



By RESS and Email

January 15, 2021

Ms. Christine E. Long
Registrar and 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 – Cost Claim Objection**

Please find enclosed Hydro Ottawa’s objections to cost claims made by intervenors.

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



EB-2019-0261

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule 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, 2021 and for each following year through December 31, 2025.

COST CLAIM OBJECTION

FILED JANUARY 15, 2021



COST CLAIM OBJECTION

INTRODUCTION

Hydro Ottawa Limited (“Hydro Ottawa”) filed a five-year Custom Incentive Rate-setting (“Custom IR”) application with the Ontario Energy Board (“OEB”) on February 10, 2020 seeking approval for changes to its distribution rates, to be effective January 1, 2021 to December 31, 2025 (“Application”).

The OEB granted the following parties intervenor status in the Application with eligibility for cost awards:

- Building Owners and Managers Association (“BOMA”)
- Consumers Council of Canada (“CCC”)
- Distributed Resource Coalition (“DRC”)
- Environmental Defence (“ED”)
- Energy Probe Research Foundation (“Energy Probe”)
- Pollution Probe (“PP”)
- School Energy Coalition (“SEC”)
- Vulnerable Energy Consumers Coalition (“VECC”)

In its Decision and Rate Order issued on November 19, 2020, the OEB directed eligible intervenors to file their cost claims by January 8, 2021. Hydro Ottawa received cost claims from BOMA, DRC, ED, Energy Probe, PP, SEC and VECC on or before the Friday, January 8th deadline. CCC submitted a cost claim on Monday, January 11th.

Hydro Ottawa has no objections to the claims made by CCC, DRC, ED, Energy Probe, PP, SEC and VECC. Hydro Ottawa challenges the cost claim of BOMA, as set out in the submission below.

GOVERNING PRINCIPLES

Cost awards promote responsible stakeholder participation in OEB processes and are important to ensure that substantial interests are adequately represented in OEB applications. However,



as set out in the OEB's *Practice Direction on Cost Awards*, a key consideration in awarding costs is whether an intervenor participated responsibly and contributed to a better understanding by the OEB of the relevant issues in the proceeding. This approach ensures that ratepayers will not be harmed by funding activities or interventions that do not materially contribute to the OEB's understanding and resolution of the issues in a proceeding. It also reflects the principle of proportionality in balancing the interests of enabling responsible and valuable interventions while protecting ratepayers from subsidizing inefficient or unnecessary costs.

The principle that costs awarded should be proportionate to the contributions made by the party seeking costs in the proceeding underpins the considerations in section 5.01 of the OEB's *Practice Direction on Costs Awards*:

In determining the amount of a cost award to a party, the Board may consider, amongst other things, whether the party has demonstrated through its participation and documented in its cost claim that it has:

- (a) participated responsibly in the process;
- (b) contributed to a better understanding by the Board of one or more of the issues in the process;
- (c) complied with the Board's orders, rules, codes, guidelines, filing requirements and section 3.03.1 of this *Practice Direction* with respect to frequent intervenors, and any directions of the Board;
- (d) made reasonable efforts to combine its intervention with that of one or more similarly interested parties, and to co-operate with all other parties;
- (e) made reasonable efforts to ensure that its participation in the process, including its evidence, interrogatories and cross-examination, was not unduly repetitive and was focused on relevant and material issues;
- (f) engaged in any conduct that tended to lengthen the process unnecessarily; or
- (g) engaged in any conduct which the Board considers inappropriate or irresponsible.¹

¹ Ontario Energy Board, *Practice Direction on Cost Awards* (April 24, 2014), pages 5-6.
2021 Hydro Ottawa Limited Electricity Distribution Rate Application



With regard to these considerations, Hydro Ottawa objects to the cost claim submitted by BOMA.

BOMA COST CLAIM

Hydro Ottawa respectfully submits that BOMA's cost claim is disproportionate in its contribution to the Application as compared to other intervenors. BOMA is seeking a cost claim of \$43,017.34. Hydro Ottawa specifically objects to the number of hours claimed for preparation of interrogatories, as well as photocopying, printing and courier disbursements.

Interrogatory Preparation

BOMA claimed a total of 29.50 hours for interrogatory preparation, which totals \$9,667.15 including HST. BOMA submitted five interrogatories, which were received by Hydro Ottawa on May 11, 2020. Hydro Ottawa notes that 29.5 hours to prepare five interrogatories is excessive, and is disproportionate as compared to other intervenor interrogatory preparation time, as shown in Table 1 and Figure 1 below.

