

THE ONTARIO ENERGY BOARD

Hydro Ottawa

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

Proceeding held in person and virtually
at 2300 Yonge Street, 25th Floor, Toronto, Ontario
On Wednesday, January 14, 2026, commencing at 9:36 a.m.

VOLUME 1

A P P E A R A N C E S

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Coalition (VECC)
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MARK RUBENSTEIN School Energy Coalition (SEC)

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1 Wednesday, January 14, 2026

2 --- Upon commencing at 9:36 a.m.

3 PRESIDING COMMISSIONER DUFF: Good morning.

4 Please be seated.

5 Good morning, everyone. We are here today to
6 review the settlement proposal filed with the Ontario
7 Energy Board on behalf of Hydro Ottawa and the
8 parties to the settlement.

9 Hydro Ottawa had filed a custom IR application
10 to set its distribution rates and charges from 2026
11 to 2031. My name is Allison Duff, and I will be
12 presiding today, and with me are commissioners David
13 Sword and Robert Dodds.

14 I will speak briefly on the panel's request for
15 a presentation of the settlement today. The purpose
16 is to provide us, the panel, with an opportunity to
17 ask questions to better understand the proposal. We
18 appreciate that parties spent months debating and
19 discussing these topics and the interrelatedness.

20 For us, we see the written document, and it's
21 important that we really understand what is intended
22 to make sure that the outcomes are achievable.

23 These panel questions are not cross-examination,
24 they are strictly for understanding.

25 OEB Staff filed a submission in the proceeding
26 supporting the settlement, and we take note of that.
27 And also Hydro Ottawa filed a presentation to be
28 shared today, and that was filed on Monday, and we

1 have reviewed that as well.

2 This meeting today is being transcribed so that
3 all parties may refer to it, and it will be part of
4 the public record in the proceeding.

5 Before we begin or go any further, Tiara, I
6 understand you are going to do a land
7 acknowledgement.

8 **LAND ACKNOWLEDGEMENT**

9 T. FEARON: Thank you.

10 The Ontario Energy Board acknowledges that our
11 headquarters in Toronto is located on the traditional
12 territory of many Nations including the Mississaugas
13 of the Credit, the Anishinaabeg, the Chippewa, the
14 Haudenosaunee, and the Wendat Peoples. This area is
15 now home to many diverse First Nations, Inuit, and
16 Métis peoples. We also acknowledge that Toronto is
17 covered by Treaty 13 with the Mississaugas of the
18 Credit.

19 As the Ontario Energy Board carries out its
20 regulatory responsibilities, we are committed to
21 listening, learning, and respecting Indigenous rights
22 and perspectives. We are personally grateful for the
23 opportunity to live and work on these lands and
24 honour the wisdom and resilience of Indigenous
25 communities past and present. Thank you.

26 **APPEARANCES**

27 PRESIDING COMMISSIONER DUFF: Thank you very
28 much.

1 At this stage, I am going to start taking
2 appearances. I will start with the applicant, the
3 people in the room, and then the people that are
4 online. Ms. Coban.

5 D. COBAN: Good morning, Commissioners. My name
6 is Daliana Coban, and I am counsel for Toronto Hydro.
7 With me today is Ms. Meghan Fee, who is the manager
8 of regulatory at Hydro Ottawa. And my apologies, I
9 did say Toronto Hydro. Forgive the slip of tongue.
10 It's still a recent experience for me.

11 Commissioners, would you like me to introduce
12 the panel today or when we are ready to move into the
13 presentation?

14 PRESIDING COMMISSIONER DUFF: Sure, if you'd
15 like to.

16 D. COBAN: Perfect, thank you.

17 So starting off from the left, we have
18 Ms. Angela Collier, who is the chief financial
19 officer. Next to her is Ms. Laurie Heuff, the vice
20 president distribution system planning and asset
21 management. And next to her is Ms. April Barrie,
22 director of regulatory affairs.

23 PRESIDING COMMISSIONER DUFF: Thank you very
24 much.

25 Start with you, Mr. Rubenstein.

26 M. RUBENSTEIN: Hi. Good morning, panel. Mark
27 Rubenstein, counsel for the School Energy Coalition.

28 M. BROPHY: Good morning. Michael Brophy,

1 consultant for Pollution Probe and also on behalf of
2 CAFES Ottawa.

3 PRESIDING COMMISSIONER DUFF: Thank you,
4 Mr. Brophy.

5 D. VOLLMER: Good morning, Commissioners.
6 Daniel Vollmer, counsel for Distributed Resource
7 Coalition.

8 M. GARNER: Good morning, Panel. Mark Garner
9 for the Vulnerable Energy Consumers Coalition or
10 VECC. And may I also put in an appearance for
11 Mr. Bill Harper who will be joining us virtually
12 thanks to your indulgence.

13 PRESIDING COMMISSIONER DUFF: Thank you very
14 much, Mr. Garner.

15 M. MILLAR: I think I may be next, Madam Chair.

16 PRESIDING COMMISSIONER DUFF: Oh, sure.

17 M. MILLAR: If you don't mind. Good morning.
18 Michael Millar, counsel for OEB Staff. I am joined
19 today by my co-counsel, Julia Nowicki, and by
20 Margaret DeFazio, OEB Staff.

21 PRESIDING COMMISSIONER DUFF: Mr. Millar.

22 No more appearances in the room. We will go
23 online. I see Mr. Gluck.

24 L. GLUCK: Good morning. Laurie Gluck on behalf
25 of the Consumers Council of Canada. Thank you.

26 PRESIDING COMMISSIONER DUFF: Thank you.

27 And hearing no more appearances, that's fine.
28 Thank you very much.

1 Ms. Coban, are there any preliminary matters
2 that you want to deal with?

3 **PRELIMINARY MATTERS**

4 D. COBAN: Yes, one preliminary matter that we
5 wanted to bring to your attention, that we have
6 identified two corrections to the settlement
7 proposal.

8 The first correction was noted in Staff
9 submission filed on January 7th at page 2, and it
10 relates to the 2026 to 2030 settled rate base in
11 Table 12 of the settlement proposal and a
12 mathematical error that Staff had identified.

13 PRESIDING COMMISSIONER DUFF: Yeah.

14 D. COBAN: And the second correction we
15 identified in the preparation of this presentation
16 that we have for you today, it relates to Table 6 in
17 the settlement proposal. This is the table that
18 shows us the calculation of the stretch factor and
19 how it's been applied to the capital-related revenue
20 requirement.

21 Upon close review of this table, we realize that
22 the rate base figures that were used to show the
23 capital-related revenue requirement had not been
24 updated for the working capital implications of the
25 updated cost of power resulting from the settled load
26 forecast.

27 It's just a presentation error, but we did want
28 to bring that to your attention that we made those

1 corrections in the materials you are going to see
2 today, and we will also update the settlement
3 proposal itself with the consent of the parties as a
4 follow-up to this correction that we are providing to
5 you verbally.

6 PRESIDING COMMISSIONER DUFF: Okay. I do have
7 some questions on Table 6, so perhaps it will be a
8 natural clarification at that point too. All right.
9 Thank you very much.

10 D. COBAN: Thank you.

11 PRESIDING COMMISSIONER DUFF: Any other
12 preliminary matters from parties?

13 So we all understand what is happening today,
14 today is -- this morning at least is just a
15 presentation, a short presentation by the applicant
16 regarding some clarifications. The panel will ask
17 questions only, and then we hope to take a short
18 break. And this afternoon is the beginning of the
19 oral phase of the hearing on the unsettled issues.
20 Okay. That's clear.

21 Mr. Millar, the document that was filed on
22 January 12th, should that get an EB number? I am
23 assume they are going to refer to it today.

24 M. MILLAR: Indeed.

25 PRESIDING COMMISSIONER DUFF: An exhibit.

26 M. MILLAR: Madam Chair, you are speaking to the
27 settlement agreement itself? Yes.

28 PRESIDING COMMISSIONER DUFF: And the

1 presentation that was filed.

2 M. MILLAR: Oh, I am sorry. The presentation.
3 Yes. Okay. So we can mark them -- we probably don't
4 need to mark the settlement agreement unless you
5 would like to, but we can mark the presentation, and
6 we can call that Exhibit K1.1.

7 **EXHIBIT K1.1: PRESENTATION OF SETTLEMENT**

8 **PROPOSAL - HYDRO OTTAWA**

9 PRESIDING COMMISSIONER DUFF: Great, thank you.
10 Please proceed.

11 D. COBAN: Thank you. I will pass it over to
12 Ms. Barrie to provide us the presentation that we
13 prepared for you to today.

14 **PRESENTATION BY HYDRO OTTAWA**

15 A. BARRIE: Thank you, Madam Chair,
16 commissioners and others attending today either in
17 person or virtually.

18 Today, Hydro Ottawa has been asked to present a
19 summary of the substantial settlement agreement that
20 was reached between intervenors and Hydro Ottawa.

21 As Mr. Rubenstein notes when he presents in the
22 cost of service orientation update, intervenors have
23 to first negotiate amongst themselves before starting
24 a discussion with utilities. As such, we would first
25 like to commend the intervenors for going through
26 this difficult work. As we know, they have varied
27 customers to represent and many policy differences
28 amongst them, so we know that's no easy task.

1 The parties have agreed to a custom incentive
2 rate framework that is built off of a typical cost of
3 service rebasing in 2026 with a formulaic approach
4 from 2027 to 2030.

5 The capital-related revenue requirement for the
6 years 2027 to 2030 is based on the following
7 elements. The four-year forecast for the capital-
8 related inputs only to be updated by working capital.

9 The capital-related revenue requirement is also
10 adjusted downwards for a stretch factor -- or two
11 stretch factors, a stretch factor of .45 percent as
12 well as an incremental stretch factor of
13 .225 percent, which is incremental and adds
14 additional productivity and efficiency requirements
15 for Hydro Ottawa to be able to deliver its capital
16 program.

17 I will speak further to the calculations
18 momentarily on another slide.

19 Although the parties were not able to settle on
20 the 2026 base year amount, we were able to come to an
21 agreement on an escalation factor for the '27 to '30
22 period. It's made up of three components of an I
23 minus X plus G. Inflation would be the OEB's annual
24 inflation and be updated annually. The stretch
25 factor will be set for all of the years at
26 .45 percent, and a growth factor will be set, which
27 recognizes both customer and demand growth, at
28 .95 percent.

1 Lastly, other revenue will be escalated from the
2 '27 to '30 period using inflation minus stretch,
3 again using the same inputs as the OM&A.

4 The custom incentive rate framework supports the
5 needs and investments of Hydro Ottawa, drives
6 efficiencies, and we believe balances customer
7 affordability. The changes related to the
8 residential average consumer is in the blue box to
9 the side. And with the settlement agreement, it
10 results in a 4.53 on average reduction and an on
11 average of .9 percent reduction over the five-year
12 period. All rate class impacts are in the settlement
13 proposal itself so we can always go to those if
14 you're interested in them.

15 Next, we looked at our capital funding, and we
16 believe it does support a safe and reliable grid
17 while enhancing customer programs. It also will
18 enable us to manage the energy transition and growth
19 that we are seeing within our distribution service
20 territory.

21 The capital expenditures were set for five
22 years. Included in that is an estimation for
23 inflation as well as built in inflation -- or
24 efficiencies, my apologies.

25 And we believe we can manage these reductions
26 through prioritization of projects, timing, and
27 trade-offs, considering our -- importantly, our
28 customer needs and expectations, priorities, and

1 preferences.

2 The capital additions forecast includes a
3 capital-related contributions related -- that were
4 put through as customer contributions related to
5 scientific research and environmental developments.

6 We can move to the next slide.

7 In terms of the rate framework, there are a
8 number of deferral and variance accounts on this
9 particular slide. I am only going to discuss those,
10 they are a little bit more prevalent, related to
11 capital. And I don't go through all of the generic
12 or utility-specific DVAs.

13 So as part of the agreement, we agreed to
14 discontinue the historical capital variance accounts
15 which we believe provides flexibility to manage our
16 capital program as well as add traditional
17 environment and customer expectations. A new growth
18 related capital variance account has been established
19 which has a smaller amount of coverage in terms of
20 the capital, which includes plant relocation and
21 upgrades, residential subdivisions, new commercial
22 developments that enable housing developments as well
23 as capacity upgrade. This includes a 15 percent
24 symmetrical dead band.

25 We will be maintaining as well the connection
26 cost recovery, the CCRA, as well as the gain and loss
27 on fixed assets.

28 New to this application is a symmetrical non-

1 wires solution which will enable us to manage a new
2 and emerging area.

3 And lastly, there was an adjustment from this --
4 from last time to the cumulative earnings sharing
5 mechanism which allows Hydro Ottawa to retain any --
6 as long as we maintain our core hard establishment up
7 to 150-basis points, we will retain the earnings.

8 I will note here that there is a slight -- board
9 Staff had indicated the change related to this was
10 related to the sharings whereas the difference
11 between our last application is -- the way that we
12 have the sharings is based on the 150 percent
13 earnings which is related to the cohort efficiency
14 rather than the sharing mechanism.

15 We can move to the next slide.

16 So within the capital-related revenue
17 requirement, I noted earlier that the only piece that
18 will be updated is related to working capital. So we
19 will -- we will be using the 7.5 percent OEB generic
20 rate in terms of the WACC; however, we will use an
21 analyzed cost of power update based on the revenue
22 load forecast over the five-year period. And
23 annually, we will update based on the escalator
24 change to the OM&A.

25 Cost of capital is fixed in terms of the
26 parameters that are used for all five years but will
27 be updated related to working capital. Working
28 capital, however, will not be changed related to

1 PILs. It is set for the five years, and no
2 adjustments will be made.

3 It is also important to note that both '26 and
4 '27 include the accelerated CCA. Depreciation is
5 also forecasted for the five-year period and is set
6 and will not adjust throughout the rate term.

7 Lastly, there is the capital stretch factor,
8 which drives incremental efficiencies and cost
9 savings for customers.

10 How this particular formula works is it is made
11 up of the two components that I mentioned earlier, so
12 you take the stretch factor of .45 plus incremental
13 stretch factor of .225 to get a cumulative stretch
14 factor.

15 You take that -- so in 2027, you would take that
16 percentage, you would multiply it by the capital-
17 related revenue requirement in that particular year,
18 and you would reduce the capital-related revenue
19 requirement for that amount.

20 In 2028, you would take, again, the 2028
21 capital-revenue requirement, multiply it by the same
22 percentage, and then add the dollar amount of the
23 output from the 2027 amount for the 2028 amount,
24 which will now take your cumulative reduction that
25 will be removed from capital-related revenue
26 requirement. And the same thing will happen for '29
27 and '30 by adding the previous year's dollar amount.

28 Related to other items, elements of the custom

1 framework, there is a five-year revenue load
2 forecast, which incorporates both growth and
3 electrification, which is inline with the capital
4 spending.

5 There is also a five-year cost allocation model
6 and rate design within that, within the rate design,
7 the finalization of the standby rates to 2025 as well
8 establishing a new standby rate as of 2026.

9 Other revenue, as noted, is escalated; however,
10 the specific service charges are set for the five
11 years and won't be updated annually.

12 Lastly, the parties agreed to an effective date
13 of January 1st, 2026.

14 As part of Hydro Ottawa's rate application,
15 annual reporting was also proposed. The two elements
16 that I will mention here, the items that change as
17 part of the settlement agreement, Hydro Ottawa agreed
18 to set a target for labour efficiency and also agreed
19 to develop a target-related customer participation
20 and non-wires solutions.

21 Next slide, please.

22 Also as part of the agreement, Hydro Ottawa
23 agreed to a number of studies, reports, and
24 commitments. I won't go through each one of them,
25 but if there are particular items you are interested
26 in, we can address those.

27 And lastly, to go to the unsettled issues. So
28 in one of the larger unsettled items is the 2026 base

1 year OM&A. Ms. Collier will speak to that in her
2 opening remarks during the oral hearing, so other
3 than to say that this particular item is unsettled,
4 that's where I will leave it there. We did provide a
5 slight summary there.

6 In terms of the net metering charge, Hydro
7 Ottawa has proposed to remove the net metering
8 charge. When we did so, we looked at cost causality
9 as well as looking at load customers managing their
10 own cost.

11 Lastly, it's the incentive mechanism for non-
12 wires solutions program, which Hydro Ottawa has
13 proposed a shared savings mechanism, and as noted in
14 Procedural Order 6, this will be managed through a
15 written hearing.

16 Lastly, Hydro Ottawa's put together elements and
17 how they -- we intend to approach the annual update
18 applications. We do plan to do similar applications
19 as we have in the past, which takes a similar look as
20 a cost of service reapplication, just a lot shorter,
21 and we do find that this helps bridge the gap between
22 rebasing applications and supports an efficient
23 review of the annual obligations when we go through
24 that process.

25 If you're -- again, if you'd like to go through
26 more details, we are more than happy to take
27 questions on the details within this slide.

28 Next slide.

1 With that, end of the presentation, so we would
2 just like to thank you for your time, and we did note
3 that you might want to ask us questions related to
4 Staff comments and other items that may be -- that I
5 didn't get into other details.

6 PRESIDING COMMISSIONER DUFF: Yeah, that's the
7 perfect segue. Thank you very much. That was
8 comprehensive.

9 Yeah, Procedural Order Number 6, the Panel
10 expressed the areas of interest that we have, and I
11 am just going to follow right along with that.

12 I am going to start with my questions.

13 **QUESTIONS BY THE PANEL**

14 COMMISSIONER DODDS: Just one --

15 PRESIDING COMMISSIONER DUFF: Oh, please. Yes.

16 COMMISSIONER DODDS: Just one question. Right
17 at the very beginning, you said there's no settlement
18 on the escalation factor for 2026; is that right?

19 A. BARRIE: So for the rebasing amount for
20 2026 --

21 COMMISSIONER DODDS: For the rebasing amount.

22 A. BARRIE: -- for OM&A, we did agree to an
23 escalation factor for '27 to '30.

24 COMMISSIONER DODDS: Right. So you haven't
25 agreed to the escalation factor because the amount of
26 the OM&A is not settled?

27 A. BARRIE: So we have agreed to the escalation
28 but not the base year for 2026.

1 COMMISSIONER DODDS: Not the base year. Okay.

2 Thank you.

3 A. BARRIE: No problem.

4 PRESIDING COMMISSIONER DUFF: Let's just start
5 from the settlement itself. I am going to start with
6 Table 4, and we are going to talk about the capital
7 funding.

8 So the beginning of Table 4 on page 17. Perhaps
9 if they want to put it up on the screen, that's
10 possible.

11 But the year 1, first of all, the capital
12 forecast for the embedded 6.9 million, that seems
13 like a very specific amount. Perhaps you could talk
14 to me about the identified efficiencies that would
15 comprise the 6.9 million that's already put into the
16 2026 capital expenditure.

17 A. BARRIE: So -- so how Hydro Ottawa achieved
18 that is if -- maybe it would be best to actually go
19 to our original evidence, or I can speak to it. So
20 we did a number of --

21 PRESIDING COMMISSIONER DUFF: Please.

22 A. BARRIE: -- productivity savings. We
23 identified both ones that were qualitative as well as
24 quantitative. And so we went back and costed out the
25 ones that we -- that were more quantitative, and as a
26 result, we came up with a number of -- there's a
27 number of projects, and we provided a number of back-
28 and-forth in terms of IRs. So there's specific

1 projects that we identified that created savings that
2 would continue into the 2026 base year and beyond.

3 PRESIDING COMMISSIONER DUFF: Okay. So let me
4 repeat what I think you just said. You're pretty
5 confident about your ability to achieve the 6.9 based
6 on past activities at --

7 A. BARRIE: Correct.

8 PRESIDING COMMISSIONER DUFF: -- your utility?
9 Okay. Great.

10 Turning now to years 2 to 5. The -- I want to
11 talk about inflation because I do find it -- sorry --
12 a little confusing throughout the settlement.

13 So there's an inflation which applies to OM&A.
14 I am just talking about inflation for capital now.
15 And I am not sure what happened with the inflation
16 rates that were applied to capital. Is there just
17 one -- one rate? I can't see them, right. I assume
18 you had multiple inflation based on different inputs.
19 Perhaps you could just talk to me about the inflation
20 applied to the numbers and if those inflation rates
21 differed from the application to the settlement.

22 A. BARRIE: So we did use multiple different
23 inflation rates depending on the type of activities
24 that were occurring and when we looked at our future
25 forecast. The particular inflation rate as part of
26 the settlement agreement did not change, but that
27 would be something we would try to manage in terms of
28 looking at that overall envelope and different ways

1 in which that we could manage the reduction to the
2 capital.

3 PRESIDING COMMISSIONER DUFF: And were those
4 inflation rates objectively determined? I am not
5 going to see them anywhere in the evidence, am I?
6 They are embedded in the numbers of the capital
7 dollars?

8 A. BARRIE: They are embedded in the numbers.
9 We did provide different charts throughout
10 interrogatories that spoke to generally inflation of
11 different types of expenditures.

12 PRESIDING COMMISSIONER DUFF: Fair enough. Fair
13 enough.

14 But in terms of your -- the challenge, I guess,
15 is to manage that risk? I mean, you are exposing
16 yourself to risks. You have now settled those
17 numbers; is that correct?

18 A. BARRIE: That is correct.

19 PRESIDING COMMISSIONER DUFF: They are not going
20 to change in the next five years.

21 Perhaps you could elaborate a little bit on how
22 you manage that risk over the term. And I am
23 specifically getting to inflation.

24 A. BARRIE: I will hand it over to Ms. Collier.

25 A. COLLIER: Good morning. So maybe to your
26 first question, Commissioner, in interrogatory 1 CCC
27 1, part G, we did calculate the weighted average
28 inflation that's used for the entire capital program,

1 so, yes, different types of equipment. We have used
2 different inflation rates, different outside
3 contractors, who have used different inflation rates.
4 In our own internal labour, we've used different
5 inflation rates. But the weighted average of all of
6 that for the '26 to '30 period is calculated in that
7 IR, and it's 3.33 percent for capital.

8 In terms of how we manage that, it's through
9 procurement, negotiations, looking for different
10 suppliers for different products. Supply chain has
11 been very tumultuous during our current rate period -
12 - or our last rate period, I should say, and we are
13 continuing to see some of the same things happen, so
14 some of the same strategies we have employed for the
15 last five years, we will be employing again to manage
16 within that, that outflow.

17 PRESIDING COMMISSIONER DUFF: Yeah, no, I
18 appreciate with a custom IR, it's you set it up, and
19 then you are kind of on your own for the next five
20 years in order to manage those risks accordingly.

21 A. COLLIER: Exactly, yes.

22 PRESIDING COMMISSIONER DUFF: You're a utility.
23 That's your job.

24 A. COLLIER: Yes.

25 PRESIDING COMMISSIONER DUFF: So that's fine.
26 And in terms of -- but there is nothing -- do you
27 preorder? Is it just contract management? Any
28 specific activities that you undertake?

1 A. COLLIER: I mean, we do, like, all sorts of
2 those things, right. We certainly preorder certain
3 material, but then you have space constraints.
4 Obviously, you know, you don't have warehouse space
5 to host all materials that you are going to need for
6 a long time. You work with your suppliers, they have
7 space. So it is all different types of tactics that
8 we employ to control our costs in that regard.

9 PRESIDING COMMISSIONER DUFF: I am going to have
10 a few questions on the DVA, the new growth related
11 capital, but I am just going to park that for a
12 moment because just the idea being I am trying to
13 isolate inflation factors versus growth factors, and
14 we will get to that topic later. Okay? Thank you.

15 The stretch factors that you have applied, there
16 is, like -- it seems to be a base of 0.45 in this
17 incremental. Is there something more I should be
18 gleaning from this incremental capital stretch
19 factor? I wondered why you separated it into two.
20 Perhaps you could explain that.

21 A. BARRIE: Well, the .45 is -- you can tie that
22 back to the PEG model, and it is the productivity
23 factor when you look at annual IR updates. If we
24 weren't doing a custom, you would see that typical
25 cohort formula used. The incremental stretch factor
26 is related more to the fact that we are going through
27 a custom application, we have a five-year capital
28 plan, and builds in extra efficiencies and

1 productivity in which the utility will need to
2 manage.

3 PRESIDING COMMISSIONER DUFF: Okay. So what I
4 think I hear you saying is the 0.45 is established in
5 other forms, I guess, the base of it being the PEG
6 model. You are going to apply that to OM&A, and for
7 capital, there's more because you have separated the
8 OM&A growth and drivers versus the capital-related
9 ones; is that correct?

10 A. BARRIE: Correct. We are not using a five-
11 year forecast for the OM&A, but rebasing in 2026 and
12 just using an escalation factor for the '27 to '30
13 period.

14 PRESIDING COMMISSIONER DUFF: Thank you very
15 much.

16 If we can turn to Table 8, I have a few
17 questions about the capital expenditures themselves.

18 Actually, on Table 7 is a summary of the five
19 years, and it notes the settlement has a reduction of
20 214 million over the five years, the capital
21 expenditures versus what was applied for. That's
22 correct.

23 And Staff calculated that as being a 71 percent
24 increase over your actual capital expenditures in the
25 prior five years. I just want to make sure you agree
26 with those calculations. One is a 17 percent
27 decrease -- because I am going to be referring to
28 them quite often -- and the other one being a

1 71 percent increase from the prior five years.

2 A. BARRIE: I think I would have to take this
3 subject to check. I do believe that they probably
4 calculated it accurately. I didn't actually go back
5 myself and do that.

6 PRESIDING COMMISSIONER DUFF: Neither did I. So
7 that's fair enough. I will deal with dollars, then.

8 A. BARRIE: Yeah.

9 PRESIDING COMMISSIONER DUFF: Okay. I will try
10 to do that.

11 I do have a few questions about the distribution
12 system plan. Okay. So Ms. Heuff. The distribution
13 system plan was filed with the application. It
14 supported the applied capital expenditures. Now you
15 find yourself at the end of settlement where it's a
16 reduction from what you have applied for.

17 Could you talk to me -- or explain to us how
18 that DSP that's already been set, how do -- do you
19 use that as a tool? I know it's a regulatory filing
20 requirement, but how do you use that over the next
21 five years now that you have capital expenditures
22 that are set on a different dollar amount?

23 L. HEUFF: Right. So within the DSP
24 specifically, the material investment plans that have
25 been filed individually within sections 2.5.6 through
26 2.5.8, 2.5.9, they are each broken up by the
27 investment categories. Those really do drive our
28 objectives and what we are trying to achieve.

1 As you can appreciate, a \$214 million reduction
2 is quite substantial, especially given the pressures
3 that we are seeing and we are facing at this point in
4 time.

5 So what we will be doing is asking each
6 individual to go back to their material investment
7 plans and review and understand where they believe
8 they can mitigate the overall increases in order to
9 achieve the reductions that are in front of us.

10 Subsequent to the reductions having been made,
11 we will be making adjustments to those material
12 investment plans, the objectives, and what we are
13 trying to achieve as a result of the reductions.

14 The material investment plans are also very
15 closely tied to what we call our asset management
16 plans. So for a system renewal perspective
17 specifically, we are ISO 55000 certified, and we have
18 individual asset management plans which have also
19 been filed on the record which very much govern and
20 dictate what we are looking to achieve. They analyze
21 risk, they analyze the overall -- the actual
22 condition of the assets and changing circumstances,
23 and they would make adjustments within those, and
24 then tie them back to the actual objectives for the
25 material investment plans.

26 As you can also appreciate, system access is
27 obviously a very dynamic program, the one that
28 probably presents the most unknowns. And so in that

1 circumstance with system access, we are very much
2 looking to understand what our customers are
3 demanding and making adjustments overall.

4 It is very much one area that we will rely on
5 that growth factor, the growth account as well, in
6 order to manage the discrepancies that are coming as
7 a result of the changes.

8 PRESIDING COMMISSIONER DUFF: So in looking at
9 our screen right now on Table 7, as we are here
10 today, you have committed to these four -- what are
11 they -- investment categories, the reductions within
12 that. But anything further is the work that you have
13 to undertake after today?

14 L. HEUFF: Yes. And that's correct. And I
15 think maybe just to point out, the changes that are
16 described on the page today are generally the areas
17 that are vague; however, we have not undertaken that
18 detailed analysis yet. So which investment category
19 specifically and where the changes will come may vary
20 once we finalize that analysis because, as you can
21 appreciate, it is a complex undertaking, and so as
22 noted in the settlement, this is a first pass at
23 where we believe the overall reductions will come
24 from; however, they will vary once we finalize the
25 overall plans.

26 PRESIDING COMMISSIONER DUFF: Okay. I will be
27 honest, I was surprised to see the reduction in
28 system access. Perhaps you can talk about that a

1 little bit more.

2 L. HEUFF: So the reduction in system access at
3 this point in time, the reductions have been applied
4 formulaically. The one that does vary is the general
5 plant as a result of a very specific reduction that
6 was agreed to in settlement for the CCRA.

7 And so under general plant, you will note that
8 there is a 16 percent reduction. In the other three
9 investment categories, it is an 18 percent reduction
10 as we -- at this point in time, given the time
11 constraints and the complexity of the reductions of
12 understanding which specific reductions we will take,
13 we have applied an 18 percent reduction equivalently
14 across the other three investment categories.

15 PRESIDING COMMISSIONER DUFF: Do you still
16 consider you have some flexibility in that settled
17 allocation?

18 L. HEUFF: We do have some flexibility in the
19 settled allocation, yes.

20 PRESIDING COMMISSIONER DUFF: And you raise the
21 issue of the CCRA. That's more with Hydro One,
22 though; right?

23 L. HEUFF: Correct, correct.

24 PRESIDING COMMISSIONER DUFF: So that's a
25 different category on its own.

26 L. HEUFF: It's a very discrete and dynamic
27 category and with a lot of variability within it.
28 And it does also have its own variance account

1 associated with it as well.

2 PRESIDING COMMISSIONER DUFF: And those involve
3 true ups if growth doesn't materialize?

4 L. HEUFF: Correct.

5 PRESIDING COMMISSIONER DUFF: That is what I
6 remember reading.

7 L. HEUFF: Correct.

8 PRESIDING COMMISSIONER DUFF: Okay. Thank you
9 very much.

10 Okay. Let me repeat what you just said. The
11 settled items in the third column, they're
12 illustrative?

13 L. HEUFF: Yes, illustrative. I would say
14 generally we will attempt to abide by the directions;
15 however, there will be -- as we go through and
16 undertake the specific analysis, there will be
17 adjustments to those values.

18 PRESIDING COMMISSIONER DUFF: Okay, thank you.

19 And talking about the DSP as a tool, I am just
20 quite curious. I know it's a filing requirement for
21 the OEB's purposes. Do you use it internally as
22 well, or is it just something that you update once
23 every five years?

24 L. HEUFF: So the DSP is also very closely
25 aligned to all of the elements of our ISO 55000
26 program. So our ISO 55000 program also includes
27 elements that we call strategic asset management plan
28 and the overall asset management plans that I

1 referred to.

