

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 Thursday, January 15, 2026, commencing at 9:33 a.m.

VOLUME 2

A P P E A R A N C E S

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MARK RUBENSTEIN School Energy Coalition (SEC)

I N D E X O F P R O C E E D I N G S

<u>Description</u>	<u>Page No.</u>
--- Upon resuming on Thursday, January 15th, 2026, at 9:31 a.m.	1
PRELIMINARY MATTERS	1
CROSS-EXAMINATION BY M. BROPHY	5
CROSS-EXAMINATION BY T. LADANYI	35
PRELIMINARY MATTERS	58
CROSS-EXAMINATION BY T. LADANYI (CONT'D)	61
CROSS-EXAMINATION BY L. GLUCK	101
--- Upon luncheon recess at 1:01 p.m.	124
--- Upon resuming at 2:21 p.m.	124
PRELIMINARY MATTERS	124
CROSS-EXAMINATION BY L. GLUCK (CONT'D)	126
CROSS-EXAMINATION BY B. HARPER	146
CROSS-EXAMINATION BY M. GARNER	169
--- Upon recess at 3:52 p.m.	188
--- Upon resuming at 4:08 p.m.	188
CROSS-EXAMINATION BY C. LI	219
--- Whereupon matter adjourned at 4:55 p.m., to resume Friday January 16th, 2026, at 9:30 a.m.	224

E X H I B I T S

<u>Description</u>	<u>Page No.</u>
EXHIBIT K2.1: CONSUMERS COUNCIL OF CANADA COMPENDIUM	108
EXHIBIT K2.2: VULNERABLE ENERGY CONSUMERS COALITION COMPENDIUM 1 ENTITLED "PANEL OM&A", DATED JANUARY 15	146
EXHIBIT K2.3: VULNERABLE ENERGY CONSUMERS COALITION COMPENDIUM 2 ENTITLED "PANEL NET METERING", DATED JANUARY 14, 2026	146

U N D E R T A K I N G S

<u>Description</u>	<u>Page No.</u>
UNDERTAKING J2.1: PROVIDE AN IR THAT SHOWS THE ALLOCATION OF NEW EMPLOYEES HIRED SEPARATED BY THE EXECUTIVE LEVEL	14
UNDERTAKING J2.1a: PROVIDE THE JOB TITLES THAT COMPRISE THE 23 FTEs ALLOCATED FROM THE HOLDING COMPANY TO HYDRO OTTAWA LIMITED IN 2026	60
UNDERTAKING J2.2: CORRECT CONSUMERS COUNCIL OF CANADA COMPENDIUM TO ALLOW FOR A TREND ANALYSIS OF OVERTIME ACROSS THE THREE CATEGORIES OF EMPLOYEES THAT ARE REFLECTED IN THE TABLE	112
UNDERTAKING J2.3: ADVISE WHETHER HYDRO OTTAWA AGREES THAT TABLE 2 IN THE SEC COMPENDIUM PROVIDES A REASONABLE METHOD TO QUANTIFY THE ASSOCIATED VARIANCES APPLIED TO HYDRO OTTAWA'S OVERALL COMPENSATION COSTS INCLUDED IN THE 2026 OM&A BUDGET, AND IF NOT, PROVIDE HYDRO OTTAWA'S VIEWS OF THE APPROPRIATE METHOD AND THE RESULTING CALCULATION, IF IT CAN BE REASONABLY DONE	126
UNDERTAKING J2.4: PROVIDE THE TOTAL TRAINING BUDGET OR A MORE GRANULAR BREAKDOWN OF THE TRAINING BUDGET FOR THE PERIOD OF 2023 TO 2026	143

1 Thursday, January 15, 2026

2 --- Upon resuming on at 9:31 a.m.

3 PRESIDING COMMISSIONER DUFF: Please be seated.

4 Good morning, everyone. We are going to continue the
5 oral hearing into the unsettled issues for Hydro
6 Ottawa. Thank you, everyone, for -- who has made the
7 attempt to come in and for those of us -- there is a
8 few online, and I believe it was Mark Rubenstein that
9 will be joining us this morning as well.

10 There is a few preliminary matters, so perhaps,
11 Ms. Coban, you can -- from the applicant's
12 perspective.

13 **PRELIMINARY MATTERS**

14 D. COBAN: Yes. Good morning. With respect to
15 the updates to the settlement proposal, we did
16 circulate those changes to the intervenors for their
17 review and have asked that information to be
18 confirmed by end of day today, which will put us in a
19 position to be able to file those updated tables
20 tomorrow, as you requested.

21 PRESIDING COMMISSIONER DUFF: That's
22 appreciated. Thank you very much.

23 Also, I believe there is an outstanding item
24 from yesterday. There is a few.

25 Mark Rubenstein, I see you are on the screen
26 right now. Perhaps you could address the -- or
27 clarify the undertaking that you were seeking.

28 M. RUBENSTEIN: Yes. Thank you very much, and

1 thank you very much, Panel.

2 This is in relation to the discussion that we
3 had yesterday and your invitation to clarify the
4 undertaking, and I have had a chance to discuss it
5 with my friends, and we have a requested undertaking
6 to the applicant. And this builds off their -- the
7 existing J1.1, which asks for -- the company's agreed
8 to look at the information that we provided, and if
9 there's any data errors or -- and also provide its
10 views.

11 But the undertaking we would like to ask, and I
12 will read it into the record now, is the following:
13 Based on the calculation of the overall variances
14 between Hydro Ottawa's compensation and the benchmark
15 P50 as provided in Table 1 in the SEC compendium --
16 that's page 75 -- does Hydro Ottawa agree that Table
17 2 in the SEC compendium provides a reasonable method
18 to quantify the associated variances applied to Hydro
19 Ottawa's overall compensation costs included in the
20 2026 OM&A budget? If not, please provide Hydro
21 Ottawa's views of the appropriate method and the
22 resulting calculation.

23 PRESIDING COMMISSIONER DUFF: I am going to stop
24 there. Ms. Coban, is there any clarification? Is
25 that understood by the applicant? Do you have any
26 concerns?

27 D. COBAN: I think it is understood. Thank you
28 for reading that into the record, Mr. Rubenstein.

1 I -- you know, we are hearing this for the first
2 time. Perhaps we could have just over the break to
3 consider and then confirm alignment or propose any
4 updates to that wording.

5 PRESIDING COMMISSIONER DUFF: Okay. That's
6 fine. I think so.

7 D. COBAN: Thank you.

8 M. RUBENSTEIN: That is fine. I just note that
9 due to the extenuating circumstances of the day, I
10 may not be in a position to be online right at the
11 break, and I apologize for that so...

12 PRESIDING COMMISSIONER DUFF: Don't worry. I
13 mean, don't worry. I am not going to make a decision
14 without your input. Okay. This is just --

15 M. RUBENSTEIN: All right. I apologize for
16 that.

17 PRESIDING COMMISSIONER DUFF: This is more for -
18 - this is important, apparently, to you and your
19 client. We want to make sure that the undertaking,
20 you have spent some time thinking about what exactly
21 you wanted, making sure the applicant can address
22 that.

23 M. RUBENSTEIN: Sure. Thank you very much.

24 PRESIDING COMMISSIONER DUFF: Okay.

25 Mr. Brophy, there was an undertaking request
26 yesterday. Are you still wanting to pursue that?

27 M. BROPHY: It would be helpful, but it's not
28 essential. It's -- we are open to whatever the panel

1 of commissioners is -- if you think it's of value,
2 then we can proceed. If you don't think it's going
3 to carry any value, then we can let it go.

4 PRESIDING COMMISSIONER DUFF: Well, the Panel
5 did consider it, and I -- I -- we are not going to
6 approve the undertaking and for the reasons that if
7 it was essential to you and your client for the
8 submission that you are going to make, that would be
9 a different kind of proposal, and you have been quite
10 honest that it's a benchmark, that it's perhaps a
11 nice-to-have.

12 And I -- at this stage in the proceeding, given
13 the extra work, I was kind of persuaded by Ms.
14 Barrie's, you know, comment about the extra work
15 involved, and, I mean, Hydro Ottawa's been very
16 responsive; I mean, the number of interrogatories,
17 undertakings. So at this stage in the process, I
18 might think we will proceed without it.

19 M. BROPHY: Okay. Thank you for the
20 consideration. And it's always good to have their
21 numbers rather than numbers we come up with, so I
22 appreciate that. Thank you.

23 PRESIDING COMMISSIONER DUFF: There is one other
24 preliminary matter that my Panel member reminded me.

25 I understand a few people attending virtually
26 have had some difficulties hearing, so just remind
27 people to speak into their microphones when possible
28 and making sure everybody is able to hear every word.

1 And on that note, Mr. Brophy, if you want to
2 continue with your cross-examination.

3 M. BROPHY: Great. Thank you very much.

4 And just for orientation, the schedule had us
5 for 65 minutes. Because we got a jump on it
6 yesterday, I expect to be done, hopefully, within 45.
7 It's -- it should be less than what we have there.

8 PRESIDING COMMISSIONER DUFF: I am at your
9 disposal.

10 M. BROPHY: Okay. Thank you.

11 PRESIDING COMMISSIONER DUFF: As long as you
12 stay within the time frame.

13 **CROSS-EXAMINATION BY M. BROPHY**

14 M. BROPHY: Okay. Thank you very much.

15 Good morning, Commissioners. Good morning,
16 Panel. We will just pick up where we left off.

17 I am going to be referring to some materials in
18 the compendium which I think you had been projecting
19 yesterday. So if you can pull up page 15 of our
20 compendium. And then just down, there is a diagram.
21 Yeah, the diagram is there, Figure 1. Thank you very
22 much.

23 And you'll see that under this corporate diagram
24 for Hydro Ottawa, Hydro Ottawa is governed by Hydro
25 Ottawa Limited; do you see that?

26 A. BARRIE: I see that.

27 M. BROPHY: Okay. Thank you.

28 And can you confirm that Hydro Ottawa Limited

1 Board, which controls the regulated utility Hydro
2 Ottawa, is not an independent Board of Directors?

3 A. BARRIE: It's not a fully-independent Board
4 of directors.

5 M. BROPHY: Okay. Maybe --

6 A. BARRIE: So maybe I haven't understood your
7 question entirely.

8 M. BROPHY: Sure, sure.

9 Maybe -- maybe to help you, we can go to page 3
10 of the compendium, which is the response to 1 CO 1
11 (b). And this is -- this is the list under Table B
12 of the Board of Directors for Hydro Ottawa Limited;
13 is that correct?

14 A. BARRIE: That is correct.

15 M. BROPHY: Okay. And two of the three members
16 are staff of the utility or their affiliates, and one
17 person is independent; do you see that?

18 A. BARRIE: I do see that.

19 M. BROPHY: Okay. And would you agree with me
20 that in order to have an independent Board,
21 generally, you would need a number of independent
22 directors, at least equal or greater than the number
23 of ones that are not independent?

24 A. BARRIE: So Hydro Ottawa aligns with the
25 OEB's requirements in terms of one-third of the Board
26 is required to be independent, which Mr. Ashe
27 represents.

28 M. BROPHY: Okay. So you're meeting -- you say

1 you're meeting OEB requirements, but from a statement
2 of the Board not being an independent Board; would
3 you agree that's also correct?

