HYDRO OTTAWA LIMITED

APPLICATION FOR DISTRIBUTION RATES BEGINNING JANUARY 1, 2026

EB-2024-0115

VECC COMPENDIUM 1 PANEL OM&A

January 15, 2026

TAB 1

Appendix 2-JA FROM HOL_UT_ATT_JT2.16(A)..2025 FORECAST_20251007.XLSX

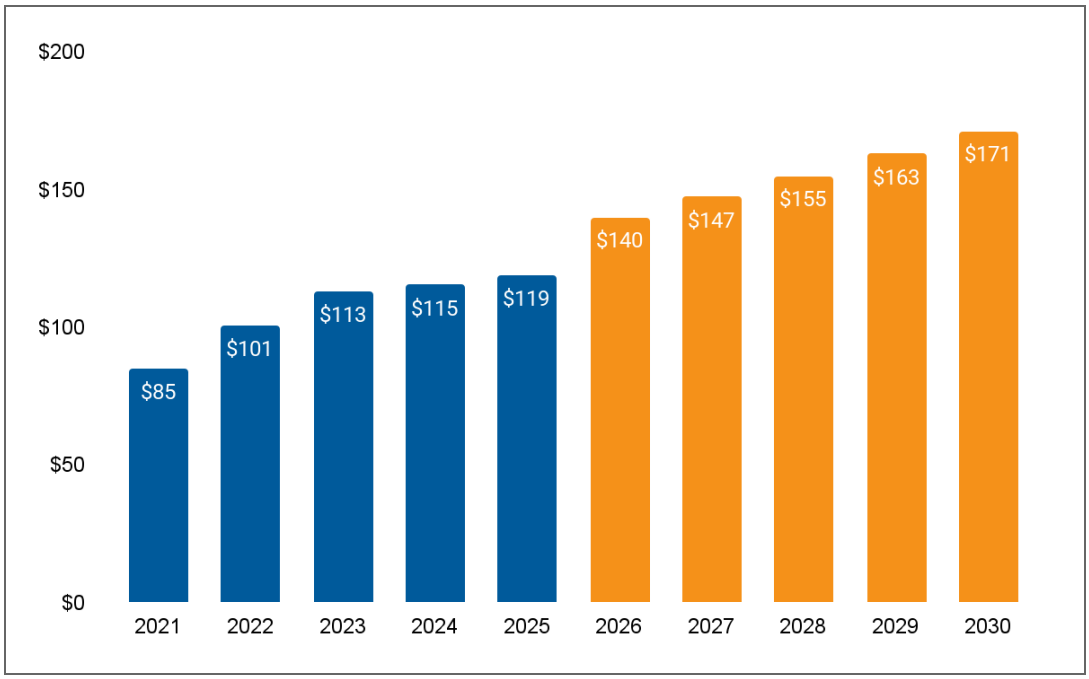
Appendix 2-JA

Summary of Recoverable OM&A Expenses

	2021 Last Rebasing Year Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2024 Actuals	2025 Bridge Year	2025 Forecast	2025 Variance	2026 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	22,289,609	25,958,200	26,739,431	33,934,538	31,047,451	33,750,401	32,745,121	(1,005,279)	44,892,545
Maintenance	9,508,222	17,821,203	21,342,846	14,684,628	15,584,835	15,113,631	16,932,980	1,819,349	18,897,055
SubTotal	**31,797,832**	**43,779,403**	**48,082,277**	**48,619,167**	**46,632,286**	**48,864,032**	**49,678,102**	814,070	**63,789,599**
Billing and Collecting	9,686,378	10,825,140	10,938,831	12,410,616	12,734,179	12,876,189	13,040,324	164,134	13,556,552
Community Relations	6,392,815	6,840,722	7,357,653	8,531,804	7,568,463	8,536,246	8,439,265	(96,981)	10,021,881
Administrative and General	36,860,234	39,090,480	46,398,985	45,758,786	48,155,182	48,645,429	49,433,876	788,447	52,642,346
SubTotal	**52,939,427**	**56,756,341**	**64,695,469**	**66,701,205**	**68,457,823**	**70,057,864**	**70,913,464**	855,600	**76,220,779**
Total	**84,737,259**	**100,535,744**	**112,777,746**	**115,320,372**	**115,090,109**	**118,921,895**	**120,591,565**	**1,669,670**	**140,010,378**

Programs	**Last Rebasing Year (2021 Actuals)**	**2022 Actuals**	**2023 Actuals**	**2024 Bridge Year**	**2024 Actuals**	**2025 Bridge Year**	**2025 Forecast**	**Variance (2025 Forecast vs. Bridge Year)**	**2026 Test Year**
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Testing, Inspection & Maintenance	1,470,229	1,432,852	1,554,511	2,220,676	2,202,040	2,820,495	2,485,937	(334,559)	8,893,786
Vegetation Management	3,811,208	6,719,596	6,256,807	6,429,900	6,935,909	5,821,640	7,064,427	1,242,786	6,148,782
Underground Locates	3,272,867	3,537,992	3,388,766	4,666,136	4,036,132	5,285,094	4,712,333	(572,762)	6,026,998
Stations Maintenance	2,670,364	2,710,136	2,888,309	3,454,452	4,789,177	4,167,459	5,084,103	916,645	5,032,662
Distribution Overhead & Underground Maintenance	2,110,155	2,590,727	8,084,711	3,069,636	2,327,360	3,015,586	2,984,579	(31,007)	2,714,330
Metering	1,594,472	1,910,279	1,486,785	1,876,320	2,625,340	1,889,940	1,931,129	41,189	1,970,435
System Operations & 24/7	4,611,839	9,322,934	8,028,824	5,975,663	5,618,302	6,640,482	6,803,708	163,225	6,422,510
Engineering & Design	6,729,196	7,226,347	7,826,182	9,305,985	8,057,493	8,929,602	8,967,886	38,284	15,223,738
Distribution Support	1,179,404	3,032,462	4,433,261	6,954,095	4,306,025	5,342,365	4,883,856	(458,509)	5,442,806
Minor Maintenance	1,296,558	1,317,224	1,249,745	845,754	1,545,297	990,209	1,360,877	370,668	1,668,856
Collections	1,686,580	2,855,679	2,929,179	3,099,461	3,558,785	3,304,010	3,346,732	42,722	3,461,733
Customer Billing	8,148,252	8,033,332	7,951,956	9,269,155	9,160,483	9,530,179	9,579,988	49,809	10,052,819
Customer & Community Relations	6,855,906	7,427,949	7,837,540	9,156,102	8,194,379	9,213,015	9,142,706	(70,308)	10,653,072
Information Management & Technology	9,661,004	11,673,842	11,907,849	13,701,782	14,846,109	15,104,832	15,611,876	507,044	16,779,527
Safety, Environment & Business Continuity	2,595,438	2,942,836	2,613,225	3,565,691	3,385,711	3,966,739	3,587,405	(379,334)	4,353,118
Human Resources	3,305,466	3,820,676	4,895,585	4,365,379	3,648,295	4,427,770	4,222,940	(204,830)	4,761,936
Supply Chain	1,364,510	1,110,151	488,833	806,845	603,439	833,355	735,067	(98,288)	988,757
Facilities	8,416,615	9,311,472	13,250,105	10,362,236	10,236,909	10,508,590	10,884,182	375,592	10,968,501
Finance	2,819,196	2,641,217	2,722,969	2,297,201	2,578,877	2,380,832	2,709,038	328,207	2,399,775
Regulatory Affairs	3,022,445	3,390,106	3,473,390	3,876,138	4,095,834	4,205,328	4,501,867	296,539	4,842,053
Corporate Costs	8,115,557	7,527,937	9,509,215	10,021,766	12,338,214	10,544,372	9,990,930	(553,442)	11,204,184
Total	**84,737,259**	**100,535,744**	**112,777,746**	**115,320,372**	**115,090,109**	**118,921,896**	**120,591,565**	**1,669,670**	**140,010,378**