2 We have aligned our strategic asset management
3 plan and our individual asset management plans to the
4 DSP, and we are continuing to create those linkages
5 as we evolve overall the ISO 55000 program.

6 So although we don't specifically update the
7 DSP, we are updating all of the elements that inform
8 the DSP as part of our ISO 55000 program.

9 PRESIDING COMMISSIONER DUFF: That's helpful
10 because I am thinking five years in the future there
11 will be another panel looking at this and saying,
12 what did we know in 2026 when the settlement was
13 presented for approval versus what do we know now.

14 And that DSP will not be out of date. You are,
15 during the five years, tracking to it in other ways
16 that you could report on variances; is that correct?

17 L. HEUFF: Yes, absolutely. And also throughout
18 section, I believe it's, 2.5.3, we have noted a
19 number of KPIs that we are tracking to. Those KPIs
20 are specifically connected to the material investment
21 plans and the objectives within the material
22 investment plans that are noted through 2.5.6 to
23 2.5.9. And so we will be continually monitoring and
24 tracking our actuals versus the objectives that are
25 noted in Section 2.5.3, and we will be ensuring that
26 we are complying with what we have intended to
27 achieve.

28 PRESIDING COMMISSIONER DUFF: Okay. Great.

1 Thank you very much.

2 We are going to scroll a little bit further
3 along Table 4, and if we could go to page 20, we are
4 going to -- I would like to talk about the capital
5 variance account and the growth bill that's been
6 embedded in the capital expenditure numbers.

7 Perhaps you have answered this already.

8 I -- when I read the settlement, and I am
9 considering all the different inputs, and there is --
10 clearly you flagged inflation, you've flagged
11 stretch, and then you've flagged growth.

12 And in that growth, it involves a number of
13 factors.

14 In your opening statement, Ms. Barrie, you
15 talked about electrification, customer numbers, load
16 profiles; is that correct?

17 A. BARRIE: That's correct.

18 PRESIDING COMMISSIONER DUFF: And that growth is
19 in the capital plan that you proposed initially in
20 your application; correct?

21 A. BARRIE: That is correct.

22 PRESIDING COMMISSIONER DUFF: It's not
23 segregated out, it's not a 0.95 percent, similar to
24 the growth factor you applied to OM&A?

25 Is there any relationship may be the fairer
26 question. You have a 0.95 percent growth factor
27 applied to OM&A in your settled years 2 to 5. Does
28 that 0.95 have any relationship to the growth that

1 was embedded in the capital expenditure numbers?

2 A. BARRIE: So the capital expenditure numbers
3 were -- as Ms. Heuff was talking about, they are a
4 lot more project based. So you are looking at -- you
5 know, you're looking at your regional planning, you
6 are looking at your system in a very different way
7 than the overall.

8 And so as a result, you are looking at the
9 different regions within your service territory and
10 how it's growing and the needs of those elements of
11 your DSP.

12 So they -- as much as foundationally, you're
13 still looking at similar inputs that are not exact.

14 PRESIDING COMMISSIONER DUFF: I kind of knew the
15 answer to that question when I asked it, but I needed
16 to ask it because also in your load forecast, there
17 is growth factors built into that, I saw 0.25, that
18 increase every year.

19 So these are just -- there is a combination of
20 growth factors that are taken into consideration for
21 the capital expenditures; correct?

22 A. BARRIE: Correct. So even when you're
23 looking at the load forecast and you're looking at
24 customers, for a revenue perspective, you are looking
25 at your load forecast across a service territory
26 whereas when you're looking at it from a DSP
27 perspective, you are looking at the different regions
28 within your capital program, and you're looking at

1 things -- and certainly Ms. Heuff could speak to it
2 better than I could -- but the assets that are in
3 place, how you can rely on interchanging and
4 connections but then also what needs to be built.

5 So for our load forecast purposes, it doesn't
6 matter so much where exactly in our service territory
7 the customer is as long as it's in our service
8 territory. So it is, again, foundationally, you are
9 trying to look at population growth, similar things,
10 but they ultimately feed into those processes in a
11 different way.

12 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

13 Did you have anything you wanted to add to that,
14 Ms. Heuff?

15 L. HEUFF: No. I think Ms. Barrie covered it
16 well. From a capital perspective, our growth very
17 much is driven by a number of factors, but namely the
18 demand that is coming on to our system as well as
19 just the general -- the DERs and some of the others
20 that are -- some of the other newer innovative
21 technologies that we are dealing with. But I think
22 Ms. Barrie covered it well.

23 PRESIDING COMMISSIONER DUFF: And what I also
24 heard you say, it's very much a bottoms up, project
25 oriented forecast that you develop.

26 L. HEUFF: So the capital plan --

27 PRESIDING COMMISSIONER DUFF: Yes.

28 L HEUFF: -- is very much bottom up forecast.

1 We also did undertake an overall growth analysis
2 through our 2050 study to understand long-term
3 implications of growth as well from an
4 electrification perspective.

5 PRESIDING COMMISSIONER DUFF: Fair enough. And
6 that leads me into the question -- my questions
7 regarding the capital variance account that is in the
8 settlement.

9 So there were a number of DVAs that were
10 proposed, but one remains, and I want to talk about
11 the risks that this account will address for you and
12 your customers. Okay.

13 So the -- I am just doing a comparison, and this
14 may be obvious to you, but when I look -- comparing
15 the two columns -- if you can scroll up just a little
16 bit on the screen. Thank you. Up, up -- I mean I
17 want to go down, sorry. Thank you. That's perfect.

18 Should I be reading something more into on the
19 left-hand side, it says "third-party plant
20 relocations", but the other one uses "Plant
21 Relocation and Upgrades" with capitals. Am I --
22 what's the difference there? Non-third-party plants
23 have been taken out? Or am being just too literal?

24 L. HEUFF: Yes, I think it is just a changing of
25 -- it is still plant relocation, and third-party
26 plant relocations are synonymous.

27 PRESIDING COMMISSIONER DUFF: Okay. And the
28 fact that you capitalize "Plant Relocations and

1 Upgrades", do you have a category that that ties to?

2 L. HEUFF: Yes. It's within the system access.

3 I can pull open the specific reference if you're
4 interested.

5 PRESIDING COMMISSIONER DUFF: No, not necessary.

6 But it's clear in the record --

7 L. HEUFF: Correct.

8 PRESIDING COMMISSIONER DUFF: -- what those
9 dollars are --

10 L. HEUFF: Yes.

11 PRESIDING COMMISSIONER DUFF: -- as settled?

12 Thank you.

13 And then going on to the next part, I -- so
14 there's system access growth that's being covered by
15 this variance account, and it's related to those
16 plant relocations and expansion, and then there's
17 system service. So there's only those two investment
18 categories, and it's items within those investment
19 categories that are isolated for this DVA; is that
20 correct?

21 L. HEUFF: That's correct.

22 PRESIDING COMMISSIONER DUFF: And is it clear to
23 everybody in the system service investments those --
24 that will be subject to this DVA?

25 L. HEUFF: Yes. Yes. There's one specific
26 program entitled "Capacity Upgrades" which is
27 outlined within the system service overall investment
28 category. It is those investments related to that

1 specific program.

2 PRESIDING COMMISSIONER DUFF: Perfect.

3 I need you to explain the 15 percent dead band,
4 and perhaps it's because there's a lot of commas in
5 this description, and I didn't know what the
6 15 percent really applied to. So could you explain
7 the 15 percent, given what you just told me about
8 those investments specific in the evidence already?

9 L. HEUFF: Yes. So the overall 15 percent is
10 the -- it's a symmetrical application, so if the
11 expenditures exceed 15 percent in any direction, when
12 you do the summation of all of these individual
13 programs within the investment category, then the
14 dead band -- so if we exceed the dead band, then the
15 variance account would apply.

16 PRESIDING COMMISSIONER DUFF: Let me ask the
17 question a different way, and we will see if we are
18 on the same page.

19 Your plant relocation and upgrade category, you
20 know what that dollar amount is. If it's 15 percent
21 higher or lower, then you can make an entry to this,
22 or do you need the system access variance and the
23 system service variance to together exceed
24 15 percent? Or do you need your entire -- like, I
25 don't know exactly where it applies.

26 A. BARRIE: It's the entire variance account, so
27 it's not the individual components but the output of
28 the cumulative nature of it.

1 L. HEUFF: So each program summated together
2 would have to exceed 15 percent in aggregate, not any
3 one individual program on its own.

4 PRESIDING COMMISSIONER DUFF: Okay. And it's
5 specific just to these, though?

6 L. HEUFF: It is specific just to these.

7 PRESIDING COMMISSIONER DUFF: Thank you. Okay.
8 So that's objective to everyone but me. Okay. Fair
9 enough. Thank you.

10 The -- you have dollars associated with these
11 specific investments that are captured by this DVA.
12 How will you isolate growth-related variances versus
13 inflation-related variances, or do you?

14 L. HEUFF: We do not. This entire category is
15 driven by growth for the most part. So as inflation
16 has been built in, in the manner that Ms. Collier has
17 identified previously, it is set for the five years,
18 and regardless if inflation moves around, those are
19 the dollars that we have associated for inflation;
20 however, I can appreciate what it is that you're
21 identifying. And --

22 PRESIDING COMMISSIONER DUFF: Yeah.

23 L. HEUFF: -- we don't necessarily have a way of
24 tracking or understanding. We do just recognize that
25 these categories themselves are substantially driven
26 by volume and the overall demand on the system, and
27 so this account is intended to capture those large
28 swings that can happen from a volume perspective.

1 PRESIDING COMMISSIONER DUFF: I appreciate that.
2 You had to label the account something, and the
3 primary driver for the account is growth; is that
4 what I hear you saying?

5 L. HEUFF: Correct.

6 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

7 I would like to move on to the cost of capital
8 for a moment.

9 So the settled amount of capital expenditures
10 for the five years is a billion dollars, but yet you
11 have chosen to fix your cost of capital inputs for
12 the five years. I just wanted to understand. You
13 did that in your application, and it also was
14 consistent through to the settlement.

15 Why did Hydro Ottawa propose to fix those rates?
16 I mean, are you not exposing yourself to some risks
17 with respect to financing activities?

18 A. BARRIE: We are exposing ourself to risk, but
19 similar to, again, when we compare what you -- the
20 outcomes of a cost of service rebasing versus a
21 custom, if we had done just a cost of service
22 rebasing, we would also be exposing ourselves to
23 those changes of capital structure. So as a result,
24 we thought it was reasonable to still maintain that
25 risk through our custom application.

26 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

27 And if borrowing rates increase, that is
28 something that you are going to have to manage?

1 You -- I guess that was a question.

2 A. BARRIE: Yes, that is something we will have
3 to manage.

4 PRESIDING COMMISSIONER DUFF: Yes.

5 There is one promissory note in a footnote
6 issuance in 2026. Did you have other debt that
7 you're envisioning over the next five years that you
8 are going to need to issue? I don't know -- I
9 thought maybe -- I didn't really look through the
10 details of Appendix 6. Perhaps that information is
11 there.

12 A. BARRIE: We only supplied the 2026 in terms
13 of looking out. It's -- on the record, the only item
14 is the 2026 capital increases.

15 PRESIDING COMMISSIONER DUFF: Because that's
16 what you can speak to today?

17 A. BARRIE: Yeah.

18 PRESIDING COMMISSIONER DUFF: That's what you
19 know. Okay. Fair enough.

20 I would like to change topics slightly and talk
21 about revenue requirements. I am trying to find the
22 best reference for this. Table 6. And that was a
23 lot of information you gave me in the opening
24 adjustment, so I am not too sure I caught the changes
25 that you are -- need to be made.

26 My first question -- so please make the
27 correction as we are talking.

28 The first row, the total capital related revenue

1 requirement, I wasn't too sure where that came from.
2 Where does -- so, for instance, in 2026, where does
3 the 163,787 come from?

4 A. BARRIE: So let me just get the table number.

5 PRESIDING COMMISSIONER DUFF: Does it relate
6 directly to Table Number 2?

7 A. BARRIE: Yeah, I was going to say I think
8 it's Table 2, if we can go up to Table 2. So when we
9 look at the capital-related revenue requirement, so
10 it's the return on rate base, distribution expenses,
11 and taxes, so PILs and -- sorry -- and amortization,
12 if I didn't say that.

13 So basically, it doesn't include OM&A.

14 PRESIDING COMMISSIONER DUFF: Oh, so --

15 A. BARRIE: Which includes property taxes for
16 the purposes of this. So if you look at the filing
17 requirements, property taxes is kind of a unique
18 thing. It's not quite OM&A. It's not quite capital.
19 But property taxes is not included in the capital-
20 related revenue requirement for these purposes.

21 PRESIDING COMMISSIONER DUFF: So it's the first
22 one -- so if we are looking at settled 2026 column --

23 A. BARRIE: Correct.

24 PRESIDING COMMISSIONER DUFF: -- it's the return
25 on rate base of the 90 million, and it's the
26 depreciation and amortization of the 65 million; is
27 that what you're saying?

28 A. BARRIE: Correct.

1 PRESIDING COMMISSIONER DUFF: Plus property
2 taxes?

3 A. BARRIE: No. Plus PILs, so the 7.6.

4 PRESIDING COMMISSIONER DUFF: Got it. Thank
5 you. I understand.

6 And that -- in table -- sorry to the person
7 showing the stuff on the screen. If we can go back
8 to Table 6.

9 As I understand, is this row fixed for five
10 years, or is it subject to change, this row?

11 A. BARRIE: It will be subject to change related
12 to the working capital amount that's billed in the
13 return on rate base.

14 PRESIDING COMMISSIONER DUFF: Only?

15 A. BARRIE: Only.

16 PRESIDING COMMISSIONER DUFF: Okay. Great.

17 You use the phrase "capital-related revenue
18 requirement," and you just took me to Table 2, which
19 has one revenue requirement.

20 Are there two revenue requirements? What are
21 you calling the second one? Like, does that question
22 even make sense to you? I mean, there is one revenue
23 requirement. It's additive. It will have this
24 capital-related component, but then there's the other
25 remaining sections. Is there anything that that's
26 called?

27 A. BARRIE: So it's called service revenue
28 requirement.

1 PRESIDING COMMISSIONER DUFF: Okay.

2 A. BARRIE: And then there is also revenue
3 requirement related to rates. So you take your
4 service revenue, you minus your other revenue, to get
5 revenue related -- revenue requirement related to
6 rates.

7 PRESIDING COMMISSIONER DUFF: Can you repeat
8 what you just said.

9 A. BARRIE: So you take your service revenue
10 requirement, which would include your OM&A and your
11 capital-related revenue requirement, then you -- for
12 our purposes because we have the capital stretch
13 factors, so then you would reduce that, and so then
14 we will have a revenue requirement -- a service
15 revenue requirement minus the stretch factor. Then
16 you remove other revenue, so your other sources of
17 income, which gets you to your revenue requirement
18 related for rates, and that's the revenue requirement
19 you use in order to get your class level rates.

20 PRESIDING COMMISSIONER DUFF: I am just trying
21 to catch up with the terminology -- sorry -- and
22 maybe that's obvious to you.

23 The very first number, though, the revenue
24 requirement includes OM&A and capital. I hear you
25 saying that that's actually two revenue requirements,
26 though. Is that -- maybe I have misunderstood.
27 Because I am looking at Table 6, and it says "total
28 capital-related revenue requirement."

1 A. BARRIE: So typically, like, if you're
2 looking at the filing requirements --

3 PRESIDING COMMISSIONER DUFF: Yes.

4 A. BARRIE: -- you are not going to see the term
5 so much. I don't think it's specifically in there,
6 "capital-related revenue requirement," but it is
7 those items within the revenue requirement that are
8 driven by capital.

9 PRESIDING COMMISSIONER DUFF: Yeah, no, and I
10 appreciate you are -- you're customizing something in
11 this custom IR. No, you're customizing it to meet
12 the needs of your utility but also what was settled.
13 And it's this phrase, I am not going to make that
14 much big of a deal about it, but I just wanted to
15 make sure I really understood what it was. And so
16 thank you for telling me. It's three components from
17 Table 2?

18 A. BARRIE: Yeah, and that's why I mention
19 property taxes, because within the filing
20 requirements, property taxes is specifically
21 mentioned not to be an OM&A item, but most utilities
22 treat it more like an OM&A item.

23 PRESIDING COMMISSIONER DUFF: Fair enough.
24 Okay. Thank you.

25 And on this Table 6, one more question at least.
26 In the bottom right, the cumulative annual reduction
27 is this \$13 million, 13 million, 365.

28 Could you describe in words what this incents

1 for Hydro Ottawa? Like, this is a revenue
2 requirement number. It's not a capital number. It's
3 a revenue requirement number. What activities are
4 you going to undertake to meet that 13 million?

5 A. BARRIE: So in order to achieve this, we are
6 going to have to look at a number of elements, so we
7 are going to have to look at -- and I think Hydro
8 Ottawa, just to be clear, on a regular basis, we are
9 always looking for productivities and efficiencies in
10 order to make the processes that we work with on a
11 regular basis better and bring cost reductions to our
12 customers and better affordability.

13 So what this particular item does is put more
14 focus on that and puts an incentive for Hydro Ottawa
15 to continue to do that at -- maybe at a higher pace
16 so that we will be able to bring -- especially
17 through electrification and growth, that we -- we
18 ensure that we are bringing savings back to our
19 customers.

20 PRESIDING COMMISSIONER DUFF: I will phrase it a
21 different way.

22 Are you looking to do the same projects at less
23 cost? Is that the incentive or reducing the projects
24 that you'll deliver?

25 A. BARRIE: So we are looking to do the same
26 projects at less cost.

27 So I think a good example, for instance, in our
28 evidence is one related to poles. And so Hydro

1 Ottawa put a lot of evidence forward in terms of how
2 we reduce the cost of poles, and so it's initiatives
3 like that. So you're still trying to ensure that
4 you're replacing the same number of poles. You are
5 just doing it at less of a cost.

6 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

7 Is there any other examples that you wanted to
8 give that you think are significant? It just helps
9 provide some --

10 L. HEUFF: The predominant one on the record is
11 the one related to the pole renewal program. Very
12 much it's -- we use the pole renewal program as an
13 illustrative example because it is a program where
14 it's very much like a manufacturing line where it's
15 very repeatable and producible. But what it really
16 fundamentally is pointing towards is our labour
17 efficiencies within the workforce and ensuring that
18 we are executing the work programs in the most
19 efficient manner whenever we are doing all of our
20 capital programs in order to achieve labour
21 efficiencies essentially.

22 PRESIDING COMMISSIONER DUFF: One of your
23 largest capital programs is the smart meter
24 replacement, so will there be efficiencies
25 investigated in that capital program too, or is that
26 pretty much set right now?

27 L. HEUFF: No. Absolutely we are always looking
28 at ways of doing things in a more efficient manner.

1 We undertake mapping of processes, so identifying how
2 are we doing things right now, where are there
3 potential areas of waste, how can we do things more
4 efficient moving forward. We also look at materials
5 sourcing, areas where we can look at savings from a
6 materials perspective, and also from a contract
7 labour perspective through strategic RFPs to look for
8 ways of finding savings or efficiencies in the
9 overall deployment.

10 PRESIDING COMMISSIONER DUFF: Fair enough.
11 Thank you. I am going to change topics slightly.
12 Let's move on to the annual rate applications.

13 I saw attachments 17 to 21. I thought that was
14 a unique aspect of the settlement. And from my
15 perspective, what you've done is, through the
16 settlement, have now filed with the OEB the revenue
17 requirement calculations in detail, and you have a
18 worksheet that talks about just the data inputs yet
19 to be made; is that correct? Is that a good
20 characterization?

21 A. BARRIE: Correct. And so those will be
22 updated annually.

23 PRESIDING COMMISSIONER DUFF: And that -- to me,
24 I think it provides certainty to the OEB of what will
25 be in the annual application. I assume that's going
26 to be the foundation of your application?

27 A. BARRIE: That's correct.

28 PRESIDING COMMISSIONER DUFF: And it wasn't

1 clear in the worksheet for data inputs exactly what
2 was changing, but in your presentation this morning,
3 you talked about the inflation factor, which will
4 update, OM&A, which updates working capital, and I
5 believe it also updates other revenue.

6 A. BARRIE: Correct.

7 PRESIDING COMMISSIONER DUFF: Right.

8 And then so there's - that page is really all
9 that needs to be updated, certain factors within that
10 worksheet?

11 A. BARRIE: And then -- so the ones -- because
12 there are annual ones, the load forecast and
13 everything is already in there. But those will have
14 to flow through the cost allocation model as well,
15 and so the tab related to cost allocation will also
16 be updated.

17 PRESIDING COMMISSIONER DUFF: But it flows from
18 those inputs? It's clear what the inputs are?

19 A. BARRIE: So the inputs for revenue
20 requirement are on the data page, but the inputs for
21 the change related to costs of capital -- or, sorry,
22 related to cost allocation is on a different tab.

23 PRESIDING COMMISSIONER DUFF: And where I am
24 going with this is -- and you will file your annual
25 application. Is it your expectation that this is a
26 fairly mechanistic exercise so that everyone will be
27 very clear what's to be updated, what's not to be
28 updated, and perhaps this could be decided by a

1 delegated authority at the OEB? Have you put your
2 mind to that?

3 A. BARRIE: Yeah. We -- it's very similar --
4 actually, it probably has less updates than our last
5 custom application in which it was decided on a
6 delegated authority, those ones.

7 And in terms of the structure as well, we put a
8 lot of effort into the first year we write it, so in
9 this term, the 2027, to make sure we make those ties
10 to the evidence. And that even then, annually, there
11 is just small amounts that need to change, for
12 instance, annual -- the inflation rate and stuff like
13 that, so that it is easy to go from what's been
14 decided from at the settlement agreement through the
15 models that have already been prepared.

16 PRESIDING COMMISSIONER DUFF: And the cost
17 allocation and rate design aspect, that has already
18 been filled in. I just want to make sure I
19 understand what you're saying.

20 So the cost -- if the OEB were to change, I
21 don't know, some of its cost allocation, I don't
22 know, worksheets that we are applying in other -- for
23 other utilities, would that affect Hydro Ottawa?

24 A. BARRIE: So Hydro -- if they made, like, an
25 update to a small error or something like that,
26 something that's not really material, that wouldn't.
27 If they made a policy change, it would be dependent
28 on how they instructed utilities to implement that

1 policy change.

2 PRESIDING COMMISSIONER DUFF: Okay. So the cost
3 allocation that is reflected in those appendices
4 right now, attachments, they reflect OEB policy
5 today?

6 A. BARRIE: Correct.

7 PRESIDING COMMISSIONER DUFF: Obviously you
8 don't have a crystal ball, but if that were to change
9 materially, is there anywhere in the settlement that
10 tells me that you would or would not update those?

11 A. BARRIE: No. Typically with significant
12 policy changes, those are decided at the time of the
13 policy change whether or not it's something that all
14 utilities need to do something immediately or if they
15 need to do something in the future.

16 An example of one would be something like the
17 pole attachment rate when that changed generically in
18 order to manage that the OEB set a deferral and
19 variance account to collect the additional revenue
20 that -- or less revenue that utilities were charging.
21 So their rates didn't change for the period, but they
22 came back and gave or recovered rates later.

23 PRESIDING COMMISSIONER DUFF: That's a very good
24 consideration to keep in mind for the OEB.

25 One more question on this, Table 12 in the
26 settlement. And maybe it's just the title that made
27 me stop and think.

28 It's called "Settled Rate Base". To me -- you

1 haven't settled rate base for 2020 -- 2030 here. You
2 have settled it -- I mean, when you come to your next
3 rates rebasing application, it's open to decide what
4 opening rate base will be. It hasn't been settled
5 via this settlement agreement; right?

6 A. BARRIE: So what has been settled is what is
7 implemented in rates. So as of rates for 2030, these
8 amounts will be made. If our -- if what we spend
9 over the period is greater than that or less than
10 that, that will be subject to opening rate base in a
11 future rate application.

12 PRESIDING COMMISSIONER DUFF: Stated another
13 way, I look at this -- and you can tell me if I my
14 characterization is wrong. I look at this as a tool
15 you are using, it's like an off-page calculation in
16 order to set your revenue requirement for the five
17 years. But the next custom -- the next application
18 that you have for rebasing, it's open to, okay, now
19 what projects did you do? Is there a prudence review
20 on the dollars that were spent? The standard things
21 that we would look at in a rebasing application still
22 will apply despite this Table 12?

23 A. BARRIE: That's correct. This is for the
24 purpose of setting rates.

25 And even just as a reminder, with settled rates,
26 the working capital component of it will adjust, so
27 that's not the exact number that will be used in
28 2030. The average fixed assets amount is, but the

1 working capital allowance will be adjusted.

2 PRESIDING COMMISSIONER DUFF: And as far as your
3 annual rate applications, the other major component,
4 I would assume, is the group 1 DVA dispositions; is
5 that correct?

6 A. BARRIE: In the annual, yes. As well as we
7 update things like generic -- more generic rates. So
8 we will adjust for transmission, if there's any
9 wholesale change, pole attachment, retail service
10 charges, those kind of things get updated annually as
11 well.

12 PRESIDING COMMISSIONER DUFF: Would there be any
13 group 2s that you would anticipate, or has that been
14 implicitly settled out of this proposal?

15 A. BARRIE: We said that we would do that, so --
16 per typical OEB standards, so it's not typical for
17 group 2 to be cleared during -- between rebasing
18 applications.

19 PRESIDING COMMISSIONER DUFF: Yeah. Okay.
20 Thank you.

21 I just wanted to go to section H of the
22 settlement, the studies, reports, and other
23 commitments.

24 The first one, I did have a question. I am not
25 sure I understand what it's trying to tell me.

26 Perhaps -- I will just wait until we get to it.
27 It's on page -- the one talking about the City of
28 Ottawa. This one, yeah, general commitments.

1 In your own words, please tell me what this is
2 committing to.

3 A. BARRIE: So we are committing to ensure that,
4 one, through our planning process, that we continue
5 to be involved with the City of Ottawa and look at
6 their objectives and what their planning is and
7 ensuring that we are supportive and aligned.

8 Obviously, that's to a certain extent. We
9 don't -- we still have to put through our proper
10 planning and DSP and looking at timing of when assets
11 should be installed and items like that, but to
12 ensure that we are looking at climate goals, which we
13 are already as you can see through the DSP. But we
14 are also -- a major element, I would suggest, as part
15 of this is ensuring that we report back so that we
16 make sure that we are doing that, and then we provide
17 how we've done that over the rate term to ensure that
18 we are meeting the needs of our customers.

19 PRESIDING COMMISSIONER DUFF: Okay. Taking a
20 step back. Settlement proposals recently, just
21 outside of in addition to those of Hydro Ottawa, it's
22 been kind of OEB practice recently to -- where
23 there's commitments, that we kind of extract them
24 from the settlement and actually put it in the OEB
25 order. I don't know if you're aware of that. Is
26 that news to you? Have you seen that?

27 A. BARRIE: I am not sure quite the distinction
28 but in terms of --

1 PRESIDING COMMISSIONER DUFF: Well, let's talk
2 about it.

3 To address any kind of risk associated with a
4 settled item that is not fulfilled -- just being
5 devil's advocate, a commitment is not fulfilled.
6 Rather than it being an item in a settlement that was
7 approved by the OEB, the concept is to take the
8 commitment and make it part of the OEB order so that
9 I don't have to go back to the parties that were
10 originally in the settlement that was five years ago.
11 They may have changed.

12 And the practice recently that I have been
13 involved in is that we have been taking out the
14 commitments, because they were committed to, and
15 making -- and taking it up a notch, perhaps,
16 explaining that, that they are part of the OEB order
17 so that if they are not fulfilled, it is an issue
18 that you have perhaps with a commitment that you made
19 to the OEB. That has been the recent practice.

20 A. BARRIE: I would say that's how we have
21 approached that to begin with. Like, so I appreciate
22 that certainly is -- when you add it to the decision
23 and order, it is a little bit more visible and front
24 and centre and probably puts a little more emphasis
25 on it.

26 However, Hydro Ottawa's approach, certainly
27 through our last customs applications related to
28 commitments, we considered those approved by the OEB,

1 and so we did look at those as something that we had
2 to ensure that when we came back, we could speak to,
3 and that could become an issue if those commitments
4 had not been achieved.

5 PRESIDING COMMISSIONER DUFF: Okay. So I am
6 just going to ask you, these 16 commitments, if we
7 were to put this in an OEB order, would Hydro Ottawa
8 have any concerns?

9 A. BARRIE: No. Because we treat those the same
10 as mentioned in the last two, that these are items
11 that we have committed to, and had we not, we would
12 have expected intervenors to bring that up in our
13 following application.

14 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

15 I have one last area of questions before we get
16 to my other panel members. And this is a bit
17 holistic.

18 So taking a step back, you know, the panel's not
19 involved in the settlement conference for good
20 reason. We get this document, which is a combination
21 of factors.

22 When I read the document, I am thinking, wow,
23 okay, what are the things I picked out right away?
24 We are talking revenue cap, not price cap. I have
25 got a separation of OM&A from capital. I have got
26 DVAs that have been discontinued. I have got new
27 DVAs targeting growth that are asymmetrical. There
28 is a number of factors. I see commitments.

1 And that is enabled by having a custom IR, and
2 it's enabled by having a settled agreement. And they
3 are very different from the price cap option that we
4 offer all distributors. I mean, this is a choice,
5 you just decide to have a custom. That's my little
6 preamble.

7 This settlement, I know it's a package deal, but
8 is there -- if you look at Hydro Ottawa and your
9 challenges, your risks coming up in the next five
10 years, what are the most -- is there one important
11 element? Is it the price? Is it the revenue cap
12 that's more important to you? Do you think the
13 separation of the OM&A and the capital? Is there --
14 is there something that is -- you would consider just
15 absolutely necessary as you go into the next five
16 years?

17 A. BARRIE: I would put the emphasis on the five
18 year capital forecast. The growth that we are seeing
19 in the Hydro Ottawa distribution service territory is
20 large. When we look at our last rate application, we
21 had one station that would infer the five-year
22 period. This time, we have one station averaging
23 every year that needs to be energized.

24 So it's just fundamental that as part of this
25 process that we had a five-year capital forecast in
26 terms of ensuring that that is something that the
27 company just couldn't do without because of the
28 amount of growth that we are seeing over the next

1 five years.

2 PRESIDING COMMISSIONER DUFF: Thank you for
3 that.

4 And I have actually asked the same question to
5 other utilities that have had settlements that are on
6 a custom basis.

7 But in terms of electrification, which you're
8 seeing in your utility, if you could compare yourself
9 to other distributors, from what you are seeing
10 already, are you seeing signs of it and the pace that
11 is identifying it in Ontario, that there is some
12 unique aspects going on in Ottawa?

13 L. HEUFF: Yeah I would say being the National
14 Capital Region and very heavily federally influenced
15 has driven significant growth, probably further than
16 other jurisdictions.