4 A. BARRIE: I am not really an expert in terms
5 of what corporately they would refer to as an
6 independent. In terms of ratio, I can tell you
7 that's one-third, and we are aligned with the
8 expectations of what that Board make-up should be.

9 M. BROPHY: Okay. Thank you.

10 And maybe we can just go back to page 15 in the
11 compendium, the diagram. Okay. Great. Thank you.

12 Would you agree with me that there are overhead
13 costs associated with operating each of the corporate
14 entities such as Hydro Ottawa Holding Inc., Hydro
15 Ottawa Capital Corp., Hydro Ottawa Limited?

16 A. BARRIE: I would agree with that.

17 M. BROPHY: Okay. Thank you.

18 And do you know what the purpose is of the extra
19 layer of adding Hydro Ottawa Limited rather than
20 having it part of Hydro Ottawa Holding or at least
21 compressing so that it's reporting to an independent
22 Board of directors? Is there a -- is there a reason
23 why it's laid out this way specifically?

24 A. BARRIE: The additional holding company was
25 introduced over the last rate term, and it did create
26 a buffer between our Hydro Ottawa Energy Services
27 Corp. in order to help support a better finance
28 structure for Hydro Ottawa Limited.

1 M. BROPHY: Okay.

2 A. BARRIE: So having that extra there in terms
3 of -- helps with our obtaining debt at a more
4 favourable rate.

5 M. BROPHY: Okay. So it was added over the
6 current rate term, and it was done primarily to help
7 get better financing. I think that's what I heard;
8 right?

9 A. BARRIE: That is correct.

10 M. BROPHY: Okay. Thank you.

11 A. BARRIE: And I should add, because I used the
12 word "better", which is not an appropriate, probably,
13 word, but to maintain.

14 M. BROPHY: Okay. Fair enough. Thank you.

15 Okay. Hydro Ottawa, you know, discussed
16 yesterday a few times, I think, that Hydro Ottawa is
17 at 641 FTEs for 2025 and planning to move to 716 FTEs
18 in 2026. And I can give you references if you know,
19 but you probably are already familiar. Do you recall
20 that?

21 A. COLLIER: I do.

22 M. BROPHY: Okay. Thank you very much.

23 And those FTEs, are those just the ones in the
24 regulated utility Hydro Ottawa, and they don't
25 include affiliate FTEs, or is that including
26 affiliate FTEs?

27 A. COLLIER: It's only employees of Hydro Ottawa
28 Limited, but they -- we do allocate some services out

1 to affiliates.

2 M. BROPHY: Okay. So those are the physical
3 FTEs in Hydro Ottawa Limited, those numbers; right?

4 A. COLLIER: Correct.

5 M. BROPHY: Okay. Thank you. That's what I
6 thought.

7 And if an affiliate -- and you could use Hydro
8 Ottawa Holding Inc., but it could apply to others as
9 well -- hires an FTE which actually is required for
10 the utility and then is allocated to Hydro Ottawa,
11 isn't that equivalent to adding FTEs for Hydro Ottawa
12 from a cost perspective? What's the difference?

13 Why would you -- why would you take an FTE
14 needed in the utility and hire it outside the
15 utility? What's the purpose for that?

16 A. BARRIE: So the -- we wouldn't -- like, the
17 decision wouldn't be based on -- you know, we
18 wouldn't say, oh, we need a new engineer, and we are
19 going to hire it through the holding company. We
20 look at the position itself, and we see where it
21 better aligns in the corporate structure, and then
22 that is where they're directly -- which company they
23 would report to.

24 And when we look at the individual companies, we
25 do assess if services are provided between the
26 affiliates, and if so, then we ensure costs are
27 shared between the affiliates that are using either
28 the employee, whether they reside in the Hydro Ottawa

1 Limited or one of the other organizations.

2 M. BROPHY: Okay. And if you say --

3 A. COLLIER: Maybe if I could just add one thing

4 --

5 M. BROPHY: Oh, sorry.

6 A. COLLIER: -- to Ms. Barrie. Sorry.

7 The employees that are added to the holding
8 company are primarily added to the holding company
9 because they service multiple entities.

10 M. BROPHY: Okay. Thank you for that.

11 And, Ms. Barrie, the alignment with the
12 structure, I just wanted to understand that a bit
13 better.

14 So say your CEO's out of the holding company,
15 and somebody's reporting to the CEO. Is that what
16 you are talking about, alignment, so then they would
17 be put in the holding company? Is that what
18 alignment of structure means?

19 A. BARRIE: No. It's more closely related to
20 what Ms. Collier said. So if you're talking -- so,
21 for instance, the EA for the CEO, the both of them
22 report within the holding company.

23 M. BROPHY: Okay. Thank you for that.

24 Perhaps we can go to compendium page 10, which
25 is 4 VECC 40. And this IR provides the breakdown of
26 affiliate and utility FTE costs. Table A, which is
27 on the screen, appears to show that the affiliate
28 FTEs under Hydro Ottawa Holding Inc. which are

1 allocated to the utility under Hydro Ottawa Limited;
2 is that -- is that what this table shows?

3 A. BARRIE: It shows -- just to make sure we are
4 aligned there, it shows a number of Hydro Ottawa
5 Holding company employees, and then through the
6 allocation, what percentage of FTEs directly go into
7 Hydro Ottawa, yeah.

8 M. BROPHY: Okay. Thank you.

9 And would you agree from the table that
10 consistently more than half the FTEs in the holding
11 company are allocated to the utility?

12 A. BARRIE: That, yes, the percentage is larger
13 than 50 for all the years.

14 M. BROPHY: Okay. Thank you.

15 And then you'll see from Table A that from 2021
16 to 2026, the FTEs in the holding company grows by
17 seven FTEs; do you see that?

18 A. BARRIE: I do see that. Just the only thing
19 I'd note in there is because we are dealing with
20 actuals, there can be, but when you're looking at
21 2021, there are vacancies within that number.

22 M. BROPHY: Sure. And maybe what we can do is
23 we can use this table, but then at the end, if you
24 think that actuals are different than the evidence on
25 the table, then we can talk about whether you would
26 want to provide an update of the table based on that.
27 But we will just hold that for now but...

28 A. BARRIE: Yeah. Just to -- because you said

1 if actuals are different. The actuals are correct.

2 It's just in actuals, you have vacancies.

3 M. BROPHY: Okay.

4 A. BARRIE: So as a result, if somebody is
5 missing in 2021 because they are not hired, they
6 won't be there. So it's a correct number, it's just
7 including not all budgeted positions.

8 M. BROPHY: Sure, okay. Thank you.

9 And, okay, so we have established that seven of
10 the FTEs in Table A have been added by the holding
11 company from 2021 to 2026. And then do you see that
12 six of those seven FTEs are fully allocated to the
13 regulated utility Hydro Ottawa? Do you see that?

14 A. BARRIE: I do see that. And that's where the
15 one vacancy does come into play. So if we had the
16 budget for '21 or that position wouldn't be empty,
17 you would see it's one less of an increase, overall
18 increase.

19 M. BROPHY: Okay. So then I think what you're
20 saying is that instead of seven FTEs being hired by
21 the holding company, it's probably six because there
22 was a vacancy. And then because of the vacancy, five
23 are allocated to the utility. So then it's five out
24 of the six; does that sound right?

25 A. BARRIE: That is correct.

26 M. BROPHY: Okay. Thank you.

27 A. COLLIER: Maybe just a point to add to Ms.
28 Barrie's discussion, and we have it noted in the

1 evidence in multiple spots. Hydro Ottawa Limited is
2 by far the largest subsidiary of the entire Hydro
3 Ottawa group.

4 M. BROPHY: Yes, I -- that's my understanding.
5 Thank you.

6 So if six out of the seven, according to the
7 table, or based on the vacancy, I guess it's five out
8 of six, are allocated wholly for the Hydro Ottawa
9 regulated utility, why were those positions not hired
10 within the utility?

11 A. BARRIE: It goes back to our earlier
12 conversation about looking at the holding company and
13 the type of employees that are within the holding
14 company.

15 And as Ms. Collier mentioned, when there's
16 employees that are largely shared, especially on a
17 corporate cost level, they will be hired within the
18 holding company.

19 So when you look at specific things such as
20 internal audit, that is a structure that will reside
21 within the holding company. And we would look at new
22 employees, if a -- new employees go into that area,
23 it will be hired in the holding company. We won't
24 change course and hire the individual in Hydro Ottawa
25 Limited.

26 So we look at that structure again, and that's
27 the decisions we make in terms of which corporate --
28 or which affiliate or corporation they will be hired

1 into.

2 M. BROPHY: But if a position's hired and fully
3 allocated to the utility, only doing utility work --

4 A. BARRIE: So they are not fully allocated. So
5 as long -- like, when we are having this discussion,
6 and we are saying six of them and five, it's as a
7 percentage, five of them. So not a single one of
8 those new employees are 100 percent being allocated
9 to Hydro Ottawa Limited.

10 M. BROPHY: Okay. So they'd all be -- I am not
11 going to do quick math but, like, 90, 95 percent.
12 Whatever the math is.

13 A. BARRIE: There is a range. I can get you an
14 IR that kind of separates it out by the executive
15 level, if you'd like. Just a moment.

16 M. BROPHY: Okay. Yeah, that would be helpful.

17 PRESIDING COMMISSIONER DUFF: Mr. Millar, can we
18 have an undertaking for that.

19 M. MILLAR: Yes, it's J2.1.

20 PRESIDING COMMISSIONER DUFF: Thank you.

21 **UNDERTAKING J2.1: PROVIDE AN IR THAT SHOWS THE**
22 **ALLOCATION OF NEW EMPLOYEES HIRED SEPARATED BY**
23 **THE EXECUTIVE LEVEL**

24 M. BROPHY: Okay. And while we are on the
25 discussion of undertakings, can you provide the list
26 of the 23 positions allocated from Table A that are
27 allocated to Hydro Ottawa? And then also from that
28 list of the 23, indicate which of the seven FTEs

1 added between 2021 and 2026, which of them -- which
2 of those were the new ones? And I guess if you can
3 also flag which of those positions out of those seven
4 was the vacancy so then we know the six that were
5 actually hired and not vacant. Would you be able to
6 do that?

7 A. BARRIE: So before addressing that, I think
8 it would be good -- it's actually in your own
9 compendium. If we could go to CCC 58.

10 M. BROPHY: Sure.

11 A. BARRIE: Sorry, 57. And if you could scroll
12 down to Table A, Lianne. Thank you.

13 And these are the percentages by the executives
14 in terms of -- and then in the different categories
15 of types of employees that are being hired within the
16 holding company and the percentages.

17 So I believe this provides essentially the
18 information you're trying to get at, which is what
19 percentage of these types of services are being
20 allocated back to Hydro Ottawa, without going and
21 taking an undertaking to list all the positions. And
22 this does provide that high level analysis of how
23 those costs are being shared.

24 M. BROPHY: And I will go to this table in a few
25 minutes because there are some questions related to
26 the table, but the question and the undertaking
27 request is specifically different.

28 It's for the 23 positions on the list that we

1 referred to that are allocated from the holding
2 company to Hydro Ottawa, can you provide the job
3 titles of those 23 positions? So that's different
4 than the information on the other table.

5 D. COBAN: I think the concern here is one of
6 materiality. We have the allocations here in front
7 of us by portfolio. There are dollars underneath
8 these allocations in the evidence. We are getting
9 into a level of materiality in terms of listing each
10 specific position that I just question whether that
11 is helpful at this stage of the process.

