overspending in 2021 if the project is now proposed for in-service in 2022.
- b) Please reconcile the \$76.9 million (26.9 + 50) Hydro Ottawa proposes as incremental capital against the costs approved in the OEB in the Leave to Construct proceeding for the South Nepean Project.
- c) Please reconcile the \$82.4 million<sup>7</sup> project costs for Cambrian MTS over 2021-2025 against the project costs provided by Hydro Ottawa and OEB approved in EB-2019-0077<sup>8</sup>.
- d) Hydro Ottawa evidence<sup>9</sup> indicates that detailed project information for Cambrian MTS is in Attachment 2-4-3(E). This attachment appears to be missing. Please provide the document or confirm the document name and date filed on RESS.

Pollution Probe IR #11

[Ex.2 T4, S3 Updated]

- a) Please file a copy of the most recent Integrated Regional Resource Plan (IRRP) for the Ottawa area sub-region.
- b) Please provide a summary of any assumptions used by Hydro Ottawa that differ from the Ottawa sub-region IRRP published by IESO March 4, 2020.
- c) Has Hydro Ottawa proactively solicited customer input to determine if they have plans to install DER over the life of the DSP? If so, please provide details and a summary of responses.
- d) Has Hydro Ottawa assessed the potential for DER in its service territory? If so, please provide a copy of the materials.

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<sup>7</sup> EB-2019-0261 Exhibit 2, Tab 2, Schedule 1, UPDATED, May 5, 2020. Page 15

<sup>8</sup> EB-2019-0077 Decision and Order, dated October 17, 2019. Page 9

<sup>9</sup> EB-2019-0261 Exhibit 2, Tab 4, Schedule 1, UPDATED. Page 5, Footnote 17



Pollution Probe IR #12  
[Ex.1 T1, S4, Page 5 Updated and Ex.4 T1, S6]

- a) Hydro Ottawa Updated evidence references Exhibit 4-1-6 for additional information related to Conservation and Demand Management. This reference does not appear to exist in the Updated Exhibit 4. Please confirm that Exhibit 4-1-6 from the original Exhibit 4 is still valid.
- b) Please provide an estimate of the total bill savings to customers related to the CDM goals for 2021-2025.
- c) Please confirm that Hydro Ottawa will develop and execute its CDM activities in coordination with the City of Ottawa's Energy Evolution plan, which includes complimentary goals to reduce energy costs and emissions for consumers in the City of Ottawa.
- d) Has Hydro Ottawa assessed the potential for CDM in its service territory? If so, please provide a copy of the materials.

Pollution Probe IR #13  
[Ex. 5; T1, S1 Updated]

- a) Please explain the Ratepayer benefit to securing Hydro Ottawa financing from Hydro Ottawa Holding Inc. rather than from other sources.
- b) Has Ottawa Hydro recently assessed other options for short- and long-term financing? If so, please provide those details and the rates.
- c) Has Hydro Ottawa (directly or through its parent company) assessed options to leverage recent low interest rates to reduce its financing costs? If so, please provide details.

Pollution Probe IR #14  
[Exhibit 9 Updated]

- a) Please describe how the proposed ESM for 2021-2025 differs from the existing ESM.
- b) Please provide a table showing the amounts and percent (or basis points) of excess earnings generated by year from 2015 to 2019.