17 From a federal perspective, the overall climate
18 targets are still high, and they have specific
19 objectives around using no natural gas from a heating
20 perspective, and so a lot of the initiatives that are
21 being undertaken by the federal lands, they are very
22 large loads that are coming on, and we are seeing
23 CFIA, PS -- so through PSPC, we have CFIA, NRCan, a
24 number of different institutions who are fuel
25 switching, as well as DND, and they are obviously
26 creating very large and significance loads.

27 As well as we have a very prominent high tech
28 sector. And as folks are aware, within the high tech

1 sector and data centres and -- it's not just data
2 centre growth, but just in general, the amount of
3 servers and growth in the high tech sector. The
4 Kanata North region is also seeing a substantial
5 amount of growth within our region.

6 So I would say we are seeing a fast pace of
7 electrification and the impact of that probably more
8 than some of the other areas within the province.

9 PRESIDING COMMISSIONER DUFF: That is very
10 helpful.

11 And you are seeing it already? It's not just in
12 planning documents, you are seeing evidence of it?
13 That is what I am also trying to get to understand a
14 bit better.

15 L. HEUFF: Yes, we are. So we are -- seeing as
16 we have our -- the E-bus project and the City of
17 Ottawa is switching to electrified fleet, we have a
18 large campus that's currently -- we are constructing
19 the connection for -- with the DND facilities, which
20 is the very large load that is also coming on. We
21 have others that are very close to connection
22 agreements that are not quite done, but they have
23 been under the works for a couple of years now, that
24 are substantial.

25 We have seen the -- we didn't have essentially
26 any five MVA or greater load requests coming in prior
27 to 2020. We are now seeing a substantial -- and
28 there's a figure I could point you to where you can

1 see just how many connection requests are coming in
2 for these very large loads that are substantially
3 driven by electrification.

4 PRESIDING COMMISSIONER DUFF: Okay. Thank you
5 very much. That's helpful.

6 Those are my questions for now. Commissioner
7 David Sword has a few to ask.

8 COMMISSIONER SWORD: Thank you for being here.
9 This question has been, I think, asked and answered
10 in part, but I will just put it to you directly in
11 terms of that.

12 OEB Staff put a submission on the settlement
13 agreement on that, and just drawing your attention on
14 that on page number 10. In the OEB Staff's
15 submission, they indicated the system -- the
16 distribution system plan. Almost 20 percent -- some
17 17 percent of the expenditures have been taken away.
18 OEB Staff suggested this would present challenges for
19 Hydro Ottawa on your next cost-based application. Do
20 you think this will be a challenge and why or why
21 not? Can you please explain. Yeah, it's page
22 number 10. The OEB Staff submission might be the
23 third paragraph together.

24 D. COBAN: Just a moment while we get them
25 loaded up onto the screen.

26 COMMISSIONER SWORD: I understand.

27 D. COBAN: Thank you for your patience.

28 COMMISSIONER SWORD: While that's being drawn

1 up, I can ask another question on that.

2 I appreciate the explanation that you gave about
3 what's working in Ottawa and the presence of the
4 Government of Canada on that.

5 You indicated that there had been, in your
6 studies and reports and other commitments in general
7 on that, a relationship that -- what electricity was
8 going to perform into the future.

9 There is integrated energy plan discussions
10 taking place within Ontario and gas electric
11 interface. How do you think that may feature in
12 terms of when you're up for next rebasing? What
13 might you see, or what were you thinking about in
14 terms of gas electric interface?

15 L. HEUFF: So our -- the studies that we did
16 undertake, in all cases, we did contemplate gas
17 remaining in the system, as the ones that we actually
18 put forward does actually have a contemplation for
19 some residual gas that will continue to exist;
20 namely, we do call out dual fuel.

21 So we have taken a look at a number of different
22 levels of electrification. Obviously, from a
23 prudence perspective as well, we have looked at full
24 electrification scenario where we do meet the 2030
25 targets, which are in place by both the federal and
26 our -- City of Ottawa.

27 And then we've also looked at areas where
28 electrification pace significantly reduces, and there

1 is substantially more gas in the system. And then a
2 number of scenarios in between the pace that we did
3 align our long-term views with has a mix of both gas
4 and electricity within it and are both -- we believe
5 we have selected a path that allows us to slow down
6 on overall growth, if required, or speed up.

7 Now, I do note that's from a long-term future
8 view for the next five years. We already are very
9 well aware of the demands that are coming in, and we
10 are building for the loads that are in front of us
11 right now and the load requests that I was describing
12 previously.

13 COMMISSIONER SWORD: Fair enough. Thank you.

14 I think the exhibit is up online, and so I will
15 just repeat the question just to refresh, if that's
16 okay.

17 Some 17 percent of the expenditures of the plan
18 are now -- are taken away on that. OEB Staff
19 suggested this would present challenges for Hydro
20 Ottawa at your next cost-based application. Do you
21 think this will be a challenge? Why or why not? And
22 can you please explain.

23 L. HEUFF: So we do -- Hydro Ottawa employs a
24 very specific capital variance tracking program, and
25 so we do maintain a very comprehensive compendium of
26 why decisionmaking -- like, the decisions that are
27 made in terms of why we made the adjustments.

28 And so what we will undertake is to take the

1 initial DSP as it was submitted. We will be doing
2 the updates to it once we settle on the final plan.
3 And as we were discussing previously, we will be
4 tracking how we do against that plan. Any variances
5 would be tracked and explained, and we will maintain
6 record of them so that we are able to explain them in
7 the next rebasing.

8 So as much as it will be challenging, it will be
9 requiring substantial recordkeeping, and we did
10 successfully do that from the '21 to '25 period as
11 well, and we were able to comprehensively explain the
12 variance.

13 COMMISSIONER SWORD: Thank you.

14 This is more of a specific detailed question,
15 and I think it will fall to you because it's
16 operations. You talked about seeking increases in
17 productivity, and I realize the labour component of
18 operations is a significant cost factor on that. It
19 says productive time on one of your charts is set at
20 72.5 percent. It was on page 8 of your presentation.
21 Forgive me for not -- refresh my memory. What is
22 sort of the industry norm for labour productivity?

23 L. HEUFF: So I don't have that specific
24 reference. What I can describe is what that
25 productivity is actually calculating.

26 So the 72 percent number is essentially the
27 number of hours that are available for our staff to
28 charge to work orders.

1 So things that are unproductive or that we
2 qualify or classify are unproductive are vacation,
3 sick leave, training, employee events, staff
4 holidays, statutory holidays, those types of hours
5 that are -- they are not available to be charging to
6 work time. And so that's what's making up the
7 difference of the 72 percent.

8 COMMISSIONER SWORD: Yeah, out in the field
9 doing things.

10 L. HEUFF: Out in the field. 72 percent of the
11 time, they are out in the field doing things. They
12 are not on bereavement, sick leave, vacation, stat
13 holidays, those types of things.

14 COMMISSIONER SWORD: Do operational staff take
15 your vehicle home and start in the morning fresh from
16 their home base, or do they go into the office from
17 their home to the Hydro One headquarters and begin
18 their day there?

19 L. HEUFF: So they come into the headquarters.
20 All staff reports to the headquarters, and they meet,
21 and they have -- all staff has a morning meeting to
22 discuss the plans of the day, ensure everybody is
23 aligned, safety briefs, and those sorts of things.

24 COMMISSIONER SWORD: Okay. Thank you.

25 Those were my questions.

26 PRESIDING COMMISSIONER DUFF: Okay. Great.

27 All right. Those are the questions right now
28 for now. In the schedule, there is a 15-minute

1 break. We would like to take that, so we will
2 readjourn at, what, 11:15. Okay.

3 --- Upon recess at 10:57 a.m.

4 --- Upon resuming at 11:16 a.m.

5 PRESIDING COMMISSIONER DUFF: Thank you very
6 much.

7 The Panel is going to issue or provide an oral
8 decision. So the OEB approves the settlement
9 proposal, and we appreciate that it is subject to the
10 filing of the update that you talked about this
11 morning.

12 Is there any dates on which you were thinking
13 the update would be filed?

14 D. COBAN: Maybe you could just give me over the
15 break, the lunch hour break, to just confirm that
16 timeline for you. I do need to consult with the
17 intervenors if I have time to get their approvals for
18 those changes.

19 PRESIDING COMMISSIONER DUFF: The only concern
20 would be in the next three days during the oral phase
21 of the hearing. Okay. Thank you. No, I am just
22 saying in the sense that we are approving the
23 settlement proposal, but we haven't seen the final
24 document. There is some risk there that we would
25 like to avoid.

26 In doing so, the Board considered OEB Staff's
27 submission that supported approval of the settlement,
28 and we found that helpful.

1 We agree that the elements covered by the
2 settlement result in just and reasonable rates, and
3 we also considered the evidence sufficient. There
4 was the -- there were the evidence references in the
5 settlement. There was the presentation filed on
6 Monday. It's Exhibit K1.1. There were the responses
7 provided today in this -- that will be documented on
8 the transcript.

9 The OEB -- aside from issuing this oral
10 decision, the OEB anticipates issuing one written
11 decision to address all issues eventually regarding
12 the application and dealing with all issues in the
13 proceeding.

14 Are there any questions on what I just said?
15 Fair enough.

16 We would like to -- the Panel -- I hate saying,
17 "the OEB." This Panel would really like to extend
18 our thank you to Hydro Ottawa. We were just saying
19 in the breakout room how important it is to have an
20 oral proceeding. We value your attendance here in
21 person.

22 I know Toronto in January isn't the best travel
23 destination. But, no, we really appreciate the quick
24 responses, how prepared you were, you were responsive
25 to our questions, and just the dialogue that it
26 enables by all being in the same room, so thank you
27 very much. I know there is personal sacrifices in
28 having to travel.

1 We would also really like to thank all the
2 parties to the settlement. I mean, the settlement
3 conference, I think, we scheduled five days. It
4 ended up being two months, lots of work involved.
5 The attention to detail was impressive and
6 comprehensive, the settlement, seeing many new
7 elements, especially the attachments with the
8 individual years and the revenue requirement. I
9 thought -- we all thought that was going to be very
10 helpful in the annual applications that will follow.

11 Anyhow, this concludes the presentation of the
12 settlement today. This afternoon, we will start the
13 oral hearing on the unsettled issues. And the
14 benefit of having this oral decision right now, it
15 clarifies for all parties what those unsettled issues
16 are and what we will hear. And that's it, so we will
17 break until 1:00 p.m. Thank you very much.

18 --- Upon recess at 11:19 a.m.

19 --- Upon resuming at 1:07 p.m.

20 PRESIDING COMMISSIONER DUFF: Please be seated.
21 Just give us a moment.

22 Good afternoon, everyone. Today we are here to
23 start the oral hearing on certain unsettled issues in
24 the Hydro Ottawa custom IR application proceeding.

25 For those of you that weren't here this morning,
26 the OEB approved orally the settlement proposal that
27 was filed on the understanding that it will be
28 updated later on this week with certain corrections

1 that are minor in nature.

2 But the purpose of approving the settlement this
3 morning was so that the unsettled issues are defined
4 and then becomes the topics in which we will discuss
5 at the oral hearing.

6 On that note, I notice a few people here that
7 were not here this morning, so I will take
8 appearances of those in the room that were not here
9 this morning.

10 Mr. Elson.

11 APPEARANCES

12 K. ELSON: Good afternoon. Kent Elson for
13 Environmental Defence.

14 PRESIDING COMMISSIONER DUFF: Thank you.

15 T. LADANYI: Good afternoon. Tom Ladanyi here
16 for the Coalition of Concerned Manufacturers and
17 Businesses of Canada and for the Energy Probe
18 Research Foundation.

19 (Reporter appeals)

20 So my name is Tom Ladanyi. I am consultant for
21 Energy Probe Research Foundation and for the
22 Coalition of Concerned Manufacturers and Businesses
23 of Canada.

24 PRESIDING COMMISSIONER DUFF: Thank you, Mr.
25 Ladanyi.

26 Mr. Li.

27 C. LI: Hi. Clement Li. I am here representing
28 BOMA or Building Owners and Managers Association of

1 Ottawa.

2 PRESIDING COMMISSIONER DUFF: Thank you very
3 much. Anyone else? Anyone else online that was not
4 here this morning?

5 D. COBAN: Madam Chair, I have my associate with
6 me here today, Ms. Meghan Holloway, counsel at Torys.

7 PRESIDING COMMISSIONER DUFF: Okay.

8 D. COBAN: Thank you.

9 PRESIDING COMMISSIONER DUFF: Welcome.

10 At this point, Ms. Coban, would you perhaps
11 introduce your witness panel.

12 D. COBAN: Certainly. Thank you so much. I
13 would like to present to you the Hydro Ottawa witness
14 panel that we have here today. Starting from the
15 left on the first row, we have Ms. Angela Collier,
16 who is the chief financial officer. Next to her is
17 Ms. Laurie Heuff, vice president distribution system
18 planning and asset management. Next to her is
19 Ms. April Barrie, director of regulatory affairs.

20 In the second row starting on the left side, we
21 have Mr. Andrew Willis, who is the director of IT
22 enterprise applications. And next to him is
23 Mr. Trevor Freeman, who is the manager of commercial
24 accounts and program delivery at Hydro Ottawa.

25 And, Madam Chair, may I ask that you affirm the
26 witnesses?

27 PRESIDING COMMISSIONER DUFF: Please.

28 Commissioner Sword will do that.

1 **AFFIRMED: ANGELA COLLIER, LAURIE HEUFF, APRIL**
2 **BARRIE, ANDREW WILLIS, TREVOR FREEMAN.**

3 PRESIDING COMMISSIONER DUFF: Ms. Coban, do you
4 have any direct?

5 D. COBAN: Yes. Just a very brief direct, if
6 you will indulge me.

7 I am just going to ask the witnesses to speak to
8 their areas of responsibility on this Panel and give
9 us all just a general understanding of which parts of
10 the evidence.

11 So starting with you, Ms. Collier, what is your
12 area of responsibility in respect of this Panel?

13 A. COLLIER: I will be speaking to the finance
14 supply chain, fleet and facilities, HR, safety, and
15 business continuity programs as well as compensation,
16 parts of workforce planning, and other accounting
17 matters.

18 D. COBAN: And next to you, Ms. Heuff, what is
19 your area of responsibility?

20 L. HEUFF: My area of responsibility will be the
21 system O&M programs, which are specifically
22 engineering and design system ops and 24/7 vegetation
23 management, underground locates, distribution
24 support, distribution overhead and underground
25 maintenance, stations maintenance, testing inspection
26 and maintenance, metering, minor maintenance.

27 A. BARRIE: April Barrie. I will be looking
28 after the SLAs, corporate governance, regulatory

1 costs including one-time costs, and support for
2 benchmarking and productivity.

3 A. WILLIS: Andrew Willis, representing the IT
4 portfolio, and my areas are applications,
5 infrastructure, and cybersecurity.

6 T. FREEMAN: Trevor Freeman. I will be speaking
7 about customer engagements and all of our customer
8 programming including collections, billing, and
9 customer and community relations as well as customer
10 engagement on this rate application.

11 D. COBAN: And I am just going to ask this
12 question to all of the witnesses, but if I can get
13 each of you to confirm, do you adopt the prefiled
14 evidence as well as the interrogatories, undertaking
15 responses, and any updates to the evidence that have
16 been filed in respect of this proceeding? Do you
17 adopt that as your evidence in this proceeding?

18 A. COLLIER: I do.

19 L. HEUFF: I confirm.

20 A. BARRIE: I do.

21 A. WILLIS: I confirm.

22 T. FREEMAN: I do.

23 **PRELIMINARY MATTERS**

24 PRESIDING COMMISSIONER DUFF: Thank you very
25 much.

26 Are there any preliminary matters before we
27 begin the cross-examination today? Anybody in the
28 room?

1 D. COBAN: I did just want to raise, so you are
2 not caught off guard, that when we will introduce
3 SEC's compendium, there is an objection we want to
4 note to materials that have been included in the
5 compendium. So just flagging that so you have a
6 heads-up that we would like to raise that issue when
7 we mark the exhibit.

8 PRESIDING COMMISSIONER DUFF: Okay. Duly noted.
9 All right, well --

10 D. COBAN: And we do have a brief opening
11 statement for you today.

12 PRESIDING COMMISSIONER DUFF: In the schedule,
13 it mentioned Hydro Ottawa opening statement, so I
14 didn't know if that was distinct from your direct.
15 So please proceed.

16 D. COBAN: Yes. So Ms. Collier will provide
17 brief opening remarks. We filed a presentation slide
18 just to serve as a backdrop for her remarks. If we
19 could get that marked as an exhibit, that would be
20 helpful. Mr. Millar?

21 M. MILLAR: Yes. We are at K1.2.

22 D. COBAN: Thank you.

23 **EXHIBIT K1.2: HYDRO OTTAWA PRESENTATION SLIDE**
24 **OPENING REMARKS - HYDRO OTTAWA**

25 A. COLLIER: Thank you, Ms. Coban.

26 Good afternoon, Madam Chair, commissioners,
27 and everyone attending today. Thank you for taking
28 the time to consider the unsettled aspects of our '26

1 to 2030 rate application. Before we move into the
2 examination of the unsettled issues, I want to
3 provide a few baseline remarks regarding our 2026
4 OM&A program.

5 Since our last application, which was largely
6 developed in 2018, Hydro Ottawa has navigated a
7 series of unprecedented and compounding challenges
8 that have fundamentally altered our cost structure.
9 As a result, during this rate period, we find
10 ourselves in a vastly different operational context
11 than we planned for when the '21 to '25 application
12 was adjudicated.

13 First, the COVID-19 pandemic. As detailed in
14 Schedule 1.2.4, our 2021 actuals, the starting point
15 for this proceeding are significantly skewed by the
16 pandemic. Global restrictions and safety measures
17 during that time led to the deferral of significant
18 work and artificially depressed spending levels.

19 Comparing our 2026 requirements to these
20 pandemic-affected 2021 figures is not a fair
21 comparison. It ignores the reality of a utility
22 resuming normal operations after the pandemic.

23 Second, inflationary pressures. During the
24 current rate period, we have been operating in the
25 highest inflationary environment in four decades. As
26 noted in Schedule 1.2.5, we are seeing double digit
27 increases in specialized contracted services,
28 specifically in vegetation management, underground

1 locates, and significant escalations in technology-
2 related costs.

3 Thirdly, climate change and extreme weather. In
4 2022, Ottawa received more weather alerts than any
5 other major city in Canada. This is part of a
6 concerning trend of increasing volatility in our
7 local climate. Over the past seven years, Ottawa has
8 consistently ranked among the top four major Canadian
9 cities for weather alerts. A stark contrast to our
10 12th place ranking in 2015.

11 While the 2022 derecho stands as the most
12 devastating event in our history, it was part of a
13 relentless succession of extreme weather events
14 including catastrophic floods, tornados, ice storms,
15 and record breaking lightening strikes.

16 The impact of these events persist long after
17 the storm passes. Due to delayed mortality, trees
18 stressed by extreme winds can take years to fail,
19 creating an sustained increase in reactive work,
20 which we are seeing year over year in our vegetation
21 management program. Our customers have also have
22 become more vigilant, leading to a significant
23 increase in reports of encroaching vegetation.

24 To manage these volumes efficiently, we are
25 investing in technologies like satellite imagery to
26 provide us better data for planning and executing of
27 vegetation management program.

28 Lastly, and perhaps the most telling impact of

1 the challenges we faced, is our historic 84-day
2 strike in the fall of 2023. This was not merely a
3 dispute over compensation. It was a clear signal of
4 the immense pressure our people have been under in
5 recent years.

6 Since 2016, Hydro Ottawa has managed its OM&A
7 budget by holding a head count relatively flat
8 despite facing increasing volumes of work and
9 complexity. While we have successfully leveraged
10 productivity and efficiency to handle these volumes
11 without adding more people for a time, this led to
12 workload, health, and safety pressures that
13 ultimately became unsustainable.

14 The strike demonstrated that business continuity
15 and operational excellence require a deliberate
16 investment in our biggest asset, our people. To
17 double our capital program, our entire support system
18 must grow, from the engineers and designers who plan
19 the work, to the safety supervisors, technology,
20 cybersecurity, accounting, and regulatory experts who
21 monitor and enable the work behind the scenes.

22 Our 2026 hiring plan is both a reflection of
23 this expanded capital program and a necessary
24 stabilization of a workforce that is operated at bear
25 minimum levels for too long.

26 We are also navigating a critical demographic
27 shift with a younger workforce requiring more
28 structured training and supervision to ensure safe

1 operations in high risk environments. Ultimately,
2 our paramount objectives remains unchanged, ensuring
3 every employee returns home safely at the end of
4 every day.

5 Looking ahead to the next five years, it's
6 important to recognize that serving the nation's
7 capital brings a unique set of responsibilities and
8 risks. We manage a complex mix of customers
9 including critical federal campuses and international
10 embassies that require a heightened lens on
11 reliability and physical security.

12 Furthermore, powering the infrastructure of the
13 federal government and national institutions creates
14 a unique risk profile regarding cybersecurity. Our
15 investments in this area are a matter of both local
16 and national security.

17 This regional significance is coupled with
18 extraordinary growth. Our mandate has evolved from
19 managing load growth through green field development
20 and some infills to an accelerated build out to
21 accommodate electrification, housing, and industrial
22 development. To put this in perspective, in our last
23 rate application, we planned one new station. We are
24 now planning to energize one new station per year, a
25 pace previously unheard of for Hydro Ottawa.

26 A central theme of our 2026 OM&A requests is
27 investing in our workforce to safely execute the
28 capital plan we settled upon and deliver on our

1 objectives and priorities. We are requesting an
2 increase of 100 FTEs, roughly 16 percent, moving from
3 our last rebasing level in 2021 of 616 to 716.

4 During this same period, we are doubling our
5 capital program. Doubling the capital program with
6 only a 16 percent staff increase demands much higher
7 productivity and efficiency in planning and
8 execution. In this regard, it's also worth noting
9 that while we are adding these critical positions,
10 our compensation as a percentage of total OM&A is
11 declining from 61 percent in 2021 to 56 percent in
12 2026.

13 To be able to achieve this level of
14 productivity, we are continuing to invest heavily in
15 technology such as our enterprise asset management
16 and customer resource management platforms; however,
17 as a result of cloud computing technology
18 advancements, there has been a fundamental shift in
19 how these costs appear. With IFRS accounting
20 standards, many cloud investments, including the
21 implementation costs that were previously on premise
22 and therefore capitalized, are now classified as OM&A
23 expenses.

24 This shift towards digital tools is essentially
25 for long-term affordability and reliability outcomes.
26 Currently, our replacement rates cannot keep pace
27 with the natural speed of asset aging, a gap that's
28 only widened by the impact of extreme weather.

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1 So we are investing in our testing, inspection,
2 and maintenance tools and technologies to capture
3 incremental data needed to manage these increasing
4 asset risks with greater precision. By using data to
5 safely maximize the operational life of our
6 equipment, we ensure that our reliability remains
7 strong and our capital is deployed exactly where it
8 is most needed.

9 It's also key to note that the grid is evolving
10 from traditional physical infrastructure to a
11 sophisticated digital platform marked by automated
12 switches, advanced meters, and the integration of
13 customer-owned technologies like solar and battery
14 storage.

15 In this new era of real-time grid management,
16 data is as vital to our operations as the trucks in
17 our fleet. Maintaining this network means managing a
18 complex web of digital touch points, including the
19 ongoing costs of connectivity, advanced monitoring
20 software, and the security measures necessary to keep
21 the system running smoothly.

22 It also means that our team now requires the
23 expertise in fields like network engineering and data
24 analysis to plan, manage, and oversee this advanced
25 technical system.

26 Operational investments in all these areas are
27 essential to deliver the long-term reliability,
28 resilience, and affordability outcomes that our

1 customers expect.

2 Finally, I want to note that customer
3 affordability remains paramount to Hydro Ottawa.
4 Recognizing the burden on our customers, we have made
5 many difficult evidence-based prioritizations.

6 As the record shows, in preparing this
7 application, we reduced our 2026 OM&A by roughly 20
8 million, and we deferred many critical projects
9 including a necessary ERP system replacement to
10 balance investment needs with rate impacts.

11 Our Phase 2 customer engagement results showed
12 us that we got the balance right. Between
13 affordability, safety, reliability, and other
14 outcomes that customers value, 87 percent of
15 customers surveyed supported our plan or one that
16 does even more to advance outcomes.

17 Hydro Ottawa's commitment to balance competing
18 priorities is further evidenced by our settlement
19 agreement where we have agreed to reduce our OM&A
20 envelope by almost 40 million between 2027 and 2030.
21 This is a significant challenge that we will need to
22 manage in order to mitigate rate impacts; however,
23 the 2026 base year must be adequately funded for us
24 to be able to contend with this challenge without
25 sacrificing key outcomes.

26 This 140 million OM&A plan that we have proposed
27 for 2026 reflects the minimum investments necessary
28 to support a growing capital city and to continue to

1 provide the reliability and service levels that our
2 customers need and value.

3 Like the integrated energy plan introduced
4 earlier this year, the decisions we are considering
5 today will have wide-reaching consequences for the
6 next 25 years. If we do not invest adequately in our
7 operations, we risk becoming a barrier to economic
8 development in electrification in the next rate term
9 and beyond.

10 Thank you very much for listening to these
11 remarks. We look forward to providing any further
12 detail you may require as you consider our 2026 OM&A
13 investment plan and funding request.

14 PRESIDING COMMISSIONER DUFF: Thank you.

15 I trust everyone has been given the hearing
16 schedule for the next three days. Ms. Tiara Fearon
17 has prepared it. We can use it as a guide to guide
18 us through. It appears we should be finished Friday
19 on schedule, so that's all good.

20 But, Mr. Rubenstein, you are the first up with
21 SEC, so please proceed.

22 M. RUBENSTEIN: Thank you very much, Panel.
23 Good morning -- good afternoon, Panel. My name is
24 Mark Rubenstein. I am counsel for the School Energy
25 Coalition. I have a compendium, and I would ask that
26 we mark that compendium.

27 D. COBAN: And this is the preliminary issue I
28 had flagged. So there are two tables in the

1 compendium at pages 74 and 75. We received copies of
2 these tables and the model that was used to produce
3 these tables on Monday.

4 And we would like to note in the marking of this
5 exhibit that the tables themselves we feel are not
6 representative of evidence on the record. They are
7 not just merely a collection of data points that are
8 on the record, they are tables that have been
9 generated using a net new analysis which was created
10 by SEC as part of that model.

11 And in the normal course, we -- you know, we
12 ideally would like to not have these tables included
13 in the compendium, but don't want to make things
14 inefficient for us today, so just wanted to mark the
15 objection to these tables being treated as evidence
16 on the record.

17 In our view, they are not evidence. They are a
18 net new analysis that SEC has produced. And I do
19 have further submissions for you on elaborating on
20 our concerns with respect to this analysis and it
21 being used here today in front of the witnesses.

22 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein, a
23 few questions.

24 I received a copy of the compendium today. Is
25 it true that you provided it to the applicant on
26 Monday?

27 M. RUBENSTEIN: So I provided the new
28 information, which is essentially just some averaging

1 out of their own information and some -- using
2 their -- except there is some analysis, per se, but I
3 don't think anything -- it was provided to my friends
4 at Hydro Ottawa at about 9:00 a.m. on Monday morning.

5 PRESIDING COMMISSIONER DUFF: Okay.

6 M. RUBENSTEIN: That information, I provided
7 them earlier than the compendium that was provided.

8 I don't agree with my friend's objection. I
9 don't know if it is useful at this point, though, to
10 address it. I think maybe once we get to that part
11 of the cross-examination where I -- we could explain
12 in the context of what that information is, that may
13 be the more preferable way to go about it, but I
14 leave it to the -- in the Panel's hands if they want
15 to have a discussion about it now.

16 PRESIDING COMMISSIONER DUFF: Well, marking it
17 as an exhibit isn't necessarily evidence; is that
18 correct? So I am getting nods from the lawyers in
19 the room.

20 So I would think procedurally it makes sense to
21 mark it as an exhibit. Why don't you proceed. Let's
22 see how far you go and how important this is, these
23 two tables. And at that time, we may have to break,
24 but I would like to proceed right now if we could.
25 And it's 186 pages, your compendium? These are two
26 pages within it?

27 M. RUBENSTEIN: Yes.

28 PRESIDING COMMISSIONER DUFF: I haven't reviewed

1 the -- none of us have reviewed the -- those tables.
2 I can assure you that.

3 So if that's a plan that's acceptable to both
4 parties, Ms. Coban?

5 D. COBAN: Yes. That's acceptable as long as we
6 can consider the substantive and procedural issues
7 once we get to that part of the cross-examination.

8 PRESIDING COMMISSIONER DUFF: Duly noted.

9 M. MILLAR: Madam Chair, we will mark that as
10 K1.4 -- or pardon me -- K1.3, the School's
11 compendium.

12 **EXHIBIT K1.3: COMPENDIUM OF SCHOOL ENERGY**
13 **COALITION**

14 PRESIDING COMMISSIONER DUFF: Thank you,
15 Mr. Millar.

16 Okay, Mr. Rubenstein, why don't you proceed.

17 **CROSS-EXAMINATION BY M. RUBENSTEIN**

18 M. RUBENSTEIN: Good afternoon, Panel. My
19 cross-examination is going to focus on the unsettled
20 issue of the 2026 OM&A, and I just want to start by
21 ensuring that I have the basic numbers of the
22 requests correct.

23 And so maybe we could start at page 2 of the
24 compendium. This is from your evidence, Appendix 2JA
25 that was filed with the interrogatory responses.

26 And am I correct from this that you're seeking
27 for the 2026 OM&A -- and I think you reference this
28 in your opening -- that the company is seeking

1 \$140,010,378 in 2026?

2 A. COLLIER: Yes, that's correct.

3 M. RUBENSTEIN: So approximately 140 million?

4 And that compares to a 2025 forecast at the
5 time, because the year had not been completed, of
6 118.9 million; do I have that right?

7 A. COLLIER: That was our bridge year forecast,
8 yes. There is also a view 2, 2025 forecast on the
9 record. But the bridge year, that year you're
10 referring to, was in our original submission in
11 April.

12 M. RUBENSTEIN: Okay. And this is from the
13 interrogatory responses, the 1 Staff 1 where you
14 updated various tables. So is there a -- is the
15 forecast at this time different for the 2025 bridge
16 year?

17 A. COLLIER: It may be just that it's so close,
18 maybe it's -- just a second.

19 Lianne, if you could pull up attachment JT2.16A.
20 And you could go to the Tab JA.

21 So what I was referring to is Column I is the
22 2025 bridge year forecast that was filed with the
23 original application in April of 2024 of 118.9.
24 Column J is the updated June 2025 forecast that was
25 filed with the undertaking of 120.6.