12 We are in your hands, but it does get to a level
13 of granularity that takes us well below the
14 materiality threshold.

15 PRESIDING COMMISSIONER DUFF: I just have one
16 question. Was it 23 positions referring to 2025 or
17 2026? Because I think they were both 23.

18 M. BROPHY: Yeah. If we go to --

19 PRESIDING COMMISSIONER DUFF: I just want to
20 make sure I know the year you're referring to, Mr.
21 Brophy.

22 M. BROPHY: The table goes from 2021 to 2026, so
23 that's the range that we selected that number from.
24 So if you look at that from 2021 to 2026, there was -
25 -

26 PRESIDING COMMISSIONER DUFF: So do you want the
27 positions that were in place in 2025 that underlie
28 the 23?

1 M. BROPHY: Oh, sorry. Okay.

2 PRESIDING COMMISSIONER DUFF: That's what I
3 mean.

4 M. BROPHY: I understand your question, yeah.

5 PRESIDING COMMISSIONER DUFF: Is it a -- is it a
6 --

7 M. BROPHY: Yeah. So --

8 PRESIDING COMMISSIONER DUFF: -- proposed or is
9 it -- because I don't know that they are the same 23
10 people.

11 M. BROPHY: Yes. We assume that the numbers in
12 2025 and 2026 were 23. We assume that they were the
13 same allocation. But if they are not, then I think
14 the 2026 numbers would probably be the best.

15 PRESIDING COMMISSIONER DUFF: Okay. Thank you
16 for that clarification.

17 I am going to confer with my Panel members at
18 the break. I don't think you need an answer right
19 now in order to continue.

20 M. BROPHY: Sure. Sure. Thank you.

21 PRESIDING COMMISSIONER DUFF: But you would
22 still like to proceed with the questions?

23 M. BROPHY: Yeah. Any of the other questions
24 don't link to that undertaking request right now.
25 But the --

26 PRESIDING COMMISSIONER DUFF: Okay. Then just
27 continue.

28 M. BROPHY: Sure. Thank you.

1 We are happy to provide feedback on the
2 importance and why it's needed, but I think we've
3 already talked through some of that.

4 Okay. So when the holding company employees do
5 work for Hydro Ottawa, are they charged out on a
6 fully allocated basis, which includes holding company
7 costs above the employees salary, direct salary?

8 A. BARRIE: That is correct.

9 M. BROPHY: Okay.

10 A. BARRIE: It would -- if there was a cost,
11 however, that was specific to a particular affiliate,
12 that would be taken out of the allocation.

13 M. BROPHY: Okay. Maybe we can go to compendium
14 page 6, which you were referring to. It's actually -
15 - I think it was up on the screen there a minute ago.
16 And maybe -- so we can see the full Table A which is
17 "Percentage of Corporate Costs Allocated From HOHI to
18 HOL".

19 So the first quick question is -- you'll see the
20 first item is "management services" and the last is
21 "distribution leadership". Can you describe what the
22 difference is between those two services?

23 A. BARRIE: Just a moment.

24 A. COLLIER: If we can pull up Exhibit 4-2-1,
25 Table 2. On page 3, they provide the list and the
26 different pricing methodology. Actually, it doesn't
27 really answer the question. I guess it's more
28 pricing methodology.

1 But managed service is our executive -- our
2 chief executive officer and EA support. And
3 distribution leadership is in Laurie's vertical at
4 the executive level.

5 M. BROPHY: Okay. And then distribution
6 leadership, you'll see it was zero percent, and then
7 in -- starting in 2025, jumped to 75 percent. So how
8 was -- how was the elements under distribution
9 leadership dealt with prior to 2025?

10 A. BARRIE: Distribution leadership was
11 previously within the -- within HOL. So the Hydro
12 Ottawa Limited.

13 M. BROPHY: Oh, okay. Okay. So it was moved
14 over to the holding company.

15 A. BARRIE: It was moved over when the portfolio
16 of that individual expanded.

17 M. BROPHY: Okay. Thank you.

18 And for the allocation, we have "Table A -
19 Percentage of Corporate Costs Allocated From HOHI to
20 HOL" up on the screen still.

21 How are the costs and the percentages we see in
22 that table calculated for each of the positions
23 allocating these costs? Do they do a timesheet? Or
24 is there some other process?

25 A. BARRIE: They don't complete timesheets. Our
26 executives have -- we did a cost study as part of our
27 last rate application where we looked into more
28 detailed timing -- time cost study.

1 And since then, what we do is we have
2 conversations annually to ensure that that aligns and
3 what percentage of time we consider major projects
4 that are coming up that the executives may be -- that
5 might adjust those percentages, and that's how we
6 figure out what percentage to allocate to each of the
7 corporations.

8 M. BROPHY: Okay. So the base is the cost
9 allocation study filed for the last cost of service,
10 and then adjustments have been made since, I think.
11 Is that what I heard?

12 A. BARRIE: I don't think that it was filed. It
13 just was a cost study that was done in preparation to
14 just make sure that the percentages were aligning.
15 And plus, as part of the ARC, it says from time to
16 time you should renew that review. So we do look at
17 it annually, but we just did a more detailed review
18 during that time period.

19 M. BROPHY: Okay. Could you undertake to
20 provide a copy of that study and then a copy of the
21 most recent review?

22 A. BARRIE: So those -- like, the -- the most
23 recent review, as I mentioned, they are done through
24 conversations, and these are the output of those
25 conversations. So there's nothing really to
26 undertake with that.

27 And the outcomes of that cost study, it's a
28 similar thing. It was a cumulative of a bunch of

1 data. I am not sure it was done in a way to easily
2 present it, is the problem. I wasn't actually a part
3 of it. But the pieces that I have seen, there's no
4 official study.

5 It's just, ultimately, from that cumulation of
6 the data they looked at, they created a chart that
7 created the percentages. So there's not an official
8 study to provide.

9 M. BROPHY: Okay. So study or work, if -- you
10 know, if you want to call it something looser than a
11 study, was done prior to the last cost of service.
12 And that then would have linked to, say, the 50
13 percent -- we will use management services as the
14 example because it's the top row. The 50 percent for
15 2021, which is in the current cost of service term,
16 would have come from that -- from that work; is that
17 correct?

18 A. COLLIER: So maybe I can talk just more
19 broadly because obviously I am represented on one of
20 these lines, on the finance line, obviously, along
21 with other services like internal audit and risk
22 management. And my EA is also included in that line.

23 In terms of the work that we did, we didn't
24 engage an external third party to do a study. It's
25 going through my calendar and looking at the meetings
26 I'm at and my appearances here and the work for rate
27 application.

28 And, like I said, HOL is -- Hydro Ottawa

1 Limited, I am sorry, is by far the largest
2 subsidiary, so that's why these percentages are high.
3 Certainly the work that all of the executive team
4 does for HOL is significant in comparison to a lot of
5 our other subsidiaries.

6 So, you know, I am prepared to answer questions
7 about -- you know, further questions but --

8 M. BROPHY: Sure.

9 A. COLLIER: -- it would be difficult to
10 present, you know, five years of calendars for all 40
11 people or 38 people in this group.

12 M. BROPHY: So just to make sure I have it
13 clear, then, there was no study done?

14 A. COLLIER: It was an internal time study --
15 internal time allocation. Maybe "study" is not the
16 right word.

17 M. BROPHY: Okay.

18 A. COLLIER: There was no external study.

19 M. BROPHY: But that work, does it then arrive
20 at the values, say, in the 2021 column, or it's just
21 some work that was done, and you can't derive the
22 actual values from that work; which is correct?

23 A. BARRIE: We can derive the values from that
24 work. And if there was a more official study, like,
25 the issue, again, is I wasn't part of it. It's been
26 a number of years. I have tried to find it better.
27 I see the output, and I know the work was created. I
28 can see -- I -- even in team meetings, I remember it

1 being talked about.

2 But it was done by previous people that have
3 retired, and we know the methodology and how it was
4 done, but I can -- personally have only been able to
5 find the outputs and not all the cumulative work that
6 went into it.

7 M. BROPHY: No, I can understand that.

8 So why don't I just put it this way: The -- it
9 sounds like the process used to arrive at the
10 allocations is a bit less structured and looser than
11 a formal study or process. And I understand that
12 you're looking at some timesheets and schedules,
13 calendars, you mentioned, but, you know, that just
14 kind of dilutes some of the structure of arriving at
15 these numbers.

16 So, you know, initially when I asked for a copy
17 of the study or the output, you know, that would have
18 provided, you know, some ability to be able to link
19 those. But we could either go with that, or if Hydro
20 Ottawa has something that you think is, you know,
21 structurally built objectively that you can file that
22 allows us to then look at the work done and match it
23 to these numbers, then that would be helpful as well.

24 If you don't have any of that, then we will move
25 on, but I just want to give you that opportunity
26 because there is a bit of a question on where these
27 numbers come from.

28 D. COBAN: Perhaps what we can undertake to

1 provide, and I will look over to the Hydro Ottawa
2 witnesses to see if this is reasonable, is a summary
3 of the analysis that Ms. Barrie was referencing that
4 underpins this methodology that goes into a bit more
5 detail as to the considerations that were evaluated
6 from a time study perspective to determine the
7 specific allocations that we have in here in front of
8 us today, so a more sort of detailed explanation of
9 the methodology going back to what was done in --
10 before the last cost of service, as Ms. Barrie noted.

11 PRESIDING COMMISSIONER DUFF: Mr. Brophy?

12 M. BROPHY: Well, I guess the challenge is that
13 based on the response from the Panel, I think we
14 understand the general approach that was used. So I
15 don't think that would give us anything other than
16 what -- what we just heard, and I don't want you to
17 do work just for the sake of it.

18 It was more that if the document existed, then
19 you could just file it, even if it's kind of the end
20 document, and then we'd be able to go back and read
21 it and try and match it, so...

22 A. COLLIER: So, yeah, that document does not
23 exist.

24 M. BROPHY: Okay.

25 A. COLLIER: It's a collection of calendars,
26 internal notes, almost the equivalent of timesheets,
27 even though timesheets, then, that's collected by my
28 accounting team and allocated --

1 M. BROPHY: Sure.

2 A. COLLIER: -- in totality to come up with
3 these figures. We could certainly put it together,
4 but it's not an hour job.

5 M. BROPHY: This isn't a make-work project, so
6 why don't we --

7 A. COLLIER: Okay.

8 M. BROPHY: -- skip that undertaking --

9 A. COLLIER: Okay.

10 M. BROPHY: -- unless the Panel has a different
11 opinion.

12 A. COLLIER: But I am certainly happy to answer
13 any questions about any percentage here. I think
14 between Ms. Barrie and I, we could answer many of
15 your questions.

