Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

January 7, 2026

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Nancy Marconi:

Re: Ontario Energy Board (OEB) Staff Submission
Hydro Ottawa Limited (Hydro Ottawa)
Application for electricity distribution rates and other charges beginning January 1, 2026
OEB File Number: EB-2024-0115

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to Procedural Order No. 5.

Yours truly,

Original Signed By

Margaret DeFazio
Digitally signed by Margaret DeFazio
Date: 2026.01.07 15:04:37 -05'00'

Margaret DeFazio, P.Eng.
Electricity Distribution

Encl.

cc: All parties in EB-2024-0115

ONTARIO ENERGY BOARD

OEB Staff Submission

Hydro Ottawa Limited

Application for electricity distribution rates and other charges beginning January 1, 2026

EB-2024-0115

January 7, 2026

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Application Summary

In accordance with Procedural Order No. 4, a settlement conference for Hydro Ottawa's Custom Rate Application for Electricity Distribution Rates (the Application) commenced on November 4, 2025. Hydro Ottawa and the intervenors[1] participated in the settlement conference (collectively, the Parties). These intervenors were: Building Owners and Managers Association of Ottawa, Coalition of Concerned Manufacturers and Businesses of Canada, Community Action for Environmental Sustainability, Consumers Council of Canada, Distributed Resource Coalition, Energy Probe Research Foundation, Environmental Defence, Pollution Probe, School Energy Coalition and Vulnerable Energy Consumers Coalition. OEB staff also attended the settlement conference; however, OEB staff is not a party to the settlement proposal. By way of letter filed on November 13, 2025, Hydro Ottawa informed the OEB that the Parties had reached a tentative substantial partial settlement.

Hydro Ottawa filed a settlement proposal on December 19, 2025 (the Settlement Proposal). The Parties did not settle Issue 4.1 or Issue 4.2 with respect to 2026 operating, maintenance and expense (OM&A) expenditures. There are a number of partially settled issues, which are settled except for the need to recalculate values when the OEB decides on 4.1 and 4.2.[2]

The Parties have settled issue 7.2 except for the Net Metering Charge. Issue 5.3 regarding Other Revenue forecast is settled, except for the Shared Savings Mechanism incentive for the Non-Wires Customer Solutions Programs and the revenue from the Net Metering Charge in Issue 7.2.

If the Settlement Proposal is approved, and with the proposed OM&A amount included as a placeholder, in 2026 a typical residential customer with a monthly consumption of 750kWh would see a total bill increase of $6.18[3] (4.01%) and a general service under 50 kWh customer with a monthly consumption of 2,000 kWh would see a total bill increase of $4.47[4] (1.11%). Over the 5 year period 2026-2030, if the Settlement Proposal is approved with the OM&A amount and the 2026 OEB inflation rate used as placeholders, a typical residential customer with a monthly consumption of 750 kWh would see an average bill increase each year of $2.94 (1.84%), and a general service under 50 kWh customer with a monthly consumption of 2,000 kWh would see an average bill increase each year of $4.09 (1.00%).[5]

[1] Enbridge Gas Inc. was an approved intervenor in the proceeding but did not participate in the Settlement Conference.
[2] Settlement Proposal, p. 9
[3] Before HST and OER
[4] Ibid.
[5] The values based on proposed OM&A amount and annual inflation rate of 2.1%,

General Comments on the Settlement Proposal

In the preamble to the Settlement Proposal, "the Parties explicitly request that the OEB consider and accept this Settlement Proposal as a package"[6], stating that "[n]umerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Proposal."[7] It is OEB staff's view that the Settlement Proposal provides sufficient explanation as to why the agreed upon resolutions to the issues in the proposal are appropriate. Additionally, OEB staff notes that ten intervenors actively participated in the settlement conference representing a wide range of customer and policy perspectives.

In the following tables, OEB staff provides an overview of the impacts of the Settlement Proposal relative to Hydro Ottawa's originally filed application. OEB staff notes that, in addition to material reductions to the capital expenditures, the Settlement Proposal includes a custom rate-setting framework that differs from Hydro Ottawa's initial proposal.

The Settlement Proposal calculates rate base as shown in the table below, noting that with a potential change in the proposed working capital allowance, "rate base will be updated once a decision is rendered by the OEB on the 2026 test year OM&A."[8] The reduction in 2026 rate base from the application is a $12 million reduction to the 2026 net fixed assets due to a $12 million reduction resulting from the agreed upon capital expenditure reductions.