Figure 3 - Summary of 2021-2030 Annual OM&A Expenses ($'000 000s)[4]



2. RATE-SETTING OPTIONS

There are three incentive rate-setting (IR) options for electricity distributors:

- **Price Cap IR:** Base rates are set through a cost of service process for the first year and the rates for the following four years are adjusted using an inflationary index minus a productivity factor.
- **Custom IR:** Rates are set for five years considering a five-year forecast of the utility's costs and sales volumes. This method is intended to be customized to fit the specific utility's circumstances.
- **Annual IR Index:** Existing rates are escalated using the annual adjustment under Price Cap IR, without a rebasing cost of service review.

[4] 2027-2030 illustrates the OM&A outcome of Hydro Ottawa's Custom Revenue OM&A Factor.

Table 2 – OM&A Cost Drivers 2021-2026 ($'000 000s)[2]

Cost Driver	Historical Years			Bridge Years		Test Year
	2021[3]	2022	2023	2024	2025	2026
OPENING BALANCE	**$ 91**	**$ 85**	**$ 101**	**$ 113**	**$ 115**	**$ 119**
Inflation[4]		$ 3	$ 4	$ 5	$ 4	$ 4
COVID Impact	$ (6)	$ 2				
Labour costs[5]				$ 4		$ 6
Proactive Distribution Maintenance						$ 5
New IT Programs		$ 1				$ 6
Major Weather Events		$ 8	$ 8			
Labour Strike			$ 6			
Other Costs[6]		$ 2	$ (6)	$ (7)		$ 1
Total Change	$ (6)	$ 16	$ 12	$ 3	$ 4	$ 21
CLOSING BALANCE	**$ 85**	**$ 101**	**$ 113**	**$ 115**	**$ 119**	**$ 140**

2021 Actuals vs. 2021 OEB Approved

2021 actual OM&A expenditures were $5.9M lower than OEB-approved amounts, largely due to the impacts of the COVID-19 pandemic and management's decisions and actions. The forecast included in the 2021-2025 Rate Application was compiled prior to the COVID-19 pandemic and did not account for the pandemic's impacts. Refer to Schedule 1-2-4 - Impacts of COVID-19 Pandemic for additional information. Hydro Ottawa observed the following impacts resulting from the COVID-19 pandemic:

- $(5.5)M related to reduced compensation costs as Hydro Ottawa employed several tactics to ensure employee safety during this time as well as control costs given the

[2] The figures in Table 2 are net of quantifiable productivity gains as detailed in Schedule 1-3-4 Facilitating Innovation and Continuous Improvement and growth factors.
[3] The 2021 Opening Balance represents the OEB Approved amount.
[4] Inflation is based on the OEB parameters.
[5] Labour costs are net of allocation beyond the OEB inflation parameters.
[6] Other Costs includes reversals of non-recurring costs.

The labour strike not only incurred its own costs but also forced a pause on a number of expenses as normal work activities could not be completed during the strike as well as a backlog on many items that required additional costs in 2024 to catch-up. This included items like distribution maintenance activities, training and recruiting. Then other costs such as fuel were higher in 2024 versus 2023 as many vehicles were not used during the labour strike.

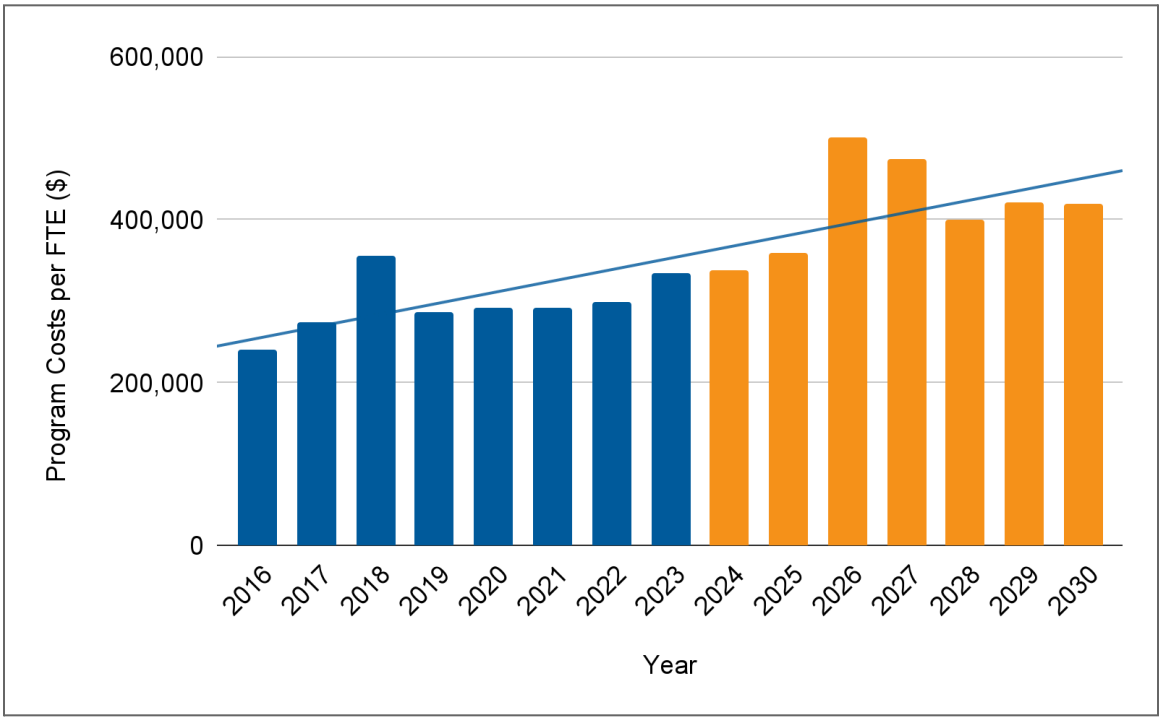
Additionally, other costs increased beyond the OEB's inflation parameters, including those for compensation, insurance, technology costs, external customer contact centers, and OEB fees. Finally, additional costs were added to 2024 for recruiting, training, and safety uniforms for the new positions created that year.

Table A – 2024 Additional OM&A Cost Drivers ($'000 000s)

	2024
Reversal of one-time cost incurred in 2023:	
Major Weather Events	$ (8.4)
Labour Strike	$ (5.9)
Cost increases in 2024:	
Compensation beyond OEB Inflation parameter	$ 2.3
Distribution Maintenance	$ 1.5
Training	$ 1.1
Technology Costs	$ 0.7
Consulting	$ 0.4
Recruiting	$ 0.4
Fuel	$ 0.2
Backup Data Center	$ 0.2
Insurance	$ 0.2
External customer contact center costs	$ 0.2
Media Communications	$ 0.2
OEB Fees	$ 0.1
Safety Clothing	$ 0.1
Others	$ 0.2
Other Costs (Net Impact)	**$ (6.5)**

TAB 2

Figure 1 - Program Costs Per FTE, 2016-2030



Given the current and future challenges facing Hydro Ottawa, the company has developed a workforce plan that invests in an expanded workforce to increase its capacity to deliver on its programs safely and efficiently, and that strategically adds new skill sets in emerging areas.