16 PRESIDING COMMISSIONER DUFF: Yeah. My only
17 comment was all you will have is this transcript, so
18 make sure you ask your questions of the --

19 M. BROPHY: Yes.

20 PRESIDING COMMISSIONER DUFF: -- witnesses here
21 based on their understanding.

22 M. BROPHY: Yes.

23 PRESIDING COMMISSIONER DUFF: Okay. Thank you,
24 Mr. Brophy.

25 M. BROPHY: Yes. Thank you very much.

26 And I will note that even from your
27 understanding, Ms. Collier, of, you know, you looking
28 at your calendars and forecasting, your time is going

1 down in that chart from 2021 to 2026 to be charged to
2 the utility, the management services, which I think
3 you said is just the CEO and their EA is -- is going
4 up. So it's, you know, an interesting trend, and I
5 assume --

6 A. COLLIER: Yeah, and I --

7 M. BROPHY: I understand it's just from calendar
8 invites and --

9 A. COLLIER: No. But I can -- I can speak to
10 some of that, right.

11 So I think the reason you're seeing a trend
12 maybe going down in finance is we do have additional
13 subsidiaries that didn't exist in 2021, so financial
14 statements have to be prepared for them, tax returns
15 have to be prepared. So there is -- there is more of
16 the finance team that gets allocated across all
17 affiliates versus more to HOL.

18 In terms of the CEO's time, I will kind of go
19 back to my opening remarks from yesterday, right.
20 There has been a lot of changes in our industry.
21 There has been a lot of new complexity. He is taking
22 calls from councillors any time the power goes out,
23 just with the traumatic events that we have been
24 through over the past five years: the strike, new
25 complexity with DERs, the growth in the industry,
26 large load request. There is a lot more time and
27 attention that's happening by the entire executive
28 team with respect to HOL.

1 M. BROPHY: Yeah. Yeah. And I am aware of the
2 outage issues and the councillor --

3 A. BARRIE: Okay.

4 M. BROPHY: -- concern over -- over those. So,
5 yeah, I appreciate that.

6 A. BARRIE: And the other item I would mention
7 is the strike as well. It did send a message that
8 more time needed to be spent on just regular
9 activities and ensuring the things that we were
10 hearing through that process, and that resulted in
11 more time with certain executives also on -- on -- on
12 Hydro Ottawa Limited.

13 M. BROPHY: Okay.

14 So I actually only have one last question. And
15 perhaps we can pull up page 4 of our compendium,
16 which is the response to 1-CO-1 (h) -- sorry. The
17 reference should have been page 3 of the compendium
18 at the bottom. Thank you.

19 So you'll see in Hydro Ottawa's response to part
20 (h) of 1-CO-1 that it indicates:

21 "On average 87 percent of customers across all
22 rate classes provided social permission to
23 proceed with Hydro Ottawa's draft plan,
24 evidence".[as read]

25 And I assume that this specific wording in the
26 response to the interrogatory request is based on the
27 actual wording in the customer survey; is that
28 correct?

1 T. FREEMAN: Yes, I believe that's correct.

2 M. BROPHY: Okay. Thank you.

3 Was there a question in the survey that
4 specifically asked customers to endorse the proposed
5 OM&A budget that you filed with the OEB or that was
6 in your draft plan at the time when you shared that
7 information during the survey?

8 T. FREEMAN: So the total magnitude of the
9 change, so the increase in both capital and OM&A, was
10 presented to our customers. And the question of
11 support that led to the stat you have referenced, the
12 87 percent providing social permission, was around
13 the total increase combined.

14 And I can take you to -- just to make it clear
15 what I am talking about, if we could actually go to
16 1-4-2 (a), and on page 265, please.

17 M. BROPHY: Okay. Maybe you can just explain
18 what we are looking at.

19 T. FREEMAN: Sorry. Just scroll a little bit
20 further down.

21 And so the graph presented here provides the
22 increase, and this is -- was presented to our
23 customers in the workbook as part of Phase 2 of our
24 customer engagement survey. So the graph does show
25 that the increase in both capital and OM&A -- and
26 they're divided by colours -- showing the increase on
27 both of those from our previous rate period to the
28 current rate period.

1 M. BROPHY: So this was one of the pages in the
2 workbook of materials that you circulated when you
3 did the survey; is that --

4 T. FREEMAN: That is correct, yes.

5 M. BROPHY: Is that correct? Okay.

6 But then the survey question itself links to,
7 then, the response we just went over on our
8 compendium page 3; is that -- is that correct? There
9 wasn't a separate question in the survey that
10 specifically asked customers whether they supported
11 the proposed OM&A budget specifically; was there?

12 T. FREEMAN: Not specifically on the OM&A
13 budget. We went through -- in part of Phase 2,
14 customers were asked to make trade-offs on the
15 different activities that Hydro Ottawa was proposing
16 to take and the level of spending on those primarily
17 focused on capital.

18 But then the question of:

19 "Do you support the proposed plan as is? Would
20 you like an accelerated approach, or do you
21 want a slower approach?"[as read]

22 That was involving all the total of the
23 increase, so both capital and OM&A. So the stat
24 you're referencing is the question to customers about
25 the total increase, not just capital or not just the
26 OM&A.

27 M. BROPHY: Okay.

28 So -- so when 87 percent of those surveyed

1 indicated that they provide social permission to
2 proceed with Hydro Ottawa's draft plan, you interpret
3 that to include every detail within -- within the
4 plan; is that including the O&M slide that you just
5 took us to?

6 T. FREEMAN: Yes, that's correct.

7 M. BROPHY: Okay. And there's nothing --
8 nothing else that hasn't been filed that would have
9 supported this specific support of the O&M budget.

10 A. BARRIE: So the one thing I would say, like,
11 we -- this is a slide, and we did talk about our
12 ongoing expenses and being -- so this is not the
13 whole discussion on OM&A. As Mr. Freeman mentioned,
14 we did also include, in some of the questions that
15 were more capital oriented, OM&A costs associated
16 with them in those choices, and we didn't separate it
17 out.

18 As it is, this document for customers is a very
19 long document. It takes time and energy, and we do
20 have a really good ratio, and always have, of
21 customers who complete this survey.

22 And then I would also add, though, just even in
23 terms of the letters in response that we received to
24 the notice that went out for those customers who
25 could understand and get to our evidence, a lot of
26 their feedback was things such as "How are we
27 supposed to read through 5,000 pages" kind of concept
28 and understand what's going on, right.

1 So the customer survey does have to balance
2 overwhelming customers with too much data and enough
3 that they understand. So if we start pulling apiece
4 all of the individual pieces in a bill and try to
5 individually explain all those inputs, it can
6 overwhelm the customers as well. So we do have to
7 make that fine balance between providing information
8 so they appreciate those changes. So at a total bill
9 level for distribution only, that's even complex and
10 confusing for them because we don't just bill for our
11 own services.

12 So even at the beginning of the survey, we have
13 to explain what's on their bill, what portion of the
14 bill is ours. So there's a lot that the customers
15 have to digest.

16 And so this is the approach we have taken. We
17 have explained all the different components, and we
18 have asked them to reflect on their total cost
19 opposed to all those individual elements to try to
20 bring it to, hopefully, what's a bit more manageable
21 understanding for them as we also explain what those
22 cost drivers are.

23 And we do also -- sorry. The last thing I would
24 say is there are a number of open fields also, so if
25 customers had wanted to point out, we didn't restrict
26 them from not saying there was elements -- if we
27 hadn't surveyed on it, they did have that opportunity
28 to type in messages and add that feedback to us.

1 M. BROPHY: And I think that's one of the points
2 is I can appreciate it's a lot of information
3 including the package that you shared with customers
4 that ended up filling out the survey. Whether they
5 were able to read it all or even understand it all,
6 there's no way to really know that. All we have is
7 the survey responses.

8 So I think -- to make a long story short, I
9 think you are just confirming that there wasn't
10 another question in the survey other than the one we
11 talked about with the response. I think the one you
12 provided in response in 1-CO-1 was the appropriate
13 one; is that -- if there's something else that you
14 have that hasn't been shared, then --

15 A. BARRIE: I think it gives an overall
16 impression of what customers want. You know, through
17 both the Phase 1 and Phase 2, we've really heard
18 about reliability and investments to the grid. And
19 that did -- you know, we took that Phase 1
20 information, we applied it into Phase 2, and overall,
21 we got the social permission that the plan addressed
22 what customers were feeling.

23 We did give multiple options, so, you know, they
24 had the ability to choose. You know, they agreed the
25 plan. They would like us to accelerate the plan.
26 And they did -- we gave them what we believed was
27 manageable information in order to complete the
28 survey and, hopefully, understand at the end of the

1 day.

2 And -- and we also -- just also to say, leading
3 up to our customer survey, we don't just look at this
4 as one piece, but we try to educate our customers
5 before this comes out too.

6 So we are always looking at things like our
7 Hydro Ottawa website, trying to explain elements of
8 our costs and elements of our bill to our customers
9 so that they are not coming into the survey kind of
10 like a one-time item and not understanding our bills.
11 We send out emails on a regular basis informing them
12 of the work we are doing, updating them on activities
13 with the utility.

14 So we are trying to educate them all along the
15 way so that when we get to something like a survey,
16 there is a lot more chance that when they read it,
17 they will understand it.

18 M. BROPHY: Great.

19 A. COLLIER: Maybe if I can just add one example
20 just to touch on what Ms. Barrie and Mr. Freeman had,
21 because we do carefully consider what is the best way
22 to portray this information.

23 Obviously some of our OM&A drivers included
24 things like cloud computing, so explaining, you know,
25 accounting rules and cloud computing and those types
26 of investments in a customer survey, it just -- you'd
27 take six pages to explain it, and then I am not sure
28 it would come across well. So that's why we chose to

1 go with total. There was just -- there's drivers
2 that would be difficult.

3 M. BROPHY: Yeah. And you would be happy to
4 know one customer did read all 5,000 pages.

5 A. COLLIER: Okay.

6 M. BROPHY: The majority of customers we spoke
7 to did not, which is probably more normal. And, you
8 know, some of them have real trouble understanding
9 all those elements including the survey package
10 itself. So I think that just kind of reconfirms the
11 trouble with laying this all out to the customers in
12 a way that they understand. So on that, I will
13 complete my questioning. Thank you.

14 PRESIDING COMMISSIONER DUFF: Just one question,
15 Mr. Brophy. Were you planning to stay after the
16 break this morning? Because I know we have this
17 undertaking that we have to get back to you. I just
18 want to make sure you are going to be in attendance.

19 M. BROPHY: Yeah, the plan is to be at least
20 until lunch. Yeah.

21 PRESIDING COMMISSIONER DUFF: Thank you.

22 M. BROPHY: Yeah.

23 PRESIDING COMMISSIONER DUFF: Next on our
24 schedule is Mr. Ladanyi, I believe is -- oh, there he
25 is. Online. Thank you very much. Please proceed.

26 The only thing I will say to you, Mr. Ladanyi,
27 is we are hoping to break around 11, so you decide
28 when there is an appropriate break in your

1 questioning.

2 **CROSS-EXAMINATION BY T. LADANYI**

3 T. LADANYI: Thank you. By the way, can
4 everyone hear me? Very good.

5 So good morning. My name is Tom Ladanyi. I am
6 an independent consultant representing two
7 intervenors: Energy Probe Research Foundation and
8 the Coalition of Concerned Manufacturers and
9 Businesses of Canada, CCMBC. To reduce costs, Energy
10 Probe and CCMBC are sharing my services, and I will
11 be asking questions on behalf of both Energy Probe
12 and CCMBC. And in my cost claim, I will split the
13 cost between the two parties.

14 Now, on January 13th, I sent a note to the OEB,
15 to Hydro Ottawa, and to all parties with reference to
16 -- references to the exhibits I will be referring to
17 in my cross-examination. To minimize costs, I have
18 not prepared a compendium.