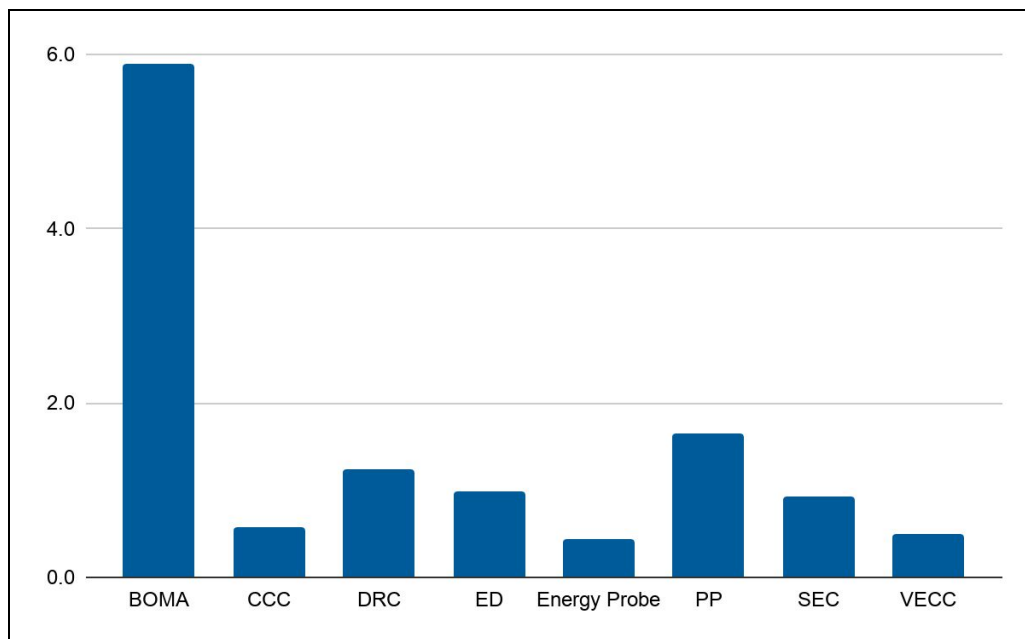
Table 1 - Intervenor Interrogatory Preparation Time and Cost

Intervenor	# interrogatories submitted	# hours preparing interrogatories	# hours per interrogatory submitted	Total claim for interrogatory preparation
BOMA	5	29.5	5.9	\$9,667.15
CCC	79	45	0.6	\$16,780.50
DRC	13	16.2	1.2	\$3,631.82
ED	17	16.9	1.0	\$4,965.22
Energy Probe	113	50	0.4	\$17,572.50
PP	14	23	1.6	\$8,576.70
SEC	70	65.2	0.9	\$17,623.48
VECC	109	54.25	0.5	\$18,607.86
Average # hours preparation per interrogatory			1.5	
Average # of hours preparation per interrogatory excluding BOMA			0.9	



Hydro Ottawa acknowledges that a base level of preparation time may be required for interrogatory preparation, which is reflected by the varying preparation times amongst intervenors. However, Hydro Ottawa submits that 5.9 hours preparation for each interrogatory is excessive, particularly when compared to other intervenors, who on average claimed 0.9 hours of preparation per interrogatory submitted.

Figure 1 - Number of Hours Preparation for Interrogatories



Were BOMA to claim a proportionate number of hours preparing interrogatories (as compared to other intervenors in this proceeding), their cost claim would be reduced by a total of \$7,045.55. Table 2 below summarizes the reduction of BOMA's costs if BOMA were to claim 1.6 hours to prepare interrogatories, which is the next highest amount of preparation time among the remaining intervenors.

Table 2 - BOMA Interrogatories using Average Preparation Time

IR Preparation Time	# IRs Submitted	Total Hours	Hourly Rate	Subtotal	HST	Total
1.6	5	8	\$290.00	\$2,320.00	\$301.60	\$2,621.60



Disbursements Claimed

Hydro Ottawa furthermore respectfully objects to the disbursements claimed by BOMA. As a result of the ongoing COVID-19 pandemic, the OEB temporarily waived the requirement to submit two hard copies with each electronic filing in regulatory proceedings on March 16, 2020. Subsequently, on June 23, 2020, the OEB launched its Digitization Program, and thereby permanently eliminated the requirement of submitting two hard copies of documents in regulatory proceedings. As a result, printing and courier services were not a requirement for this proceeding. Hydro Ottawa notes that BOMA is the only intervenor in this proceeding that filed disbursement claims for scanning/photocopying, printing and courier costs. Given that printing and courier services were not required for Hydro Ottawa's Application proceeding, the disbursements claimed by BOMA would be unreasonable for Hydro Ottawa ratepayers to subsidize. Table 3 below shows BOMA's claimed disbursements.

Table 3 - BOMA's Statement of Disbursements Claimed

Activity	Net Cost	HST	Total
Scanning/Photocopy	\$110.75	\$14.40	\$125.15
Printing	\$1,428.30	\$185.68	\$1,613.98
Courier	\$248.17	\$32.26	\$280.43
Telephone/Fax	\$31.22	\$4.06	\$35.28
TOTAL DISBURSEMENTS	\$1,818.44	\$236.40	\$2,054.84

Hydro Ottawa notes that SEC also claimed Telephone/Fax disbursements in the amount of \$145.94, and takes no issue with these costs given that all aspects of the proceeding were held virtually and it is understood that some costs for tele/video conferencing would be reasonably incurred. However, given that there was no requirement to print or courier hard copies of filings to the OEB in this proceeding, Hydro Ottawa objects to BOMA's claim of \$2,019.56 for photocopying, printing and courier costs. In its cost claim, BOMA included receipts of courier services, which were sent between parties of BOMA. Hydro Ottawa submits that such costs are internal, and should not be paid for by Hydro Ottawa ratepayers.



CONCLUSION

Hydro Ottawa respectfully objects to \$9,065.11 of BOMA's cost claim in total (\$7,045.55 for interrogatory preparation and \$2,019.56 for photocopying/printing/courier disbursements).

- All of which is respectfully submitted -