26 M. RUBENSTEIN: So when I use that updated
27 number, I get a -- approximately 16 percent increase
28 from 2025 --

1 A. COLLIER: From the 120 --

2 M. RUBENSTEIN: Yeah.

3 A. COLLIER: Okay.

4 M. RUBENSTEIN: Does that sound about right?

5 A. COLLIER: Will take that subject to check,
6 yeah.

7 M. RUBENSTEIN: So you're seeking in this
8 application, over the latest 2025 forecast, an
9 increase in the OM&A in the single year of
10 approximately 16 percent; do I have that right?

11 A. COLLIER: Yes, I agree with that.

12 M. RUBENSTEIN: And do we have a final 2025 OM&A
13 number?

14 A. COLLIER: No. It's January 14th, so
15 accountants are pounding away at the keyboards, but
16 not yet.

17 M. RUBENSTEIN: And so the number that you
18 provided to me is still the best number we have for
19 2025?

20 A. COLLIER: It's the most recent number that's
21 on the record.

22 M. RUBENSTEIN: And if we can flip to the page 6
23 of the -- sorry. If we can flip to page 6 of the
24 compendium. Sorry.

25 This is a table from your evidence. And as I
26 understand what it is, it's a table of the approved
27 amounts during the last term; do I have that right?

28 A. COLLIER: That's correct.

1 M. RUBENSTEIN: And it's not just the amounts
2 that were approved in the context of the -- your last
3 application, but if there were any up -- agreed-upon
4 adjustments that ultimately occurred in those years;
5 do I have that right?

6 A. BARRIE: Just to clarify, you mean updated
7 for the annual adjustments as agreed to in the year,
8 so --

9 M. RUBENSTEIN: Yes.

10 A. BARRIE: That's correct.

11 M. RUBENSTEIN: And on the second line, we have
12 distribution expenses not including amortization.
13 And my understanding, that's OM&A; correct?

14 A. BARRIE: That is correct.

15 M. RUBENSTEIN: And my understanding of the
16 agreed-upon rate structure from the last rate term as
17 it relates to OM&A is there was a base 2021 OM&A,
18 which was then inflated annually by an I minus X, the
19 I being the OEB's inflation factor for that year, the
20 X being a set stretch factor that was fixed. Then I
21 believe there was an additional growth factor that
22 was agreed upon; do I have that right?

23 A. BARRIE: That is correct.

24 M. RUBENSTEIN: And the 2025 approved OM&A that
25 was included in your rates in 2025 was, as I read it,
26 \$104.9 million; do I have that right?

27 A. BARRIE: That is correct.

28 M. RUBENSTEIN: And so when I am comparing what

1 you're asking for in 2026 as compared to what was
2 approved for 2025, I get an increase of approximately
3 33.4 percent; take that subject to check? Sound
4 about right?

5 A. BARRIE: I take that subject to check.

6 But I would like to -- I know you emphasized it,
7 but it is using the OEB inflationary parameter, which
8 both Hydro Ottawa did put inflationary exhibit on on
9 record to show the distinction that utility were
10 facing as well as it's a two-year lag inflationary
11 parameter.

12 M. RUBENSTEIN: Just trying to compare two
13 numbers of what was approved and what were -- so I
14 can understand the difference.

15 And when you did your customer engagement and
16 you were looking about 2026, did you tell your
17 customers you were seeking an increase over the
18 approved OM&A in the last year of its term of
19 approximately 33 percent?

20 T. FREEMAN: In our customer engagement, we did
21 outline the magnitude of the OM&A costs in our
22 customer engagement survey for our customers.

23 M. RUBENSTEIN: And when I -- sorry. Did you --
24 I am not sure I -- did you -- was the magnitude as
25 compared to what was approved for 2025 -- did you
26 tell them, we are seeking -- in 2026, we are asking
27 for a 33 percent one-year increase in OM&A?

28 T. FREEMAN: We did not provide that direct

1 comparison, no.

2 M. RUBENSTEIN: And we -- when we are comparing
3 what you're asking for in this application for 2026
4 as what was approved for 2021, I get an increase of
5 about just under \$50 million, so about a 55 percent
6 increase in OM&A; do I have that about right?

7 A. COLLIER: We will take that subject to check.
8 But I just would like to reiterate some of the
9 opening remarks where we don't feel like that is a
10 fair comparison, but I won't reiterate what I just
11 said.

12 M. RUBENSTEIN: Fair enough, and I understand
13 you, obviously. You don't agree it's a fair
14 comparison. But I am just trying to make sure I
15 understand --

16 A. COLLIER: Yeah.

17 M. RUBENSTEIN: -- the numbers.

18 And if we can flip to page 7 of the compendium,
19 this is another exhibit from the prefiled evidence,
20 so just to be clear, just to -- and it's showing the
21 difference, in part, between the 2025 OEB-approved
22 revenue requirement and the prefiled request in 2026;
23 do I have that right?

24 A. BARRIE: Sorry. Can you repeat your
25 question?

26 M. RUBENSTEIN: I am just trying to make sure I
27 understand what this table is showing. This is from
28 your prefiled evidence, and it's -- as I understand,

1 it's comparing the 2025 OEB revenue requirement from
2 the 2026 request? And just to be clear, this is from
3 the prefiled evidence, so, obviously, there has been
4 some changes since then.

5 A. BARRIE: That's correct.

6 M. RUBENSTEIN: And as I understand, the 2026
7 test year, obviously, has changed slightly. There
8 was an updated -- Exhibit 10 update, which, as I
9 understand, there was some increased capital amounts
10 and then the adjustment for the ROE. And, obviously,
11 we have a settlement that then decreases that amount;
12 do I have that right?

13 A. BARRIE: That's correct, but the OM&A value
14 hasn't changed.

15 M. RUBENSTEIN: That's correct.

16 And when we are looking at the prefiled
17 evidence, though, just looking at the time of the
18 prefiled evidence because it's the most up to date,
19 when we look at the change, we see a change in the
20 OM&A of about 35 million; do you see that?

21 A. BARRIE: I do see that.

22 M. RUBENSTEIN: And we go -- go to the bottom
23 there. We are seeing a total -- a total revenue
24 requirement reduction of about 58 million?

25 A. BARRIE: Did you mean increase?

26 M. RUBENSTEIN: Yeah, well, change between 2025
27 and 2026 of about 58 million --

28 A. BARRIE: Sorry. I thought you said

1 "reduction".

2 M. RUBENSTEIN: Oh, I apologize.

3 A. BARRIE: Okay. Yes, it's an increase.

4 M. RUBENSTEIN: And so I calculate, at least at
5 the time of the prefiled evidence, that the OM&A
6 increase represented about 60 percent of the revenue
7 requirement increase; does that sound about right?

8 A. BARRIE: Subject to check, that sounds about
9 right.

10 M. RUBENSTEIN: And so logically, that's going
11 to be the largest component of the rate increase?

12 A. BARRIE: That is correct.

13 M. RUBENSTEIN: So maybe we can look just
14 quickly at -- and I have asked your colleague if she
15 can quickly bring up Attachment 12 of the settlement
16 proposal.

17 And this is just the rate impacts from where we
18 are today including the settlement proposal and your
19 requested OM&A. When I look at the distribution
20 impacts in 2026, in residential -- and this is for
21 the sort of standard usage -- residential, I see
22 16 percent; general service under 50, I see
23 12.6 percent; general service greater than 50, I see
24 about 20.7 percent; general service 15 to 499,
25 10 percent. Do you see that?

26 A. BARRIE: Yes, I see that.

27 M. RUBENSTEIN: And so roughly speaking, more
28 than half of that is coming from the OM&A, based on

1 our previous discussion; correct?

2 A. BARRIE: That is -- that is correct.

3 M. RUBENSTEIN: Okay.

4 Now, and I think you mention this in your -- in
5 your opening, when I look at the increase in OM&A
6 over time and between 2025 and 2026, a significant
7 portion of the increase is based on the planned
8 increase in employees; is that correct?

9 A. COLLIER: It is a significant portion, yes.

10 M. RUBENSTEIN: And when I look at Appendix 2K,
11 which is the standard compensation table, and we see
12 that on page 5 of the compendium. And I recognize
13 the 2025 numbers might be slightly different based on
14 the discussion we had.

15 But roughly speaking, what I am seeing here, if
16 we take a look at the compensation between 2025 and
17 2026 allocated to OM&A, you're looking at about --
18 you know, we are talking north of \$9 million; do I
19 have that right?

20 A. COLLIER: Yes, I confirm that. I think you
21 are looking at the third row from the bottom?

22 M. RUBENSTEIN: Yeah.

23 A. COLLIER: Yes.

24 M. RUBENSTEIN: And am I correct this table does
25 not include all of the actual -- the compensation
26 costs in the sense, as I understand, that there are
27 employees who work for the parent company who do work
28 for the utility, and those costs are, obviously, in

1 the OM&A budget, but they are not included in the 2K;
2 do I have that right?

3 A. BARRIE: So that would -- just to be clear,
4 that would be in both directions, so both the holding
5 company FTEs are not in this table, but also those
6 services that result in the portion of head count
7 that support, is it -- is included in here.

8 M. RUBENSTEIN: And am I correct, though, that
9 it's a -- I know things go both ways, but more things
10 are going to the utility than from the utility to the
11 service -- to the holding company?

12 A. BARRIE: When we spoke through the
13 interrogatory process, we were able to provide the
14 number of head count from the holding company;
15 however, the way we do the corporate allocations, we
16 weren't able to specifically state the number of FTEs
17 that were coming out of here supporting in the
18 opposite direction.

19 So if you mean just a dollar amount, but if
20 you're specifically referring to head count, that
21 number wasn't provided.

22 M. RUBENSTEIN: Well, when I make the -- I just
23 made a comment that my understanding from the
24 evidence is it's more going to the utility than
25 going -- there is a net cost for the utility. Am I
26 wrong about that?

27 A. BARRIE: So I will just get the reference and
28 make sure we are both talking about the same thing.

1 M. RUBENSTEIN: Maybe we can pull up 4 VECC 40.
2 May be a good spot for that.

3 A. BARRIE: Sorry. I am just going to bring up
4 the OM&A schedule from -- this will have it too, I
5 guess. This one has it updated for '24. If you can
6 scroll down. Sorry, scroll back up a little bit so I
7 can see the heading. Sorry, I was thinking we were
8 in the question. Apologies.

9 Yes. So this is what you're referring to, the
10 costs provided by holding Hydro Ottawa in comparison
11 to the costs received.

12 So this has just the SLAs. This doesn't have
13 the corporate allocation in this table.

14 Can you scroll down to see if the allocation
15 is -- if not, we can go to the evidence itself.

16 So, sorry, I am just trying -- the heading
17 unfortunately is at the top of the one page and the
18 table is on the top of the other page -- or at the
19 bottom and the top, so it was confusing me for a
20 minute.

21 So in terms of the dollar amount, so you're
22 referring to that Hydro Ottawa is providing the
23 holding company, like, 1.6 million. That's the
24 number you're referring to. And in the allocation
25 coming from Hydro Ottawa -- from the holding company
26 to Hydro Ottawa is 7.7 million. Those are the two
27 you are comparing; right?

28 M. RUBENSTEIN: Yeah.

1 A. BARRIE: Yes.

2 M. RUBENSTEIN: And so I am just trying to get a
3 sense, when we look at the 2K and we are talking
4 about compensation cost for employees who work for
5 the utility or work for the holding company and they
6 are doing work for the utility, it's more than what's
7 in the 2K; correct?

8 A. BARRIE: It is when you net the two. It is
9 more.

10 M. RUBENSTEIN: Okay. Thank you very much. And
11 when --

12 A. COLLIER: Just maybe if I could add, though.
13 If you scroll up to Table 3, when you're just talking
14 holding company, that's the first row on this table,
15 but Hydro Ottawa Limited also allocates to other
16 subsidiaries in the group, so you want to take the
17 subtotal. So it's actually 4.7 million that's
18 allocated from Hydro Ottawa Limited to affiliates,
19 holding company and others.

20 M. RUBENSTEIN: I understand. But the point
21 just being that the compensation costs that included
22 in the 2K, if we include also Hydro Ottawa holding
23 company, and we also maybe even excluded the work
24 that Hydro Ottawa, the utility, is doing for the
25 holding company, it's going to be higher?

26 A. COLLIER: Yes. But it does go both ways.
27 It's not just one directional.

28 M. RUBENSTEIN: But on net, it's going to be

1 higher?

2 A. COLLIER: Yes.

3 M. RUBENSTEIN: That's all I am just trying to
4 get across, trying to understand.

5 And if we take -- go back to page 5 of the
6 compendium, this is the 2K. My understanding, the --
7 your request for 2026 is a 760 in FTEs; correct? And
8 that's for a total compensation costs for just those
9 who are at the utility of 104.4 million?

10 A. COLLIER: Yes.

11 M. RUBENSTEIN: And as we talked about before,
12 that's -- 75.4 percent of that is OM&A, so the -- at
13 issue in this proceeding -- at this part of the
14 proceeding is the allocated to OM&A part of about
15 78.7 million; correct?

16 A. COLLIER: Partially. Maybe if we could go to
17 2D, Appendix 2D, maybe, in 1 Staff 1. I just want to
18 explain a concept before we continue. So it's the
19 Excel file to attachment 1 Staff 1, and it's Appendix
20 2D, overhead.

21 So if you scroll down to the bottom, Lianne. So
22 this is capitalized OM&A. So if you scroll, yeah,
23 just Rows 46 to 50, if you scroll to the right so we
24 can see the 2026 test year just so we have the right
25 thing. Okay. So we need the freeze panes.

26 So the \$25 million number that you see in
27 Appendix 2K, the labour line that was allocated to
28 OM&A is coming from this Appendix 2D.

1 But what I want to point out is in the other
2 lines -- and maybe just scroll to the left, Lianne,
3 so everyone can see the headings -- supply chain,
4 engineering, supervision, and fleet are burdens --
5 are what we call burden kind of OM&A. There are head
6 count in those as well. So the amount that's shown
7 here as labour is direct labour charged to OM&A.

8 So the ratio is not quite as you put it. Maybe
9 a better place to go would be IR 4 SEC 76.

10 Page 3, Table B.

11 So here, we have tried to merge those two pieces
12 of data together and give you a truer split for the
13 2026 positions between OM&A and capital on the
14 positions.

15 M. RUBENSTEIN: Well, I am interested, really,
16 for dollars in this sense, in the -- I am interested
17 in for dollars, right, because obviously the Board
18 needs to make an assessment of the O&M budget, that's
19 what we are all here asking it to do, and part of
20 that is labour. So I am just trying to understand
21 from the -- of the 2026, are you trying to say the 2K
22 numbers are not right?

23 A. COLLIER: We believe we have completed the 2K
24 correctly by picking up the direct labour number from
25 Appendix 2D. But I wanted to highlight that there
26 are labour costs in those burdens, so I just wanted
27 to provide the complete picture.

28 M. RUBENSTEIN: Okay. Well, maybe we can go

1 back to the 2K for a moment. This is again page 5 of
2 our compendium.

3 And so when I look at the 716 FTEs, that is an
4 increase from 641 in 2025; do I have that right?

5 A. COLLIER: Yes.

6 M. RUBENSTEIN: So that's about a 75 FTE
7 increase in a single year; correct?

8 A. COLLIER: Subject to check, yes.

9 M. RUBENSTEIN: So that's an increase of about
10 11.7 percent in a single year; does that sound about
11 right?

12 A. COLLIER: Subject to check, yes.

13 M. RUBENSTEIN: And 2025 was an increase of 17
14 over 2024; correct? Or at least forecasts at the
15 time.

16 A. COLLIER: Subject to check, yes.

17 M. RUBENSTEIN: And if we flip to page 10 of the
18 compendium, you provide a reconciliation of the
19 positions in the FTEs -- the positions and the FTEs
20 in the 2K; do I have that right? That's what that
21 table in the -- Table A is showing us?

22 A. COLLIER: Correct.

23 M. RUBENSTEIN: And so we start with the number
24 of full-time positions, then we have a vacancy rate,
25 then we add some temporary or part-time workers, and
26 that gets us to the number of full-time equivalents,
27 FTEs, for the purposes of the 2K table; do I have
28 that right?

1 A. COLLIER: That's correct.

2 M. RUBENSTEIN: And so, for example, we took the
3 2021 numbers, there's 611 FTE full-time positions,
4 and that translated to 616 FTEs in 2021 for the
5 purposes of rates?

6 A. COLLIER: Correct.

7 M. RUBENSTEIN: And if we go to the test year,
8 you're proposing 748 full-time positions, and that
9 would translate to 716 FTEs for the purpose of rates,
10 or at least at the time of the application?

11 A. COLLIER: Yes. So obviously, a key
12 differentiator is the vacancy rate percentage used
13 between those two years.

14 M. RUBENSTEIN: And so let's focus starting off
15 in 2021 where you were -- you had a 611 positions;
16 correct?

17 A. COLLIER: Correct.

18 M. RUBENSTEIN: And then I think you talked
19 about it in your opening. The positions remained
20 flat, essentially. I know there are some additions
21 to 617, but they remained flat to 2024 where you
22 added 50 full-time positions that year; correct?

23 A. COLLIER: Correct.

24 M. RUBENSTEIN: So when we compare 2021 to that
25 point, in that year, you needed to add about
26 9 percent incremental positions?

27 A. COLLIER: In 2024?

28 M. RUBENSTEIN: Yes.

1 A. COLLIER: I will take that subject to check.

2 M. RUBENSTEIN: And then you added nothing in
3 2025?

4 A. COLLIER: The bridge year forecast, we have
5 nothing. In actuality, there has been some added.

6 M. RUBENSTEIN: Then we get to the 2026 test
7 year, and you're adding the 81 new positions;
8 correct?

9 A. COLLIER: Correct.

10 M. RUBENSTEIN: Now, if we go to page 17 of the
11 compendium, this is a similar reconciliation table,
12 but it shows the number of positions you are planning
13 to add during the rate term; do I have that right?
14 You are saying the 2026, but it has 2027, '8, 2029,
15 and 2030 numbers; do you see that?

16 A. COLLIER: I do. Sorry, I am just going to
17 open it up in my binder.

18 M. RUBENSTEIN: No problem.

19 And so what we see here is -- tell me if I am
20 wrong, is we are adding 50 -- you add 50 new
21 positions in 2024, this table, none in 2025, 81 in
22 2026. Then in 2027, you're adding 37; do I have that
23 right? Or that's the plan at the time?

24 A. COLLIER: Yeah. Obviously, that's now
25 subject to the settlement proposal that was approved
26 where we have a reduction in the total OM&A envelope
27 for '27 to 2030 of about 40 million.

28 M. RUBENSTEIN: But that would be -- I am just

1 talking about 2027 here. So that would have been
2 less than your -- at least at the time, you were
3 going to add -- planning to add less than half the
4 positions you were proposing to add in 2026; correct?

5 A. COLLIER: Correct.

6 M. RUBENSTEIN: And then in 2028, six new
7 positions; 2029, one new position; and 2030, two new
8 positions. So the additional positions really drops
9 off, you know, fairly significantly; fair?

10 A. COLLIER: That's what this is showing, yes.
11 I will just remind you, back to my opening remarks,
12 one of the realities coming out of our strike was a
13 realization of the underfunding of our staffing, so
14 that is the reason for the urgency to add the
15 positions in '24 and '26 and '27 in the early part of
16 the term.

17 M. RUBENSTEIN: But not 2025; correct?

18 A. COLLIER: We just -- and maybe Ms. Heuff can
19 speak to that reason.

20 L. HEUFF: Sure. So in 2024, we added,
21 obviously, a significant number of positions. A vast
22 majority of the positions did fall under my overall
23 area of responsibility.

24 And you have to appreciate that bringing on 50
25 new positions, in fact, that's -- it is actually
26 significantly more than 50 when you consider the
27 amount of internal movement that also took place as a
28 result of individuals being hired into the new

1 positions.

2 And so onboarding of these new individuals takes
3 quite a bit of time, a lot of resources, substantial
4 amounts of apprentices, substantial amounts of junior
5 engineers and those types of resources, which require
6 time for stabilization.

7 Also from an overall perspective, we were under
8 significant financial constraints as a result of a
9 lot of the points that Ms. Collier made in her
10 opening remarks, and as such, the decision to add
11 incremental head count was deferred to the further
12 incremental head count that very much has been
13 required even since 2024 was pushed into the 2026-
14 year, and that's why you see such a substantive
15 number in the 2026-year.

16 M. RUBENSTEIN: I think I read something, I
17 think you have termed it or the language you used,
18 you needed a stabilization year; does that sound
19 about right?

20 L. HEUFF: Yeah.

21 M. RUBENSTEIN: So in 2024, we add 50 positions,
22 and we need an entire year to stabilize that. But
23 now in 2026, we are going to add 81 positions?

24 L. HEUFF: So as I noted, it was a combination
25 of both the requirements for the stabilization as
26 well as from an overall financial pressure from --
27 during the '21 to '25 period as a result of other
28 incremental -- the inflation that Ms. Collier noted,

1 along with the strikes and as long -- along with the
2 weather events and the extreme weather events that we
3 also faced in the '21 to '25 period.

4 A. COLLIER: And I would just like to add, we
5 could have taken those 50 positions that we added in
6 2024 and spread them over '24 and '25 equally, but,
7 again, I will go back to the need was so great that
8 we needed to signal to our employees that we were
9 going to provide the resources needed to handle the
10 workload. So we proceeded with the full 50 in 2024.

11 M. RUBENSTEIN: Now, let's assume -- if I agree
12 with you that you need all those positions through
13 the rate term, why isn't it reasonable to expect that
14 you would not gradually add them over the five years?
15 Why all in the base year, the first year of the base
16 year for OM&A rates? Why is that reasonable?

17 L. HEUFF: So I wouldn't agree that they are all
18 in the first year since we do see subsequently 37 in
19 the 2027 and 6 and then 1 and 2, and it's very much
20 the 81 that are required, a substantial amount of
21 them are actually required to deliver the capital
22 program in order to prepare and execute, oversee,
23 manage the doubling of the capital program.

24 So that would be one of the major drivers for
25 the front-end loading is to be able to actually
26 execute on the capital program that's in front of us.

27 M. RUBENSTEIN: Can you even handle hiring 81
28 people in 2026?

1 L. HEUFF: I believe so. That's also part of
2 the reason for the pause. Our people and culture
3 team did make significant efforts to expand the
4 hiring program and in order to ensure that the
5 onboarding and training was ready to go for the 2026
6 hiring that is in front of us as well. So the 2025
7 hiring, we had a lot of lessons learned from within
8 it, and they have made quite a significant amount of
9 investments in both resources as well as in the
10 overall materials in order to ensure that they could
11 successfully onboard on an accordance with the plan.

12 M. RUBENSTEIN: Can we turn to page 13 --

13 A. BARRIE: Sorry. I would just like to --
14 because you did question the one number, I would just
15 like to say, if we could move to 4 VECC 37 because
16 you asked if it was possible for us to hire that many
17 people in one year. And I just wanted to point out
18 that although it's 50 new positions in 2024, we were
19 coming out of a strike. And so if you go to part B,
20 and you will see that actually in 2024, we hired 101
21 positions in that year.

22 M. RUBENSTEIN: Thank you.

23 Can we go to page 13. It's a good summary.
24 This is just an excerpt from the evidence and the
25 question, but just bring you to this.

26 As I understand, this is the new positions that
27 you're seeking to add by the various programs, the
28 O&M programs categorized; do I have that right?

1 A. COLLIER: That's correct. But I will just
2 remind you that this table is positions whereas the
3 funding that we are seeking is FTE, so it's with the
4 reduction of the vacancy rate. So instead of the 131
5 that you see with the 2024 and 2026, it is 100 FTEs
6 that is being requested through funding.

7 M. RUBENSTEIN: I understand that.

8 A. COLLIER: Okay.

9 M. RUBENSTEIN: I just want to just understand
10 where the -- what category and what these positions.

11 And if you go to page 24, you provide a more
12 detailed response where you are showing actually the
13 number of -- what the titles of these positions are;
14 do I have that correct? And, again, by the O&M
15 program; do I have that right? That's what that
16 table shows in that response?

17 A. COLLIER: Correct.

18 M. RUBENSTEIN: And I understand you categorize
19 positions -- this is my understanding based on lots
20 of evidence, is you have direct labour positions, and
21 then you have what I believe you call business
22 support positions. Do I have the terminology
23 correct? And the direct labour is, you know, the
24 linesmen, to be fair, and the other ones are
25 supporting, essentially, the field work; do I have
26 that right?

27 L. HEUFF: Yes. That's -- that's how we have
28 characterized it in the evidence.

1 M. RUBENSTEIN: All right.

2 And as I understand the evidence, a reason for
3 the increase in the engineering and design program is
4 to support the capital program? I think you just
5 mentioned this in that category a moment ago; do I
6 have that right?

7 L. HEUFF: So there are -- it depends on whether
8 you are talking about from the '21 to '25 period and
9 the head count that we brought on in 2024 versus the
10 drivers of the 2026 head count increase.

11 M. RUBENSTEIN: I am talking about the drivers
12 of 2026.

13 L. HEUFF: Okay. So the drivers of the 2026
14 is -- it is a variety of factors. It's not strictly
15 as a result of the capital program. There's also a
16 significant amount of the -- of the distribution
17 engineers that are being added. There are engineers
18 that are being brought on to support DER connections
19 and a more holistic approach to the DER connections
20 as well as PNC engineers, so protection and control
21 engineers, as a result of the complex nature of the -
22 - and the variability that we are starting to see as
23 a result of the number of the DER connections that
24 are starting to connect to our system at a much more
25 rapid pace, as is evidenced through a number of
26 tables, which I can point you to, where we are seeing
27 a very large volume of growth.

28 And then the technical oversight as well for

1 both the DER and the protection and control space,
2 that is -- that's more of the predominant driver of
3 the engineers specifically.

4 And then with the distribution design support
5 staff, so the ones that fall under design, they are
6 much more predominantly supporting and will be
7 specifically supporting the doubling of the capital
8 program.

9 M. RUBENSTEIN: And my question is are all of
10 those people who are supporting the capital program
11 capitalized? My understanding is not all of it is
12 capitalized.

13 L. HEUFF: So it depends. The ones under
14 distribution design are predominantly and almost
15 exclusively capitalized.

16 The ones that are under engineering, it very
17 much depends on the specific role and the function
18 and the work that they are doing. And so a portion
19 of their time is attributed to capital, and another
20 portion of their time is attributed to O&M.

21 M. RUBENSTEIN: And as I understand, there still
22 could be work just because of the way the -- your
23 capitalization policy is. There are people
24 supporting the capital program but are in OM&A, not
25 capital?

26 A. COLLIER: Yeah, and maybe I can speak to
27 that. Obviously, the IFRS accounting rules requires
28 us to only capitalize directly attributable cost to

1 specific assets being built. So if Laurie's team are
2 working on longer-term planning and designing for
3 what -- we don't know what that asset will be yet,
4 then those are not permitted to be capitalized under
5 our accounting rules.

6 M. RUBENSTEIN: Now, we had the settlement
7 proposal that the Board approved, and it had a
8 reduction in the capital expenditures of 17 percent.
9 Why aren't we -- shouldn't we reasonably be seeing a
10 reduction, then, in some of these O&M positions that
11 are supporting the capital program?

12 L. HEUFF: So I think it's -- so the reason for
13 that is twofold.

14 The predominant factor is a number of the
15 resources that we did see in the 2024 hiring were
16 still insignificant to the total number of resources
17 that we will be requiring. So in some cases, it is
18 as a result of volume increases that we saw from the
19 2025 period. We are currently relying on a
20 substantial amount of external support in order to
21 conduct our activities on an annual basis. It's not
22 a long-term sustainable strategy. It is resulting in
23 overall higher operational costs. We have a loss of
24 institutional knowledge by relying on those third-
25 party support, and it's just simply a reduced
26 oversight of our junior engineers.

27 And as I had noted, we have brought on a lot of
28 engineers in training, and so we do need to ensure

1 that we have further engineering coming on, more
2 senior, which we are looking to recruit more senior
3 engineers in order to support them.

4 On top of that, the project managers within the
5 distribution design team, their work volumes are
6 simply untenable at this point in time. We have some
7 of our designers who are working with over 100
8 projects at a time. We do need to support them by
9 bringing on the entirety of the workforce.

10 It will be through the '27 and beyond head count
11 that we are, obviously, going to have to take a look
12 at and scrutinize as a result of the reductions in
13 the capital as well as as a result of the \$40 million
14 that was referenced by Ms. Collier overall from an
15 O&M envelope. So the '26 hiring is very much still
16 needed, even with the reductions that you're
17 referring to.

18 M. RUBENSTEIN: So there is a reduction in the
19 capital program by 17 percent, and you're telling me,
20 we need every person, no change to the people who are
21 going to be supporting that program?

22 L. HEUFF: That's correct.

23 M. RUBENSTEIN: How is that possible? You got
24 to help me here. I am not saying it's a one-to-one.
25 I am not saying you don't need -- but I am just --
26 you are going to have to help me understand how there
27 could be no impact whatsoever.

28 L. HEUFF: So I am not saying there is no

1 impact. I am saying there is no impact to the 2026
2 hiring plan. The 2027 and beyond, we do expect that
3 there may be adjustments that are required from 2027
4 and beyond.

5 And the head count that are noted in there, as
6 you'll note, there is 21 distribution operations
7 positions, which you had noted are the ones that are
8 the direct labour positions who are supporting much
9 of the capital program execution as well as the 13 in
10 engineering and design and the 2 in metering.

11 And so those ones are the ones that we will be
12 looking at that potentially would be not required or
13 we would require less of as a result of the
14 adjustments to the capital plan.

15 M. RUBENSTEIN: Now, maybe we can turn to
16 page 33 of the compendium.

17 And you were asked in this -- in this question --
18 - and that's on page 31 -- you were asked by Staff
19 about the systems service capital and how -- at least
20 how Staff asked the question, at least historically,
21 you know, you see this resulting in O&M savings, and
22 it provides you with some examples. And the question
23 is asking why, with a significant increase in that
24 area, counterintuitively you are not seeing reduced
25 O&M.

26 And you provide your response on page 33 at
27 line 9, and you clarify that -- you talk about grid
28 modernization spending here. And you explain why, in

1 your view, the increased capital expenditures
2 actually increases O&M costs; do I have that right at
3 a high level?

4 L. HEUFF: Correct.

5 M. RUBENSTEIN: So now, again, we have the
6 settlement on the capital, which reduces the budgets.
7 Why are we -- why -- what would be the expected O&M
8 savings now from that -- at least in this area?

9 L. HEUFF: Sorry. Can you -- more specifically,
10 which area? There is two areas that are discussed in
11 here. It's discussing both from a renewal
12 perspective as well as from a grid modernization
13 perspective.

14 M. RUBENSTEIN: Grid modernization.

15 L. HEUFF: So from a grid modernization
16 perspective, we are still enhancing the overall --
17 there is still a number of investments that will be
18 taking place as a result of the distribution
19 automation devices that are going in the field, the
20 investments in the field automation network, new FCIs
21 being put in place.