3. WORKFORCE GROWTH

Attachment 4-1-3(C) - Workforce Growth provides a detailed overview and justification for the new headcount proposed in Hydro Ottawa's staffing plan. New positions are discussed by work program as defined in Excel Attachment 4-1-2(B) - OEB Appendix 2-JC OM&A Programs Table. The proposed addition of 177 new positions represents a strategic investment in Hydro Ottawa's workforce designed to address increased workload demands, evolving skill requirements, and emerging business priorities. As depicted in Table 1 below, the majority of new positions are in Distribution Operations, Engineering & Design and Metering, which reflects Hydro Ottawa's growing operational need.

Table C - FTEs by Appendix 2-JC OM&A Programs

	Historical Years				Bridge Years	Test Years				
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Collections	9	7	5	8	8	8	8	8	8	8
Customer Billing	30	28	25	33	27	28	29	37	29	29
Corporate Costs	3	3	3	3	3	3	3	3	3	3
Customer & Community Relations	40	44	32	36	41	42	43	43	43	43
Distribution Operations	265	266	204	272	269	310	336	337	337	337
Engineering & Design	83	87	82	103	121	142	158	162	158	160
Facilities	6	7	7	8	6	6	7	7	7	7
Finance	31	29	29	29	29	29	31	32	33	33
Human Resources	26	29	26	26	25	28	28	28	28	28
Information Management & Technology	35	37	35	42	40	45	46	46	46	46
Metering	20	18	14	24	23	26	28	28	28	28
Regulatory Affairs	8	9	7	10	14	9	10	10	10	10
Safety, Environment & Business Continuity	12	12	11	15	16	20	21	22	22	22
Supply Chain	20	18	13	16	17	18	18	18	18	18
Total	**585**	**595**	**494**	**624**	**641**	**716**	**766**	**780**	**769**	**771**

Table A – OM&A per Customer and per FTE 2021 - 2030

	OEB Approved	Historical Years			Bridge Years		Test Years					2030 Test CAGR
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-2030
OM&A ($M)	$ 90.6	$ 84.7	$ 100.5	$ 112.8	$ 115.3	$ 118.9	$ 140.0	$ 147.3	$ 154.9	$ 162.9	$ 171.4	7.3%
Customers	*344,802*	*349,695*	*356,062*	*361,688*	*367,728*	*373,277*	*377,521*	*381,118*	*384,796*	*388,582*	*392,422*	
OM&A per Customer	$ 262.8	$ 242.3	$ 282.4	$ 311.8	$ 313.6	$ 318.6	$ 370.9	$ 386.4	$ 402.5	$ 419.3	$ 436.7	5.8%
FTE	616	585	595	494	628	641	716	766	780	769	771	
OM&A per FTE	$ 147,173	$ 144,843	$ 169,098	$ 228,438	$ 183,631	$ 185,410	$ 195,575	$ 192,249	$ 198,578	$ 211,852	$ 222,248	4.7%

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO ONTARIO ENERGY BOARD STAFF

JT2.10

EVIDENCE REFERENCE:

4-Staff-159 Table A

UNDERTAKING(S):
Provide actual data for 2024, direct labour inclusive of specific trade positions broken down by trade position

---

RESPONSE(S):

Table A below is an updated version of Table A that appeared in the response to Interrogatory 4-Staff-159, with the specific job titles and actual number of positions hired shown in 2024 Direct Labour.

Positions forecast between 2026 and 2030 remain summarized as Direct Labour and are not allocated to specific trades as per Table A in 4-Staff-159. As such, the rows for each trade are shown in grey for this period. The allocation of these positions to specific trades positions will be confirmed annually based on detailed work planning and workforce planning reviews.

Table A - Job Titles of New Positions by OM&A Program, Including 2024 Direct Labour Positions

Appendix 2-JC OM&A Program	Job Title	Year						Total
		2024	2026	2027	2028	2029	2030	
Metering	**Direct Labour**	3	3	2				58
	Apprentice - Meter Technician	3						3
Engineering & Design	**Engineering**							
	Distribution Engineer	3	5	6				14
	Grid Modernization Engineer	3	2					5
	Quality Assurance Engineer			1				1
	Smart Grid Engineer	4						4
	Standards Engineer	1						1
	Telecommunications Engineer	2						2
	Project Execution Planning							
	Distribution Design Layout Agent				2			2
	Engineering Technologist		1	3				4
	Project Administrator		2		1			3
	Project Coordinator		1	2			1	4
	Work Planner		3				1	4
	Work Scheduler		3					3
	Resource Scheduling Agent		1					1
	Leadership							
	Supervisor, Distribution Design Service Layout				1			1
	Supervisor, Distribution System Integration	1						1
	Supervisor, Engineering Technologists			1				1
	Supervisor, P&C		1					1
	Vice President	2						2
	Director, Program Management	1						1
	Supervisor, Distributed Energy Resources		1					1
	Supervisor, Major Projects		1					1

Appendix 2-JC OM&A Program	Job Title	Year						Total
		2024	2026	2027	2028	2029	2030	
	Supervisor, Program Oversight		1					1
Distribution Operations	**Direct Labour**	22	27	19				68
	Apprentice - Power Line Technician	7						7
	Power Line Technician	5						5
	Apprentice - Power Cable Technician	5						5
	Power Cable Technician	1						1
	Apprentice - Station Electrician	3						3
	Fleet Asset Administrator	1						1
	System Operations							
	Vault Tech Specialist		1					1
	System Operations Planners		2					2
	Contractor Management & Oversight							
	Plant Inspector		4					4
	QA Inspector		2					2
	Utility Forestry Inspector		1					1
	Leadership							
	Supervisor, Contractor Management		1					1
	Supervisor Control Room		2					2
	Supervisor, Stations		1					1
	Engineering							
	Project Engineer		1	2				3
	Data Engineer		*1*					1
Customer Billing	*Programmer/ Analyst*		1					1
Customer & Community Relations	*Programmer/ Analyst*		1					1
Information Management & Technology	*Cloud Engineer*		1					1
	Cybersecurity Engineer	1	1					2
	Manager, IT Program Management	1						1

Appendix 2-JC OM&A Program	Job Title	Year						Total
		2024	2026	2027	2028	2029	2030	
	Manager, Systems Programs		1					1
	Supervisor, OT Cybersecurity		1					1
	System Engineer		1					1
Safety, Environment & Business Continuity	*Business Continuity Specialist*	1	1					2
	Instructional Designer		1					1
	Manager, Business Continuity	1						1
	Manager, Sustainability				1			1
	Sustainability Specialist		2					2
Human Resources	*HR Advisor*	1	1					2
	HR Technology Specialist		1					1
Finance	*Accountant*	1		1	1	1		4
Regulatory Affairs	*Advisor, Regulatory Compliance and Projects*	1						1
	Supervisor, Regulatory Compliance and Projects	1						1
TOTAL		**50**	**81**	**37**	**6**	**1**	**2**	**177**

1

g. For any other adjustments to the PEG model that Hydro Ottawa investigated, please provide the results and explain why Hydro Ottawa choose not to incorporate them.