19 So the first subject area I want to talk about
20 is net metering.

21 So please turn to Exhibit 8, Tab 4, Schedule 2,
22 page 1, Table 1. Can we have that on the screen,
23 please. Thank you.

24 And specifically there is the table.

25 So the first column for 2025 has net metering,
26 and it says "approved". I presume that refers to
27 Board approved. And was the approval given in EB-
28 2019-0261? That would be your last rebasing

1 proceeding.

2 A. BARRIE: Yeah, that would be correct.

3 T. LADANYI: Thank you.

4 So now please turn to EB-2019-0261 settlement
5 proposal which is dated September 18th, 2020. Page
6 28. Can I have that on the screen, please. Yeah,
7 can you scroll down a bit? There, it says "specific
8 service charges":

9 "Parties accept Hydro Ottawa's proposed
10 specific service charges as set out in updated
11 Exhibit 8-7-1".[as read]

12 And I will not read the stuff below.

13 And could you please turn to Exhibit 8-7-1.

14 There it is. Thank you.

15 D. COBAN: Mr. Ladanyi, are you referencing an
16 exhibit from this proceeding or --

17 T. LADANYI: No, no, of course not. I am
18 referencing -- so the settlement proceeding -- sorry,
19 settlement agreement EB-2019-0261 referred to Exhibit
20 8-7-1 from that proceeding. So we can see what
21 exactly was approved there. And I was hoping you
22 would be able to get that.

23 D. COBAN: I am afraid we might not have that
24 evidence loaded on our computers. We did have the
25 settlement proposal, as you noted in your email, but
26 not the underlying evidence.

27 T. LADANYI: Well, I will describe it to you.
28 You will have to take it subject to check.

1 D. COBAN: We will try to pull that up while you
2 are going through your questions.

3 T. LADANYI: Yeah. It's not that hard to find.
4 It's on that same docket.

5 So Exhibit 8-7-1, Table 2. I will describe it
6 to you. There, it says "microFIT and net metering
7 ERF". And there is a list of charges for every year
8 from 2020 to 2025.

9 And, first, is microFIT and net metering ERF, is
10 that the same as what you're referring to as net
11 metering now? Because it shows, for example, amounts
12 equivalent to \$15.

13 A. BARRIE: Hopefully they will be able to bring
14 it up. I would like to clarify. And I find net
15 metering and some of our generation charges, they are
16 rate class charges and not necessarily specific
17 service charges.

18 But if we can wait a moment, and Lianne's just
19 trying to pull that schedule up.

20 M. BROPHY: Madam Chair, it's Michael Brophy.
21 The evidence being referred to isn't evidence in this
22 proceeding, so the challenge is if it's going to be
23 referred to and relied on, we are going to have
24 trouble responding to that in any submissions. So we
25 would just ask that it be added to the record if it's
26 something to be relied on.

27 PRESIDING COMMISSIONER DUFF: That's an
28 interesting point. I mean, my -- I haven't checked

1 with my Panel members, but if it's on the public
2 record, you can refer to it, especially if it's an
3 OEB proceeding.

4 Having -- this just came up in another
5 proceeding that I was in. Somebody asked for volumes
6 of information. Now, this -- to be added to the
7 record of another one, which just creates
8 duplicative. Now, this particular exhibit, if
9 there's any need to have it added for clarity -- I
10 see, Mr. Garner, were you going to say something?

11 M. GARNER: No, no. You finish. I was just
12 about to say I think Mr. Harper of this area is also
13 looking to say something, but you finish.

14 PRESIDING COMMISSIONER DUFF: Okay.

15 M. GARNER: I just wanted you to be aware that
16 he's -- it looks like he may be trying to intervene
17 in the conversation.

18 PRESIDING COMMISSIONER DUFF: Yeah. Just in
19 general, if it's part of the public record, you can
20 refer to it. That's the standard at OEB -- and I
21 consider that.

22 M. BROPHY: Okay, I appreciate that.

23 PRESIDING COMMISSIONER DUFF: It doesn't have to
24 be formal. However, if you're going to rely on it
25 heavily, it's just out of convenience.

26 B. HARPER: Madam Chair, it's Bill Harper here.
27 I believe the exhibit that Mr. Ladanyi is referring
28 to can be found on VECC's compendium on net metering

1 in Tab Number 1.

2 PRESIDING COMMISSIONER DUFF: Well, isn't that
3 handy.

4 A. BARRIE: And I apologize, Mr. Ladanyi. I do
5 notice you did have it as a listed item, so thank
6 you.

7 PRESIDING COMMISSIONER DUFF: Well, thank you
8 very much, Mr. Garner, Mr. Harper.

9 T. LADANYI: Thank you for bringing it on the
10 screen. Actually, could you go to page 8 of 11.
11 Keep going. Keep going down. Okay. Okay. Some
12 more. And let's see the table. There, that's what I
13 want. Okay. So this is what I was referring to.

14 So in that table -- and which, by the way, was
15 referred to in the settlement agreement which was
16 approved by the OEB -- there is a line called
17 "microFIT and net metering ERF", and there
18 essentially is a forecast of these charges stretching
19 for the entire rate period to 2025.

20 And so that was what was approved by the OEB as
21 far as I understand. You agree with me with that?

22 A. BARRIE: I would agree with you, yes.

23 T. LADANYI: Thank you.

24 So would you agree that the parties to the
25 settlement agreement and the OEB expected Hydro
26 Ottawa to adhere to the agreement for the 2021 to
27 2025 period?

28 A. BARRIE: Yes. And these charges were on our

1 rate orders for the five-year period.

2 T. LADANYI: Yes. I don't have to refer to
3 those because I checked that they -- yes, they are on
4 the rate orders.

5 Now, please turn back to the current case, which
6 is EB-2024-0115, Exhibit 8, Tab 4, Schedule 2, page
7 3. There, thank you.

8 And there, we can see that as of November 1st,
9 2021, Hydro Ottawa stopped charging the monthly
10 service charge to net metering customers.

11 So did you obtain OEB approval to stop charging
12 this charge?

13 A. BARRIE: So utilities are not required to
14 come to the OEB for specifically not charging
15 charges. It is under the discretion. We are
16 expected to treat customers fairly, so it would be
17 inappropriate, for instance, to one particular
18 metering customer to not charge them the charge but
19 charge it to the rest of them.

20 And I don't have any reference with me, but I
21 have seen that on OEB documentation where it does
22 say, you know, we -- and I am trying to remember what
23 it was related to. But I will just say I do believe
24 we were compliant.

25 Similarly, we have the ability, for instance,
26 with late payments and things like that, we have
27 these approved charges, but if there is situations
28 that we deem appropriate to not charge them, we have

1 the ability to do so.

2 T. LADANYI: If I could just ask you a follow up
3 to that question.

4 So your understanding is that if OEB has
5 approved a charge, a service charge, you can on your
6 own decide not to charge it. How about the other way
7 around, how about if the OEB has not approved a
8 charge, can you actually start charging it?

9 A. BARRIE: No. In that situation, we would
10 need to come to the OEB and apply for a new charge in
11 order to have it be charged.

12 T. LADANYI: Did you around the time of November
13 2021 inform the intervenors and the third parties to
14 the settlement agreement that you were not going to
15 be charging that charge?

16 A. BARRIE: No, we did not inform intervenors
17 that we wouldn't be charging that charge.

18 And I would also note that as part of the letter
19 that we sent out to customers on this, we did note it
20 was temporary and may be revisited at some point in
21 time.

22 T. LADANYI: You say that the charge was removed
23 in November 2021 to encourage residents to generate
24 their own energy and support the City of Ottawa's
25 Energy and Emissions Plan. So what happened in 2021
26 to make you do that?

27 A. BARRIE: We did have a lot of customer
28 feedback on this particular charge, and we committed

1 to review as part of the City's plan the ways to
2 support customers. But we also needed to look at
3 cost causality and ensure that we did this
4 appropriately. So that's part of the reason why we -
5 - when we did remove the charge from the customers'
6 bills, we did inform them that it might be a
7 temporary situation.

8 And that's when we also were -- we were also
9 looking at the concept, as I was speaking yesterday
10 about the fact that, you know, we were starting to
11 recognize that we had introduced this charge, and as
12 you can see, we also include it as being part of a
13 generation charge, and we hadn't focused a lot on the
14 fact that they're also a consumer, and it's
15 considered that we -- we should be also thinking
16 about it in terms of it being a rate optionality plan
17 similar to time of use, global adjustment, retailers.
18 In which case, we haven't introduced a separate
19 charge for those types of rate optionality.

20 And so we determined through our review, we
21 thought it was appropriate that given that we weren't
22 introducing new charges related to EVs or charges,
23 because you're a class A global adjustment, that we
24 should also propose to remove the net metering
25 charge.

26 T. LADANYI: Okay, thank you.

27 So were you asked by the City of Ottawa to stop
28 charging this net metering charge?

1 A. BARRIE: I am sorry, I am not aware. I
2 wasn't specifically asked to -- I know on a regular
3 basis, we have customers ask us not to charge a lot
4 of charges. But my work was not around whether or
5 not somebody specifically asked but to make sure from
6 a cost causality basis whether or not this charge
7 still made -- was appropriate as we -- in -- I wasn't
8 given a directive in terms of, you know, how I came
9 to that determination.

10 But when I was looking at it and thinking about
11 it more from the perspective of a load customer, I
12 wanted to ensure that we were treating them fairly in
13 terms of the different optionalities that were out
14 there for different load type customers.

15 T. LADANYI: Sure. And I am trying to
16 understand how a decision was made. So you're not
17 certain that the City asked you. That's fine. I
18 don't need an undertaking or anything like that.

19 So did the management make a presentation to the
20 Board of Directors about this, or was this decision
21 just made, let's say, by the staff of regulatory
22 affairs in a meeting room? Like, how was this
23 decision made? Who was present?

24 A. BARRIE: So in terms of the -- originally
25 removing it from the bill, I wasn't directly involved
26 in those conversation. Again, it was an individual
27 that's now retired. I heard the outcomes of that. I
28 know it wasn't just regulatory affairs. It was a

1 conversation between our customer service. I am not
2 sure who else was part of those discussions.

3 And that was why we also, though, did, through
4 that regulatory affairs lens, wanted to ensure that
5 we were letting customers know that this was
6 temporarily being removed and might be revisited at
7 some point in time because we understood that when we
8 did review and we come back here to propose, if we
9 actually propose to change it when we came back for
10 this rate application, we'd need to socialize that
11 and ensure that we -- one, we were aligned with that
12 decision and then that when we went through this
13 proceeding, that that would be the outcomes of that
14 situation as well. And if not, then we would have to
15 determine how we were going to move forward with the
16 net metering.

17 T. LADANYI: So in my experience, every time an
18 important decision is made, a group of people get
19 together in some meeting room, and they discuss it,
20 and then there is a decision, let's say, either
21 collectively, usually not, usually by some senior
22 person after they have heard all of the reasons, and
23 then the decision is made.

24 But what you are telling me is there seemed to
25 have been some kind of a meeting between staff and
26 the regulatory affairs and staff of some other
27 department at Hydro Ottawa, and then I guess the
28 decision was made. I am still trying to understand,

1 were you considering this to be an important decision
2 or a minor decision that really should not have been
3 presented to the Board of directors?