22 So the number of devices that are going in the
23 field, those plans will still require maintenance in
24 order to oversee and to do the preventative
25 maintenance and inspection programs on those devices.

26 M. RUBENSTEIN: Presumably, you are going to do
27 an amount less than that, than you had planned based
28 on the settlement?

1 L. HEUFF: We still have not finalized on
2 exactly what adjustments will be made, so at this
3 point in time, it would be difficult to make those
4 direct correlations.

5 M. RUBENSTEIN: Let's just say, hypothetically,
6 you reduce it by 17 percent. I recognize you are
7 going to make your decisions of how to incorporate
8 the capital plan in the process. Shouldn't we expect
9 a reduction in the O&M as a result of that?

10 L. HEUFF: Potentially. It's hard to say at
11 this point in time where the specifics would be, even
12 in a hypothetical. I do want to point out again that
13 as a result of the -- just the formula that was
14 settled upon, there will be significant constraints
15 on our O&M budget over the five-year period as well.
16 The \$40 million, we will have to look for
17 productivity in order to achieve this. That is the
18 area that we would be focusing on.

19 In terms of the specifics as to the volumes that
20 would be reduced as a result of the capital program,
21 without doing further analytics, it would be very
22 difficult to make those assertions at this point in
23 time.

24 M. RUBENSTEIN: Can we go to page 10 of the --
25 go back to page 10 of the compendium.

26 And we talked about, briefly, the translation of
27 number of FT -- full-time positions to FTEs, and the
28 primary driver of the difference is the vacancy rate;

1 do I have that right?

2 A. COLLIER: Yes. It's a significant driver.

3 M. RUBENSTEIN: And you included in 2026 a -- a
4 vacancy rate of 8 percent; do I have that right?

5 A. COLLIER: That's correct.

6 M. RUBENSTEIN: And the vacancy rate, as I
7 understand it -- you can correct me -- it reflects
8 two things. So the first is what I will call the
9 more traditional vacancies caused by people quitting,
10 retiring, and essentially the gap until you fill
11 those positions as well as the vacancy rate is meant
12 to account for the fact that for new positions that
13 you're adding in that year. You aren't hiring all
14 those people, they aren't starting on January 1st of
15 that year; do I have that right? Does that sound
16 about right to you?

17 A. COLLIER: So not quite. We -- for new
18 positions, we determine what month they will start or
19 what month we intend them to start. So let's say we
20 are hiring new positions and they are starting in
21 July, then we will only budget six months of their
22 compensation.

23 The vacancy is on top of that.

24 But you're right there are two drivers to the
25 vacancy rate. One is normal attrition in churn, and
26 the other piece is a bit more controllable by Hydro
27 Ottawa because it's how -- how quickly we can replace
28 those vacancies when they occur.

1 M. RUBENSTEIN: And of the 81 positions we are
2 talking about in 2026, on average, when are you --
3 when have you budgeted them to begin?

4 A. COLLIER: January 1.

5 M. RUBENSTEIN: Okay. So then my statement
6 about the two parts of the vacancy rate, that is that
7 your 8 percent is doing two things. It's the
8 normal -- what I will call sort of churn, and it's
9 also to reflect the fact that you don't actually
10 expect everyone to be -- on January 1st, all those 81
11 positions to be filled and people working; correct?

12 A. COLLIER: We expect a normal churn, but I
13 just want to be clear that the vacancy rate is on the
14 total -- the total positions, not just the new.

15 M. RUBENSTEIN: I understand.

16 A. COLLIER: Okay.

17 M. RUBENSTEIN: And that's why I...

18 So when we look at the historical years,
19 correct, we see that on the table, we see a vacancy
20 rate -- an actual vacancy rate, it's 10 -- as low as
21 10 percent and as high as 12 percent. Those are the
22 actual numbers; do I have that right?

23 A. COLLIER: For the historical years, yes,
24 those are the actual numbers.

25 M. RUBENSTEIN: And in 2025, you were
26 forecasting 8 percent; do I have that right?

27 A. COLLIER: That's correct.

28 M. RUBENSTEIN: And this would reflect the usual

1 churn that you have, but because you are not adding
2 any new positions, it's really only reflecting the
3 usual churn; do I have that right?

4 A. COLLIER: As I mentioned before, we are
5 advancing some positions, but I will largely agree
6 with that characterization in terms of how that table
7 is presented here, yes.

8 M. RUBENSTEIN: And what is the 8 percent that
9 you're forecasting based on?

10 A. COLLIER: So as I mentioned before, I mean,
11 vacancy rate has been a hot topic. For decades, we
12 used 4 percent, and in 2021, you can see we used
13 4 percent. Then we experienced an unusual period of
14 high turnover and difficulty filling a lot of
15 critical positions, just the tightening of the labour
16 market, hybrid work, all sorts of unique
17 circumstances.

18 But the other part of the vacancy rate is the
19 part that Hydro Ottawa controls, right. How quickly
20 can we bring on new people, how quickly can we
21 recruit, can we pre-source some candidates by doing
22 kind of evergreen-type job requisitions, how quickly
23 can we get the offer letter out, how quickly can we
24 do the reference checks.

25 So we have worked quite aggressively on
26 improving a lot of those administrative processes.
27 So certainly currently, our 2025 vacancy is below
28 8 percent.

1 So that is a risk that Hydro Ottawa is taking
2 on. And you can see in the '26 -- '27, sorry, to
3 2030, we forecast the vacancy rate to start to go
4 back to hopefully the 4 percent in the future, but we
5 used 6 percent with now the funding envelope being
6 reduced for the '27 to '30. This is an additional
7 risk that we are taking on top of that, but we are
8 already below the 8 percent that you see here.

9 M. RUBENSTEIN: How much below?

10 A. COLLIER: In Q3, it was 7.19. I don't have
11 the year end analysis yet, but I am expecting it to
12 be below 8.

13 M. RUBENSTEIN: So 7 percent, let's say,
14 something in --

15 A. COLLIER: Between 7 and 8.

16 M. RUBENSTEIN: Okay. So in 2025 when you are
17 adding no new positions, you were at about 7 percent.
18 But now we are adding 81 positions, and you're
19 budgeting 8 percent; correct?

20 A. COLLIER: It's not a fair characterization to
21 say we are adding no new positions in '25. There is
22 always turn -- like, we are not -- we are not net new
23 adding new positions, but there's always turn over,
24 people are retiring, people are resigning, we are
25 backfilling some positions. So there is the normal
26 churn that is happening every year.

27 M. RUBENSTEIN: Yeah, yeah, I am not saying you
28 didn't hire anyone.

1 A. COLLIER: Okay. Okay.

2 M. RUBENSTEIN: Just to be clear.

3 A. COLLIER: Okay.

4 M. RUBENSTEIN: I am talking about new
5 positions.

6 A. COLLIER: Okay, yeah.

7 M. RUBENSTEIN: So in a year where it's the
8 normal churn because you are not adding new positions
9 based on this table, its's about 7 percent. But now
10 we are adding 81 positions, and we are at 8 percent;
11 correct?

12 A. COLLIER: That is our expectation.

13 M. RUBENSTEIN: And 8 percent of the year is the
14 end -- like, I think January 30th or something is
15 sort of the -- where you would look like in the year.
16 8 percent of a year is, I think, the end of
17 January 30th. Does that sound just...

18 A. COLLIER: Well, we look at it in terms of the
19 FTEs that we are reducing, right.

20 So in the test year, we are asking for 748
21 positions, and we are reducing those number of
22 positions by 60, meaning we are not requesting
23 funding for 60 positions because that represents
24 8 percent. I haven't done the math the other way.

25 M. RUBENSTEIN: No, no, I understand. But if we
26 are adding 81 positions and we are applying a vacancy
27 rate of 8 percent, that is assuming you are going to
28 have 81 people on average by February 1st.

1 A. COLLIER: I haven't done that math.

2 M. RUBENSTEIN: I mean, 8 percent is, I think,
3 January 30th or something like that. Are you going
4 to have 81 people by February 1st on average? It
5 means you have to have a lot of people already
6 started.

7 A. COLLIER: Yeah, but I think you are missing
8 the other half of the equation which is on the base
9 that we already have, we are assuming an 8 percent
10 reduction. No one might retire.

11 M. RUBENSTEIN: And I am saying --

12 A. COLLIER: And then that's offsetting the
13 calculation that I think you are proposing to me.

14 M. RUBENSTEIN: But I am saying in 2025 where
15 you added no new positions, you said, we are going to
16 end up at a 7 percent vacancy rate.

17 A. COLLIER: Because of normal churn, yes.

18 M. RUBENSTEIN: Okay. So let's assume that
19 continues into this year, so -- right. Now we are
20 adding 81 positions. So we have 7 percent on
21 everybody else, and now what would be, I guess,
22 slightly more than 8 percent on the 81 positions.

23 A. COLLIER: So what I can say, the reason I am
24 confident in the 8 percent for the test year is we
25 have made significant strides to move from the 12
26 percent that you see in '22 and '23 in terms of
27 ensuring our administrative processes are more
28 robust, faster, and whatnot. So that's where I am

1 deriving confidence in the 8 percent.

2 M. RUBENSTEIN: How many of the 81 positions are
3 going to be filled by the end of the month?

4 A. COLLIER: I don't -- do you have that?

5 L. HEUFF: I wouldn't be able to confidently say
6 how many would be hired by the end of the month. We
7 do have postings up, and we are actively recruiting,
8 and the managers and the supervisors are in the
9 process of actively recruiting for 46 positions at
10 this point in time that I am aware of.

11 A. COLLIER: And as I mentioned earlier, we have
12 already hired some of the 81 in '25.

13 M. RUBENSTEIN: So how many of the 81 positions
14 either you have hired already or you are going to are
15 going to start -- will start being paid by the end of
16 the month?

17 A. COLLIER: I don't -- we -- I don't have that.

18 M. RUBENSTEIN: 20 percent, 30 percent? What
19 are -- just give me an order of magnitude, what are
20 we -- I am just -- what are we talking about?

21 A. COLLIER: I think I would be guessing. I
22 don't have that number at my fingertips right now.

23 M. RUBENSTEIN: If I suggest to you it's
24 probably not going to be most of them, is that
25 reasonable?

26 A. COLLIER: Again, the team is actively hiring.
27 They've posted numerous evergreen requisitions in the
28 last year. I think there is lots of candidates in

1 the pipeline. The HR team is working very hard, they
2 know this is a significant priority for us. But,
3 again, I don't -- I don't have a ballpark for you,
4 sorry.

5 M. RUBENSTEIN: Okay. Maybe we can turn to
6 page 36 of the compendium.

7 I want to talk about -- this is from your
8 prefiled evidence. We can scroll down to
9 compensation benchmarking.

10 My understanding that you -- the company
11 undertook a compensation benchmarking setting; is
12 that right?

13 A. COLLIER: That's correct.

14 M. RUBENSTEIN: You retained Mercer Canada to
15 conduct a comprehensive review of employee
16 compensation packages comparing them to similar roles
17 within the utility and the general market; do I have
18 that right?

19 A. COLLIER: Correct.

20 M. RUBENSTEIN: And if we flip the page over to
21 page 37 -- sorry, if we flip to page 38, I think you
22 provide your view of the results of that study where
23 you say at the beginning:

24 "Hydro Ottawa views the results of the Mercer's
25 benchmarking analysis as a general validation
26 of the utility's approach to managing
27 compensation costs." [as read]

28 Do I have that right? That's a fair high level

1 summary of your view?

2 So if we take -- go to page 42, this is that
3 compensation study; do I have that right?

4 A. COLLIER: Yes.

5 M. RUBENSTEIN: If we can go to page 46 -- oh,
6 sorry. I apologize. It talks about methodology, but
7 in fairness, it talks about it on a couple pages
8 here.

9 And is that -- I understand at a high level what
10 was done is the company benchmarked 20 positions, I
11 think it says that on page 47, both management, non-
12 management, and union roles, against two different
13 Mercer databases that it had access to; do I have
14 that right?

15 A. COLLIER: I mean, one is a Mercer database,
16 the other one is MEARIE survey data. But
17 essentially, yes.

18 M. RUBENSTEIN: And as I understand, and we see
19 this on page 45, the MEARIE is Ontario utilities;
20 correct?

21 A. COLLIER: Correct.

22 M. RUBENSTEIN: And the Mercer represents -- the
23 intent is the broader market, which represents lots
24 of other different employers nationally, except, as I
25 understand it, they excluded mining and retail.

26 A. COLLIER: Yes. That's on -- you see that
27 here on the screen. Yes, agreed.

28 M. RUBENSTEIN: And the purpose of the -- what

1 they are calling the MBD, or the Mercer benchmarking
2 database, comparators, it is supposed to reflect the
3 broader market; correct?

4 A. COLLIER: Across Canada, yes.

5 M. RUBENSTEIN: And if we flip to page 49 of the
6 study, we see the detailed findings. And what you do
7 is you are showing the different positions and then
8 you show it -- you're comparing it against -- for
9 each of the 20 positions, against either the MBD,
10 that's the national general market, and the MEARIE,
11 the Ontario utility, and you're showing how -- where
12 there's enough comparators or there's available
13 information, against how Hydro Ottawa at that
14 position compares both in base salary as well as, in
15 the second sort of set of columns, target total cash
16 compensation; do I have that right?

17 A. COLLIER: I agree with your characterization,
18 yes.

19 M. RUBENSTEIN: And just so we are clear, total
20 -- a target total cash is base salary and any
21 incentive; correct?

22 A. COLLIER: Correct.

23 M. RUBENSTEIN: And for some position, they only
24 have the available information, it's a number of
25 comparators or it just doesn't exist, and so you only
26 have one -- do I have that right?

27 A. COLLIER: Correct.

28 (Reporter appeals)

1 M. RUBENSTEIN: I have to remember what I said.
2 Number of comparators, doesn't exist, or for some
3 reason, it's not in the database.

4 And as I understand, if we go to the -- in the
5 sort of the right-hand column of each of the sort of
6 different blocks there, base salary and total target
7 cash compensation, it compares it against the P50.
8 So P50, the 50th percentile, the peer group would be
9 100 percent. And if it's higher than that, it's
10 above, your compensation is paid in excess of the
11 P50. And if it's below that, if it's less than 100,
12 it's below the P50; do I have that correct?

13 A. COLLIER: Correct. I would just like to add,
14 though, on the executive summary on page 6 of this
15 report, Mercer uses a plus or minus 10 percent of the
16 P50 to indicate that the position is comparable to
17 the database or the survey data.

18 M. RUBENSTEIN: Sure. That's, I think, Mercer's
19 view of what's comparable; right?

20 A. COLLIER: That's who did the study.

21 M. RUBENSTEIN: Sure. But the actual -- the
22 analysis, when we look at that, I just want to make
23 sure I understand -- make sure I understand what the
24 numbers mean. So if it's more than 100 percent, you
25 are paying above the P50. If it's below 100 percent,
26 you are paying less than the P50; correct?

27 A. COLLIER: Yeah. And the colour coding on the
28 top of the page also helps with that.

1 M. RUBENSTEIN: And that's against -- but the
2 colour coding is Mercer's view of what the market is;
3 correct?

4 A. COLLIER: Correct.

5 M. RUBENSTEIN: Okay. And when I go through
6 this and it's -- you see this on the next couple
7 pages. What I see is -- we see a lot of positions
8 above the P50. Less positions. Less positions, less
9 -- less positions as well as less -- again, the
10 specific database that's below the P50; do I have
11 that right?

12 A. COLLIER: So just would characterize it
13 slightly differently. Because these pages include
14 both the national database that you refer to as well
15 as the more comparable MEARIE utility survey data,
16 some of what you're seeing when it's above the P50 or
17 above the 10 percent per Mercer, it is against that
18 national database. And I think for a lot of reasons,
19 a lot of our positions are not necessarily comparable
20 to a regular position at a regular company. If there
21 is --

22 M. RUBENSTEIN: Why not?

23 A. COLLIER: -- such a thing as a "regular".

24 M. RUBENSTEIN: Why not?

25 A. COLLIER: Well, you can take any number of
26 positions, right. So a warehouse attendant. Our
27 warehouse attendant are expected to be available for
28 storm response, they're expected to be available to

1 support emergency -- emergency response. That might
2 not necessarily be the case in a food distributor
3 warehouse.

4 I could look at collection agencies. Collection
5 agents, for example, are one of them on the page.
6 Our collection agents are responsible for having very
7 difficult conversations with customers when you're
8 talking about turning off an essential service, very
9 different than a collection agency that might be
10 trying to collect a net bill. That's all I mean.
11 It's a different set of circumstances.

12 M. RUBENSTEIN: Sure. And just so I am clear,
13 when you're hiring, for example, a collection agent,
14 are you hiring them from Ontario utilities, or are
15 you hiring them from other -- other companies in the
16 Ottawa area, per se, that are doing collections? Do
17 you only hire from utilities for such roles?

18 A. COLLIER: No, we don't only hire from
19 utilities.

20 M. RUBENSTEIN: All right.

21 Warehouse attendant as well, are you only hiring
22 from utilities, or are you hiring from other
23 companies and entities; correct?

24 A. COLLIER: Wherever we can get the candidates
25 that we want and are competent and what we need.

26 M. RUBENSTEIN: And when I just look and I am
27 adding up all the different positions and all the
28 different databases, just -- you can take this

1 subject to check -- I look at the base numbers. I
2 see 8 positions -- or let me say data points above
3 the P50 and, let's say, 8 below, and I see 25 above.
4 And for the total target compensation, I am seeing 5
5 below and 17 above; does that sound about right to
6 you directionally? I am not asking you to do the
7 counting right now.

8 A. COLLIER: I will take that subject to check,
9 but I will just reiterate my point that the way we
10 review this report is the way Mercer intended us to
11 review the report. And I will go back to the comment
12 on the executive summary where we were looking at
13 ones that are -- were outside that plus or minus
14 10 percent range. So your numbers seem high from the
15 review that I did, but I was using Mercer's expert
16 opinion on how to view their report.

17 M. RUBENSTEIN: Now, what I didn't see in the
18 study and I -- studies like this are not unusual
19 before the Board. Many utilities do compensation
20 studies. What is unique about this one is I don't
21 see anywhere a -- an overall summation, the average
22 position is X above or below, any of that; am I
23 correct?

24 A. COLLIER: No. We did the study five years
25 ago, actually, in 2019 for our '21 to 2025
26 application, and this is a -- essentially a
27 replication of a very similar study. We didn't --
28 didn't do a different study.

1 M. RUBENSTEIN: But I am correct, there is no
2 summation that tells us, you know, on average where -
3 - where the positions are?

4 A. COLLIER: No. Because I -- if you go back to
5 the executive summary, Mercer's conclusions are that
6 we are generally aligned with market comparators.

7 M. RUBENSTEIN: Okay. Can we go to page 74.

8 And I think my friend -- my friend is going to
9 object, but maybe it's helpful if I can just provide
10 what the information is. Maybe that is a more
11 helpful way before my friend objects to it just so
12 the Panel understands what was provided and the
13 rationale for it.

14 PRESIDING COMMISSIONER DUFF: Well, it's your
15 document, so why don't you explain what you intended
16 to present.

17 M. RUBENSTEIN: Sure. Our intent --

18 PRESIDING COMMISSIONER DUFF: Is that okay,
19 Ms. Coban?

20 D. COBAN: Sure.

21 M. RUBENSTEIN: So our intent was to do an
22 average. You have the data from the utility study,
23 but it doesn't tell us at an aggregate level what is
24 the utility. And so simply all we did -- and you
25 could see on page 74, we have done a couple different
26 ways of doing it, averaging the information, and it's
27 all directly out of the study.

28 So we have information about which positions --

1 from an interrogatory response, which positions are
2 management and which ones are union and non-union,
3 which replicate the 2K -- the 2K form and how the
4 Board categorizes that.

5 And then we did one that looks at only the MBD.
6 This is the national market positions. We did one
7 that only looks at the MEARIE. And then we did one
8 where if the position is both, we split it 50/50.
9 And then another one with averages, if you just
10 looked at the -- if the national one was available,
11 use that, and if the MEARIE one is not.

12 And then the second category, FTE and weighted
13 average. Simply using the same data that we had and
14 one response to one interrogatory where Hydro Ottawa
15 told us the number of position -- number of actual
16 FTEs for each of the positions did it on a dollar
17 weighted.

18 My friend, to be honest, this is analysis that
19 intervenors regularly provide the Board. I am
20 putting it to my -- it's meant to -- we are better
21 off now, I would have assumed, than in the context of
22 an argument to provide this information. But if the
23 intent is to simply ask my friends questions about
24 it, they don't have to agree with it, obviously.
25 They don't have to accept it. But I think it's a
26 standard analysis from the data that we use as an aid
27 to cross-examination.

28 PRESIDING COMMISSIONER DUFF: Ms. Coban.

1 D. COBAN: So like I mentioned, we received this
2 analysis about two days ago. From our standpoint,
3 when we look at this analysis and the model that
4 underpins it, which I appreciate you don't see in
5 front of you here today, but there is an Excel model
6 that SEC created pulling different data points from
7 the record to produce this net new analysis and some
8 of the, you know, conclusions they are drawing from
9 it.

10 It's unfortunate that we got this only two days
11 before. This would be the kind of analysis that we
12 would have the opportunity during the discovery
13 process to consider in detail and to be able to work
14 with Mercer, who is the compensation expert, to look
15 at how such an analysis should be presented,
16 leveraging their data and their expertise in terms of
17 drawing these kinds of conclusions.

18 So we did not have the opportunity to do that
19 with having received it just two days before and the
20 witnesses travelling in from Ottawa and preparing for
21 the oral hearing.

22 So we feel that it puts us at a procedural
23 disadvantage to put this analysis to the witnesses
24 now without having had the opportunity to consider it
25 in detail and to work with Mercer importantly to look
26 at the analysis and understand the assumptions
27 underneath it and whether the methodology has been
28 put together in an appropriate way.

1 So for these reasons, we object to the analysis
2 being put to the witnesses here today because they
3 haven't had a chance to meaningfully consider it.

4 I will just say that from our very preliminary
5 cursory review of what we could do, we have
6 identified some data errors in the model that need to
7 be looked at more closely, and we also just have a
8 number of concerns with respect to how the analysis
9 has been prepared, which really underscore the need
10 to look at this analysis carefully, engage with
11 Mercer in order to be able to comment on it in a way
12 that's going to be helpful to you.

13 PRESIDING COMMISSIONER DUFF: I will let you
14 respond to that, Mr. Rubenstein, and then perhaps if
15 anybody else has any comments of their reliance on
16 this document as well, I will ask.

17 Mr. Rubenstein.

18 M. RUBENSTEIN: Well, I don't want to overstate
19 what my friend said about the model. It was --
20 essentially, I provided the Excel spreadsheet where
21 the calculations were made to get to these tables
22 just for exactly the reason my friend -- I don't -- I
23 am not here to pull a fast one on anyone, and the
24 intent is if there is an error, that they would be
25 able to identify it, and that's why the information
26 was provided.

27 The information was provided -- it's new
28 information that's not on the record. I accept that

1 that's why it was provided 48 hours, which is what
2 the Board requires for that -- it was provided first
3 thing after -- to be honest, it was completed over
4 the weekend in preparation here to try for the Board.

5 As we heard -- we heard in the opening
6 statement, the compensation component is a
7 significant part of this issue. We have a
8 compensation study which, unlike other compensation
9 studies, does not provide a -- an overall assessment
10 of what is the average compensation for how the
11 utility, and the attempt was to do that.

12 Again, I am not expecting my friends to agree
13 with the analysis or if that -- you know, that the --
14 I should say not agree with the conclusions that may
15 be drawn or I may put to them. That's not the
16 request. That's not the -- they may or may -- well,
17 they may if they want, but that's not the
18 expectation.

19 It's to be useful to the Board in understanding
20 that. And I would say this is information that is
21 regularly of the type that is regularly put to panels
22 in this case.

23 Just to be clear, I recognize and I take my
24 friend's comment about, look, they haven't had a
25 chance, and I am not -- if ultimately the outcome of
26 this is they want an undertaking to further review
27 and make any corrections to the numbers here, the
28 averages that's all coming from their evidence and

1 their report, I have no problem with that. To me,
2 that would -- that's what we would be seeking too.
3 If there is any errors, we would -- transposition
4 error or something in the calculation, obviously, we
5 would be interested in knowing that as well.

6 D. COBAN: The challenge we have is that this
7 kind of analysis typically is put to the witnesses
8 during the discovery process with the opportunity to
9 engage with the expert through discovery, to look at
10 the analysis, and to put together this kind of a
11 view. So we are really just limited by the overall
12 timelines of this process to be able to do that kind
13 of meaningful assessment.

14 That said, you know, we don't want to -- we want
15 to be helpful to this process. If this is something
16 that you think would be helpful, we can put an
17 undertaking on the record to take this away, to
18 engage with Mercer, and to comment on the analysis
19 that SEC has put together in writing.

20 I am just not comfortable subjecting the
21 witnesses to cross-examination on an analysis that
22 they haven't had an opportunity to consider and that
23 we know from just a cursory review has issues with it
24 in terms of data and in terms of the approach that
25 SEC has taken here.

26 PRESIDING COMMISSIONER DUFF: Any -- Ms. Coban,
27 like, because you want to look at it in a meaningful
28 way -- it's not a two-day exercise -- we are not

1 going to be finished this by the -- in the oral
2 hearing; is that a correct understanding?

3 D. COBAN: That's correct. We have had just a
4 very initial discussion with Mercer to understand if
5 they are available to assist and how long something
6 like this might take, and it is not a two-day
7 exercise. It would be, at best, something we can do
8 within the timeline for undertaking responses.

9 PRESIDING COMMISSIONER DUFF: Okay.

10 I was going to ask other people in the room,
11 but, Mr. Rubenstein, do you want to respond to that?

12 M. RUBENSTEIN: Well, I just think it's
13 important to separate two different things. If there
14 is a data error, that's one thing.

15 The issue about engaging Mercer, I -- again, I
16 am not expecting and it's not required for the
17 witnesses to agree to. It's an averaging out of this
18 number. They can make in their argument and explain
19 why, in their view, this is not appropriate or this
20 is not a good way of doing it. But I'd say I have --
21 I think it's appropriate to put it to them.

22 I take from the comments today, there are
23 responses we don't -- we don't know enough about it,
24 but I do think it's just important to separate out
25 those two things.

26 PRESIDING COMMISSIONER DUFF: I did pick up on
27 that point. So you have identified data errors
28 already; is that --

1 D. COBAN: We have identified data errors. We
2 have also identified some concerns with the
3 methodology that underpins this analysis. And we do
4 note that this kind of analysis in other proceedings
5 has been prepared by Mercer, and so it's something
6 that other utilities work with their compensation
7 benchmarking expert to look at the analysis in a way
8 that, you know, is appropriate and thoughtful in
9 terms of understanding how to put together these
10 kinds of conclusions and draw those conclusions from
11 the benchmarking data.

12 PRESIDING COMMISSIONER DUFF: We could scroll
13 down. I don't know if there's any footnotes on
14 Table 1, but there definitely were on Table 2. I
15 just want to look at those for a second, please,
16 while everyone is in the room. I want to note the
17 references for this data. Okay. Staff 1A. Oh,
18 okay. Okay. Which documents we have already looked
19 at today.

20 M. RUBENSTEIN: Yeah, just in fairness, the
21 information in Table 1 derives from the benchmarking
22 study as well as -- and it's included in our table
23 here. The only other piece of information that we
24 have drawn from is on -- is SEC -- is 1 SEC 23.

25 PRESIDING COMMISSIONER DUFF: Okay.

26 M. RUBENSTEIN: Which is the weighting, which
27 simply provides -- and you can see it on page 64 of
28 the compendium.

1 PRESIDING COMMISSIONER DUFF: But Table 1
2 doesn't have those references; you are just providing
3 that now? That's fair enough.

4 M. RUBENSTEIN: Yeah, it's in -- well, it's in -
5 - my friends, it's in the -- just so my friends are
6 aware, it's in the -- in the Excel spreadsheet does
7 mention all of that.

8 PRESIDING COMMISSIONER DUFF: Okay.

9 M. RUBENSTEIN: And all it is is the number for
10 the weighting, the FTE and weighted average. It's
11 simply -- on page 64 of the response to
12 interrogatory, they provide the number of FTEs for
13 each of the positions and the category if it's union,
14 management, or non-union.

15 PRESIDING COMMISSIONER DUFF: Any other comments
16 from -- any guidance or people interested in this
17 information, please?

18 M. GARNER: May I -- I would like to make a
19 comment.

20 I mean, obviously, this case is about two major
21 things: the number of people and how much they are
22 getting paid. I mean, that's where all the money is
23 in this. And I -- I mean, in my mind, and there may
24 be some errors in the outcomes of some amount that
25 may not be material, or it may be material. There
26 may even be issues about methodology.

27 But it seems to me that given the importance of
28 that issue -- those two issues, the number of people

1 and how much they are getting paid, allowing my
2 friend to go through this with the witness and
3 allowing the witnesses to tell you what's good or bad
4 about this and why it's good or bad is a better way
5 to proceed than to put this off and then have someone
6 do some corrections, maybe minor, to the table with
7 some explanation that doesn't really advance the
8 discussion at all about whether, in fact, this
9 utility pays its employees above what one might
10 expect them to do, which is what my friend is trying
11 to examine.

12 So I would argue to give leeway and let the
13 witnesses guide you through their problems with the
14 analysis as they answer.

15 PRESIDING COMMISSIONER DUFF: Thank you,
16 Mr. Garner.

17 Anyone else?

18 M. BROPHY: I just had a quick comment on
19 process.

20 Certainly this is of interest to CAFES Ottawa in
21 relation to the OM&A impacts, but it's very common to
22 have a utility through, say, an undertaking process,
23 as Ms. Coban mentioned, to clarify anything later
24 because otherwise, the intervenors are in a position
25 where they have to provide analysis in the argument,
26 and then the reply argument says, well, this is
27 wrong, that's wrong.

28 So having the utility give a chance to be able

1 to provide those clarifications before the process
2 ends would be helpful. And you'll see an example of
3 that when we ask a question, we will be asking for
4 some analysis -- not related to FTEs, but a similar
5 vein -- to make sure that Hydro Ottawa has the chance
6 to identify any errors.

7 D. COBAN: May I reply to that?

8 PRESIDING COMMISSIONER DUFF: Please.

9 D. COBAN: We agree these exchanges are helpful
10 when we have the benefit of time to be able to
11 provide you the undertaking and then you can follow-
12 up, and that is why we are at a procedural
13 disadvantage seeing this analysis only 48 hours
14 before the hearing when all of the information that
15 was needed to prepare this analysis has been
16 available on the public record throughout this entire
17 proceeding, and this analysis could have been
18 prepared and put to the witnesses and to Mercer
19 during our extensive discovery phase.

20 So our concern around putting this to the
21 witnesses is really a procedural concern in terms of
22 them not having had the opportunity to investigate
23 this analysis. And, you know, to Mr. Garner's point,
24 be able to discern what's good, what's bad, what's
25 appropriate, what's not. They are not in a position
26 to do that here today.