Table 1: 2026-2030 Settled Rate Base ($ 000)[9]

	2026	2027	2028	2029	2030
Applied for Rate Base	1,527,380	1,716,278	1,950,022	2,133,460	2,259,507
Settled Rate Base	1,515,295	1,671,667	1,854,529	1,991,889	2,089,507
Difference	(12,085)	(44,611)	(95,493)	(141,571)	(170,000)

The net capital expenditures for the forecast period of 2026-2030 (forecast period) of $1,019 million in the Settlement Proposal represents a reduction of $214M (17%) compared to Hydro Ottawa's application[10], as shown in Table 2 below.

[6] Settlement Proposal, p. 7
[7] Ibid
[8] Settlement Proposal, p. 27 (OEB Staff have revised the Proposed Rate base values from Table 12 to correct a mathematical error)
[9] OM&A to be updated based on the outcome the unsettled issues
[10] Exhibit 10, p. 12 contains the updated rate base in Hydro Ottawa's Application

Table 2: 2026-2030 Settled Capital Expenditures ($ Thousands)[11]

	2026	2027	2028	2029	2030	Total
Applied for Capital Expenditures	259,139	282,206	248,467	240,207	203,411	1,233,430
Settled Capital Expenditures	218,590	237,344	199,460	196,203	167,402	1,018,999
Difference	(40,549)	(44,862)	(49,007)	(44,003)	(36,009)	**(214,431)**

The Settlement Proposal's forecast net capital expenditures of $1,019 million is an increase of $521 million (105%) from the historic period of 2021-2025 (historic period) approved net capital expenditures of $497.6 million and an increase of $423 million (71%) from the actual historic period capital expenditures of $596 million. The increase in capital expenditures in the forecast period accounts for both inflation and expanded scope of the capital programs such as the replacement of aged smart meters through the AMI 2.0 program and construction of new capacity supplies to Hydro Ottawa's service area. In the historic rate period, Hydro Ottawa met the majority of OEB scorecard targets and maintained system wide reliability performance. The forecast capital expenditure should allow Hydro Ottawa to meet capacity needs of its customers and maintain asset conditions. OEB staff's view is that the level of 2026-2030 capital expenditures and in-service additions arising from the Settlement Proposal are reasonable. Additional commentary on OEB staff's view on the capital expenditures is contained later in this document.

The reduced revenue requirement in the Settlement Proposal reflects the agreed upon reductions in capital expenditures, adjustments to the rate framework, reductions to the load forecast and other items. The revenue requirement will require an update in the draft rate order process, after the OM&A amount is determined by the OEB.

Table 3 - 2026-2030 Settled Revenue Requirement ($ 000) [12, 13]

	2025	2026	2027	2028	2029
Applied for Revenue Requirement	298,402	323,096	355,381	381,839	406,927
Settled Revenue Requirement	297,918	314,919	340,476	356,942	372,612
Difference	**(484)**	**(8,177)**	**(14,905)**	**(24,897)**	**(34,315)**

The Settlement Proposal contains a revised rate framework from the proposal in Hydro Ottawa's initial application. The settled rate framework includes an annual adjustment to

[11] Settlement Proposal, p. 24, Table 8
[12] Settlement Proposal, p. 13, Table 2
[13] OM&A to be updated based on the outcome the unsettled issue

the OM&A amount for 2027 through 2030 by the formula "*I - X + g*" as proposed in the application, however, the values for *X* and *g* in the Settlement Proposal differ from those found in the application.[14]

Hydro Ottawa embedded inflation amounts in the annual capital expenditures, based on its own assumptions.[15] The rate framework in the Settlement Proposal adds a stretch factor to the capital expenditures for each year of 2027 through 2030. The addition of the capital stretch factor results in the capital component of the revenue requirement more closely aligning with the annual rate adjustment requirements of the OEB's *Handbook for Utility Applications* (OEB's Rate Handbook).[16]

Hydro Ottawa's initial Earnings Sharing Mechanism proposal included a 150 basis point deadband with asymmetrical sharing given the following conditions:

- If the efficiency cohort[17] remained constant or improved, earnings above the deadband be shared 50/50 between customers and shareholders,
- If the cohort worsenes, all earnings above the allowed return on equity (ROE) be allocated to customers with no deadband applying.

