



By RESS and Email

September 18, 2020

Ms. Christine E. Long
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Dear Ms. Long:

**Subject: Hydro Ottawa Limited (“Hydro Ottawa”)
Custom Incentive Rate-Setting (“Custom IR”) Application for 2021-2025 Electricity
Distribution Rates and Charges – Settlement Proposal**

Pursuant to Procedural Order No. 3 issued by the Board on June 22, 2020, a settlement conference regarding Hydro Ottawa’s Custom IR distribution rate application (“Application”) was convened on August 10-12 between Hydro Ottawa and intervenors. The settlement conference continued through August 13, 14 and 17. The following eight intervenor groups participated in the settlement conference:

- Building Owners and Managers Association;
- Consumers Council of Canada;
- Distributed Resource Coalition;
- Energy Probe Research Foundation;
- Environmental Defence;
- Pollution Probe;
- School Energy Coalition; and
- Vulnerable Energy Consumers Coalition.

Pursuant to Procedural Order No. 6, Hydro Ottawa and intervenors (hereinafter referred to as the “Parties”) are pleased to submit the attached consolidated Settlement Proposal for the Board’s review. As detailed in the Settlement Proposal, the Parties came to agreement on all matters, with the exception of one issue related to rate design. The Parties are in agreement that this one outstanding issue should proceed to a written hearing with the proviso that intervenors should have an opportunity to provide a response to any new points raised in Hydro Ottawa’s reply submissions.

In addition to the consolidated Settlement Proposal, the following are attached in PDF format:

- Attachment 1 – Capital Expenditures Annual Reporting Categories
- Attachment 2 – 2021-2025 Custom Performance Scorecard
- Attachment 3 – Load Forecast
- Attachment 4 – Going in, Annual and Mid-Term Rate Adjustments




- Attachment 5 – Performance Outcomes Accountability Mechanism Deferral Account - Metrics and Targets
- Attachment 6 – Accounting Orders

Furthermore, the following updated OEB Workforms, Appendices, and models are attached in excel format:

- Attachment 7 – Appendix 2-BA - 2021-2025 Fixed Asset Continuity Schedules
- Attachment 8 – Appendix 2-Z - 2021 Commodity Expense
- Attachment 9 – Appendix 2-AB - Capital Expenditure Summary
- Attachment 10 – Appendix 2-IB - Load Forecast Analysis
- Attachment 11 – Appendix 2-H - Other Operating Revenue
- Attachment 12 – Appendix 2-JA - Summary of Recoverable OM&A Expenses
- Attachments 13A through 13E – Appendix 2-C - 2021-2025 Depreciation and Amortization Expense
- Attachments 14A through 14E – 2021-2025 PILs Workforms
- Attachments 14F and 14G – 2024 and 2025 Schedule 8
- Attachment 15 – Appendix 2-OA - Capital Structure and Cost of Capital
- Attachment 16 – Appendix 2-OB - Debt Instruments
- Attachments 17A through 17E – 2021-2025 Revenue Requirement Workforms
- Attachment 18 – 2021 Cost Allocation Model
- Attachment 19 – Dry Core Calculations
- Attachment 20 – Tariff Schedule and Bill Impacts Model
- Attachment 21 – 2021-2025 Bill Impacts
- Attachment 22 – 2021 RTSR Workform
- Attachment 23 – 2021-2025 LV Rate Design
- Attachment 24 – Deferral and Variance Account Workform (Continuity Schedule)

Submitted on behalf of all Parties.

Yours truly,

DocuSigned by:

4B13ABA78FA34AC...

Gregory Van Dusen

Director, Regulatory Affairs

Directeur, Affaires réglementaires

GregoryVanDusen@hydroottawa.com

Tel./tél.: 613 738-5499 | ext./poste 7472

Cell.: 613 806-1001

cc: All registered parties to EB-2019-0261