4 A. BARRIE: So sorry. I was referring to the
5 decision to remove the charge originally. So as part
6 of the rate application process, all the rates that
7 were changed and proposed, this particular one went
8 through a subworking group that looked at a number of
9 different charges, and it was proposed to maintain
10 the removing of that. We also considered the other
11 generation charges at the same time in a working
12 group.

13 So it went through the working group. It then
14 went up to the regulatory working -- so that was
15 subgroup of the regulatory working group, and which -
16 - and then it was presented to the working group
17 level, which was representatives of cost, the
18 organization, which deal -- which was represented by
19 managers and directors across the organization. And
20 then this was presented to the rate application
21 steering committee, which was the chiefs of the Hydro
22 Ottawa Limited.

23 So it was -- certainly it went through. We did
24 not specifically mention, that I recall, net metering
25 to our Board of directors, but it did certainly go to
26 every level of the organization, and it was
27 considered as part of this rate application. It
28 wasn't considered something small.

1 We do -- we did know that we were proposing to
2 remove a charge on our rate orders, and we don't take
3 that lightly. And so we did want to make sure that
4 we had a rationale and an understanding of doing that
5 and we had the appropriate authorities throughout the
6 company in order to propose it going forward.

7 T. LADANYI: So I understand. I think you are
8 describing the process for this current rate case,
9 EB-2024-0115. But I was actually more interested
10 about what happened in November of '21 when you
11 decided to just drop the charge. Was this same
12 process followed or not?

13 A. BARRIE: Senior executives were involved. I
14 am just not sure, because I didn't manage that
15 process, all that were included, but it did go to
16 senior executive. I believe our CEO was also made
17 aware of it. I don't believe it went to the Board of
18 directors, but I just can't confirm either way.

19 T. LADANYI: So you now -- we now have reached a
20 -- I would say, a comprehensive, a very detailed
21 settlement agreement, if you like, proposal that has
22 been given to the Board. The Board will finally
23 approve it and -- or has approved it.

24 And I am trying to understand. So there is many
25 items and many charges in that settlement agreement.
26 Can we trust you not to unilaterally change any for
27 the next five years, and if you are planning to
28 change some, would you actually make a commitment

1 that you are going to inform the intervenors and all
2 the parties and the OEB that you are dropping a
3 charge or whatever else you are doing that's not
4 going to be in adherence with the settlement
5 proposal?

6 A. BARRIE: So if we were holistically dropping
7 a charge similar to the net metering charge, I have
8 no issues with informing intervenors about that
9 change. What I wouldn't want is to have wording such
10 as -- like I mentioned, you know, when we waive fees
11 for things like late payments or something like that,
12 when there's a reason, I wouldn't want to get to a
13 level where we needed to start informing you of every
14 time we did that but -- because those are electives
15 that we need to do to manage our business and ensure
16 we move forward.

17 But if we holistically did something similar to
18 net metering, we would be willing to commit to
19 informing intervenors of that.

20 T. LADANYI: It's like pole attachment charge.
21 You can decide, well, we don't really care about
22 that, so we don't have to charge it. Would that be
23 something that would be covered by -- you could,
24 let's say, decide on your own to drop the pole
25 attachment charge?

26 A. BARRIE: So I don't perceive us moving
27 forward to doing that. I think net metering is very
28 different. But I can't say that industry or

1 something could change in the policy world that might
2 push towards doing another item that's there that
3 utilities may be asked. Because even during COVID,
4 for example, you know, we were -- a letter went out
5 from the OEB in terms of contemplating customers who
6 were struggling, right. Even variance accounts came
7 out looking at that you may or may not want to record
8 those amounts and try to recover them later on.

9 So there can be reasons between rate terms that
10 change situations in which things might change, and
11 so we would be committed -- if there is a commitment
12 that would make you feel more comfortable with, we
13 are more willing -- more than willing to do that.

14 But I just today can't say because, you know,
15 when I was -- when we started preparing the rate
16 application last time, we could never have dreamt
17 that COVID was happening, right. So things like that
18 do occur. Policy does change. But we would be happy
19 to do a commitment in terms of informing intervenors
20 if some situation like this came up.

21 T. LADANYI: Okay. Thank you.

22 Now, what we see on the screen here, you said
23 the net metering charge was removed to encourage
24 residents to generate their own energy. So when you
25 speak of energy, do you mean electricity?

26 A. BARRIE: Yes, that's correct.

27 T. LADANYI: And -- talking about this, like,
28 how these customers would they generate electricity?

1 Is it only by solar panels, or are customers allowed
2 to use a gas generator? Is that covered by this
3 statement?

4 A. BARRIE: With net metering, it does have to
5 be renewable. The regulation was changed at some
6 point in time that if you had renewable and you
7 introduced battery, then that was acceptable. But
8 battery on its own is not. So it does have to be a
9 form of renewable energy.

10 T. LADANYI: So does this not cover customers
11 who have a gas generator under the Industrial
12 Conservation Initiative, ICI?

13 A. BARRIE: No, that would not cover them.

14 T. LADANYI: And when you -- in this particular
15 paragraph, you are only talking about the residential
16 customers, or are you also including commercial
17 customers and industrial customers?

18 A. BARRIE: So the net metering is a rate class
19 that just puts anybody who is net metered in one
20 class charge. So it does include residential, small
21 commercial, and commercial.

22 T. LADANYI: So let's say a commercial customer
23 with a warehouse and -- with having solar panels on
24 the roof is included in this sentence?

25 A. BARRIE: Correct. But some -- a commercial
26 customer has to either have substantial solar in
27 order to offset an entire warehouse at some point in
28 time where they would actually start receiving

1 credits, but I would imagine it's possible. But it's
2 usually -- in just my experience, our -- the smaller
3 of our larger commercial customers that this would
4 apply to.

5 T. LADANYI: So customers that generate
6 electricity using rooftop solar only for their own
7 use, they would not have to pay a net metering
8 charge?

9 A. BARRIE: I think it's important to note they
10 don't pay a net metering charge, and the distinction
11 that Hydro Ottawa made between -- which was that
12 important change in the way we were looking at it, is
13 this is a load customer.

14 So other generators, if they're connected to
15 Hydro Ottawa's distribution grid, those generation
16 charges are the only way that they're paying for the
17 use of the poles, the wires, the transformers.

18 Whereas residential, small commercial, and
19 commercial customers, they already have -- everyone
20 has a fixed charge, and then everyone has -- other
21 than residential, who are fully fixed -- has a
22 variable charge. So they are paying for the grid,
23 and so that was the distinction we were making
24 between those.

25 So they -- so this is -- the net metering charge
26 was to capture the additional costs of the billing
27 related to these customers, and that was specifically
28 what it was. It wasn't for the use of the grid, but

1 specifically around the extra work to build them.
2 And a lot of that work, as we talked about yesterday,
3 was -- we automated for residential and small
4 commercial customers, which was the bulk of the time
5 being spent on those activities.

6 T. LADANYI: So when you mention a fixed charge,
7 so all customers, I mean, every one of them that's on
8 fixed charge pays a fixed charge whether they have a
9 rooftop solar or anything? Everybody pays a fixed
10 charge; is that right?

11 A. BARRIE: That is correct.

12 T. LADANYI: Okay. So there's nothing specific
13 to customers who might be net metering.

14 Okay. So just to get it right, so only a
15 customer that generates more electricity than she or
16 -- he or she needs and exports the excess into the
17 distribution grid would have to pay a net metering
18 charge, theoretically; is that right?

19 A. BARRIE: No. Because it's net metering, if a
20 customer chooses to be net metered and asked for that
21 rate optionality, whether or not they inject into the
22 grid, we have to monitor those activities. And as a
23 result, if the customer has chosen that option but
24 never actually injects into the grid, they will still
25 be charged the net metering charge.

26 T. LADANYI: So you have to monitor it, and this
27 monitoring costs you some money, doesn't it?

28 A. BARRIE: As noted, because we have automated

1 it for the residential and small commercial
2 customers, it no longer does. For the commercial
3 customers, yes, we would have to monitor it on a
4 monthly basis, but not in order to charge the charge.

5 The charge is just something that would have
6 gone on regardless. But we would have to look at the
7 credit they would need to be put on to their bill if
8 they did inject into the grid.

9 T. LADANYI: So how many customers were
10 exporting to the grid prior to November 1st, 2021? I
11 think that might even be in evidence already
12 somewhere. I just couldn't find it.

13 And, by the way, how many were exporting at the
14 end of, let's say, 2024, which is a year ago? I am
15 trying to see whether the decision by you to drop
16 this charge had an impact on the number of customers
17 exporting to the grid.

18 A. BARRIE: So Ms. Heuff is just going to look
19 to see if she can find the undertaking.

20 But I would note, though, that it is very
21 seasonal, right. Most of the net metering are solar,
22 so as a result, what we have is typically in the time
23 frame of, you know, May to October, customers are
24 generating. And then past that, you know, with the
25 weather that we have in Ottawa, we don't typically
26 see a lot of generation pushing into the grid during
27 those winter months just because there's not enough
28 sun, and it doesn't offset their load, right.

1 So it's not -- it's about specific months during
2 the year that we tend to see that activity happen.
3 So even if I pick December as an example, we'd have
4 very few customers who are actually injecting into
5 the grid. If I picked a month such as July, we'd
6 have a lot more customers who are injecting into the
7 grid.

8 T. LADANYI: But you don't specifically know.
9 Maybe it's somewhere in evidence. I will have to
10 look it up. Sorry.

11 A. BARRIE: And the reality of the -- being able
12 to automate that is that we don't have to be looking
13 at that every month. But a customer opts in for net
14 metering, typically doesn't opt in and out, and as a
15 result, that \$15 charge is there regardless of
16 whether or not they are injecting into the grid or
17 not, because, once again, the intent of it was for
18 that extra billing support.

19 So it's not a matter if they're injecting. It's
20 just a matter of whether or not we were monitoring
21 and having to do extra steps related to billing.

22 T. LADANYI: Thank you.

23 Can you please turn to interrogatory response 6
24 EP 8. All right.

25 And you can look at my question (b) and then
26 your answer. You got the answer there as well. The
27 question was:

28 "What was the total annual revenue from the

1 service charge in the last full year that it
2 was collected?"[as read]

3 And your answer was -- if I am reading this
4 correctly, was "\$17,300"; is that right?

5 A. BARRIE: That is correct.

6 T. LADANYI: Do you consider this to be a large
7 or a small amount?

8 A. BARRIE: In comparison to our other
9 distribution charges, it is less material.

10 T. LADANYI: So had you kept this charge in
11 place, would that amount have increased each year?
12 What do you think? I mean, I don't know. It might
13 be also there is some other evidence on the subject,
14 and it's hard to figure out exactly whether it's
15 going to be an increase or a decrease in revenue over
16 the year -- over the years, had it been kept in
17 place.

18 My impression was, from reading the evidence,
19 that actually, the amount would have been quite small
20 anyway. It's not going to be an number that's going
21 to grow by a significant amount.

22 A. BARRIE: So our net metered customers did
23 grow over that period of time. I know -- I am pretty
24 sure we do it on -- have it on record. I can take a
25 moment if you are interested to see those numbers.

26 But more recently, what we are experiencing is
27 with the new IESO home program -- just -- well, so as
28 part of the home renovation savings program, which is

1 an IESO-run program, which will help residential
2 customers install solar on their roof, they can do
3 so, but only if they do not become a net metered
4 customer.

5 So what we are finding is customers would more
6 prefer to get that credit through the IESO than to
7 sign up to be net metering. So we are seeing a
8 slowing of customers choosing net metering.

