

VIA RESS and EMAIL

October 21, 2025

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ritchie Murray:

**Re: Hydro Ottawa Limited (Hydro Ottawa)
Custom Incentive Rate-Setting (Custom IR) Application for 2026-2030
OEB Staff Expert Evidence
Consumers Council of Canada (CCC) Interrogatories on Expert Evidence
OEB File No. EB-2024-0115**

In accordance with Procedural Order No. 3, dated October 7, 2025, please find attached CCC's interrogatories with respect to OEB Staff's Expert Evidence filed in Hydro Ottawa's 2026-2030 Custom IR proceeding.

Yours truly,



Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2024-0115

Hydro Ottawa Limited
2026-2030 Custom IR
Consumers Council of Canada Interrogatories
OEB Staff Expert Evidence
October 21, 2025

CCC-1

Ref: Christensen Associates Energy Consulting (CA Energy Consulting) Evidence, p. 6

Question(s):

- a) Please provide CA Energy Consulting’s position on Hydro Ottawa’s proposal to apply the X-factor to only OM&A-related revenue requirement. As part of the response, please discuss whether the X-factor should also be applied to capital-related revenue requirement.
- b) If CA Energy Consulting does believe that it is appropriate to apply the X-factor to capital-related revenue requirement, please provide the recommended productivity factor and stretch factor that should be applied.

CCC-2

Ref: CA Energy Consulting Evidence, pp. 7-9

Preamble:

CA Energy Consulting noted that “in 2020, the year during which the COVID-19 pandemic began, OM&A PFP grew 8.38 percent. This is likely because outputs remained relatively unchanged while certain OM&A spending was halted. If that year is excluded, the average PFP growth rate was +0.50 percent.”

Question(s):

- a) Please explain why it is appropriate to exclude the 2020 PFP growth entirely from the derivation of the OM&A-related productivity factor. As part of the response, please consider that there are other years (i.e., 2016 and 2018) in the period reviewed with very high PFP growth.
- b) Please provide CA Energy Consulting's views on replacing the actual 2020 PFP growth with a proxy for the maximum growth experienced in the other years that were not influenced by the COVID-19 pandemic during the review period (i.e., 2016 – 5.78%).

CCC-3

Ref: CA Energy Consulting Evidence, pp. 18-19

Question(s):

Please advise whether CA Energy Consulting agrees that the stretch factor is designed to incentivize utilities to find new/incremental cost efficiencies during a PBR term.

CCC-4

Ref: CA Energy Consulting Evidence, pp. 20-21, 26, 28

Preamble:

CA Energy Consulting stated that “for the current application, by averaging the growth rate of customers served and the growth rate of system capacity, and by removing the scaling factor, Hydro Ottawa proposes a growth factor that is more than nine times larger than the currently effective growth rate under the Company’s 2021-2025 Custom IR plan.”

Question(s):

- a) Please confirm, or correct, our understanding that CA Energy Consulting’s proposal with respect to the growth factor is to use a revenue-weighted average of customer growth, kW growth and kWh growth.
- b) To the extent that is available, please provide the recommended growth factor applicable to Hydro Ottawa’s CIR framework. If the reason that this information cannot be provided, as suggested in Table 4, is due to the proposal to disaggregate

suite-metered customers, please provide the recommended growth rate ignoring that recommendation.

- c) Please provide CA Energy Consulting's views on the relationship between customer/capacity growth and utility total costs. As part of the response, please explain whether CA Energy Consulting believes that there is a direct one-to-one relationship between growth and total costs in a CIR term.
- d) Please provide CA Energy Consulting's views on the relationship between customer/capacity growth and utility OM&A costs. As part of the response, please explain whether CA Energy Consulting believes that there is a direct one-to-one relationship between growth and OM&A costs in a CIR term.
- e) Please explain whether the recommended revenue-weighted growth factor addresses the potential issue that growth in customers/capacity does not cause an equivalent increase in costs.
- f) Using the assumption that there is not a one-to-one relationship between customer/capacity growth and utility costs during the CIR term, please provide CA Energy Consulting's views on the application of a scaling factor (similar to what was applied previously for Hydro Ottawa) as part of the growth factor.
- g) Please confirm that CA Energy Consulting's recommendation for a true-up of revenue growth attributable to the forecasted growth factor relative to the actual realized weighted average growth rate is intended to be captured in a variance account and recovered/refunded to customers at the time of the next rebasing.