RESPONSE(S):

a) Please see Excel Attachment 1-SEC-20(A) - OEB Benchmarking Spreadsheet Forecast Model No Adjustment. The 2024 year was updated with actual results because the inputs were submitted through the annual Reporting and Record-keeping Requirements process and are known. The results are summarized in Table A below.

Table A - Copy of Hydro Ottawa's Forecasted Cost Efficiency Results (No Updates)

Model Results	Historical		Bridge	Test Years				
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Actual Total Cost (1,000s)	$ 340,550	$ 353,148	$ 363,724	$ 403,279	$ 434,880	$ 463,693	$ 487,924	$ 515,358
Predicted Total Cost (1,000s)	$ 266,703	$ 286,668	$ 300,767	$ 317,744	$ 335,341	$ 353,071	$ 371,765	$ 390,898
Difference (1,000s)	$ 73,847	$ 66,480	$ 62,957	$ 85,535	$ 99,539	$ 110,622	$ 116,159	$ 124,460
% Difference (Cost Performance)	24.4%	20.9%	19.0%	23.8%	26.0%	27.3%	27.2%	27.6%
Three-year Average Performance	-	-	21.4%	21.2%	22.9%	25.7%	26.8%	27.4%
Stretch Factor								
Annual Result	4	4	4	4	5	5	5	5
Three-year Average	-	-	4	4	4	5	5	5

b) A summary of Hydro Ottawa's PEG historical model results, between 2018 and 2023, formatted in the style of Table 2 in Attachment 1-3-3(A) - PEG Benchmarking Analysis, including all of the

TAB 3

Table 1 - New Positions by Appendix 2-JC OM&A Programs

	Bridge Years		Test Years					Total
	2024	2025	2026	2027	2028	2029	2030	
Metering	3		3	2				8
Engineering & Design	17		22	13	4		2	58
Distribution Operations[1]	22		43	21				86
Customer Billing			1					1
Customer & Community Relations			1					1
Information Management & Technology	2		5					7
Safety, Environment & Business Continuity	2		4		1			7
Human Resources	1		2					3
Finance	1			1	1	1		4
Regulatory Affairs	2							2
TOTAL	**50**		**81**	**37**	**6**	**1**	**2**	**177**

The following are high-level summaries of the headcount needs by Appendix 2-JC - OM&A Program. Attachment 4-1-3(C) - Workforce Growth provides more detailed explanations for the headcount needs summarized below.

3.1. DISTRIBUTION OPERATIONS, ENGINEERING & DESIGN, AND METERING

- Given their collective responsibility for the execution of operations-based programs, workforce planning for these three programs was undertaken as a unified effort.
- 42 new positions were added in 2024, primarily due to four discrete drivers, each demanding a particular set of skills and competencies:
  - **Customer Connection and Capacity Program Growth:** Hydro Ottawa experienced an unprecedented volume of customer-driven growth projects in the 2021-2025 period,

[1] Distribution Operations is an umbrella term for the following Appendix 2-JC programs: System Ops & 24/7, Vegetation Management, Underground Locates, Distribution Support, Distribution Overhead & Underground Maintenance, Stations Maintenance, Minor Maintenance, and Testing, Inspection & Maintenance.

c) Do line managers (i.e. managers not from human resource) required to carry out interviews for employees in their departments?

d) Please provide the annual vacancy rate for 2021 to 2025 for full time positions (if not the same as the attrition rate shown 4-1-3 Attachment B page 10)

RESPONSE(S):

a) In each of the years 2021 through 2025 Hydro Ottawa has hired the following numbers of full time positions:

Table A - Number of Full Time Positions Hired, 2021-2025

Year	Number of FT Positions Hired
2021	37
2022	40
2023	36
2024	101
2025 (June 30th)	28

b) Please see response to interrogatory 4.0-VECC-41.

c) Yes, line managers are required to carry out interviews for employees in their departments.

d) The annual vacancy rate for 2021 to 2025 is provided in Table B below.

The labour strike not only incurred its own costs but also forced a pause on a number of expenses as normal work activities could not be completed during the strike as well as a backlog on many items that required additional costs in 2024 to catch-up. This included items like distribution maintenance activities, training and recruiting. Then other costs such as fuel were higher in 2024 versus 2023 as many vehicles were not used during the labour strike.

Additionally, other costs increased beyond the OEB's inflation parameters, including those for compensation, insurance, technology costs, external customer contact centers, and OEB fees. Finally, additional costs were added to 2024 for recruiting, training, and safety uniforms for the new positions created that year.

Table A – 2024 Additional OM&A Cost Drivers ($'000 000s)

	2024
Reversal of one-time cost incurred in 2023:	
Major Weather Events	$ (8.4)
Labour Strike	$ (5.9)
Cost increases in 2024:	
Compensation beyond OEB Inflation parameter	$ 2.3
Distribution Maintenance	$ 1.5
Training	$ 1.1
Technology Costs	$ 0.7
Consulting	$ 0.4
Recruiting	$ 0.4
Fuel	$ 0.2
Backup Data Center	$ 0.2
Insurance	$ 0.2
External customer contact center costs	$ 0.2
Media Communications	$ 0.2
OEB Fees	$ 0.1
Safety Clothing	$ 0.1
Others	$ 0.2
Other Costs (Net Impact)	**$ (6.5)**

TAB 4

deliver on this expanding and increasingly complex capital plan, Hydro Ottawa must also prioritize investments in the workforce staffing levels and skillsets, as well as non-staff operational resources. This will be essential to meeting customer needs and ensuring reliable service as the pace and demands of the energy transition accelerate. Investments in the workforce are detailed in Attachment 4-1-3(C) - Workforce Growth.

The proposed OM&A levels are designed to address the observed needs of the business based on trends and data from the most recent historical period that are expected to continue into the upcoming rate term. The majority of the increase is in operating and maintenance expenses, which are required to look after Hydro Ottawa's growing asset portfolio as the capital work progresses and new assets come into service. For additional details on System Operations and Maintenance (System O&M), refer to Section 6 of Schedule 2-5-5 - Capital Expenditure Plan. Table 2 below replicates the System O&M as a percentage of gross capital expenditures as well as Total OM&A as a percentage of capital expenditures. In both cases, the % System O&M and Total OM&A as a percentage of capital expenditures are lower in 2026 than in any of the preceding actual years.

Table 2 – System O&M and Total OM&A Trend

Cost Component / Metric	Historical Years			Bridge Years		Test Year
	2021	2022	2023	2024	2025	2026
System O&M	**$ 31.8**	**$ 43.8**	**$ 48.1**	**$ 48.6**	**$ 48.9**	**$ 63.8**
Total OM&A	**$ 84.7**	**$ 100.5**	**$ 112.8**	**$ 115.3**	**$ 118.9**	**$ 140.0**
Total Gross Capital Expenditure	**$ 138.6**	**$ 137.8**	**$ 123.1**	**$ 173.4**	**$ 189.4**	**$ 309.1**
System O&M as a percentage of Total Gross Capital Expenditure	22.9%	31.8%	39.0%	28.0%	25.8%	20.6%
Total OM&A as a percentage of Total Gross Capital Expenditure	61.1%	73.0%	91.6%	66.5%	62.8%	45.3%

TAB 5

3.21.1. 2026-2030 Business Priorities

The Corporate Costs program is dedicated to enabling Hydro Ottawa to achieve its eight strategic objectives, as shown in Figure 1 of Schedule 1-2-3 - Business Plan. This program plays a pivotal role in supporting the organization's overall operational and strategic success by providing the necessary resources, oversight, and coordination across all business areas.