9 T. LADANYI: So coming back to November 2021, it
10 seems to me that the shareholder was subsidizing
11 these customers after November 2021 because whatever
12 -- at least the forgone revenue was -- the
13 shareholder was ready to absorb an amount of \$17,000
14 a year, maybe a little bit more; would that be right?

15 A. BARRIE: Sorry, can you --

16 T. LADANYI: You didn't do anything else to the
17 -- your revenue forecast or rates, so it's
18 essentially shareholders said, well, that's fine, we
19 are okay, we will absorb this?

20 A. BARRIE: Again, I don't know if we went right
21 to the Board of Directors and the shareholder to say
22 that, but essentially, yes, the -- it would have come
23 out of earnings. So there was no other -- we did not
24 come in and try to get a mechanism in which to
25 safeguard ourselves for that revenue loss.

26 T. LADANYI: So in this intervening four years,
27 you were ready to absorb that cost. And why don't
28 you want to keep absorbing it? Why do you want now

1 to have that -- whatever incremental cost essentially
2 to be paid for by the other ratepayers of Hydro
3 Ottawa?

4 A. BARRIE: So I would go back to the original
5 decision. At one point in time, we decided to
6 temporarily hold this cost and review whether or not
7 we thought it was still appropriate. And in
8 reviewing and looking at the fact that other
9 customers are not being charged for the incremental
10 billing cost of the rate plans they choose, we are no
11 longer requesting that charge.

12 And so we did not propose to take on those extra
13 costs of that, similar to that we are not proposing
14 to take on the cost of implementing global adjustment
15 for class A customers.

16 T. LADANYI: So it's an internal decision that
17 you have decided to do that, you are proposing it to
18 the OEB, and now it's for the OEB to decide. And you
19 can see, of course, that the ratepayers did not agree
20 to this. That is why we are having this discussion.

21 Now, do you believe that customers who generate
22 their own electricity and export the excess to Hydro
23 Ottawa grid provide benefits to customers who do not
24 generate their own electricity?

25 A. BARRIE: I believe they can. I think it's
26 important, and I mentioned that yesterday, that you
27 really need to look at cost principles, and you need
28 to look at remuneration mechanisms any time a DER is

1 connected to the grid. It can actually increase
2 costs if a large generator is connected to a feeder
3 transformer that's not able to support it, and we
4 have to invest in that.

5 But when we are looking at a net metering
6 program, for the most part, because we are dealing
7 with solar, we are talking about individual customers
8 reducing their peak load typically at similar times
9 as when the grid is experiencing peak time.

10 So it can support locally the local
11 transformers. To what extent, we have not done a
12 survey or study on that. But there's certainly a lot
13 of information and a lot of policy objectives that
14 are looking in and supporting the use of DERs in
15 order to reduce the need for wires investments.

16 And so I think with net metering, typically,
17 you're dealing with lower volume, so it can support
18 those locally. But, again, I do believe at a larger
19 scale, you do need to appropriately remunerate DERs
20 for the benefit that they are proportionally
21 providing to the grid.

22 T. LADANYI: But those benefits, let's say, or
23 savings are intermittent.

24 For example, on a snowy day like today, and I
25 presume it's snowing in Ottawa, the rooftop solar
26 panels are covered with snow, they are not generating
27 anything. So those customers are not providing any
28 benefits. They couldn't possibly be.

1 A. BARRIE: Correct. But what I just want to
2 emphasize again with -- related to net metering is
3 the net metering charge wasn't looking at the
4 generator's benefit or cost to the grid, it was
5 looking at the cost of the extra billing time
6 associated.

7 So this wasn't a grid benefit decision, this was
8 a looking at different rate structures and
9 optionalities to customers and whether or not it was
10 appropriate to charge certain customers for their
11 rate optionality and not charge extra charges for
12 others for their rate optionality.

13 T. LADANYI: Thank you. It's 11 o'clock now,
14 and I think the schedule shows a break at 11. So we
15 can have a break now, and we will continue after the
16 break.

17 PRESIDING COMMISSIONER DUFF: Okay. Thank you,
18 Mr. Ladanyi. We will break right now and readjourn
19 in 15 minutes at 11:15. Thank you.

20 --- Upon recess at 11:00 a.m.

21 --- Upon resuming at 11:17 a.m.

22 **PRELIMINARY MATTERS**

23 PRESIDING COMMISSIONER DUFF: Before we begin
24 again, Mr. Ladanyi, I just want to attend to a few
25 procedural matters that are kind of outstanding.

26 The first was regarding the undertaking request
27 from Mr. Brophy, J2.1 that was assigned. I went back
28 to the transcript, and this was the request regarding

1 the 23 FTEs to have the job titles. So we had the
2 benefit of going back to the transcript to see
3 exactly what you had asked for, and the Panel agrees
4 that it should be provided.

5 I will repeat it.

6 For the 23 FTEs allocated from the holding
7 company to Hydro Ottawa Limited in 2026, please
8 provide the job titles, I think you used the word
9 "positions", that comprise those 23 FTEs. Is that
10 data available?

11 A. COLLIER: Just to be clear, the 23 FTEs
12 allocated is the resulting -- is the result of a
13 calculation.

14 PRESIDING COMMISSIONER DUFF: Yes.

15 A. COLLIER: So the job titles will be a longer
16 list of employees, and then it will be using those
17 percentages tables to come up with the number.

18 PRESIDING COMMISSIONER DUFF: Yes.

19 A. COLLIER: So you won't have a -- like, we
20 have no one in the holding company that is 100
21 percent allocated to HOL.

22 PRESIDING COMMISSIONER DUFF: I was trying to be
23 careful in the way I phrased the question --

24 A. COLLIER: Okay.

25 PRESIDING COMMISSIONER DUFF: -- because I
26 appreciate it was FTEs. I have done that work myself
27 in prior jobs.

28 A. COLLIER: Okay.

1 PRESIDING COMMISSIONER DUFF: So I know that I
2 am expecting you will have more than 23 job titles
3 being provided.

4 A. COLLIER: Okay.

5 M. MILLAR: Madam Chair, that's undertaking J --

6 PRESIDING COMMISSIONER DUFF: No, we already
7 assigned the number.

8 M. MILLAR: Oh, we did.

9 PRESIDING COMMISSIONER DUFF: Yeah. I think --
10 sorry, Mr. Millar, but I think we assigned it J2.1
11 and that it was subject to clarification.

12 M. MILLAR: Yes, I am sorry. Thank you.

13 **UNDERTAKING J2.1a: PROVIDE THE JOB TITLES THAT**
14 **COMPRISE THE 23 FTEs ALLOCATED FROM THE HOLDING**
15 **COMPANY TO HYDRO OTTAWA LIMITED IN 2026**

16 PRESIDING COMMISSIONER DUFF: Regarding the
17 other undertaking regarding Mr. Rubenstein, Ms.
18 Coban, have you had a chance to talk to your
19 applicant?

20 D. COBAN: We touched on it briefly, but,
21 unfortunately, we ran out of time at the break, so
22 perhaps we could just further consider it over the
23 lunch hour. It's particularly just the second part
24 of Mr. Rubenstein undertaking which is about
25 providing an appropriate methodology, we just want to
26 make sure that we are being thoughtful about
27 committing to that second portion of his proposed
28 language.

1 PRESIDING COMMISSIONER DUFF: Okay. I don't
2 know who is only allowing 15 minutes for these
3 breaks, that doesn't seem to be enough time for
4 anybody, but I will -- we will confer and get back to
5 you and see if we can adjust the schedule going
6 forward.

7 So, Mr. Rubenstein, I can assure you that if
8 something other than your request is considered, we
9 will make sure we reach out to you.

10 M. RUBENSTEIN: I will be -- I will make -- I
11 will ensure that I am available right after the lunch
12 break.

13 PRESIDING COMMISSIONER DUFF: Yeah. And anybody
14 who has to, you know, confer or -- please make
15 arrangement with Tiara Fearon, please.

16 Okay. That takes us back to -- any other
17 procedural matters? Okay. That takes us back to Mr.
18 Ladanyi. Please proceed.

19 **CROSS-EXAMINATION BY T. LADANYI (CONT'D)**

20 T. LADANYI: Thank you.

21 Please turn to interrogatory response 4-EP-5.
22 Can we have that on the screen, please?

23 And the question -- sorry, 4-EP-5, that's right.

24 In question (d) I asked:

25 "Do customers with DERs that export excess
26 power into the distribution grid impose greater
27 costs than customers that have non-exporting
28 DERs?"[as read]

1 And can we see your response? Which I believe
2 is on the next page.

3 And let's have a look at (d). And you say:

4 "From a billing and settlement perspective,
5 customers who export to the grid impose higher
6 costs as it requires additional activities such
7 as billing function, data capture, review time,
8 and settlement with the IESO." [as read]

9 So that seems to be not in agreement with what
10 you just said to me before the break.

11 A. BARRIE: So I did indicate because we have
12 not automated the commercial class, that they -- we
13 do have manual process. What I indicated was I
14 didn't think it was appropriate for a separate charge
15 for just one type of -- of rate optionality was
16 appropriate. And as we were not introducing charge
17 for all of the different types of rate optionality
18 and the different costs that they incur, that that is
19 why we are proposing to remove it.

20 So I would say it is aligned. We -- I indicated
21 there are costs. And in this response, we also
22 indicate there are costs.

23 T. LADANYI: So I don't quite understand. Is it
24 something you are saying that you are still actually
25 performing these additional billing -- let's say,
26 billing work for some customers, but not all? Or
27 you're not -- you are planning not to perform it? Or
28 how does -- like, what is the current status here?

1 A. BARRIE: So all customers create costs
2 related to billing, and generators also create costs
3 in terms of settlement with the IESO, managing their
4 contracts, and monitoring their metering.

5 The distinction between net metering is they're
6 a type of customer that straddles both. Now, we do
7 have other customers that straddle both as well, they
8 just have behind the meter generation, and they
9 choose to either not get remunerated for any
10 injection they put into the grid, or it's just they
11 are still a net load and therefore don't take
12 advantage of net metering.

13 So the distinction we are making here is that
14 net metering is a rate optionality in which some
15 customers choose. And for rate optionalities as a
16 whole, there is not separate charges, and we are not
17 proposing separate charges for each one, and as a
18 result, we are proposing to remove the net metering
19 charge.

20 But we also are acknowledging that we have spent
21 some time to automate those services, and the amount
22 of time that we spend on net metering has
23 substantially gone down from a manual effort on the
24 billings.

25 T. LADANYI: Although it's not in the case, but
26 I think it's something that's related, is the --
27 there is a consultation that the OEB is having on the
28 DSO, distribution system operator, and I think

1 distributors are considering setting up the DSO
2 function. So that would be an O&M charge; wouldn't
3 it?

4 Or how about the cost of the DSO? Would this
5 cost be allocated to the customers that are
6 essentially causing this, which is the net metered
7 customers? Or would it be allocated to all customers
8 of the DSO? I know we are crossing into an area that
9 was not previously explored, but I think it's
10 related.

11 D. COBAN: Mr. Ladanyi, are you asking the
12 witnesses -- I am not sure that they can comment on
13 it given that this is an ongoing proceeding. My
14 understanding is that it's -- it's -- you know, the
15 kinds of questions you are putting to them are kind
16 of actively under review as part of the proceeding,
17 so I am just a bit hesitant about the witnesses
18 opining on issues that are under broader policy
19 consideration before the OEB.