The Settlement Proposal retained the 150 basis point deadband and 50/50 sharing but modified the treatment of a worsening efficiency cohort so that earnings above the allowed ROE are shared 50/50 rather than fully allocated to customers.

OEB staff submits the rate framework is appropriate.

[14] The g value is a growth factor to "reflect expected growth in Hydro Ottawa's service area over the term", Settlement Proposal, p. 10
[15] Undertakings JT4.1 and JT2.22,
[16] Handbook for Utility Rate Applications (Rate Handbook), p. 25-28
[17] The efficiency cohort is calculated using the "PEG Model", a total cost benchmarking model developed by Pacific Economics Group (PEG) for the OEB, which is publicly available at Performance assessment | Ontario Energy Board

Table 4: Settled Custom Rate -Setting Framework[18]

	As Filed	Settlement Proposal
Year 1 Capital Related Funding	Capital Forecast with inflation, stretch ($6.9M) embedded through identified efficiencies, SR&ED tax credits and accelerated Capital Cost Allowance (CCA) contribution. Standard Rebasing for WCA, Cost of Capital and PILs. Recovery of accelerated CCA for 2026.	Capital Forecast with inflation, stretch ($6.9M) embedded through identified efficiencies, and SR&ED tax credits. Standard Rebasing for WCA, Cost of Capital and PILs (including accelerated CCA for test year 2026).
Years 2-5: Capital Related Funding	Capital Forecast with inflation and stretch embedded through identified efficiencies and SR&ED tax credits and 2027 accelerated Capital Cost Allowance (CCA) contribution.	Capital Forecast with inflation and stretch embedded through identified efficiencies and SR&ED tax credits, a stretch factor of 0.45% and an incremental capital stretch factor of 0.225% to be applied to the annual capital related revenue requirement which will be added to the previously calculated stretch value.
	Working Capital: OEB Generic WCA factor of 7.5% applied to annual estimated Power Purchases (utilizing revenue load forecast inclusive of electrification) and test year OM&A escalated by inflation and growth (I + G).	**Working Capital:** OEB Generic WCA factor of 7.5% applied to annual estimated Power Purchases (utilizing revenue load forecast inclusive of electrification) and test year OM&A escalated by inflation and growth, and reduced by the X-factor from the OM&A formula (I - X + G).
	Cost of Capital: Fixed for all 5 years based on OEB's 2026 Cost of Capital parameters which will be issued in the fall of 2025.	**Cost of Capital:** Fixed for all 5 years based on OEB's 2026 Cost of Capital parameters which were published October 31, 2025.
	Payments in Lieu of Taxes: Fixed for all 5 years with no adjustments. Recovery of accelerated CCA for 2026 and 2027.	**Payments in Lieu of Taxes:** Fixed for all 5 years with no adjustments. Recovery of accelerated CCA for 2026 and 2027.
Year 1 OM&A Funding	Standard Cost of Service rebasing with embedded stretch	Unsettled Issue
Years 2-5 OM&A Funding	Year 1 escalated by annual **Custom Revenue OM&A Factor (CROF)** composed of **I – X + G** where:	CROF as proposed
	I = OEB Inflation Factor	**I** = as proposed in application
	X = 0.15%, based on the outputs of the adjusted PEG's Model (Attachment 1-3-3 (A) - PEG Benchmarking Analysis) with an adjustment to recognize the embedded stretch productivity in base OM&A capped at maintaining a 0.15% stretch factor.	X = 0.45%, based on the outputs of the adjusted PEG Model which is estimated to be cohort 4 over the majority of the period (reflecting adjustment for under-reporting of secondary lines).
	G = 3.23% calculated using forecasted customer and system capacity growth, weighted using the assumptions in the OEB's cost allocation model for OM&A.	G = 0.95%, which acknowledges the growth in the Hydro Ottawa service territory, including both customer and demand related elements.