President and CEO: Provide leadership and direction to ensure the successful execution of corporate objectives throughout the rate term.

Corporate Planning and Governance: Administer the integrated strategic and business planning framework, aligning divisional plans with corporate performance goals and ensuring comprehensive monitoring and reporting.

Legal Services: Focus on delivering timely legal analysis and advice on business transactions, risk mitigation, and the evolution of the utility's operating model in response to industry changes. Transition from an internal service provider to a business partner to assist with legal challenges arising from the evolving utility business model.

3.21.2. Variance Analysis

Table 28 - Corporate Costs Variances 2021-2026 ($'000s)

	Historical Years			Bridge Years		Test Year	CAGR
	2021	2022	2023	2024	2025	2026	
Expenditures	$ 8,116	$ 7,528	$ 9,509	$ 10,022	$ 10,544	$ 11,204	6.7%
Variance ($)		$ (588)	$ 1,981	$ 513	$ 523	$ 660	
Variance (%)		(7.2%)	26.3%	5.4%	5.2%	6.3%	

2023 vs. 2022

Costs from 2022 to 2023 increased by $2.0M as a result of:

- $1.5M increased activity in corporate functions in 2023 as a result of the strike and storm-related activities.
- $0.5M increase in Future Employee Benefits due to the actuarial loss arising from a decrease in the discount rate.

INTERROGATORY RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

4.0-VECC-40

EVIDENCE REFERENCE:

Exhibit 4, Tab 2, Schedule 1

Table 3 – Summary of Shared Services Provided by Hydro Ottawa 2021-2026 ($'000s)

Provided By	Provided To	OEB Approved	Historical Years			Bridge Years		Test Year
		2021	2021	2022	2023	2024	2025	2026
Hydro Ottawa	Hydro Ottawa Holding Inc.	$1,487	$1,161	$1,386	$1,335	$1,421	$1,480	$1,583
Hydro Ottawa	Hydro Ottawa Capital Corporation	$1,602	$1,352	$1,662	$2,021	$1,801	$1,740	$1,421
Hydro Ottawa	Hydro Ottawa Energy Services Inc.	$1,712	$1,261	$1,298	$1,528	$1,676	$1,709	$1,777
Subtotal of Shared Services to Hydro Ottawa Affiliates		**$4,800**	**$3,775**	**$4,346**	**$4,884**	**$4,898**	**$4,929**	**$4,780**
Hydro Ottawa	Conservation First Framework Wind Down	$35	$64	$6	$3	$0	$0	$0
Total		**$4,835**	**$3,839**	**$4,352**	**$4,887**	**$4,898**	**$4,929**	**$4,780**

Table 4 – Summary of Shared Corporate Services Received by Hydro Ottawa 2021-2026 ($'000s)

Provided By	Provided To	OEB Approved[1]	Historical Years			Bridge Years		Test Year
		2021	2021	2022	2023	2024	2025	2026
Hydro Ottawa Holding Inc.	Hydro Ottawa	$3,816	$4,017	$5,018	$6,433	$6,893	$7,436	$7,712
Hydro Ottawa Holding Inc.	Conservation First Framework	$11	$14	$5	$7	$0	$0	$0
TOTAL		**$3,827**	**$4,031**	**$5,023**	**$6,439**	**$6,893**	**$7,436**	**$7,712**

QUESTION(S):

a) For each category, other than the Conservation First Framework, please provide the annualized the FTEs for each employed working for HOL.

b) For each category, other than the Conservation First Framework, please show the proportion of the costs that are labour related.

RESPONSE(S):

a) The annualized FTEs working for Hydro Ottawa are shown in Table A below. This represents the equivalent FTEs for Services Provided to Hydro Ottawa by Hydro Ottawa Holding Inc. Table A also shows the total FTEs at Hydro Ottawa Holding Inc. and the resulting percentage that has been allocated to Hydro Ottawa. Table A also includes the total number of employees at the holding company level and the associated percentage allocated to Hydro Ottawa.

Table A - 2021-2026 FTEs Working for Hydro Ottawa

Provided By	Provided To	Historical Years			Bridge Years		Test Year
		2021	2022	2023	2024	2025	2026
Hydro Ottawa Holding Inc.	Hydro Ottawa	17	20	22	22	23	23
Total number of FTEs in HOHI		31	32	34	36	38	38
% allocated to HOL		54%	61%	65%	61%	60%	61%

b) The proportion of costs that are labour related allocated to Hydro Ottawa from Hydro Ottawa Holding Inc. is shown in Table B below.

Table B - 2021-2026 Labour Related Costs Proportion ($'000s)

Provided By	Provided To	Historical Years			Bridge Years		Test Year
		2021	2022	2023	2024	2025	2026
Hydro Ottawa Holding Inc.	Hydro Ottawa	81%	75%	67%	63%	67%	67%

TAB 6

In 2022, the Ontario government enacted Bill 93, designed to accelerate construction projects through the more rapid provision of underground infrastructure locate services. The legislation mandates a five-day turnaround for locate requests and establishes penalties for non-compliance. Consequently, Hydro Ottawa has invested significantly in staffing and resources to meet these requirements. The implementation of Bill 93 has increased operational expenditures for Hydro Ottawa, due to the reliance on external service providers to ensure adherence to the legislated timelines.

Hydro Ottawa is leveraging a third party clearing house to reduce costs by improving the percentage of locate requests completed by office clear, which does not require an on-site visit. Please refer to Cable Locates Efficiency of Schedule 1-3-4 - Facilitating Innovation and Continuous Improvement for more details. These gains help to offset rising labour costs and increased locate requests. The incremental costs resulting from this legislation are tracked and recorded in the OEB Getting Ontario Connected Act (GOCA) variance account. For details, please refer to Section 3.9 of Schedule 9-1-3 - Group 2 Accounts.

3.3.2. Variance Analysis

Table 8 - Underground Locates Variances 2021-2026 ($'000s)

	Historical Years			Bridge Years		Test Year	CAGR
	2021	2022	2023	2024	2025	2026	
Expenditures	$ 3,273	$ 3,538	$ 3,389	$ 4,666	$ 5,285	$ 6,027	13.0%
Variance ($)		$ 265	$ (149)	$ 1,277	$ 619	$ 742	
Variance (%)		8.1%	(4.2%)	37.7%	13.3%	14.0%	

2024 vs. 2023

Costs for this program increased from 2023 to 2024 by $1.3M, due to a combination of increased volumes of cable locates related to increased construction activity resulting from Bill 93 as discussed above and pricing increases by external service providers. As shown in Table 9 below, the volume of requests expected by the passing of Bill 93 was initially countered in 2023 by the

increased costs of construction due to the Bank of Canada's high interest rate. As interest rates decline through 2024, it is anticipated that the pace of construction will increase and, with it, the volume of locate requests. The increased volumes persist through the bridge and test period and pricing is estimated to increase at 5% annually, based on current contracts.