27 K. ELSON: Madam Chair, could I add a brief
28 comment. It's Kent Elson here.

1 We are not interested in this actual evidence
2 and don't take any position on, don't need to use it.
3 But from a procedural perspective, we would add that,
4 in our view, this is totally legitimate,
5 demonstrative aid, which is not evidence in and of
6 itself but can be put to witnesses to ask them to
7 confirm whether the calculations are accurate. And
8 you can try to get any concessions from the
9 witnesses, and we just know that that's something
10 that is important that we use in some proceedings in
11 this jurisdiction and others.

12 And so I would support SEC both being able to
13 use it at this time because they haven't missed a
14 deadline, and being able to use a demonstrative aid,
15 but also agree with Hydro Ottawa that it would seem
16 fair in this instance to allow them to provide by way
17 of undertaking a response from their expert. So we
18 agree with both sides.

19 PRESIDING COMMISSIONER DUFF: Okay. Thank you.
20 I mean, there is a process issue here too. I think
21 we will take a break.

22 Mr. Millar, did you have any comments?

23 M. MILLAR: I don't have anything to usefully
24 add, Madam Chair.

25 PRESIDING COMMISSIONER DUFF: We are just going
26 to -- oh, is someone going to add? The Panel will
27 take like a ten -- oh, Mr. --

28 M. RUBENSTEIN: Well, I just want to, before you

1 go to your break, note -- just make one point. One
2 is, I mean, it all arose out of my friend's -- the
3 report itself doesn't do something which you would
4 normally see in a report. That's why the analysis
5 was needed.

6 But the second is based on my friend's comments,
7 I don't -- they haven't looked at it, they haven't
8 confirmed the numbers. I am not -- I don't -- for
9 the purpose of today, I don't actually plan now -- I
10 think it's important I will briefly put this to them,
11 but I don't plan to go through an extensive agreement
12 of every number just based on, you know, the
13 discussions we have and obviously what they have and
14 haven't been able to look into.

15 PRESIDING COMMISSIONER DUFF: The time we have
16 taken right now is perhaps longer than your cross-
17 examination?

18 M. RUBENSTEIN: Possibly, yes.

19 PRESIDING COMMISSIONER DUFF: Okay. But still,
20 I think we need to resolve the issue, so -- and I
21 didn't mean to make light of it. We will take a ten-
22 minute break and be back at five after. Thank you
23 very much.

24 --- Upon recess at 2:54 p.m.

25 --- Upon resuming at 3:07 p.m.

26 PRESIDING COMMISSIONER DUFF: Please be seated.

27 The Panel has had a discussion on the issue.

28 Our feeling is that Mr. Rubenstein followed Board

1 processes by filing the document 48 hours in advance.
2 That is our standard time. And so to that extent, I
3 think it's acceptable for him to proceed asking the
4 witnesses about the document. They can disagree or
5 have any comments that they feel that they can --
6 their opinions.

7 And then at some juncture, it's up to
8 Mr. Rubenstein if he would like an undertaking on any
9 particular aspect and how he phrases that. But that
10 is how we are going to proceed.

11 And thank you also because I think through this
12 process of talking to people, we also understood the
13 time delay and the implications of getting an
14 undertaking so far after an oral hearing. You will
15 have to consider that as well.

16 One thing I would like to say, Mr. Rubenstein,
17 the 15, 20 minutes that we spent doing that, please
18 add that to your time. I do not see that in any way
19 as should be taking away from your cross-examination.

20 M. RUBENSTEIN: Thank you very much, Panel.

21 I will try to -- even with that, try to get us
22 back a little bit on track here.

23 If we can go to page 74 of the compendium.

24 And so I won't ask -- I won't -- I explained
25 what the purpose of the table was so I won't repeat
26 that. But if we can go to page 74. And based on the
27 calculations that SEC did, it shows for the -- we
28 have showed here both on the average and on an FTE

1 and dollar weighted basis.

2 Do you see on this page that for the MBD, this
3 is the national comparator -- and we will just go to
4 the total to simplify it -- that at least based on
5 the way that we have done it, would you agree with me
6 that it shows that the -- on a -- the average of just
7 taking the average of the positions and not weighting
8 it, it's about a 17 percent above the P50 and a
9 15 percent if you look at -- a 15.8 percent if you do
10 it on a TTC basis?

11 A. COLLIER: Could you show me how you arrived
12 at those figures?

13 M. RUBENSTEIN: Well, we can open the
14 spreadsheet. But just as a practical matter, all
15 that was done was simply taking -- for each of the
16 positions that were management, we averaged out the
17 columns where you have an MBD -- you have an MBD
18 result as compared to the P50.

19 If we go back to the table, it's simply
20 averaging out the as percentage of P50 that you will
21 see on page 49, page 50, page 51 for the -- all
22 positions where there is an MBD.

23 A. COLLIER: So it's just a straight average --

24 M. RUBENSTEIN: Straight average.

25 A. COLLIER: -- of every position?

26 M. RUBENSTEIN: Yeah.

27 A. COLLIER: Okay. Subject to check, I will --

28 M. RUBENSTEIN: Do you see that?

1 A. COLLIER: -- take that.

2 I mean, I literally reviewed the -- looked at
3 this on the plane, so I am not prepared to speak to
4 it in any great length. But subject to check, I will
5 take that that's where you're deriving the number
6 from --

7 M. RUBENSTEIN: Well, let's just shorten it
8 because I don't want to do this every single time.
9 Can I ask for an undertaking for you to review the
10 information and correct if there is a mathematical
11 error or a data error from the evidence? I am not
12 asking you to agree or not agree with any of the --
13 what it means, but if we can just make sure we have
14 that. Is that something you can do? Review the
15 information?

16 A. COLLIER: Yes, but maybe just so I can
17 clarify the undertaking and how you've done your
18 calculation, maybe a few quick checks.

19 M. RUBENSTEIN: Sure.

20 A. COLLIER: So, Lianne, can you open the actual
21 model spreadsheet, whatever we are calling it.

22 M. RUBENSTEIN: And if it's -- I am even willing
23 to do this, if you think you have a better way to
24 average those positions out based on the way that --
25 based on the -- the averages and the categories, I am
26 also happy for an undertaking to do it that way,
27 whichever -- reviewing what I have done or you doing
28 it yourself. I am -- you know, to be frank, we are

1 just trying to understand what is the average on the
2 position basis.

3 A. COLLIER: Yeah, well, on that, I will state
4 for the record I am not the compensation expert,
5 Mercer is.

6 I will note that the way we did the Mercer study
7 was very similar to how we did the study five years
8 ago where we just took a subset of the 20 roles and
9 evaluated it on a position-by-position basis at a
10 point in time. We did not have Mercer engaged to do
11 a full study. I think they do it differently. I
12 know they have done it maybe for other utilities.
13 But just on that, if we go to the data tab.

14 M. RUBENSTEIN: Um-hmm.

15 A. COLLIER: Maybe to the right, Lianne. So
16 just Column G, you're taking that from SEC 23; is
17 that what you mentioned earlier?

18 M. RUBENSTEIN: Yeah. That's for the weighted,
19 just to be clear. This is -- for the first set of
20 columns in the table, it is -- I am not weighting it
21 for number of FTEs.

22 A. COLLIER: Okay. Okay.

23 Just because I also -- I did notice, like, in
24 Column O -- maybe scroll down. Like, I noticed 193,
25 and I don't remember seeing that at all in the Mercer
26 study, so I am just wondering -- like, maybe this is
27 a typo that Ms. Coban was mentioning.

28 M. RUBENSTEIN: I think you're right. I think

1 it's 103. I am looking at it now, you are right,
2 that is incorrect.

3 A. COLLIER: Okay. Okay. So your undertaking
4 is?

5 M. RUBENSTEIN: Well, if there are any -- if
6 you've -- if there are corrections to be made to the
7 data and the -- essentially just the math, that is
8 all I am asking you to do. Is that something you can
9 do?

10 D. COBAN: We can do the undertaking, but we
11 would like to be able to identify in the undertaking
12 concerns we have with the methodology that
13 Mr. Rubenstein has proposed here.

14 So we are happy to identify the data
15 corrections, but the undertaking is going to look at
16 the analysis more broadly and comment on it. Which
17 is what I had proposed in the first place that we
18 would do to deal with this matter.

19 M. RUBENSTEIN: I don't have a problem with
20 that. That's fine.

21 PRESIDING COMMISSIONER DUFF: Okay. Fair
22 enough.

23 M. MILLAR: Madam Chair, that's undertaking
24 J1.1.

25 **UNDERTAKING J1.1: REVIEW THE INFORMATION IN**
26 **SEC'S COMPENDIUM AT PAGES 74 AND 75 AND ADVISE**
27 **IF THERE IS A MATHEMATICAL ERROR OR A DATA ERROR**
28 **FROM THE EVIDENCE**

1 M. RUBENSTEIN: If we go back to page 74.

2 If ultimately the end of this is -- it shows
3 that either on the MBD, the MEARIE, the, I will call,
4 the 50/50, if there is a position that has a market
5 and a MEARIE, you sort of just take the average of
6 that or just the national market. And if it's not
7 there, then you use the MEARIE for that.

8 If ultimately it shows somewhere that the
9 compensation is being paid above the P50, and the
10 Board says, we do not think that's appropriate, we
11 only think ratepayers should pay for compensation at
12 the P50 level, how should the Board go about making a
13 reduction to your O&M -- OM&A?

14 A. COLLIER: So, again, just a few remarks on
15 that. I will reiterate that Mercer is the
16 compensation expert on this evidence. In their
17 executive summary, in the Mercer study -- and you can
18 pull it up maybe, Lianne, it's in the original
19 evidence, Exhibit 1-3-3, attachment F, page 6 -- I
20 would just like to highlight that they generally
21 found our compensation to be in line.

22 So one of the issues that I am sure I will have
23 with the way the analysis has been done is I don't
24 think you should look at it unless it's, first of
25 all, outside of this plus or minus 10 percent range
26 that Mercer has suggested on a position by position
27 basis, but that's probably just one small element in
28 terms of issues that I have with it.

1 I would also like to add that a significant
2 number of the jobs represented here are unionized
3 positions. Wages are negotiated in a collective
4 bargaining agreement. Labour laws prohibit us from
5 changing pay for unionized positions outside of
6 negotiation periods. Some of the higher pay may be
7 due to tenure.

8 Obviously, if you have someone in the position
9 for 25 years versus someone in the position for five
10 years, that's going to significantly change the
11 median pay for those, for that role, so...

12 M. RUBENSTEIN: My question was different. I am
13 going to ask you just to start with this assumption.

14 The Board says, we are not going to --
15 ratepayers are not going to be responsible for
16 compensation costs above the P50. Matter of
17 argument, ultimately, but let's just say the Board
18 makes that determination.

19 How should it reduce your OM&A budget? Should
20 it take that -- whatever that percentage is and apply
21 it to the numbers in the 2K? What would you suggest
22 the Board do?

23 D. COBAN: I am not sure this is an appropriate
24 question to put to the witness. The witness is here
25 to speak to what we have requested, why we believe
26 that is reasonable. We are now getting down the path
27 of entertaining hypothetical outcomes and trying to
28 stand in your shoes as to how you might look at those

1 decisions. I think that's a difficult proposition to
2 put for the witness and goes outside the scope of
3 just facts.

4 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein?

5 M. RUBENSTEIN: I don't agree with that at all.
6 I am asking -- putting a proposition to my friends
7 about how they do it. I just note -- and we,
8 obviously, probably have many arguments -- I mean,
9 the Board has made such that type of a ruling in
10 numerous cases, and so ultimately, I am not going to
11 make that argument. That's for argument.

12 But we are just trying to understand how such a
13 finding -- consistent, I would argue, and we will
14 argue in other cases -- should actually -- how it
15 would be implemented in its -- in terms of a
16 reduction to the O&M amount.

17 PRESIDING COMMISSIONER DUFF: I haven't
18 discussed with my Panel members. I see value. If
19 you are going to put it -- to put it to the
20 witnesses, have them an opportunity, if you are
21 actually going to propose something like this in
22 submission, if you are going to propose in submission
23 that there should be a reduction and they never had
24 an opportunity to respond to that or had the numbers,
25 then that's a different problem.

26 This question that you're asking,
27 Mr. Rubenstein, are you saying if every job, the new
28 hire was at the 50th, calculate what that difference

1 would be, and sum them all up for all positions, is -
2 - I want to make sure we are clear because I do think
3 this could be an interrogatory that is going to have
4 to be completed by Mercer.

5 M. RUBENSTEIN: Well, that's why at page 75 of
6 our compendium, we had quick ways that you can do it,
7 right, take the percentage and apply it to the
8 numbers in the 2K, right, and ask and sort of try and
9 skip that to simply just put the question as starkly
10 as possible to provide my friends with the
11 opportunity to understand if the Board was going to
12 make such a finding, how should it -- how would that
13 be implemented?

14 PRESIDING COMMISSIONER DUFF: Ms. Coban.

15 D. COBAN: Again, the witnesses are not in a
16 position to speculate on that because of the
17 challenges we discussed.

18 What I would propose is that, at best, what we
19 can do is put that to Mercer to consider as part of
20 the undertaking response we gave you, Mr. Rubenstein.

21 Again, this is why we do these types of analyses
22 earlier in the process, so we have some opportunity
23 for back-and-forth, and the best we can do is take it
24 back and bring it to Mercer. I do understand they
25 have weighed on this type of analysis in other
26 applications so they can comment on the methodology
27 that Mr. Rubenstein has proposed, and if there is a
28 different way to look at it, you know, Mercer can

1 consider that. And if there is anything they can put
2 in their undertaking response, they will.

3 M. RUBENSTEIN: I am fine with my friend's --
4 taking this by way of undertaking.

5 PRESIDING COMMISSIONER DUFF: So I think it
6 would be important to phrase the undertaking
7 properly, though. I am agreeing that an undertaking
8 can be done.

9 The first one is that you would like -- perhaps
10 you could say what you want -- but you'd like the
11 quantification at P50 for the new positions, and then
12 they can add any commentary regarding the difficulty
13 or the plus and 10 percent, minus 10 percent.

14 Mr. Rubenstein, do you want to think about that
15 interrogatory? You don't have to do it on the spot
16 right now.

17 M. RUBENSTEIN: Well, maybe that's best just to
18 talk to some of my friends, if that's the best way to
19 do it. I think the intent of my question, just to be
20 clear, was not necessarily a specific number.

21 If ultimately the outcome of some -- either the
22 response to the earlier undertaking or the view that
23 the Panel has based on the argument and evidence is
24 it's -- you know -- I am just hypothetically saying
25 10 percent above the P50. I am asking my friends,
26 okay, if that's the -- how should that be implemented
27 in the context of the O&M budget that's at issue in
28 this proceeding?

1 PRESIDING COMMISSIONER DUFF: Personally, I
2 think it would be of value if you are going to take a
3 position in submission that I know how it was derived
4 and where it came from and if there's a piece of
5 evidence that's either from the expert with all the
6 caveats of whether they agree or not.

7 But I would -- I am going to leave -- I am going
8 to take you up on your offer to confer with your
9 peers regarding the actual wording to see what would
10 be of value to people more than yourself. Okay. And
11 if you can get back to us maybe early tomorrow
12 morning. Okay?

13 M. RUBENSTEIN: Sure. That would be helpful.

14 PRESIDING COMMISSIONER DUFF: So I am not going
15 to assign it an interrogatory number right now. Or
16 do you prefer that?

17 M. RUBENSTEIN: No. That's --

18 PRESIDING COMMISSIONER DUFF: Okay. Great.

19 M. RUBENSTEIN: We can assign it as an
20 undertaking tomorrow when the -- that's fine.

21 PRESIDING COMMISSIONER DUFF: Thank you.

22 M. RUBENSTEIN: Panel, can I ask you now to go
23 to page 54 of the study -- sorry -- 54 of the
24 compendium.

25 And this is Mercer's -- the component of the
26 study that looks at benefits; correct?

27 A. COLLIER: Correct.

28 M. RUBENSTEIN: And we see in the box under

1 observations its general findings. It says Hydro
2 Ottawa's benefits offerings are generally aligned
3 with what we typically see in the market?

4 A. COLLIER: I agree that that's the observation
5 in the box.

6 M. RUBENSTEIN: And then above it, it's
7 showing -- it's comparing -- my understanding, the
8 comparator for this is the Ontario public sector non-
9 executives. It's showing about 20 to 25 percent is
10 the salary for benefits. And then you see in the
11 sort of red box for your employee groups, you're in
12 that area; do I have that right?

13 A. COLLIER: Correct.

14 M. RUBENSTEIN: And just so I understand, as
15 compared -- when it comes to benefits, it's only
16 comparing it against the Ontario public sector,
17 right, not against other utilities, not against the
18 broader market; do I have that right?

19 A. COLLIER: Subject to check, that's my
20 understanding.

21 M. RUBENSTEIN: And so as I understand, it's
22 looking at a percentage of benefits as a -- as a
23 percentage of the salary; correct?

24 A. COLLIER: On this table, that's correct.

25 M. RUBENSTEIN: Now, with respect to non-pension
26 benefits, so health and dental, insofar as the
27 percentage of base salary, for example, is above the
28 P50 median, then your benefits as a percentage are

1 going to be -- they are going to look better;
2 correct? Because you have a higher base salary; do I
3 have that right?

4 A. COLLIER: Correct.

5 I would like to take you maybe to Exhibit 4-1-
6 3A, page 3, Table 1. We have done total, not just --
7 not just these positions -- or not just this study.
8 But we do show our total employer-paid benefits as
9 percentage of total compensation in this table. So
10 you can see from '21 to '26, we are averaging from 20
11 to 22 percent globally.

12 M. RUBENSTEIN: Okay. But to my point, just as
13 sort of a mathematical question, if your base salary
14 is, let's say, higher than the median P50 position,
15 that's going to make it look better when you're
16 looking at benefits as a comparator to a base salary;
17 correct?

18 A. COLLIER: Mathematically, I think, subject to
19 check, I agree with that.

20 M. RUBENSTEIN: And if we can go back to
21 page 54.

22 And with respect to pension contribution
23 component of benefit, am I correct that there is a
24 relationship between pension contributions and
25 salary?

26 A. COLLIER: There is.

27 M. RUBENSTEIN: And so similarly, if the salary
28 is higher than the P50, there is an impact on the

1 pension contributions; correct?

2 A. COLLIER: It's a percentage of your salary,
3 so yes.

4 M. RUBENSTEIN: Can we turn to page 4, a
5 different area -- sorry -- yes, page 4. This is
6 Appendix 2-JB, the cost driver table.

7 And am I correct, as I understand it, one of the
8 drivers in the 2026 spending is an increase in IT-
9 related spending; that's a significant component?

10 A. WILLIS: Yes, that's correct.

11 M. RUBENSTEIN: I see \$6.1 million over 2025, at
12 least the forecast at the time for 2025?

13 A. WILLIS: Correct.

14 M. RUBENSTEIN: And if we go to page 98 of the
15 compendium. This is your response to 4 SEC 72. The
16 question is on the other page. This is the
17 information.

18 And as I understand -- if we just zoom out for a
19 second -- the \$6.1 million in IT spending --
20 actually, if we look on a program basis, it's in a
21 lot of different programs, correct, the spending; do
22 I have that right?

23 A. WILLIS: Yes, that's correct.

24 M. RUBENSTEIN: And as I understand, you
25 undertook a benchmarking study to help validate your
26 proposed IT spending; do I have that right?

27 A. WILLIS: We did.

28 M. RUBENSTEIN: Maybe we can go to page 34.

1 You explain this -- beginning at line 9, you
2 say:

3 "Given this reality, the Hydro Ottawa's
4 commitment to leveraging innovation technologies to
5 enhance the customer experience and improve
6 productivity, the utility commissioned a benchmarking
7 study focused on IT spending. This study aimed to
8 assess the reasonableness of Hydro Ottawa's IT
9 expenditures and provide valuable evidence in this
10 application."[as read]

11 Do you see that?

12 A. WILLIS: Yes, I do.

13 M. RUBENSTEIN: And then if we flip the page to
14 page 35, it is under "key findings," the first
15 sentence:

16 "The study results reveal Hydro Ottawa performed
17 well compared to Gartner's peer group."[as read]

18 Do you see that?

19 A. WILLIS: I do.

20 M. RUBENSTEIN: And then you explain -- at the
21 bottom under "Incorporating Results Into the
22 Application", you say:

23 "Hydro Ottawa believes the Gartner study
24 confirms that the utility's IT strategy investments
25 are consistent with industry peer group, establishing
26 that it is well-positioned to execute on its 2026 to
27 2030 rate plan."[as read]

28 Do you see that?

1 A. WILLIS: I do.

2 M. RUBENSTEIN: So I take it at, like, a high
3 level, the view from the company is the benchmarking
4 study shows the reasonableness of the -- of your IT
5 program; do I have that right?

6 A. WILLIS: Yes. It's, I would say, one input
7 into our planning process. It is a point-in-time
8 analysis of our -- you know, where we are relative to
9 our peers. And, you know, Gartner is a very, I would
10 say, mature company, very reputable. This is a
11 service they provide for many clients across the
12 globe.

13 M. RUBENSTEIN: If we can go to page 99 of the
14 compendium, this is the study; correct?

15 A. WILLIS: Yes, it is.

16 M. RUBENSTEIN: And if we can go to page 110, we
17 see we have an explanation of what information was
18 used. My understanding, it's 2023 information; do I
19 have that right?

20 A. WILLIS: 2023 actuals, yes.

21 M. RUBENSTEIN: And it says, "operational
22 technology spending and staffing not included." Do
23 you see that?

24 A. WILLIS: That's correct.

25 M. RUBENSTEIN: What is operational technology
26 spending?

27 A. WILLIS: I believe that is outlined in one of
28 our IRs that I will point you to here. Just give me

1 a moment.

2 If I could direct you to 1 CCC 6, Answer D.

3 M. RUBENSTEIN: So maybe you can briefly just
4 say what it is.

5 A. WILLIS: Our operational technology is
6 technology that's really aligned very closely to our
7 grid systems. They involve technologies like our OMS
8 system, our GIS system, our SCADA, ADMS systems,
9 things of that nature.

10 M. RUBENSTEIN: Okay. Thank you very much.

11 And if we flip over to page 111 of the
12 compendium, we see the -- my understanding, there was
13 a primary peer group, and then there is sort of a
14 larger -- what Gartner calls the secondary peer group
15 for context purposes; do I have that right?

16 A. WILLIS: Yes. There is a peer group of
17 clients that they matched Hydro Ottawa with and also
18 an IT key metrics data from a larger pool across the
19 globe.

20 M. RUBENSTEIN: And as I understand, the primary
21 peer group you're comparing yourself to had nine
22 organizations; correct?

23 A. WILLIS: Correct.

24 M. RUBENSTEIN: And if we can go to page -- and
25 as I understand, there are nine, and they are in
26 different countries; correct?

27 A. WILLIS: They are in Canada, the USA, Europe,
28 and New Zealand, according to the report.

1 M. RUBENSTEIN: So they are in different
2 countries, not just Canadian companies; correct?

3 A. WILLIS: That's correct.

4 M. RUBENSTEIN: Thank you.

5 If we can go to page 167. So this is your
6 response to 1 SEC 22.

7 And we asked you in part (a) to provide the name
8 of the peer group, and then I understand your
9 response is you don't -- Gartner does not allow you
10 to have that. And as I understand from the tech
11 conference, the company doesn't even know what the
12 peer group -- the actual specific companies are; do I
13 have that right?

14 A. WILLIS: That's correct. Gartner has
15 confidentiality agreements with their clients, so
16 they are unable to release it.

17 M. RUBENSTEIN: And so we asked you in part (b)
18 to at least tell us -- you can see this -- what -- if
19 they're distribution only utilities, transmission
20 only utilities, generation only utilities,
21 distribution and transmission only utilities, or
22 other. And as I understand, the response was for the
23 larger 140, Gartner wasn't being done, it's too much
24 work.

25 But then you flip over on page 168, you do
26 provide the information for the nine peer group
27 utilities; do I have that right?

28 A. WILLIS: Sorry, I lost you. We were talking

1 about the nine organizations in the custom peer group
2 and the breakdown of the type of those companies.

3 M. RUBENSTEIN: Well, we asked you in the
4 question for both the custom peer group and the
5 larger ITKMD as the secondary.

6 The response does not provide the information
7 for the 140 utility peer group, the secondary peer
8 group, but it does provide it for the primary peer
9 group; do I have that right?

10 A. WILLIS: It does provide it for the primary,
11 correct.

12 M. RUBENSTEIN: And when I look at the primary
13 peer group, I see three distribution only utilities,
14 one generation utility, four generation transmission
15 distribution, so fully vertically integrated utility,
16 and then one generation and transmission; do I have
17 that?

18 A. WILLIS: That's correct.

19 M. RUBENSTEIN: And just so I am correct, Hydro
20 Ottawa is a distribution-only utility; correct?

21 A. WILLIS: Correct.

22 M. RUBENSTEIN: And so, really, only one-third
23 of the peer group of nine companies is like Hydro
24 Ottawa in that they are a distribution-only utility;
25 correct?

26 A. WILLIS: Could you repeat that.

27 M. RUBENSTEIN: One-third of the peer group of
28 the nine companies, three are distribution only, so

1 only one-third of the peer group is a distribution
2 only utility like Hydro Ottawa; correct?

3 A. WILLIS: Based on the breakdown, that's
4 accurate.

5 M. RUBENSTEIN: And you still think it's an
6 appropriate sample to compare Hydro Ottawa to?

7 A. WILLIS: I do. Looking at purely
8 distribution companies is -- would not result in an
9 accurate comparison apples-to-apples. Gartner has
10 very mature standardized framework that is used
11 globally, utility data is refreshed every 24 months,
12 and they span 80 countries, and they talk to CIOs and
13 IT consultants throughout many of their engagements
14 that makes this data.

15 They have concluded that the best way to compare
16 utilities is through size, mainly revenue, operating
17 expense, and number of employees. It's a critical
18 factor, size, because many of these larger companies
19 benefit from economies of scale, and as a result,
20 they have a lower IT -- their IT spending is lower as
21 a percentage of revenue.

22 Additionally, you have to look at operating
23 models. Utilities have varying operating models.
24 Some have centralized systems, decentralized. Their
25 split of IT, OT that can lead to divergent cost
26 structures that affect both staffing ratios and IT
27 investments.

28 The third is geography. Geography, the -- you

1 know, the conditions for, you know, investments
2 required for grid resiliency is different based on
3 geography.

4 So, you know, we've been working with Gartner,
5 we have seen Gartner work with many of these other
6 utilities. There simply isn't eight other
7 organizations in Ontario that are like Hydro Ottawa.
8 There simply isn't. And, you know, when we look at
9 Gartner and their maturity, we feel this is a
10 reasonable comparison, a pulse or a gauge, if you
11 will, about where we are relative to our peers. They
12 have selected nine organizations based on that
13 standardized framework. We consider the report, I
14 would say, one input among many into our planning
15 cycle, and we certainly will keep on eye on this
16 moving forward.

17 M. RUBENSTEIN: Just to be clear, you don't even
18 know what the companies that you are being compared
19 to, so how can you say that it is -- that they are --
20 they have a -- they have a model like Hydro Ottawa,
21 they have the staffing model like Hydro Ottawa, or,
22 really, their IT needs are anything like Hydro
23 Ottawa?

24 A. WILLIS: I don't think there is any other --
25 I don't know of any other entity that would be better
26 suited than Gartner to perform this benchmarking
27 analysis, and looking purely at distribution
28 companies in Canada would not facilitate an apples-

1 to-apples comparison.

2 M. RUBENSTEIN: You are not even -- you are
3 comparing yourself to a -- generation companies,
4 transmission companies, companies we don't know which
5 one, but in New Zealand. I don't know the model in
6 New Zealand and the weather needs and all the
7 operating service territory needs. We don't know the
8 information; correct?

9 A. WILLIS: As I mentioned, we trust Gartner, we
10 trust their -- you know, their approach here, and,
11 you know, the break out of size, operating model, and
12 geography have merit.

13 M. RUBENSTEIN: Can we go back to page 35 of the
14 compendium. These are just a high level look at the
15 results.

16 I just want to focus for a moment on the first -
17 - IT spending as a percentage of revenue and IT
18 spending as a percentage of operating expenses, they
19 show you're better than the peer average.

20 A. WILLIS: Slightly better.

21 M. RUBENSTEIN: Okay. Thanks.

22 Can we now go to page 115. This is the more
23 detailed look. Let me just start with IT spend as a
24 percentage of revenue. And we see under the -- you
25 see on the right-hand side of at the bottom, it has
26 "calculation"; do you see that?

27 A. WILLIS: I do.

28 M. RUBENSTEIN: It shows it's IT spend

1 divided by -- and then it shows the Hydro Ottawa
2 calculation; do you see that?

3 A. WILLIS: I do.

4 M. RUBENSTEIN: And you are dividing
5 27.2 million into over about 1.1 billion, correct, of
6 revenue?

7 A. WILLIS: Correct.

8 M. RUBENSTEIN: Now, as I understand, the
9 revenue includes not just your distribution revenue,
10 but it also includes pass-through costs such as cost
11 of power, RTSR revenue, all that, that's also
12 included in there?

13 A. WILLIS: Hydro Ottawa's revenue includes
14 revenue related to pass-through costs, and power
15 recovery and cost of power are also reflected.

16 M. RUBENSTEIN: Okay. And so let me -- help me
17 understand this.

18 If commodity rates increase or decrease in a
19 given year, or transmission rates increase or
20 decrease in a given year, that doesn't really affect
21 your IT spending; does it?

22 A. WILLIS: I will defer that to my colleague.

23 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein,
24 while the Panel is conferring, the witness Panel, we
25 took a short break, but it really wasn't a break for
26 the court reporter or the witnesses. Did you -- I
27 will leave it in your hands of when you would like to
28 have a break based on how much time you have. So

1 it's up to you. And I don't want to disrupt your
2 flow.

3 M. RUBENSTEIN: We are okay maybe for five, ten
4 minutes, and then taking a break then. Just after
5 this area.

6 PRESIDING COMMISSIONER DUFF: Thank you.

7 A. WILLIS: Mr. Rubenstein, could you repeat
8 your question, please?

9 M. RUBENSTEIN: Sure.

10 Commodity costs in any given year go up or down
11 or transmission rates collected through the RTSRs
12 that are part of the revenue go up or down in any
13 given year, that doesn't really affect your IT
14 spending in your -- in a given year; right?

15 A. WILLIS: I will defer that to my colleague
16 here, Angela Collier.

17 A. COLLIER: Sorry, I apologize, can you just
18 repeat your question again?

19 M. RUBENSTEIN: Sure.

20 If commodity costs go up or down in any given
21 year, transmission costs or any pass-through costs go
22 up or down in any given year, that doesn't really
23 impact your IT costs; correct?