[18] Settlement Proposal, pp. 17-19, Table 4

	As Filed	Settlement Proposal
Other Revenue	Set both rates and revenue for 5 years. Where rates are proposed to be adjusted in years 2 to 5 based on inflation, set rate of 2.1% for all four years (no adjustment based on the OEB approved inflation factor)	**Partially Settled:** impacts of the Net Metering Charge and the SSM are the only unsettled aspects of the issue. Rates and revenues are set for 2026 per the settlement proposal amounts. Values for 2027-2030 will be the prior year adjusted by I-X, where I is the OEB inflation rate and X = 0.45%.
Earnings Sharing Mechanism & Performance Incentives[19]	Asymmetrical ESM account on a 50/50 basis above a dead band of 150 basis points if the utility's efficiency cohort determined by the adjusted PEG (as described in Attachment 1-3-3 (A) - PEG Benchmarking Analysis) remains constant or reduces over the rate period. If the cohort increases over the rate period, no deadband will be used and all earnings over ROE will be credited to customers.	Asymmetrical ESM account on a 50/50 basis above a dead band of 150 basis points if the utility's efficiency cohort determined by the adjusted PEG model (to reflect unreported secondary lines) remains constant (cohort 4) or reduces over the rate period. Should Hydro Ottawa move into cohort 5, no dead band will be used and will be shared on a 50/50 basis.
Off-Ramp and Z-Factor	In accordance with standard OEB policy	As proposed in the application

Hydro Ottawa's application included deferral and variance accounts as part of the proposed framework. The rate framework in the Settlement Proposal includes a revised list of deferral and variance accounts as outlined in Table 5 below.

OEB staff supports the removal of the Asymmetrical Capital Variance Accounts. The proposed asymmetrical accounts are based on variance below the spending value for specific budget items. The proposed accounts may act as a disincentive to Hydro Ottawa from cost control in those specific budget items, and from managing its overall capital budget due to changing conditions or requirements.

OEB staff supports the inclusion of the rate framework variance accounts contained within the Settlement Proposal. OEB staff agrees that there is potential for variability in the forecasts for CCRA payments to Hydro One, residential related construction, scope and related costs due to roadwork within the service area, as well as with need and costs associated with the significant capacity projects included in the capital plan. OEB staff supports the variability of these items being addressed through symmetrical variance accounts since they are largely outside the control of Hydro Ottawa.

Hydro Ottawa requested a symmetrical account to capture variances in non-wires solutions program costs and other revenue as funding opportunities evolve over the

[19] Settlement Proposal, p. 19, Table 4, row Performance Incentives, contains a reference to the Performance Outcomes Accountability Mechanism deferral account, however, this was not contained in the proposed rate framework for the forecast period, but was the mechanism in the historic period.

forecast period. OEB staff does not object to the creation of this account.

The parties agreed to remove the Large Load Revenue Variance Account and the Tariff Impact Variance Account from the proposed framework. OEB staff does not object to removing the two accounts from the proposed framework.

Table 5: Rate Framework Deferral and Variance Accounts

	As Filed	Settlement Proposal
Capital Variance Accounts	**Asymmetrical** sub-account to track underspending in System Access (except investments related to third-party plant relocations, and commercial and residential expansions (Growth Capital Development Additions which are tracked in another sub-account as detailed below)	***Symmetrical*** sub-account to record over/underspending in System Access investments related to Plant Relocation and Upgrade, Residential Subdivision and New Commercial Development that enables housing developments and in System Service investments related to Capacity Upgrade, subject to a 15% dead band, and to be referred to as the Growth-Related Capital Variance Account.
	Asymmetrical sub-account to track underspending in System Renewal and System Service (except capacity upgrades to enable housing developments which are tracked in another sub-account as detailed below)	
	Asymmetrical sub-account to track underspending in General Plant	
	Symmetrical sub-account to record over / underspending in System Access investments related by third-party plant relocations, commercial and residential expansion, and in System Service investments related to capacity upgrades to enable housing developments (together as Growth Capital Development Additions).	
CCRA Variance Account	**Symmetrical** account for CCRA payments to HONI including both new contributions and true-ups	**Symmetrical** account for CCRA payments to HONI including both new contributions and true-ups
Non-Wires Solutions (NWS) Variance Account	**Symmetrical** account to capture NWS costs in other revenue and OM&A, net of any external funding related to NWS	**Symmetrical** account to capture NWS costs in other revenue and OM&A, net of any external funding related to NWS
Large Load Revenue Variance Account	**Symmetrical** account to capture revenue variances associated with differences in volume and timing of large loads adjusted into the load forecast	Not included
Tariff Impact Deferral Account	***Asymmetrical*** account to track global tariff related costs	Not included

The Settlement Proposal includes changes to the load and customer forecast to reflect population growth, increased electrification and the continuation of the return to work trend in the region, as justified by evidence. The following table shows the settled customer and load growth forecast. OEB staff submits the load forecast is appropriate.