Table 9 - External Cost per Locate 2021-2026

	Historical Years			Bridge Years		Test Years
	2021	2022	2023	2024	2025	2026
Number of Locates (segments)	65,288	54,846	45,824	60,256	61,410	61,410
Average Cost per locate ($)	$ 36.06	$ 50.92	$ 75.32	$ 77.16	$ 87.40	$ 86.16
Total External Locate Deliver Services Costs ($000s)	$ 2,631	$ 3,015	$ 3,622	$ 4,782	$ 5,443	$ 5,399
Less: Inspections ($000s)	$ (277)	$ (222)	$ (171)	$ (133)	$ (76)	$ (108)
Less: amounts in DVA accounts due to Bill 93			$ (738)	$ (1,467)	$ (1,645)	
Net Costs ($000s)	$ 2,354	$ 2,793	$ 2,714	$ 3,182	$ 3,722	$ 5,291

3.4. STATIONS MAINTENANCE

The Stations Maintenance program is focused on ensuring the safety, reliability, and performance of station assets through a combination of preventative, predictive, and reactive maintenance activities. Key components include transformer maintenance, encompassing routine inspections, electrical testing, oil quality analysis, and both planned and unplanned maintenance of transformers and tap changers. The program also includes switchgear and breaker maintenance, with annual visual and thermographic inspections, periodic preventative maintenance, and corrective work as needed. Relay maintenance involves function testing, calibration, and protection setting updates, while DC System maintenance focuses on the upkeep of station batteries and chargers. Other elements include maintenance of station structures, thermographic scans, and regular station inspections to identify and address deficiencies proactively. Together, these activities ensure the operational integrity of critical station infrastructure.

INTERROGATORY RESPONSES TO ONTARIO ENERGY BOARD STAFF

4-Staff-138

EVIDENCE REFERENCE:

Underground Locates OM&A Program
Ref. 1: Exhibit 4 / Tab 1 / Schedule 2 / Tables 8 and 9 / pp. 24-25 (pdf pp. 65-66)

QUESTION(S):

a) Please update Tables 8 and 9 to reflect 2024 actual data.
b) OEB staff is not able to reconcile the locate costs between Table 8 and Table 9.
Please provide additional calculations and explanations to reconcile the locate costs between the two tables. Please provide the following information in the explanations:
   i) For Table 9, does the "Average Cost per Locate" represent the total cost per locate which includes both internal and external cost?
   ii) For Table 9, please confirm that the "Total External Locate Deliver Services Costs" does not include internal locate costs.
   iii) For Table 9, is Ontario One Call cost included in the calculations?
c) Please explain why the underground locates expenditures are forecast to increase to $6,027 in 2026 from $5,285 in 2025 (Table 8) when the number of locates is forecast to remain unchanged at 61,410 in 2026 (Table 9) compared to 2025, and the average cost per locate is forecast to decline to $86.16 in 2026 from $87.40 in 2025 (Table 9).

RESPONSE(S):

a) Please see Table A for the 2024 update to Table 8 and Table B for the 2024 update to Table 9.

Table A - Underground Locates Variances 2021-2026 ($'000s)

	Historical Years				Bridge Year	Test Year	
	2021	2022	2023	2024	2025	2026	CAGR
Expenditures	$ 3,273	$ 3,538	$ 3,389	$ 4,036	$ 5,285	$ 6,027	13.0%
Variance ($)	-	$ 265	$ (149)	$ 647	$ 1,249	$ 742	-
Variance (%)	-	8.1%	(4.2%)	19.1%	30.9%	14.0%	-

Note that Table B uses corrected locate (segment) numbers to include all locate requests, whether they are fulfilled by field locates or office clears. This brings the table into alignment with other discussions of the Underground Locates program, including the productivity savings discussed in Section 3.1.3 of Schedule 1-3-4 - Facilitating Innovation and Continuous Improvement.

Table B - Cost per Locate 2021-2026

	Historical Years				Bridge Year	Test Years
	2021	2022	2023	2024	2025	2026
Number of Locates (segments)	71,574	56,532	58,558	56,263	66,599	66,599
Average Cost per locate ($)	$ 32.89	$ 49.40	$ 58.94	$ 64.57	$ 80.59	$ 79.45
Total External Locate Deliver Services Costs ($000s)	$ 2,631	$ 3,015	$ 3,622	$ 3,716	$ 5,443	$ 5,399
Less: Inspections ($000s)	$ (277)	$ (222)	$ (171)	$ (83)	$ (76)	$ (108)
Less: amounts in DVA accounts due to Bill 93	-	-	$ (738)	$ (271)	$ (1,645)	-
Net Costs ($000s)	$ 2,354	$ 2,793	$ 2,714	$ 3,362	$ 3,722	$ 5,291

b) See Table C for a reconciliation of the figures in Tables 8 and 9.

Table 8 shows the net expenditures of the Underground Locates program, whereas Table 9 shows only the external labour costs. The difference between the two values is due to the internal labour and burden costs. Hydro Ottawa over estimated 2025 internal labour in this

program, which does not have an impact on the total OM&A for 2025 and was corrected in 2026.

Table C - Reconciliation of Total Costs to External Costs ($'000s)

	Historical Years			Bridge Years		Test Years
	2021	2022	2023	2024	2025	2026
Net costs (Table 9)	$ 2,354	$ 2,793	$ 2,714	$ 3,362	$ 3,722	$ 5,291
Add: inspection costs	$ 277	$ 222	$ 171	$ 83	$ 76	$ 108
Add: internal labour	$ 533	$ 408	$ 367	$ 458	$ 1,328	$ 458
Add: burden costs	$ 109	$ 116	$ 137	$ 134	$ 160	$ 170
Total Expenditures (Table 8)	$ 3,272	$ 3,538	$ 3,389	$ 4,036	$ 5,285	$ 6,027

i) No, Table 9 shows external costs only.

ii) Confirmed, Table 9 does not include internal locate costs.

iii) Yes, Ontario One Call is included in Table 9.

c) The increase in total underground locate expenditures in 2026 without an increase in the forecast number of locate requests is due to the closure of the Getting Ontario Connected Act (GOCA) variance account at the end of 2025. The entirety of the expected costs will be recorded in the expenditure accounts for the forecast period.

The average cost per locate is anticipated to decrease slightly in 2026 because of the budget methodology used to calculate forecasted costs, which uses averages of prior years as the basis for the calculations at a certain point in time. The decrease in 2026 amounts to a roughly 2% difference from 2025, which can be attributed to the timing of the historical averages.

TAB 7

INTERROGATORY RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

4.0-VECC-39

EVIDENCE REFERENCE:

Exhibit 4, Tab 2, Schedule 2

QUESTION(S):

a) If HOL is a member of the Electricity Distributor Association (EDA) please provide the annual membership fees for the 2021 to 2026 (test) period.

b) If HOL purchases insurance from MEARIE please provide the annual fees paid for the 2021 to 2026 (test) period.

RESPONSE(S):

a) Please see Table A below for annual membership fees paid by Hydro Ottawa to the EDA for the period 2021-2026.

Table A - Membership fee Paid to The EDA by Hydro Ottawa ($'000s)

Membership fee Paid to The EDA by Hydro Ottawa	Historical Years					Test Year
	2021	2022	2023	2024	2025	2026
Membership Fee	$123	$123	$129	$133	$137	$141

b) Please see Table B below for annual premiums paid by Hydro Ottawa to The MEARIE Group for the period 2021-2026.

Table B - 2021-2026 Premiums Paid to The MEARIE Group by Hydro Ottawa ($'000s)

Premiums Paid to The MEARIE Group by Hydro Ottawa	Historical Years				Bridge Year	Test Year
	2021	2022	2023	2024	2025	2026
Insurance Premiums	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

JT2.13

EVIDENCE REFERENCE:

4.0-VECC-39

UNDERTAKING(S):

Provide the percentage increase or decrease in premiums over the years starting 2021.