24 A. BARRIE: It does actually impact our IT cost
25 because it is our IT people who implement the rate
26 changes, do all the testing, set new structure when
27 rate structures -- for instance, the EV rates, for
28 instance, that came in, our IT staff are required to

1 be part of that process and ensure rates are put in
2 place.

3 Additionally, as they change, we have a lot of
4 testing that is done throughout to ensure that they
5 are done correctly, and it can change bill structures
6 and stuff like that. So our IT staff are part of
7 that process.

8 M. RUBENSTEIN: Let me rephrase. I take your
9 point. Let me rephrase.

10 If the commodity costs go up, I think it's not a
11 material -- it's not going to materially impact your
12 costs in any given year?

13 A. BARRIE: Again, I would reiterate what
14 Mr. Willis was talking about with the Gartner study.
15 They take multiple different ways, it's a holistic
16 study, no individual item on its own drives the
17 outcomes of the study. This is one aspect which they
18 are doing across the multiple utilities. So the
19 other three utilities you mentioned, they would be
20 doing the same kind of thing.

21 But it's really about, you know, the size of
22 revenue and the other factors that Mr. Willis talked
23 about that holistically helps inform the size of the
24 IT spend and whether or not how you were performing
25 to your peers.

26 And to give a more direct in terms of the
27 methodology of Gartner in exactly why each one of
28 these inputs matter and how they -- they would be the

1 better expert to be able to speak to that, but this
2 is how they perform their benchmarking, and this is
3 the results that they use for other organizations in
4 which they are doing peer comparisons.

5 M. RUBENSTEIN: Thank you, but that wasn't my
6 question.

7 My question to you was if commodity costs in any
8 given year, annual rate increase costs are --
9 commodity costs are going up, transmission costs are
10 going up, are you saying that materially is going to
11 impact your IT cost?

12 A. BARRIE: I am saying it's one of the factors.
13 Every time -- like, when we look at the benchmarking
14 and all benchmarking items that we do with OM&A and
15 other items, it's a lot of the times over FTE, it's
16 over kilowatt hours, it's over number of customers.
17 Each one of them has an element to driving the costs,
18 and each one has to be taken in comparison in looking
19 at several usually benchmarking in order to get a
20 good understanding of all the drivers and how they
21 fit together.

22 M. RUBENSTEIN: Can we go to page 169 of the
23 evidence. This is from your 2023 financial
24 statements. And my understanding is the information
25 is based on 2023 actuals from the study; correct?

26 A. WILLIS: That's correct.

27 M. RUBENSTEIN: Just so I can get an order of
28 magnitude, how much of the revenue is from

1 distribution revenue versus power recovery, which I
2 understand is pass-through?

3 I mean, like, 80 percent of the revenue is
4 coming from pass-through revenue; correct?

5 A. COLLIER: Yeah. I think you can see this on
6 the page here, the power recovery revenue is the
7 largest number. But to April's point, we are
8 responsible for billing and collecting that and all
9 the changes that encompass that, including a lot of
10 IT changes at any given point during the year when
11 there is rate changes.

12 M. RUBENSTEIN: And so we had asked you in 1 SEC
13 22D, and this is in page 116 of the compendium, to
14 provide the information of that metric excluding
15 pass-through costs. And as I understand, you refused
16 to do that. Sorry, I think I said 116. That's 168.
17 Part D.

18 A. BARRIE: Was that Staff 168, sorry?

19 M. RUBENSTEIN: No. SEC --

20 A. BARRIE: SEC --

21 M. RUBENSTEIN: -- starting -- this is in
22 page 168. And I apologize.

23 A. BARRIE: Oh, page 168. Okay. Thank you.

24 M. RUBENSTEIN: Part D.

25 And it wasn't done; correct?

26 A. WILLIS: I believe you asked us to regenerate
27 the data with distribution only, and we were unable
28 to do that because Gartner does not have distribution

1 only companies in their database. They went with the
2 mix that was outlined.

3 M. RUBENSTEIN: And we don't know for the
4 generation utilities, transmission utilities,
5 depending on what country or what structure they are,
6 like, what regulatory structure, if they have pass-
7 through costs like Hydro One and what the relative
8 magnitude is compared to their distribution or what I
9 call core revenue; right? We don't know that
10 information?

11 A. COLLIER: I would just like to add -- and you
12 pulled up the financial statements earlier -- for a
13 utility, or any company, to be able to recognize
14 revenue on a gross basis like we do, as many other
15 utilities do, they have to have some responsibility
16 for those numbers.

17 So I think if Gartner is pulling revenue data
18 from companies, it is on a comparable basis provided
19 those financial statements are audited and in
20 accordance with accounting standards. Then you can
21 take some assurance that the revenue is on the same
22 base.

23 M. RUBENSTEIN: Sorry, just to be clear.

24 Let's imagine a vertically integrated utility,
25 right, which we know is part of the sample. It's
26 doing generation, it's doing transmission, and it's
27 doing distribution. So it is IT for all of that.
28 And we are comparing it to you -- and that's all its

1 revenue. All of its revenues relates to its
2 activities. Where for a distribution utility in
3 Ontario, as we saw, most of it is pass-through
4 revenue; correct? So is that really an apples-to-
5 apples comparison?

6 A. COLLIER: I agree there's -- it's not fully
7 apples-to-apples, but your -- what you're suggesting
8 is also inappropriate because you're making this --
9 or I think what you're characterizing is that we have
10 no responsibility for that pass-through revenue when
11 that is very far from actuality. In fact, we would
12 not be allowed to even recognize it in our audited
13 financial statements if that was the case because it
14 wouldn't meet accounting standards to do so.

15 M. RUBENSTEIN: Fair enough.

16 Can I then ask you also to go -- if we can just
17 go now to, then, briefly, page 116. This is the
18 second of the metrics that you included in your
19 table, and it's IT spend as a percentage of
20 operational expenses. And there where you're showing
21 in the calculation about the 27 million in IT spend
22 over \$973.5 million; do I have that right, roughly
23 speaking?

24 A. WILLIS: Yes.

25 M. RUBENSTEIN: Now, just based on -- in 2026,
26 you're only asking for \$140 million in operational
27 costs, so am I correct that this also includes pass-
28 through revenue, which, as I understand, is an

1 expense also on the financial statements?

2 A. COLLIER: Yeah, I am not as intimately
3 familiar with the Gartner study, but subject to
4 check, I think I can take that because -- yes.

5 M. RUBENSTEIN: Okay.

6 And then we can speed things up and just go back
7 to page 35 quickly here, the rest of the metrics.

8 And the last three metrics that you have
9 highlighted are IT spend per employee, IT spending
10 levels, percentage of total workforce and IT
11 allowance to growth/transformation; do you see that?

12 A. WILLIS: Yes, I do.

13 M. RUBENSTEIN: And for those three, each of
14 them, you're above the peer group average; correct?

15 A. WILLIS: Yes, we are.

16 M. RUBENSTEIN: Okay. And just so --

17 A. WILLIS: What I would -- what I would add is
18 that the IT spend per employee, one of the reasons we
19 are higher is we have fewer employees than the peers.
20 So the allocation of spend across those, the math
21 works out higher. If we had more employees, it would
22 be lower.

23 M. RUBENSTEIN: And just so --

24 A. BARRIE: And that's where I would just
25 reiterate why it's important to look at the metrics
26 as a group and why Mercer looks at the metrics as a
27 group, because you can't find one single utility that
28 is a good comparator. So you need a group of metrics

1 in order to inform the overall view of the
2 organization and its IT spending.

3 M. RUBENSTEIN: Just so I am -- just to
4 reiterate, this is based on 2023 information, so it's
5 before, obviously, the significant spending, which
6 you are seeking in this application?

7 A. WILLIS: This is based on 2023, yes.

8 M. RUBENSTEIN: Okay. Thank you.

9 Now would be a break. And just for the
10 Board's -- I only have a little bit left, and then I
11 am almost -- I will be done.

12 PRESIDING COMMISSIONER DUFF: Well, I think we
13 are going to take a 15-minute break, anyhow. That
14 will allow you to regroup and consider your remaining
15 questions. Do you need longer than that,
16 Mr. Rubenstein?

17 M. RUBENSTEIN: No, no.

18 PRESIDING COMMISSIONER DUFF: Okay. So I am not
19 really good with math, but why don't we meet at ten
20 after 4. Okay? And then we will regroup, and the
21 other parties can consider your attendance, knowing
22 the remaining schedule because it will be Mr. Elson
23 next. Thank you very much.

24 --- Upon recess at 3:53 p.m.

25 --- Upon resuming at 4:11 p.m.

26 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein,
27 please continue.

28 M. RUBENSTEIN: Thank you very much, Panel.

1 The last section I want to review with you --
2 and maybe the best place to do that is page 78 of the
3 compendium. The issue is I want to go over with you
4 the productivity included in the 2026 O&M budget.
5 And we had asked you to provide, on page 78 of the
6 compendium, an IR providing, by specific initiatives
7 and by year, the productivity that you have included
8 in your application. It's a bit of a confusing IR
9 because it, obviously, talks about capital as well,
10 and then there was an update to that, and both tables
11 are in it.

12 So maybe if we can go all the way to page 94,
13 which I understand is the updated or the most
14 accurate OM&A numbers; do I have that right?

15 A. BARRIE: Yes. That's the updated
16 productivity measures.

17 M. RUBENSTEIN: And if we can go to the bottom
18 of page 95 where you have the totals. And if we look
19 at 2026, it's showing \$3.2 million, which is a
20 summation of all the different initiatives; is that
21 correct?

22 A. BARRIE: Sorry. What page number did you
23 say?

24 M. RUBENSTEIN: I am on page 95. It's on the
25 screen.

26 A. BARRIE: And you said 3.2?

27 M. RUBENSTEIN: Yeah.

28 A. BARRIE: Yes.

1 M. RUBENSTEIN: And so what I understand that to
2 reflect is, what you're trying to say, if you didn't
3 do any of the initiatives that are included in this -
4 - in this table on page 94 and 95 of the compendium,
5 your OM&A budget would be \$3.2 million higher; do I
6 have that right?

7 A. BARRIE: That's correct.

8 M. RUBENSTEIN: And as I understand how the
9 table works, and I went -- I know there's a number of
10 interrogatories that sort of look through each of the
11 various initiatives, and you have provided the
12 detailed calculations. As far as I can tell, with
13 the exception of online billing beginning in 2026,
14 it's showing absolute dollars of savings in the year,
15 not incremental dollars; do I have that right?

16 A. BARRIE: So I point out there is a couple
17 initiatives that only start in 2026.

18 M. RUBENSTEIN: Sure.

19 A. BARRIE: Yeah.

20 M. RUBENSTEIN: But with the exception of online
21 billing, which does reset in 2026, and those are
22 incremental to the previous years, all the others
23 is -- it's not showing what the incremental savings
24 you're getting over the previous year; correct?

25 A. BARRIE: So it depends. So if we look at --
26 some of the programs, they look at, like, net
27 metering. It looked at the incremental customers
28 that created the savings. So it still wouldn't be

1 all cumulative, I'll say.

2 M. RUBENSTEIN: Sorry. Which one are you
3 talking about, net metering?

4 A. BARRIE: Net metering.

5 M. RUBENSTEIN: Well, net metering only starts -
6 -

7 A. BARRIE: Yeah.

8 M. RUBENSTEIN: -- in 2026.

9 A. BARRIE: But that's why, because it's not
10 including savings prior to that.

11 M. RUBENSTEIN: Okay.

12 But the others, as I understand, then, are not;
13 they are simply just -- I don't want to call it gross
14 productivity savings, but it is not an incremental
15 number. It's not showing the additional savings over
16 the previous year.

17 A. BARRIE: No. It's looking at the investments
18 that we have made over the period of time that are --
19 that's impacting the 2026 base year.

20 M. RUBENSTEIN: Okay.

21 And so if we go back in time, and if I am
22 looking at the bottom of that page again, if we say,
23 for example, in 2024, \$3.4 million in savings; in
24 2025, you're calculating \$5.3 million in savings;
25 then in 2026, you got 3.2 million; do I have that
26 right?

27 A. BARRIE: I see the 3.2. I didn't catch your
28 first two numbers. You're still on page 95?

1 M. RUBENSTEIN: Yeah, 2024, 3.4 million --

2 A. BARRIE: Sorry. You're scrolling faster than
3 I am, so I apologize.

4 M. RUBENSTEIN: Sure. I am just looking at the
5 screen here. I am looking on page 95.

6 So in 2024, the total is 3.4 million?

7 A. BARRIE: That's correct.

8 M. RUBENSTEIN: Then 2025, 5.3 million?

9 A. BARRIE: That's correct.

10 M. RUBENSTEIN: And then, actually, we're --
11 it's 3.2 million; correct?

12 A. BARRIE: Yes. Because we removed some of the
13 previous year's savings.

14 M. RUBENSTEIN: But not all of it; correct?

15 A. BARRIE: Correct.

16 M. RUBENSTEIN: And so is there actually
17 incremental savings in 2026 over 2025? Have you
18 saved more dollars or more productivity savings?

19 A. BARRIE: So these are -- like, these are the
20 ones, when we were talking in the settlement
21 presentation that we spoke about, that we were
22 looking at both qualitative and quantitative
23 productivity savings. So these are the ones that we
24 could easily put numbers to that already occurred, so
25 we are dealing with -- we are not -- for example, we
26 would have natural efficiency that, like -- that we
27 are planning for in 2026, but those projects aren't
28 done; and, therefore, they are not going to show up.

1 M. RUBENSTEIN: Sure. But with respect to the
2 qualitative savings that you're --

3 A. BARRIE: So some of them --

4 M. RUBENSTEIN: Sorry. Just -- let me just ask
5 the question.

6 A. BARRIE: Sure, sure.

7 M. RUBENSTEIN: Is the twenty-twenty -- are you
8 showing here and building into the budget more
9 savings than you had in 2025, incremental savings?
10 Because this table shows, no, you had 5.3, and now
11 it's 3.2. But I recognize, as we just talked about,
12 there is a couple things that it is incremental, so I
13 just -- I don't want to -- I am not sure the answer.

14 A. BARRIE: So are you looking at specifically -
15 - because, like, we have, like, the automated
16 metering, the vegetation management, and the fleet
17 pooling that are creating additional costs
18 throughout, and I know you are focusing specifically
19 on 2026, but some of those programs are going to ramp
20 up as they go.

21 We also have other ones that were speaking to
22 the -- and I know you're categorizing it as, like,
23 the incremental savings, but what we are doing is
24 calculating the change in the activities and what
25 kind of savings they are bringing as well.

26 So I am just trying to pick out the piece --

27 M. RUBENSTEIN: Yeah, fair enough.

28 A. BARRIE: -- exactly you are looking at.

1 M. RUBENSTEIN: I am just -- I am focused on
2 2026 because that is what is at issue in this
3 proceeding, and what it shows is in 2025, you had 5.3
4 millions of savings, and now you have 3.2. So it
5 shows, looking at -- just like on that is, you
6 actually have less savings this year.

7 Now, as we just discussed, some of those, it's
8 not exactly an apples-to-apples because you -- for, I
9 think, online billing and, I think, net metering, it
10 is on an incremental basis; right?

11 So I just want to be fair here. Is the company
12 expecting in quantified savings more savings in 2026
13 than in 2025, and what would that number be?

14 T. FREEMAN: Mr. Rubenstein, thank you for
15 noting the non-incremental nature of the online
16 billing savings.

17 I do think it's important to note that those
18 savings are baselined in the '21 to '25 period. They
19 are baselined in 2021, and then that baseline does
20 reset again, so the number in 2026 is sort of
21 starting that calculation over. Naturally, the
22 savings -- and you can see on that line item --
23 sorry. I just scrolled away from it -- that it's
24 2.8 million in savings in 2025 compared to only
25 .5 million in 2026. So there is a material
26 difference there.

27 M. RUBENSTEIN: So if I add the 2.8 million in
28 2025 for the online billing to the \$3.2 million

1 you're showing in 2026, I get 5 million. That's
2 still less than you had in 2025; correct?

3 T. FREEMAN: That number is lower. Again, there
4 are some items that were removed from -- we stopped
5 them after the 2021 to 2025 period.

6 M. RUBENSTEIN: And that is why I am asking you,
7 for that exact reason, is -- is there actually -- is
8 there more -- is there incrementally more savings in
9 2026 than 2025 or less? Because it appears that
10 there is less.

11 A. BARRIE: With the way we have done it, it's
12 less because we were trying to reset some of them.
13 Because specifically the one that Mr. Freeman was
14 talking about, the number of savings, if you take the
15 entire period of time because we -- you know, we just
16 keep increasing the amount of customers that we are
17 trying to get on E-billing, so the savings on that
18 particular item can be quite large. And as a result,
19 we were trying to look at just the incremental nature
20 and even if you add the 2.8, but we have
21 incrementally done that every year, so we have
22 removed them.

23 And also, like, we are quantitatively putting
24 these -- this evidence was put together, you know,
25 really going through the '23 year and '24 year, and
26 so you're not also catching all those programs that
27 potentially are happening after that as well that we
28 are constantly working on.

1 So we are trying to be, I guess, only showing --
2 maybe we are being a little bit conservative in
3 which -- with the way we are talking about the
4 savings because we embed a lot of our savings just in
5 the -- naturally with the way we budget, right. And
6 so as a result, we can't always pull out those -- all
7 those numbers and add them to this table easily.

8 M. RUBENSTEIN: So just one more time. We just
9 look at the quantifiable savings that you have
10 included in the table for those initiatives.

11 A. BARRIE: Yeah.

12 M. RUBENSTEIN: And we add the \$2.8 million for
13 the online billing in 2025, which is -- should be
14 added to the 2026 number to have it on an apples-to-
15 apples basis. I still get a number that is lower in
16 2026 than your -- than you had savings in 2025, and I
17 just want to know if I am right or wrong about that?

18 L. HEUFF: I believe, Mr. Rubenstein, that it's
19 generally around there, and they are very close.

20 The only other program that has a difference
21 where the '25 value is higher than the 2026, based on
22 my review, anyways, at this point in time, is the
23 cable locates efficiency. And if you look at the
24 cable locates efficiency, it does vary by year on an
25 annualized basis, and with '25 being at .8, and then
26 2026 .7. And you'll note that it does grow again to
27 0.8 million again in 2029.

28 And I believe that's the only one where if you

1 look through on an individual basis -- and the
2 remainder which would be about .1, I think, is a
3 rounding error difference between maybe the math just
4 from one year to the next.

5 But otherwise, I would say that just in general,
6 the programs from a 2025 basis, and absence of the
7 one that you noted on the online billing enhancements
8 is they are largely identical. Like, they would be
9 very close otherwise from a materiality perspective.

10 M. RUBENSTEIN: So roughly speaking, the 2026
11 savings are the same as the 2025 savings; correct?

12 L. HEUFF: Yes. Roughly speaking, yes.

13 M. RUBENSTEIN: Okay. Thank you very much.

14 And just so as I understand, some of the
15 initiatives that you're including here began before
16 the last rate term; do I have that right?

17 L. HEUFF: Yes, that's correct.

18 M. RUBENSTEIN: So, for example, as I look at
19 your table here, one of the largest ones is remote
20 disconnection technology, 0.9 million savings in
21 2026; do you see that? 3.23.

22 T. FREEMAN: Sorry. Yes, I see that.

23 M. RUBENSTEIN: Okay. And if we can go to
24 page -- page 77 of the evidence. This was a table
25 where we asked you what the implementation date of
26 these admissions were relative to the start of 2021.
27 My understanding, this one, you say you started in
28 part before; do I have that right?

1 T. FREEMAN: That's correct, yes.

2 M. RUBENSTEIN: Okay.

3 And then if we -- flipping quickly back to
4 page 94, if you'd like, another initiative that you
5 have savings for is -- you see this on page 95 --
6 disconnection notification automation, 400,000; do
7 you have that? Do you see that?

8 T. FREEMAN: Yes, I do.

9 M. RUBENSTEIN: And if we go back to page 77,
10 this was implemented before 2021; correct?

11 T. FREEMAN: Yes, that's correct.

12 M. RUBENSTEIN: So included in your 2026
13 productivity savings, it's not just initiatives that
14 were implemented in the last term. It actually
15 includes savings from initiatives implemented even
16 earlier than that; correct?

17 T. FREEMAN: Yes. But as outlined in this -- in
18 our response to this undertaking, although the
19 initiatives may have started before 2021, effort was
20 required to either maintain them or expand them. In
21 the case of remote technology, that's an ongoing
22 program, so the savings would -- there was effort
23 required to generate those additional savings
24 throughout the '21 to '25 period as we have outlined
25 in this table.

26 M. RUBENSTEIN: Okay. And if we go back to
27 page 94 and 95. As I understand, the only new
28 initiatives that you're undertaking in 2026, or at

1 least that you've included in the table in the
2 budget, are fleet pooling, which is \$100,000 savings;
3 net metering that has \$200,000 savings, you see that
4 on the next page -- or, sorry, you see that two down;
5 and then I believe there is another one, satellite
6 imaging for vegetation management, which you are not
7 forecasting any of the savings to begin in 2026. Do
8 I have that right?

9 T. FREEMAN: I would agree that those are the
10 items on this table that don't have savings outlined
11 in '21 to '25. That's not the sum total of all the
12 productivity and efficiencies that we are going to
13 realize throughout 2026 to 2030. I think throughout
14 our evidence, we have identified a number of areas
15 where we are using productivity to keep head count
16 lower than it otherwise would have been, which, as
17 you can appreciate, is a little bit hard to represent
18 in a table.

19 I would be happy to kind of show you how despite
20 increasing customer counts, increasing complexity of
21 customer issues, we are maintaining our customer
22 engagement head count. That's mostly through
23 productivity and some of the initiatives you have
24 identified here and others.

25 M. RUBENSTEIN: Well, I am just -- yeah. I just
26 want to look at this table here.

27 T. FREEMAN: Sure.

28 M. RUBENSTEIN: Just so I am clear, the

1 quantifiable savings you have put in this table here,
2 which we have talked about, the only new initiatives
3 that we have that have savings -- we have \$300,000 in
4 new initiatives and new savings in 2026; correct?

5 T. FREEMAN: Subject to check the math on that,
6 but in this table that sounds correct.

7 A. BARRIE: But just repeating what Mr. Freeman
8 said, that many of these activities continue to
9 require effort in order to maintain those savings.
10 So if Hydro Ottawa just stopped those activities
11 today, we would then -- our costs would go up. So we
12 do have to continue to do the work to ensure that
13 these savings stay in place.

14 M. RUBENSTEIN: Okay. So as I understand from
15 what our discussion, the quantifiable savings are
16 roughly the same as in 2025. They include --
17 correct?

18 A. BARRIE: Correct.

19 M. RUBENSTEIN: They include some initiatives
20 that began before the last rate term started; right?

21 A. BARRIE: So the one you're referring to, I
22 just want to clarify again, like, in the note, it
23 said the initiative started '19. The savings did not
24 start occurring until after it was implemented and we
25 could start seeing those savings as of 2021.

26 M. RUBENSTEIN: Okay. So this application
27 compared to 2025, you are seeking an additional --
28 that you have spent, you are seeking an additional

1 \$20 million in O&M costs, you are seeking, compared
2 to what was approved, about 35 million more dollars,
3 and yet the same amount of savings that you're
4 forecasting as compared to 2025 and only incremental
5 initiatives of \$300,000. How is that reasonable?

6 A. BARRIE: I think that's where -- going back
7 to the discussion about our head count and trying to
8 remain flat for the last ten years, this is how we
9 achieved those savings, right. When you look at, as
10 Mr. Freeman mentioned, the growth in our customers
11 alone, which means increased calls, which means
12 increased bills, rate changes that have occurred that
13 have -- more complex that we need to be able to
14 explain to our customers. We -- and all those
15 activities while maintaining the same billing staff,
16 dealing with the exceptions, and all that. And this
17 is how we do that.

18 So these are the ones we could more easily
19 quantify, but I think that's where you can see in the
20 past where we have been able to maintain our head
21 count, and we have worked within that envelope
22 despite those challenges of those growth items and
23 operating costs.

24 M. RUBENSTEIN: But in this application, you are
25 seeking 81 incremental.

26 A. BARRIE: And that has to do with more of
27 growth and electrification in -- going into the
28 future. The environment has changed. And we are

1 still going to be relying heavily on productivity and
2 initiatives, including some of our intended cloud
3 solutions, in order to make sure that we can maintain
4 to the cost level we are proposing.

5 M. RUBENSTEIN: Thank you very much, Panel.
6 Those are my questions.

7 PRESIDING COMMISSIONER DUFF: Thank you,
8 Mr. Rubenstein.

9 Mr. Elson, you are next.

10 K. ELSON: Thank you, Madam Chair.

11 PRESIDING COMMISSIONER DUFF: Oh. Yes. Please
12 proceed.

13 **CROSS-EXAMINATION BY K. ELSON**

14 K. ELSON: Thank you.

15 Good afternoon, Panel. I am going to be asking
16 you questions primarily relating to the net metering
17 charge. And I will be referring to a document book
18 that we filed, and we might as well mark that as an
19 exhibit, please.

20 M. MILLAR: That's K1.4.

21 **EXHIBIT K1.4: ENVIRONMENTAL DEFENCE DOCUMENT**
22 **BOOK**

23 K. ELSON: I will be referring also to JT3.8 in
24 a minute or two. But I will start with some
25 background questions just to situate the discussion.

26 My understanding is that Hydro Ottawa is no
27 longer charging customers an extra monthly fee if
28 they have net metering; right?

1 A. BARRIE: That is correct.

2 K. ELSON: And in this application, you're
3 seeking to formally remove the fee from the fee
4 schedule; right?

5 A. BARRIE: That is correct.

6 K. ELSON: One of the rationales outlined in
7 your application says:

8 "Net metering customers, unlike other generation
9 customers, also incur a monthly fixed service charged
10 based on the distribution rate class they are
11 assigned."[as read]

12 Can you elaborate on that rationale; please?

13 A. BARRIE: Yes, I can.

14 So when we look at our rate classes, our load
15 customers specifically, they already -- all load
16 customers have a mix, with the exception of
17 residential, which is fully fixed. But all other
18 rate classes have a fixed and a variable charge. And
19 as a result, unlike generators, regardless of the
20 usage of the grid, load customers pay into the costs
21 of the grid.

22 K. ELSON: If we could turn to Exhibit JT3.8.

23 And this undertaking response to the Vulnerable
24 Energy Consumers Coalition responded to the question:

25 "Calculate the additional revenue that would
26 have been earned off of net metering customers based
27 on approved \$16 rate and escalating to
28 2.1 percent."[as read]

1 And if you can turn down to Table C. And you'll
2 see that Table C is the "Net Metering Service Charge
3 Illustrative Revenue - Updated Costing and Unit
4 Estimate"; do you see that there?

5 A. BARRIE: I do.

6 K. ELSON: And I will start with the updated
7 unit estimate in this table is \$8 a month in 2026,
8 and then \$9 a month for the last four years of the
9 rate term?

10 A. BARRIE: That's correct.

11 K. ELSON: Now, as far as I can tell, the record
12 does not include a breakdown of how you came to that
13 unit estimate; right?

14 A. BARRIE: No, I don't believe it does. Our
15 last rate application in 2018 would have had the
16 breakdown of those costs when we were proposing the
17 costs at that point in time.

18 K. ELSON: And I take it you have not provided
19 the kind of costing details you typically would
20 include where you are requesting approval of a
21 specific service charge because you're not requesting
22 a specific service charge for net metering customers;
23 right?

24 A. BARRIE: No, that has not been put on the
25 record. But we did follow the same methodology as we
26 did in order to come up with that \$8.

27 K. ELSON: What updates were made in terms of
28 this updated unit estimate?

1 A. BARRIE: We did a similar time study in terms
2 of how much effort on a manual basis it takes to
3 complete net metering bills. The reduction is
4 related to the fact that we automated the residential
5 and small commercial portion, and as a result, the
6 only piece that's less -- that's left, sorry, that is
7 done on a manual basis is the commercial class. Or
8 the larger commercial classes, I should say.

9 K. ELSON: And when you're talking about looking
10 at unit costs, what year did you look at?

11 A. BARRIE: Subject to check, I believe we were
12 looking in the 2025-year and how much time it was
13 taking.

14 K. ELSON: And in what year did you or will you
15 implement the automation?

16 A. BARRIE: At this point in time, on the
17 record, we have indicated that we don't have any
18 plans to automate the commercial class net metering
19 charge.

20 K. ELSON: Got it. But for the automation
21 implemented for the residential customers, what year
22 will it be implemented?

23 T. FREEMAN: That was actually done in two
24 parts. The initial automation happened in 2022, and
25 that was for tiered customers with the introduction
26 of ultra-low overnight and time-of-use billing for
27 net metered customers. That required an additional
28 project in 2024 to automate net metering billing for

1 those rate classes.

2 K. ELSON: Got it, okay.

3 So the updated unit costing and unit estimate is
4 only applicable to commercial class customers; right?

5 A. BARRIE: The costing, yes, is only applicable
6 to commercial class customers.

7 K. ELSON: And that's less than or roughly
8 5 percent of customers with net metering; right?

9 A. BARRIE: It is lower. I am not quite sure if
10 it's 5 percent, but subject to check, it's definitely
11 a smaller portion of the net metering group.

12 K. ELSON: Got it.

13 And you don't have the same equivalent kinds of
14 costs for residential customers with net metering
15 because it's been automated; correct?

16 A. BARRIE: Correct. But I would like to
17 clarify, though, just to make sure it's understood,
18 that the \$8 is looking at all classes of customers.

19 So if you just looked at it in terms of what
20 would the rate look like if you were looking at
21 commercial customers, it would go up.

22 K. ELSON: Got it.

23 So the denominator is all customers, but the
24 numerator is just the costs for commercial class
25 customers; right?

26 A. BARRIE: That's correct. Because the rate
27 class is net metering, not commercial net metering.

28 K. ELSON: Got it, okay.

1 And looking at the table we have, you know, \$8,
2 \$9. That would come to about \$100 a year for
3 customers with net metering?

4 A. BARRIE: Well, slightly more, but yes.

5 K. ELSON: Got it.

6 And the impact on the utility in terms of the
7 test year revenue is just \$74,000 in 2026; right?

8 A. BARRIE: That is correct.

9 K. ELSON: And I think you'd agree that that's
10 not a particularly material number?

11 A. BARRIE: In comparison to revenue from other
12 areas of business, it's not material.

13 K. ELSON: Now, the \$108 a year tax would be
14 applied to that for a residential customer; right?

15 A. BARRIE: That would be correct.

16 K. ELSON: And so that comes to 122, subject to
17 check?

18 A. BARRIE: I can take that subject to check.

19 K. ELSON: And we talked earlier about
20 approximately 5 percent of the net metering customers
21 being non-residential, so the flip side is roughly
22 95 percent are residential?