Table 6: Settled 2026-2030 Customer and Load Growth[20][21]

	Customers		MWh		kW	
	Proposed	Settled	Proposed	Settled	Proposed	Settled
2026	377,527	378,596	7,365,861	7,495,363	9,524,664	9,781,095
2027	381,124	383,187	7,349,760	7,548,026	9,471,660	9,830,626
2028	384,802	387,841	7,354,359	7,668,260	9,448,295	10,014,220
2029	388,588	392,567	3,316,072	7,790,463	9,379,841	10,257,205
2030	392,428	397,361	3,294,952	7,932,034	9,324,649	10,486,431

Standby Charge

Hydro Ottawa's initial application included finalization of the standby charges to December 2025, and a new approach to standby starting in 2026. Hydro Ottawa proposed to set the volumetric charge at 50% of the distribution variable rate and charge a backup overrun adjustment at the full distribution variable rate.

Parties agreed with Hydro Ottawa's proposals for the current application, but that Hydro Ottawa would study rate design alternatives to standby rates, and report back at its next Cost of Service application.

OEB staff notes that as part of the implementation directive on the Minister's Integrated Energy Plan,[22] item 11 requires the OEB to report back to the Minister by March 2026 on DER valuation including, among other things, delivery rates for DERs.

OEB staff notes that as indicated in its November 24, 2025, stakeholder session,[23, 24] standby rates will likely be part of this report. OEB staff does not object to the proposal on standby charges for Hydro Ottawa's new five year rate term, nor to the future work that parties agreed that Hydro Ottawa would undertake, as long as Hydro Ottawa continues to monitor and be informed by any relevant work or outcomes arising from the OEB's future policy work in this area.

Unsettled Issues

The Settlement Proposal identifies three items that are unsettled, that impact multiple items on the Approved Issues List.

[20] Settlement Proposal, Attachment 3 Load Forecast
[21] Exhibit 3, Tab 1, Schedule 1, pp. 5, 8
[22] Minister's Directive to the Ontario Energy Board, June 12, 2025
[23] OEB Consultation Review of the Valuation of Distributed Energy Resources
[24] DER Valuation Stakeholder Engagement Presentation Materials, November 7, 2025, p. 42

The OM&A expenditures for the test year remains unsettled, which includes issue 4.1 (Are the proposed OM&A expenditures appropriate?) and issue 4.2 (Is the proposed shared services cost allocation methodology and the quantum appropriate?). Parties agreed that the unsettled OM&A issues are best addressed by an oral hearing.

OM&A expenditures are used to calculate a number of other items, such as working capital allowance, revenue requirement and rates. Parties agree that issues that are impacted by the quantum of the OM&A expenditures have been calculated correctly but require updating after the OEB makes its determination on the OM&A amount.

There is no settlement on Hydro Ottawa's proposed changes to the Net Metering charge. This item impacts issue 5.3 regarding other revenue and issue 7.2 regarding rate design. Parties agreed that the Net Metering Charge is best addressed by way of an oral hearing.

There is no settlement on Hydro Ottawa's proposal for a Shared Savings Mechanism for the Non-Wires Customer Solutions program, which impacts issue 5.3 regarding other revenue. Parties agreed that the Shared Savings Mechanism is best addressed by written hearing.

Additional Comments on Certain Specific Aspects of the Settlement Proposal

The 2026-2030 net capital expenditures of $1,019 million in the Settlement Proposal represents:

1. an increase of $521 million (104%) from the approved amount of $498 million in the historic period,
2. an increase of $423 million (71%) from the actual amount of $596 million in the historic period, and
3. a decrease of $214 million (17%) from the $1,233 million proposed in the application.

OEB staff supports the 2026-2030 net capital expenditures in the Settlement Proposal. In light of the significant increase from the historic period and the significant reduction from the applied for capital amount, OEB staff provides commentary on its support below.

Settlement Proposal Capital Reductions

OEB Staff notes that the planning process presented in the Distribution System Plan (DSP) did not evaluate or weigh capital programs amongst each other, rather, the

Copperleaf tool was used to evaluate the scope of individual programs.[25] In a time where significant capacity upgrades and smart meter renewal replacements are driving cost increases, other programs should have been evaluated in the initial application for potential savings to limit the proposed rate increase to customers.

OEB staff supports the $214 million reduction of capital over the test period contained in the Settlement Proposal and believes that Hydro Ottawa can properly manage its system through re-prioritization of certain spending.