RESPONSE(S):

On August 18, 2025, Hydro Ottawa filed a letter to the OEB requesting confidential treatment for specific information filed as part of its interrogatory responses.[1]

Redacted versions of the interrogatory responses were filed on the public record of proceeding EB-2024-0115 and un-redacted versions of the documents were filed confidentially with the OEB pursuant to the OEB's Practice Direction on Confidential Filings (Practice Direction).[2]

As per the Practice Direction, intervenors may sign the OEB's Form of Declaration and Undertaking to consult the unredacted versions of the documents that were filed confidentially with the OEB, including the premium amounts reported in Table B of Interrogatory Response 4.0-VECC-39 (b).

[1] EB-2024-0115, Letter to OEB, (August 18, 2025).
[2] Ontario Energy Board, *Practice Direction on Confidential Filings* (December 17, 2021).

Disclosing the annual percentage increase or decrease in insurance premiums over the years, starting 2021, on the public record could prejudice The MEARIE Group's competitive position in terms of providing similar insurance services to other potential clients.

TAB 8

strategy is designed to balance optimal resource allocation between asset replacement investments and the preservation of a reliable and resilient electricity infrastructure.

Hydro Ottawa is enhancing the distribution testing, inspection, and maintenance program to obtain comprehensive asset condition data. This data-driven approach enables the strategic transition from a time-based maintenance program to a condition-based maintenance program, optimizing asset lifecycle management. The EAM solution will leverage this enhanced inspection data to enable asset condition assessments, preventative and predictive maintenance, management of compliance and safety, along with data-driven decision making. This will provide a comprehensive picture of the asset population, allowing for the identification of trends that can lead to improvements or changes to Hydro Ottawa's testing, inspection and maintenance programs. Further, enhanced inspection data is needed to advance the grid modernization roadmap, including the Advanced Distribution Management System. The resulting robust network model and enhanced field data capture will enable advanced analytics, anomaly detection, and health assessments.

By maintaining a strong focus on improving the testing, maintenance, and inspection program, Hydro Ottawa will continue to deliver reliable and uninterrupted service to customers while managing costs and mitigating risks associated with operating deteriorating infrastructure throughout the 2026-2030 rate period.

3.1.2. Variance Analysis

Table 6 - Testing, Inspection & Maintenance Variances 2021-2026 ($000s)

	Historical Years			Bridge Years		Test Year	CAGR
	2021	2022	2023	2024	2025	2026	
Expenditures	$ 1,470	$ 1,433	$ 1,555	$ 2,221	$ 2,820	$ 8,894	43.3%
Variance ($)		$ (37)	$ 122	$ 666	$ 600	$ 6,073	
Variance (%)		(2.5%)	8.5%	42.9%	27.0%	215.3%	

Table 5 – Asset/Activity Descriptions for Distribution Testing, Inspection & Maintenance

Asset/Systems	Testing Inspection & Maintenance Activity/Description (Base Program)	2026-2030 Program Enhancements
Cable Chambers	**Cable Chamber Inspection (also referred to as Manhole Inspection)** Condition inspection of Hydro Ottawa and customer-owned cable chambers integral to Hydro Ottawa's system.This includes inspecting the collar, lid, roof, and walls. Cable chamber components are identified for corrective action (immediate if posing an immediate risk to the public, workers, or system reliability; planned for a later date if posing a reduced risk). This program is on a 10 year cycle.	Increase the cycle frequency from 10 years to 5 years for selected cable chambers which had reached or exceeded Typical Useful Life. Explore the introduction of new technology to capture additional condition data, such as advanced imaging.
Distribution Poles	**Pole Inspection** Inspection and testing of all Hydro Ottawa distribution poles on a 10-year cycle. Visual inspection and non-destructive resistograph drill tests are used to assess pole condition and estimate remaining strength. This data is used to prioritize pole replacement programs.	Increase the cycle frequency from 10 years to 5 years for selected poles which had reached or exceeded Typical Useful Life Introduction of a drone-based inspection program to collect additional details on pole top condition and pole mounted hardware. (Please refer to Overhead Lines and Assets (Overall), below)
Overhead Insulators	**Overhead Insulator Washing** Planned washing of Hydro Ottawa's overhead insulators in areas subjected to salt spray and heavy contamination to prevent insulation breakdown and pole fires.	N/A
Overhead Lines and Assets (Overall)	**Overhead Visual and Thermographic Inspection** Visual inspection and thermographic scanning of all overhead assets on a 3-year cycle to detect abnormal temperature conditions in equipment and connections (from the ground level).	Introduction of a drone-based inspection program (based on the results from a pilot in 2025) to perform visual inspection and thermographic scanning on all overhead assets, continued on a 3-year cycle.
Overhead Switches	**Overhead Switch Maintenance** Planned detailed inspection and corrective maintenance of Hydro Ottawa's critical overhead distribution switchgear (switches and controls).	Introduction of a drone-based inspection program to capture visual inspection and infrared scan information on all overhead switches (refer to Overhead Lines and Assets, above).

INTERROGATORY RESPONSES TO ONTARIO ENERGY BOARD STAFF

4-Staff-134

EVIDENCE REFERENCE:

Testing, Inspection, and Maintenance OM&A Program
Ref. 1: Exhibit 4 / Tab 1 / Schedule 2 / pp. 10-19 (pdf pp. 51-60)

QUESTION(S):

a) Table 5 in the reference shows a comparison of asset/activity descriptions for the Testing Inspection & Maintenance Activity (Base Program) and the 2026-2030 Program Enhancements. For each of the asset/systems category, please provide the following:
   i) Please provide expected cost increases or decreases by implementing the program enhancements in 2026 compared to the base program.
   ii) Please provide the main drivers of cost increases/decreases in a) i.
   iii) The program cost is forecast to increase by $6.1M in 2026. Please explain how Hydro Ottawa determined the cost for each asset/system category in a) i.
   iv) Did Hydro Ottawa perform any analysis to determine whether there is any future cost saving that would be realized to offset the cost increases from the program enhancements? If so, please provide any supporting documents.

b) Hydro Ottawa states that historical reliability data indicates a slight increase in equipment failures since 2021, particularly in overhead assets and it has experienced a relatively high number of outages each year due to overhead switches, underground transformers and cables, which do not correlate to the condition information and resulting health indices. Please explain what caused these equipment failures.

RESPONSE(S):

a) The requested information for each asset/systems category is detailed below:

i) Expected cost increases by implementing the program enhancements in 2026 compared to the base program total $5.6M, see column 2 of Table A below. Any programs without enhancements in 2026 show 'N/A' as there is no change in costs attributable to changes in program scope.

ii) For the main drivers of cost increases in a) i, see column 3 of Table A.