23 A. BARRIE: That is how that math would work,
24 yes.

25 K. ELSON: And for those residential customers,
26 \$122 a year, that would be material; would you agree?

27 A. BARRIE: For the residential customers, it's
28 more material than the commercial class customers.

1 K. ELSON: And it would be, you know, a
2 potential factor that a customer may consider when
3 deciding whether to implement batteries or solar
4 through a net metering arrangement, the \$122 a year?

5 A. BARRIE: I would assume customers look at all
6 their costs when they implement any solution, so I
7 would imagine that they would look at all costs.

8 K. ELSON: Now, I understand for residential
9 customers, there aren't incremental costs, but let's
10 just say that some of my friends that come after me
11 argue that there are indeed incremental costs, and
12 they say those need to be reflected in a specific
13 service charge for the purpose of cost causality.

14 What response would you have to them, including
15 in relation to the reality that we have postage stamp
16 rates?

17 A. BARRIE: So I think it's important to look
18 past just postage stamp rates. How Hydro Ottawa
19 looked at this isn't necessarily in that light. So
20 how we looked at the net metering charge and proposed
21 to remove it was more looking at customer optionality
22 with rate -- different rate options.

23 So this is a load customer, and the load
24 customers have -- depending on which class you're
25 in -- have many different options in which to choose
26 to have their rate. So you have tiered, time-of-use,
27 net metering, overnight, EV, right. And then when
28 you look at larger commercial classes, you have class

1 A, class B.

2 So when you look at, for instance, the larger
3 commercial classes, and you look at class A versus
4 class B, class A global adjustment is a lot harder to
5 implement to the rate class in class B. It takes a
6 lot more time. It takes a lot more individual
7 emphasis in terms of how that program works. And
8 there isn't a specific cost for class A customers
9 versus class B, and that's more of how we approached
10 it, that -- that for other rate optionality, there
11 isn't a specific cost based on the time and
12 materials.

13 And because we spent time creating an efficiency
14 for net metering, and typically for specific service
15 charges, you don't include those in the E-billing
16 systems, that we felt like it was appropriate at this
17 point in time to remove the charge.

18 K. ELSON: With 100 percent perfect cost
19 causality, each customer would have their own rate,
20 depending on the costs specifically attributable to
21 them; right?

22 A. BARRIE: Based on more than just rate design,
23 you'd have to look at how are they using the feeder
24 and everything like that. So, yes, in a perfect
25 situation, which would be more costly in implementing
26 it, that would be how it works.

27 K. ELSON: Does Hydro One charge customers a fee
28 for receiving paper bills?

1 A. BARRIE: Just to clarify, I assume you mean
2 Hydro Ottawa?

3 K. ELSON: Yes. Thank you.

4 A. BARRIE: So -- just in case you were asking
5 me a question about Hydro One.

6 K. ELSON: I wasn't.

7 A. BARRIE: I didn't want to do it wrong.

8 So, no, we don't charge a fee for paper bills.

9 K. ELSON: And subject to check, approximately
10 20 percent of Hydro Ottawa's customers do receive
11 paper bills?

12 A. BARRIE: Subject to check.

13 T. FREEMAN: I think we are roughly 17 percent.

14 K. ELSON: Oh, good.

15 Very roughly, how much does that cost either
16 overall or on a per-customer basis? And if you don't
17 have it off the top of your head, that's fine. I
18 just know that you have done work on this, and so you
19 might have that number, sort of order of magnitude.

20 T. FREEMAN: I don't think we would be able to
21 provide an all-in cost for that in the moment right
22 now. I know postage -- I think we are not able to
23 provide specific costs for what it would cost.

24 K. ELSON: Okay.

25 And Hydro Ottawa has a large service area
26 including very high dense populations and very low
27 dense population areas?

28 A. BARRIE: That is correct.

1 K. ELSON: And it takes more poles and wires per
2 customer to serve areas with low population density
3 versus areas with high population density?

4 A. BARRIE: That is correct.

5 K. ELSON: And you have just one set of
6 residential rates regardless of whether the area is
7 low or high density; right?

8 A. BARRIE: Yes. It also doesn't take into the
9 volume of use or anything that they use either.

10 K. ELSON: I would like to turn now to the
11 document book that we had filed, and in Tabs 2, 3,
12 and 4, we included the final rate orders of Alectra,
13 Toronto Hydro, and Hydro One. And I actually don't
14 want to drag you through those documents.

15 And so I will just ask if you can confirm that
16 none of those utilities have monthly charges for
17 customers with net metering in addition to the base
18 rates based on their rate class?

19 A. BARRIE: I can confirm that, but in doing so,
20 I would like to note that Hydro Ottawa has a number
21 of specific service charges that are different. I
22 just want to point out because in terms of
23 implementing the net metering charge to begin with,
24 we do -- appears to be more so than maybe some of
25 other utilities that when we come in, we look at our
26 specific service charges.

27 And so when we look at our productivity, so if
28 you look at, for instance, the move-in/move-out, we

1 have reduced the cost on how we pass on those savings
2 through that specific service charge to customers.
3 So it's certainly not the only unique charge, I would
4 say, on rate orders between ourselves and those three
5 utilities.

6 K. ELSON: And in Tab 5 of this document book,
7 there is OEB open data, but, again, I might be able
8 to avoid bringing you through it if you can
9 acknowledge that Alectra, Toronto Hydro, and Hydro
10 One serve over 60 percent of the residential
11 customers in Ontario; is that something you can agree
12 with?

13 A. BARRIE: That is something I can agree with.

14 K. ELSON: And so if the OEB were to order Hydro
15 Ottawa to reinstate the net metering charge pursuant
16 to submissions of some of my friends, Hydro Ottawa
17 customers would be paying over \$120 a year to have
18 net metering, whereas most residential customers in
19 Ontario would pay zero?

20 A. BARRIE: Assuming they don't have another
21 charge that I am aware of, that would be the case.
22 But just because of that methodology and the fact
23 that we have other unique charges, I don't
24 necessarily think just looking at the percentage of
25 customers within a utility should be -- I wouldn't
26 want to see the reversal of our efficiency provided
27 to customers through account setup fees, for
28 instance, based on the same rationale.

1 K. ELSON: I think what you are saying is, yes,
2 but just because they don't have a service fee
3 doesn't necessarily mean that in all cases we
4 shouldn't have a service fee.

5 A. BARRIE: Right. Which is why the filing
6 requirements allow utilities to come in and have
7 different proposals for different rates based on
8 evidence and rationale.

9 K. ELSON: And if we could turn now to page 3 of
10 the document book.

11 And this is the Ontario integrated energy plan;
12 do you see that there?

13 A. BARRIE: Yes, I see that.

14 K. ELSON: And if we could turn to page 7,
15 which -- of the PDF, which shows the Minister's
16 statement. And I am looking at PDF page numbers, if
17 you could scroll down to where the highlighted
18 portion is. There we go.

19 In the top-right corner, you will see page
20 numbers for the document book, which should mirror
21 the page numbers in the PDF.

22 And directly in the Minister's two-page message,
23 it says:

24 "Our plan will modernize the grid to support a
25 smarter, more flexible system - one that can better
26 integrate and manage new technologies like battery
27 storage, smart devices, and distributed energy
28 resources." [as read]

1 Do you see that there?

2 A. BARRIE: I do see that.

3 K. ELSON: And distributed energy resources
4 includes batteries and solar that are often, but not
5 always, implemented via participation in net
6 metering; right?

7 A. BARRIE: That is correct.

8 K. ELSON: And if we could turn to PDF page 89.

9 The first two paragraphs, I would like to read
10 to you. But, first, we are in a section that is
11 entitled "Unlocking the Value of Distributed Energy
12 Resources" in the integrated energy plan; do you see
13 that there?

14 A. BARRIE: I do see that.

15 K. ELSON: And it says:

16 "As Ontario's electricity system grows, so will
17 the role of energy users. Today, families,
18 communities, and businesses aren't just looking
19 to use electricity - they're also looking to
20 produce it, store it, and manage it in real
21 time. This shift is being driven by
22 distributed energy resources (DER) technologies
23 like rooftop solar panels, batteries, smart
24 thermostats, and electric vehicles that
25 generate or manage power close to where it is
26 used. These tools give Ontarians more control
27 over their energy use, helping to lower bills,
28 boost reliability, and make homes and

1 businesses part of a more modern and efficient
2 electricity system."[as read]

3 Do you agree with those statements?

4 A. BARRIE: Sorry. In what sense? Like, the
5 fact that the words are written down or --

6 K. ELSON: No. The truth of the statements
7 themselves.

8 A. BARRIE: Well, it's a policy statement.
9 There is a lot of pieces to that. So I think it's a
10 subset of belief that I have a lot more encompassing
11 thoughts. Like, this document also talks about
12 affordability. So I think, you know, an important
13 element that's not highlighted in here is
14 affordability and cost need to be a consideration.
15 Specifically in other areas of this document, it's
16 referenced that we don't want, from their
17 perspective, overpriced microFIT contracts either.

18 So I think cost is an important element and
19 affordability is an important element. So as a
20 portion of my belief, I believe it is important, and
21 DERs are a way of the future, but I think we need to
22 look at balancing costs and ensuring that costs and
23 remuneration are tied together.

24 K. ELSON: Well, maybe my question was a bit
25 unfair because I read a lot of sentences. So let's
26 just focus on that last sentence that DERs:

27 "Give Ontarians more control over their energy
28 use, helping to lower bills, boost reliability,

1 and make homes and businesses part of a more
2 modern and efficient electricity system."[as
3 read]

4 Do you agree with that statement from the
5 Minister of Energy?

6 A. BARRIE: I believe if done correctly, it can
7 be.

8 K. ELSON: And can we turn down the page,
9 please.

10 And it says underneath the image, again, on
11 page 89:

12 "In today's system, the full value of these
13 resources remains largely untapped. Customers
14 have limited options to be compensated for the
15 benefits of their DER provide to the grid, and
16 many projects face barriers to
17 participation."[as read]

18 Do you agree with that?

19 A. BARRIE: I agree with aspects of that. I
20 think you need to clearly more define what exactly
21 "facing barriers" are for me to necessarily agree
22 with that statement.

23 K. ELSON: Can we turn to page 91, please.

24 And I will just signal that I will be done very
25 shortly. I was able to reduce my questions
26 significantly, as I mentioned to some of the parties,
27 so we will be catching up to be on time. So that's
28 my good news, but let me continue with just a last

1 question or two.

2 I am looking now at page 91, and the integrated
3 energy plan includes a DER strategy; right?

4 A. BARRIE: That is correct.

5 K. ELSON: And the page we are looking at here
6 includes three pillars of that strategy?

7 A. BARRIE: On this page, yes, I can agree with
8 that.

9 K. ELSON: And the second pillar is "empowering
10 customers," and it says:

11 "Ontario will make it easier for customers to
12 adopt and benefit from DER - giving families,
13 businesses, and institutions more tools to
14 manage their energy use, reduce costs, and
15 contribute to a smarter, more flexible
16 grid." [as read]

17 Do you see that pillar there?

18 A. BARRIE: I do see that pillar there.

19 K. ELSON: Would you agree that Hydro Ottawa's
20 proposal to eliminate extra monthly service charges
21 that are on top of the service charges for the
22 relevant rate class for customers with net metering
23 is consistent with this pillar of the DER strategy?

24 A. BARRIE: I think this is a policy initiative
25 that has to be, you know, taken for what it is, and
26 then it needs to be implemented through other
27 mechanisms.

28 I think just looking at it that narrowly is -- I

1 wouldn't want to say yes to that question. Sure, it
2 aligns, but giving, you know, free things away also
3 align. So I think it's broader than that statement,
4 and so -- and I think it's important to note also
5 that Hydro Ottawa's proposal is not because the
6 customer is a DER and more relates to the fact of --
7 the fact that -- where they have different price
8 plans.

9 So if -- with -- in this document, ourselves, I
10 feel like -- if I can take a moment. If we went to
11 page 14. Oh, I think you passed it, sorry. 14 of
12 the document, maybe not the page -- it's 16, sorry,
13 of the compendium.

14 So how we look at the proposal is aligning more
15 with empowering customer choice and with the options
16 of providing different rate structures to customers
17 who are load customers.

18 K. ELSON: Got it.

19 And I think, you know, my previous question, I
20 wasn't attempting to suggest that this would be the
21 be all and end all of supporting the DER strategy.
22 There's much more there. And I think in response,
23 what you're saying is that, yes, eliminating the net
24 metering charge does further the provincial policy of
25 empowering customer choice; is that fair to say? A
26 fair summary?

27 A. BARRIE: I think so, but I just -- I feel
28 like for me to agree, that is a little bit broad. I

1 think any time you reduce and remove a complete
2 charge, it's -- it makes it easier to do something,
3 and I think you have to have a fuller strategy of
4 looking at both costs and remuneration to assume the
5 two tie.

6 And that's why I am attaching our proposal
7 instead with load customers and how we approach that
8 cost, and the fact that we aren't charging a charge
9 for, like, the class A and the class B for the global
10 adjustment, and we haven't been that precise in terms
11 of the different rate optionalities that are
12 otherwise out there for customers.

13 K. ELSON: Got it.

14 So you're highlighting consistency in the
15 treatment of different customers with different rate
16 options and to cost causality; right?

17 A. BARRIE: That is correct.

18 K. ELSON: Okay, thank you.

19 And, Madam Chair, I did indicate by email to the
20 parties that I would be faster than I had expected,
21 and I am even faster than I had expected the second
22 time, so I am complete for the day and can pass it
23 on. Thank you.

24 PRESIDING COMMISSIONER DUFF: I am the last to
25 know. Thank you very much, Mr. Elson.

26 Wow, we are -- keep going? So I was just
27 conferring with my Panel members there. Next up is
28 Mr. Brophy. Did you want to start?

1 M. BROPHY: Sure, yeah. No problem. And
2 luckily, the first few questions are segmented in a
3 way that you just give me the signal and we can stop
4 at 5, five after 5, whatever you like. Yeah.

5 PRESIDING COMMISSIONER DUFF: Actually, I like
6 to leave it with you. I don't want to break up your
7 flow in terms of your questioning.

8 M. BROPHY: Sure.

9 PRESIDING COMMISSIONER DUFF: So with that, as
10 long as it's reasonable.

11 M. BROPHY: Okay. Thank you.

12 PRESIDING COMMISSIONER DUFF: Please proceed.

13 **CROSS-EXAMINATION BY M. BROPHY**

14 M. BROPHY: Thank you very much.

15 Good afternoon, Panel. You may recall from this
16 morning my name is Michael Brophy, and I will be
17 asking questions in a consolidated manner on behalf
18 of Pollution Probe and also CAFES Ottawa.

19 I submitted a consolidated cross-examination
20 compendium on behalf of those intervenors which
21 contains materials from the record and the Panel may
22 need to refer to some of those. Can we have that
23 marked as an exhibit?

24 M. MILLAR: K1.5.

25 M. BROPHY: Thank you very much.

26 **EXHIBIT K1.5: CONSOLIDATED POLLUTION PROBE AND**
27 **CAFES OTTAWA COMPENDIUM**

28 M. BROPHY: I just wanted to touch on one

1 contextual energy transition item before jumping into
2 some other detailed questions. Perhaps we can pull
3 up Exhibit 2, Tab 5, Schedule 4, Appendix F. And I
4 can give you the page number once you're there. And
5 it would be Appendix F, page IX, and that's Figure 4.
6 Great, thank you very much.

7 There was a short discussion this morning
8 related to Hydro Ottawa's assumptions on
9 electrification and the changes occurring in Hydro
10 Ottawa's service territory.

11 Figure 4 includes -- it's from your
12 decarbonization study. I think you have confirmed
13 that before. And it includes the underlying Hydro
14 Ottawa forecast that Hydro Ottawa is using, so the
15 three different scenarios that you mentioned this
16 morning, I think it was Ms. Heuff referred to.

17 Can you confirm that Hydro Ottawa still is
18 proceeding based on the reference scenario indicated,
19 so that's the one just before -- below the full
20 electrification scenario, and that this provides a
21 path -- a potential pathway to net zero by 2050?

22 L. HEUFF: So I can confirm that the reference
23 scenario is the one by which we informed our mid to
24 long-term planning. The net zero 2050 study is
25 actually the policy guided one.

26 M. BROPHY: Yes, correct. That's my
27 understanding. And there was an IR response that
28 indicated that the reference scenario -- because this

1 only goes out to 2030, I am not sure that's on the
2 screen at the bottom there. But the net zero is out
3 to 2050 which is beyond -- beyond the -- oh, there it
4 is, in 2050.

5 I believe Hydro Ottawa had answered an IR
6 indicating that you can accelerate if needed after
7 this rate term to meet net zero if needed.

8 L. HEUFF: Yes, that's correct. We chose the
9 reference scenario as it allows us to either
10 accelerate or decelerate depending on the environment
11 that we will be working with at the end of the five-
12 year period.

13 M. BROPHY: Okay. Thank you.

14 And I just notice now that the two scenarios,
15 the full electrification and the reference scenario
16 you are using, are very close. It looks like about
17 only a 10 percent difference there. So I guess
18 that's how you would be able to accelerate in order
19 to get to the net zero scenario; is that accurate?

20 L. HEUFF: I mean, there's so many variables at
21 play. And the reference scenario and the policy-
22 guided scenario may have updated and -- at the time
23 when we update the actual study, and we will be
24 endeavouring to continue to keep an eye on this. But
25 at this point in time, at this -- that's a correct
26 assumption based on the numbers that were used when
27 the study was conducted.

28 M. BROPHY: Okay, thank you.

1 And the reference scenario, I think you can see
2 from the chart, provides significantly more
3 electrification compared to the business as usual
4 dual fuel scenario which is currently relying on more
5 natural gas; is that an accurate statement?

6 L. HEUFF: That's an accurate statement, yes.

7 M. BROPHY: Okay. Thank you very much.

8 Okay. So I am going to now move on to just some
9 questions related to the OM&A topic.

10 Can Hydro Ottawa confirm that the three
11 unsettled issues in this case are separate and do not
12 impact Hydro Ottawa's ability to meet the commitments
13 in the settlement agreement?

14 A. BARRIE: So just to clarify a hundred percent
15 what you're asking, do you mean the commitments as in
16 the extra commitments document or all -- like just --

17 M. BROPHY: The full settlement agreement which
18 is now OEB approved --

19 A. BARRIE: Okay.

20 M. BROPHY: -- Hydro Ottawa committed to. I
21 just wanted to clarify that the three outstanding
22 items, nothing in them is going to not allow you to
23 commit to that. And I think that's probably a no-
24 brainer given you have already committed.

25 A. BARRIE: Yeah, I was just -- one, it is
26 always good to make sure you know what you are
27 actually saying yes or no to, so that is why I just
28 wanted to fully clarify.

1 But I would say, yeah, there obviously -- we
2 have committed to the pieces of settlement agreement,
3 but I don't want to de-emphasize the fact that we are
4 here today because of how important it is for the
5 OM&A and for us to establish something that we feel
6 like we can manage within.

7 M. BROPHY: And I am not suggesting the three
8 outstanding items aren't important. I agree with
9 that. Thank you.

10 If you can pull up the compendium page 12. And
11 this is the historical and proposed O&M spending that
12 was in the evidence, Exhibit 1, Tab 3, Schedule 1,
13 page 5.

14 Just while we are waiting, maybe you can just
15 right size it so it all fits on the screen.

16 So is it -- just to confirm, the O&M -- OM&A
17 request in this proceeding is an envelope, and once
18 the OEB delivers its decision, and subject to any OEB
19 conditions in that decision, Hydro Ottawa then goes
20 away and has the flexibility over the term to work
21 within the OM&A envelope approved; do I have that
22 right?

23 A. COLLIER: Maybe just to clarify the reference
24 because the figure that's on the page is capital
25 expenditures.

26 M. BROPHY: Oh, sorry. The O&M, I think, is the
27 next chart down. Yes. Sorry. It's -- that was one
28 page down. Yeah, that's the OM&A one.

1 A. COLLIER: Sorry. Could you just repeat your
2 question?

3 M. BROPHY: Sure.

4 So is it correct that the OM&A request in this
5 proceeding is in -- or an OM&A envelope, and once the
6 OEB delivers its decision, subject to any conditions
7 they include, that Hydro Ottawa has the flexibility
8 over the term to work within the O&M -- OM&A envelope
9 approved; is that correct?

10 A. COLLIER: For -- so if we are talking the
11 2026 base year, generally that's how we view it;
12 however, we have put on the record quite a few
13 commitments and projects that we intend to do, so we
14 will work within that envelope.

15 But I would like to point out that the figures
16 '27 to 2030 on this chart, because it was filed with
17 the original evidence, does not reflect the settled
18 OM&A escalator. So each of those '27 to 2030 numbers
19 have now already been reduced, and that's that total
20 almost 40 million that I was referring to in my
21 opening remarks.

22 M. BROPHY: Okay. No, thank you. Thank you
23 very much. And just for the record, that's page 13
24 of the compendium. I was off by one page number.

25 Okay. So while that's on the screen, would you
26 accept that, subject to check, to go from the current
27 2025 OM&A of 119 million to 171 million -- well, I
28 guess that number is different now in 2030 based on

1 what you said, so I will skip that.

2 Okay --

3 A. COLLIER: If you want -- do you want the
4 calculated -- the new number for 2030?

5 M. BROPHY: Yeah. Based on this, it was
6 43.7 percent from 2025 out to 2030.

7 A. COLLIER: So if you -- Lianne, if you pull up
8 the settlement proposal, Table 11. So you'll see in
9 the second row of this table, those figures --
10 obviously the 2026 remains the same at 140 base, that
11 is what we are here to talk about. But the '27 to
12 2030 numbers have been updated here with the updated
13 settled OM&A escalator. So the 171 in 2030 has
14 already been reduced to 155.

15 M. BROPHY: Okay. Perfect. And that's off the
16 base of the 140 million 2026 number?

17 A. COLLIER: That's correct. Yes.

18 M. BROPHY: Yeah.

19 A. COLLIER: Yes. Obviously that will change
20 depending on this decision.

21 M. BROPHY: Okay. Thank you very much.

22 If we can pull up compendium page 11. Okay.
23 And then there is a table at the bottom of that page,
24 Table 12. That's the summary of overall OM&A cost
25 drivers; do you see that? Table 12.

26 A. COLLIER: I do.

27 M. BROPHY: Okay, thank you.

28 And so I notice 2022 and 2023 had major weather

1 event costs. And you spent a lot of time in the
2 evidence and technical conference kind of walking
3 through those impacts, so I won't go through that all
4 again.

5 But those kind of storms and impacts thankfully
6 don't happen every year; would you agree with that?

7 A. COLLIER: Thankfully, I would agree with
8 that, yes.

9 M. BROPHY: Okay, thank you.

10 And if you were to remove the 8 million in
11 incremental costs related to the storms for each of
12 2022 and 2023 in that table, then the O&M -- OM&A
13 increases over the current rate term would be between
14 minus 6 million to 8 million, or an average of around
15 2.6 percent; would -- you see that or agree with
16 that?

17 A. COLLIER: So just to clarify, we have not
18 included in our budget in any major storm like the
19 2022 derecho in our 2026 test year.

20 We have -- and Ms. Heuff can speak to it in more
21 detail. We have elevated certain programs like the
22 vegetation management that I spoke to this morning.
23 So if you look at the other cost line, we have kind
24 of removed the effect of some of that offset by some
25 other driver. So we are not including any such.

26 M. BROPHY: Okay. And that's my understanding.
27 I am just trying to compare the current term to the
28 proposed term where if you don't include the major

1 weather events, which you have confirmed you haven't
2 done for the proposed term that you have in your
3 application, then the range of OM&A increases during
4 the current term are from minus 6 million to 8
5 million, which is an average increase of 2.6 over --
6 2.6 percent over the current five-year term.

7 A. COLLIER: Yeah. So the way I'd like to look
8 at this table, if you look at 2025, and as we spoke
9 to earlier today, our 2025 forecast is close to this
10 bridge year, but our current run rate for our OM&A is
11 119 million. So the main drivers that are leading --
12 that are going from the 119 to the 140 are inflation,
13 which we spoke about, increased head count, which is
14 in this labour cost.

15 Ms. Heuff can speak to the proactive
16 distribution maintenance, Mr. Willis can speak to the
17 IT programs, and then other costs. But those are the
18 main drivers. We wanted to simplify it and kind of
19 try to put it in a short table for you so that it was
20 clear what those drivers are.

21 M. BROPHY: Okay. And for 2025, I think today,
22 you mentioned there is an updated -- it was about
23 120.5 million --

24 A. COLLIER: Correct --

25 M. BROPHY: -- in a piece of evidence that you
26 referenced there as well?

27 A. COLLIER: Correct.

28 M. BROPHY: If you can go to page 17 of our

1 compendium, this should look familiar, hopefully.

2 So Hydro Ottawa filed supporting materials with
3 the settlement proposal, and this is one of those.

4 It was Attachment 12. It's titled "The 2026 to 2030
5 Bill Impact Model". Do you see that?

6 A. BARRIE: I do see that.

7 M. BROPHY: Okay. Thank you.

8 And can you confirm what's included in that
9 modeling for purposes of OM&A? More specifically, I
10 guess it's 2026.

11 A. BARRIE: Yeah, so the 2026 has our proposed
12 140 million.

13 M. BROPHY: Proposed. Okay.

14 Could Hydro Ottawa undertake to provide a
15 version of Attachment 12, and it's really the summary
16 that I am looking at because it has a great summary
17 of the impacts, using the 2025 OM&A plus the
18 2.1 percent inflation that was noted in your
19 presentation this morning as your placeholder, and
20 use that as the base OM&A for 2026; is that something
21 you'd be able to do?

22 A. BARRIE: So it's a calculation I can achieve.
23 It's not a small thing, so just -- just because the
24 2.1 percent doesn't appear to be reflective of
25 something. So to get my staff to go through all that
26 work, it's -- because it's not just as simple as I
27 put in 2.1 percent. We have to run it through cost
28 allocation, rate design, and, you know, then bill

1 impacts.

2 So thank you for the compliment of the summary,
3 but there is a lot of work that goes into it, and it
4 just doesn't seem to be reflective of the costs that
5 we are including. It's not reflective of the current
6 cost that even the OEB released for the inflation of
7 parameter from '25 to 26.

8 M. BROPHY: Okay.

9 A. BARRIE: So that's a forward-looking cost of
10 2.1 when the Conference Board of Canada is looking
11 future-focused and thinking about inflation
12 stabilizing, not -- that was not intended to be a
13 representation of what inflation is expected to be
14 from '25 to '26.

15 M. BROPHY: So the reason I mentioned 2.1 is
16 because -- percent inflation is because that's the
17 figure you had in your presentation slide this
18 morning as the footnote, as the placeholder you are
19 using in the absence of any other OEB values. But
20 you think there is a better value than 2.1 percent?

21 A. BARRIE: I would think a better value would
22 be an actual inflation expectation between '25 and
23 '26 because, as I said, that was a five-year forward-
24 looking average, which did not account for still the
25 hyperinflation that we're -- we have been
26 experiencing.

27 M. BROPHY: Okay.

28 A. BARRIE: So it wasn't intended to represent

1 '25 to '26.

2 M. BROPHY: And I didn't want to get stuck on
3 the inflation number. That's -- maybe what I will do
4 is I will share just the purpose, and then, you know,
5 if there's an easier way to do it, that would be
6 helpful.

7 So we're -- we have, from what you filed, the
8 settlement agreement reference I gave you, the rate
9 impacts, estimated based on the 2026 proposed O&M and
10 everything else that you have as current information.
11 What we are trying to look at is what the bookends
12 are, so, you know, that would be potentially a high
13 end. So if we were to take a look at the 2025, you
14 know, actual plus a reasonable inflation number and
15 apply that, what would that equal to the rate
16 impacts? Because really, that's the only number,
17 then, that's -- that's the most fluid in that exhibit
18 that you filed.

19 A. BARRIE: But I guess my concern still
20 resolves around the fact that, one, we are doing a
21 cost of service rebasing, and just simply looking at
22 inflation doesn't consider any other aspect of our --
23 so theoretically, inflation is dealing with
24 everything we are doing in 2025 with absolutely no
25 changes and continuing to do that in 2026, which, you
26 know, we -- we have a lot of things that we would
27 like -- we have committed to, we plan to participate
28 in, which we want to provide new services to

1 customers, and so just simply it doesn't account for
2 growth.

3 So are you just trying to capture what rate
4 impacts are strictly related to inflation without
5 consideration of growth or any other factor?

6 M. BROPHY: There's going to be debate, if there
7 hasn't been already, about what the right range of
8 reasonable OM&A is for 2026 and, you know, the
9 range -- I don't know what the full range of people
10 will end up submitting, but it could be from, you
11 know, somewhere around current to -- to the proposal
12 that Hydro Ottawa has put forward.

13 So, you know, we have the rate impacts based on
14 one side of that. Having the other side on the lower
15 side would just allow us to understand what that
16 range is from a rate impact perspective. That's --
17 if there's an easier way for you to provide that from
18 a directional point of view, we are happy to hear
19 that as well.

20 D. COBAN: Mr. Brophy, I think what Ms. Barrie
21 was trying to hint at in her -- and you can confirm,
22 Ms. Barrie -- is that there is a considerable amount
23 of work that goes into producing this table. And,
24 you know, if we are doing the analysis for a
25 hypothetical scenario, which sitting here today, the
26 company's evidence is that that scenario, you know,
27 would only enable current state and doesn't account
28 for some of the incremental proposals that are in

1 this application, I guess we are just -- we are
2 questioning whether it's a valuable analysis,
3 considering how much work it would take to do and
4 also, I think, opens up the door for additional
5 hypothetical scenarios to be put on the record and,
6 you know, being mindful of that volume of work, given
7 where we are in the proceeding.

8 M. BROPHY: I did give warning this question was
9 coming earlier today so -- about the scenario.

10 So if you can't undertake that within the time
11 allowance for undertakings, then, you know, I
12 understand that. I am in the Board's hands. If it
13 exceeds that ability, then happy to --

14 PRESIDING COMMISSIONER DUFF: Well, given the
15 hour, why don't we break right now, and that will
16 give the Panel an opportunity to kind of consider
17 whether we think it would be of value. And I am just
18 going to say my disposition is I -- having answers
19 after the oral hearing is -- concludes just -- it
20 creates some -- it's not ideal, so I am going to be
21 very careful about which undertakings that we agree
22 to.

23 M. BROPHY: Sure.

24 PRESIDING COMMISSIONER DUFF: So but on that
25 note, we will consider it, and I think -- Mr. Brophy,
26 is it okay to break now?

27 M. BROPHY: Perfect. Yes.

28 PRESIDING COMMISSIONER DUFF: Why don't we do

1 that. So with that said, thank you very much. It's
2 been a very long day. I appreciate that. We will
3 break now and readjourn 9:30 tomorrow morning, and
4 we'll continue with Mr. Brophy.

5 --- Whereupon matter adjourned at 5:19 p.m., to
6 resume Thursday, January 15th, 2026, at 9:30
7 a.m.