One example where OEB staff has identified potential capital expenditure reductions without compromising system outcomes is in the system renewal category. In determining capital spending amounts, OEB staff suggests that selecting the Cost Containment scenario for overhead and underground replacement programs and developing a plan with a scope between the Cost Containment and Short Term Risk Mitigation scenarios for stations assets, could result in suitable asset conditions in 2030 with a reduction to capital expenditures in excess of $100 million.

The 17% reduction in capital expenditures contained within the Settlement Proposal was achieved through a simplified approach, at the budget category level[26], which OEB staff submits is suitable for the purpose of rate making. Hydro Ottawa will require time to develop a revised, detailed capital plan for the 2026 to 2030 period to implement the revised annual capital budgets (i.e. to the level of detail contained in Chapter 2 Appendices Tab 2-AA and to project level planning). OEB staff notes that a 17% reduction in capital expenditures over 2026-2030 will result in material changes to Hydro Ottawa's capital plans as outlined in the DSP, which will present challenges in evaluating Hydro Ottawa's historic expenditures versus plan, in its next cost based application, currently scheduled for 2031 rates.

Test Period Increased Capital

OEB staff presents the following analysis based on the application amounts, rather than the amounts in the Settlement Proposal because Hydro Ottawa will require time to revise its detailed capital plans considering the revised capital envelope, as discussed above.

Two significant drivers of the capital expenditure increase in Hydro Ottawa's 2026-2030 DSP are relevant to this submission:

1. The need to increase distribution system capacity results in forecast period expenditures increases for both Capacity Upgrades and CCRA programs. Both programs execute projects supported by the IESO's Ottawa Region Integrated Regional Resource Plan (IESO IRRP).[27]

[25] Transcripts_Hydro Ottawa_Tech Conf_Day 1, pp. 6-25
[26] Budget categories are System Access, System Renewal, System Service and General Plant
[27] 2025 Ottawa Area Integrated Regional Resource Plan

2. Hydro Ottawa is undertaking to replace its smart metering infrastructure over ten years.

The historic period contained expenditures for these capital programs, but in lesser amounts. Table 7 below calculates increase in forecast period capital versus the historic period due to these two drivers.

Table 7: Capital Expenditures ($ Million)

	Historic Actuals[28]	Application Forecast Period[29]	Application minus Historic Actuals
Drivers			
Capacity Upgrades	108	346	238
CCRA	17	97	80
Metering Renewal	12	86	74
Total Drivers	**137**	**529**	**393**
Total CapEx	**596[30]**	**1,233**	**637**

Approximately 30% ($393M / $1,233M) of the capital expenditures in the forecast period are due to these two drivers alone. These two drivers also represent 61% ($393M / $637M) of the increase from the historic actual expenditures to the forecast period expenditures.

If the $393 million due to these discrete drivers are removed, the capital expenditures for the forecast period decrease from $1,233 million to $840 million, which is a 41% increase from the historic actual, compared to a 107% increase from historical actual. The increase in capital expenditures for the forecast period is more reasonable when discounting the impact of these two distinct drivers

OEB staff submits the increased capital expenditures in the forecast period in the Settlement Proposal of $1,019 million is reasonable considering items such as the two distinct drivers of system capacity and smart meter replacements, as well as inflation, customer growth and asset management requirements.

Conclusion

OEB staff submits that the Settlement Proposal is in the public interest and accompanying explanation and rationale are adequate to support the Settlement Proposal. Excluding the impacts of the unsettled issues, OEB staff further submits that

[28] Values per Application, Chapter 2 Appendices Tab 2-AA, as forecast for individual programs were not updated in subsequent evidence filings.
[29] Values per Exhibit 10, Chapter 2 Appendices Tab 2-AA
[30] Value per Exhibit 10, Chapter 2 Appendices Tab 2-AA

the Settlement Proposal would result in just and reasonable rates for the customers of Hydro Ottawa. OEB staff's position on the unsettled items will be provided in its final submission on those issues at the appropriate time.

OEB staff's position was developed in consideration of the objectives of the *Renewed Regulatory Framework*[31], the *Handbook for Utility Rate Applications*[32], applicable OEB policies, relevant OEB decisions and the OEB's statutory obligations.

OEB staff commends the Parties for their diligence and effort in developing a substantial settlement proposal that OEB staff believes is in the public interest.

~All of which is respectfully submitted~

[31] Report of the Board – *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*, October 18, 2012
[32] *Handbook for Utility Rate Applications*, October 13, 2016