Table A - Program Enhancement Costs in 2026

Asset/Systems	Cost Increase/Decrease (in $)	Main Driver
Cable Chambers	$ 55,000	General contractor pricing increase and additional duty pay charged for inspecting critical locations such as the middle of major roadways and restricted areas. Proposed improvements towards exploring better inspecting tools/technologies
Distribution Poles	N/A	Drone-based inspection program included as a part of the Overhead Lines and Assets (Overall) enhancement costs.
Overhead Insulators	N/A	No program enhancement in 2026
Overhead Lines and Assets (Overall)	$ 490,000	Drone inspection of overhead lines and assets (including overhead switches and overhead transformers)
Overhead Switches	N/A	Drone-based inspection program included as a part of the Overhead Lines and Assets (Overall) enhancement costs.
Overhead Transformers	N/A	Drone-based inspection program included as a part of the Overhead Lines and Assets (Overall) enhancement costs.
Underground Equipment	$ 90,000	General increase to capture visual inspection and infrared (IR) information related to Hydro Ottawa-owned vault equipment and increasing the frequency of inspection for select vault equipment in a degraded

Asset/Systems	Cost Increase/Decrease (in $)	Main Driver
		condition
Underground Transformers	N/A	No program enhancement in 2026
SCADA Devices	$ 60,000	Expanded maintenance program for FCIs and inspecting DA Devices
Underground Lines & Feeders	$ 245,000	Increased program for formal cable testing to perform Very Low Frequency Tan-Delta, PD and Time Domain Reflectometry test procedures on polymeric distribution cables to prioritize relevant renewal/refurbishment activities.
Customer Equipment	N/A	No program enhancement in 2026
Underground Switchgear	N/A	No program enhancement in 2026
Underground Switchgear & Transformers Inspection	$ 60,000	Increased inspection data capture down to the component level and general contractor price increase
Battery Energy Storage Systems (BESS)	N/A	Not applicable in 2026
Third Party Non Wire Alternative Solutions	$ 2,800,000	Third party operating and maintenance of non-wire alternative solutions
Overall Distribution	$ 1,800,000	Proposed funding to introduce improvements to maintenance programs/practices based on changing/evolving needs. Exploring opportunities include automating/improving the capture of inspection information, enhanced condition assessment based on artificial intelligence, etc.

Asset/Systems	Cost Increase/Decrease (in $)	Main Driver
TOTAL	**$ 5,600,000**	

iii) The maintenance program cost determination basis by asset/system is presented in Table B.

TAB 9

eligible customers. Together, these activities ensure effective customer engagement, support vulnerable populations, and contribute to the utility's commitment to customer satisfaction and community relations.

3.13.1. 2026-2030 Business Priorities

The Customer and Community Relations program plays an important role in ensuring that Hydro Ottawa builds strong and meaningful connections with the customers and communities it serves. This program focuses on fostering a customer-centric culture that emphasizes care, accessibility, and seamless interactions.

During the 2026-2030 rate period, the Customer and Community Relations program is focused on meeting evolving customer expectations and adapting to the changing energy landscape. The program will prioritize customer and community stakeholder engagement and touchpoint improvements, personalization and self-service, energy enablement, and productivity and operational effectiveness. These priorities aim to enhance customer experience, align programs and policies with customer needs, support the energy transition, and ensure operational efficiency and affordability. Please refer to Schedule 1-3-4 - Facilitating Innovation and Continuous Improvement for the impact of the Move-In Move-Out Automation initiative.

3.13.2. Variance Analysis

Table 20 - Customer & Community Relations Variances 2021-2026 ($'000s)

	Historical Years			Bridge Years		Test Year	CAGR
	2021	2022	2023	2024	2025	2026	
Expenditures	$ 6,856	$ 7,428	$ 7,838	$ 9,156	$ 9,213	$ 10,653	9.2%
Variance ($)		$ 572	$ 410	$ 1,319	$ 57	$ 1,440	
Variance (%)		8.3%	5.5%	16.8%	0.6%	15.6%	

2024 vs. 2023

Costs from 2023 to 2024 increased by $1.3M due to:

- $1.1M increased compensation costs in 2024 relative to 2023 as a result of the labour strike. The majority of the positions in this expense category were unionized, which led to a greater variance year over year.
- An additional $0.2M increase is related to the increase in external customer contact center costs resulting from increased contract rates and volumes of calls.

2026 vs. 2025

Costs from 2025 to 2026 are projected to increase by $1.4M predominantly as a result of:

- Increased cloud computing implementation costs and subscription costs associated with the Customer Relationship Management and MyAccount enhancements described in Attachment 4-1-1(A) - Transition to Cloud Computing and Schedule 2-5-9 - General Plant Investments, respectively.
- An additional IT position has been added in 2026 to focus on developing and supporting customer-centric solutions, including online self-service portals, mobile applications, personalized communication channels, and AI-driven enhancements to customer service and engagement. Leveraging AI for efficiency and productivity gains in the customer experience area requires specialized skills in AI development and implementation.[9]

3.14. INFORMATION MANAGEMENT AND TECHNOLOGY

The Information Management and Technology program encompasses activities and costs related to IT and operational technology (OT) services within Hydro Ottawa. This program includes compensation, benefits, and externally-sourced operating expenses required to deliver

[9] More information can be found in Attachment 4-1-3(C) - Workforce Growth

TAB 10

scope of the base program increase through the use of drones is discussed in Hydro Ottawa's response to the interrogatory question 4-Staff-134 part (a).

Table A - Drone Inspection Costs ($'000s)[1]

	2026	2027	2028	2029	2030
Drone Inspection (OM&A)	$ 1,107	$ 1,164	$ 1,224	$ 1,288	$ 1,354

h) Hydro Ottawa has explored existing technologies to enhance the accuracy of inspection data for overhead distribution assets. This involved active participation in utility groups and forums, such as Electricity Canada, CEATI, and the EDA, to identify best practices and analyze peer utility case studies. Drones emerged as the most suitable inspection method for capturing relevant condition information on these assets.

As detailed in Section 3.1.1 - 2026-2030 Business Priorities under Schedule 4-1-2 - Operations, Maintenance and Administration Program Costs, Hydro Ottawa had also observed reliability issues stemming from overhead apparatus failures, often linked to insufficient condition assessments from ground-based inspections. To gather additional visual data from inspections, an alternative option to drone inspection is to do the inspection from a bucket truck so that additional details can be observed that cannot be seen from the ground. To enable this process a number of factors would need to be considered: potential for work protection for crew safety, traffic control plans and support including set up and tear down, minimum two-member crew and bucket truck, appropriate access to every pole, set up and tear down of equipment and vehicles at each pole, etc. Consequently, drones were identified as the most appropriate option to improve Hydro Ottawa's understanding of the actual condition of overhead assets and enable their effective management.

[1] 2027-2030 Test Years are forecast using the Custom Revenue OM&A Factor discussed in Schedule 1-3-1 Rate Setting Framework.

TAB 11

TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO VULNERABLE ENERGY CONSUMERS COALITION

JT2.12

EVIDENCE REFERENCE:

Attachment 4.0-VECC-35(A) - OM&A Programs by USofA account, specifically Line 61

UNDERTAKING(S):

Provide a greater explanation.

RESPONSE(S):

The primary reason for the increase in Account 5620 Office Supplies and Expenses from 2023 to 2024 was recruitment costs. This increase was caused by the new recruitment efforts to support the growing workforce. The rise in recruitment costs was partially offset by a reduction of other costs within the Human Resources Program.

Table A - Human Resources Program ($'000s)

USofA	Historical Years			Bridge Years		Test Year
	2021	2022	2023	2024	2025	2026
5620-Office Supplies and Expenses	$ 316	$ 482	$ 399	$ 943	$ 1,005	$ 1,048
Other USofAs 5610,5615,5625,5630	$ 2,989	$ 3,338	$ 4,497	$ 3,422	$ 3,423	$ 3,714
Total Expenditures	$ 3,305	$ 3,821	$ 4,896	$ 4,365	$ 4,428	$ 4,762
Variance ($)		$ 515	$ 1,075	$ (530)	$ 62	$ 334
Variance (%)		15.6%	28.1%	(10.8%)	1.4%	7.5%

TAB 16