20 T. LADANYI: Fine. And I recognize that was
21 probably out of line here, so I will drop that.

22 Now, let's go to operation maintenance
23 administration. So please turn to Exhibit 4, Tab 1,
24 Schedule 1, page 7. Here, it lists four key themes:
25 deteriorating infrastructure, growth and
26 electrification, extreme weather, and technological
27 innovation. Why are you calling these items "themes"
28 instead of, for example, causes or reasons?

1 A. COLLIER: I think those words could be used
2 interchangeably.

3 T. LADANYI: So you mentioned deteriorating
4 infrastructure. So why would infrastructure
5 deteriorate?

6 L. HEUFF: So infrastructure can deteriorate for
7 a number of reasons. It can be just due to natural
8 aging, or it can deteriorate due to things such as
9 extreme weather or other external factors which may
10 cause advanced deterioration.

11 T. LADANYI: So has infrastructure deteriorated
12 faster than you expected at the time of your last
13 rebasing five years ago?

14 L. HEUFF: That's a tough question to answer.
15 We have enhanced our testing inspection and
16 maintenance programs over the previous five years,
17 which has given us more insight into the actual
18 condition of our assets. So to be able to do a
19 comparison of where they were five years ago to now
20 would be very difficult.

21 T. LADANYI: So when did you find out that your
22 maintenance was inadequate? So it was not
23 successfully slowing down this deterioration?

24 L. HEUFF: So that's a very broad question. I
25 don't think that I would ever characterize our
26 maintenance as having been inadequate. We have
27 enhanced our inspection processes, which give us an
28 understanding of what the condition of the assets

1 actually is.

2 In terms of maintenance, many of our assets, the
3 actual word "maintenance" or doing things that you
4 can actually invest in the assets in order to extend
5 their useful lives, most poles, overhead and
6 underground equipment, there is very little you can
7 do. In terms of the station assets, we have very
8 adequate inspection and maintenance techniques that
9 we do employ, and so I would never have characterized
10 our maintenance activities as inadequate.

11 T. LADANYI: So please turn to Exhibit 4, Tab 1,
12 Schedule 2, page 3, Table 2. Please look at
13 proactive distribution maintenance.

14 So here we see the distribution maintenance. I
15 think this table is showing incremental costs since
16 2021. And the way I interpret this is that you did
17 not increase spending on proactive distribution
18 maintenance in the years from 2021 to 2024; why is
19 that?

20 L. HEUFF: No. That would be an incorrect
21 interpretation.

22 We do have a number of items or areas where we
23 did do enhancements to our inspection program. If
24 you just give me a moment, I will pull up a reference
25 that can showcase that for you. So if you could
26 please turn to Schedule 2-5-1, Figure 3, on page 43.

27 So what -- although this table, I do -- or this
28 graph, I do appreciate is maybe a bit difficult to

1 interpret, what it is showing you is between two
2 different benchmark years, and this is why when I was
3 saying before that it's hard to be able to provide a
4 good understanding of the age or the deterioration.

5 In 2018, if you take, for instance, stations as
6 an example, there were 76 different parameters that
7 we would inspect on an annual basis or at any point
8 in time when we were doing preventive maintenance.
9 And through the improvements of our maintenance
10 inspection programs, we now take 90 parameters into
11 account.

12 This is allowing us to reduce our reliance on
13 age, and more, our reliance on the actual conditions
14 of the assets. You can, likewise, understand or you
15 can, likewise, see the overall percentage that we are
16 relying on inspection data has improved, and in some
17 cases, it's because of the quality of the inspection
18 information that we are collecting. Although we
19 haven't changed the number of parameters we are
20 inspecting, the amount of information or the quality
21 of the inspection parameters has improved.

22 And so you won't see this showing up as a cost
23 driver because from a materiality perspective, it
24 doesn't actually meet the threshold of having met a -
25 - being labelled on the cost driver table; however,
26 we have very specifically improved our overall
27 inspection methodologies during the '21 to '25
28 period.

1 T. LADANYI: Thank you. And it's very
2 commendable that you were able to do this without
3 increasing costs.

4 And now you need another \$5 million as far as I
5 can see from Table 2, so --

6 L. HEUFF: So I would like to -- just in
7 response to that, there is a better location that
8 provides a breakdown of what those costs are, if
9 you'll just give me a moment. So if you could please
10 turn to JT1.11, Table A.

11 So if you just scroll down to the bottom, the
12 \$5.6 million that's referenced is shown as the
13 subtotal, and it's more detailed under Staff -- 4
14 Staff 134. And I apologize for the two times moving,
15 but it's just the easiest way to be able to show the
16 overall compilation.

17 And if you scroll to the bottom of Table A, the
18 two main drivers of that \$5.6 million increase -- if
19 you just scroll up a bit, please, Lianne -- are
20 specifically the third wire non-wires -- third-party
21 non-wire alternative solutions as well as the overall
22 distribution funding, which we have other IRs, which
23 I can turn to as well that provide more detail.

24 But just to give you a sense, the majority of
25 the increases and why the materiality is more
26 impactful during this time than what was seen in the
27 previous times is as a result of these two new
28 investment areas that did not exist in the '21 to '25

1 term.

2 If you look just above, you will see there's a
3 \$60,000, a \$245,000 one, a 60,000. Those are the
4 types of inspection and maintenance programs that
5 would be the advancements that are more in line with
6 the ones that we would have also done during the '21
7 to '25 period. And so we would have seen increases,
8 and I can bring you to the individual testing and
9 inspection and maintenance programs as well as into
10 the stations program where you would see that the
11 costs have increased as a result of the individual
12 improvements that we have made within those programs.

13 It was just simply a materiality version as to
14 why it didn't make the page, and these additional two
15 third-party non-wire alternative and overall
16 distribution investments are why it does end up being
17 material and shown on the cost drivers table in this
18 case.

19 T. LADANYI: Since you mentioned non-wire
20 investments, that's a capital cost, isn't it? And --
21 or do non-wire investments require an increase in
22 operation and maintenance costs?

23 L. HEUFF: So these are not necessarily an
24 increase in operating and maintenance costs. There
25 is a bit of a mix in here. So in some cases, these
26 are investments in order for us to enable -- so
27 fundamental and foundational investments that are
28 going to be required in order for us to enable things

1 like measurement and verification and then enabling
2 inspection and maintenance and monitoring of the
3 third-party devices that are going to be connected to
4 our system.

5 It's also associated with the battery energy
6 storage systems. We are implementing for the first
7 time a number of large-scale utility-owned battery
8 energy storage systems. They will require third-
9 party monitoring support and an ability to ensure
10 that we have the data from those batteries integrated
11 as well as the testing -- or the measurement and
12 verification that will be required.

13 So this is a compilation of those types of
14 activities that are new as a result of leveraging
15 non-wire solutions, which in some cases are also
16 utility-owned non-wires solutions.

17 T. LADANYI: Okay. I won't go into capital. I
18 can have a big discussion about this.

19 But, anyway, as I understand, what you're saying
20 is that you were actually improving your maintenance
21 over the years from 2021, but the improvements were
22 so small they were nonmaterial, so that's why it
23 didn't show up in Table 2. But now you have crossed
24 into a materiality threshold; would that be right?

25 L. HEUFF: No. That's not what I am saying.

26 What I am saying is the amount of investment we
27 have made to improve our testing and inspection
28 methodologies in '21 to '25 of the specific assets

1 that are named on this page. And so if you look at
2 the underground transformer -- or the underground
3 lines and feeders, SCADA devices, underground
4 equipment, and overhead lines and overall assets are
5 very similar to the types of improvements and
6 investments we would have made from '21 to '25.

7 It's that the category in this case has
8 expanded, which is driving the materiality threshold,
9 and that is why it is showing up as a cost driver now
10 where it didn't previously.

11 T. LADANYI: Now, let's go to the next theme,
12 which is growth and electrification.

13 By the way, is growth different from
14 electrification, or they are kind of -- one is a
15 subset of the other?

16 L. HEUFF: They are not necessarily synonymous
17 with each other, although in many instances, the
18 growth we are seeing is driven by electrification.
19 However, things like in our high tech sector where
20 there is growth in terms of the overall number of
21 companies that are investing in Ottawa and setting up
22 their headquarters in Ottawa or expanding their
23 facilities, those growth items aren't necessarily
24 related to electrification.

25 T. LADANYI: So coming back to Table 2, which
26 was on the exhibit I referred to in a minute -- a bit
27 ago. Let's go back to the table -- can we see it
28 again -- which is Exhibit 4, Tab 1, Schedule 2,

1 original page 3, Table 2, OM&A cost. There it is.

2 Thank you.

3 So where would we see the impact of growth in
4 this table?

5 A. COLLIER: I think you see it in a couple
6 places; some in the inflation line, mostly in labour
7 costs. And --

8 T. LADANYI: Right.

9 A. COLLIER: And the proactive distribution
10 maintenance, as we already spoke to.

11 T. LADANYI: You can see that they are not,
12 let's say, uniformly growing over the years.
13 Possibly inflation is, but not the other ones.

14 So the growth is kind of intermittent; is that
15 what you are telling us? But it cannot be seen
16 directly here because it's not actually a cost
17 driver?

18 A. COLLIER: No. It -- I mean, we have tried to
19 -- we've tried to summarize the cost drivers in a
20 simplified table and show the main cost drivers.
21 Obviously, there is a lot of things in other costs.
22 And maybe if we pull up 4 Staff 132, it will give you
23 a flavour for in one year how many things are in
24 other.

25 So 4 Staff 132, page 2, Table A. And what this
26 table is, it's showing, from the cost driver table,
27 the reduction of -- it's 7 in Table 2 -- in 4-1-2,
28 but the -- it's rounded. It's actually 6.5, which is

1 the total of this table.

2 It's showing the reversal of the major weather
3 events that we have talked to, reversal of costs
4 related to the labour strike. But then below that,
5 you will see a -- quite a number of other items that
6 are increasing. We were just trying to, again,
7 showcase the main themes in that cost driver table in
8 4-1-2 and not list 200 items.

9 T. LADANYI: So how do you measure growth? What
10 units would you use to measure growth?

11 L. HEUFF: Typically, growth would be from a
12 distribution perspective on the -- like, on my side
13 would be in megawatts or the megawatt growth of load
14 or number of new customers. It can also be in the
15 form of the number of DER requests we are seeing. It
16 can be in the form of the number of new connections
17 we are getting for individuals for whatever it may be
18 that they are doing, upgrades to their service. So
19 there is varying ways that we would measure growth.

20 T. LADANYI: So in evidence -- and you don't
21 have to produce it -- is there any exhibit that shows
22 the growth in operation maintenance administration
23 costs per units of growth, per kilowatts, or kilowatt
24 hours per year or whatever you want; is there
25 anything that shows that?

26 L. HEUFF: Not that I'm aware of.

27 T. LADANYI: Now, let's turn to the theme of
28 extreme weather. You mentioned that a minute ago.

1 T. FREEMAN: If I can just actually -- sorry,
2 Mr. Ladanyi. I do want to note that growth drives a
3 number of different increases in the OM&A costs
4 including on the customer side. So Ms. Heuff
5 mentioned increased load request, increased
6 complexity from our customers. We are seeing that
7 also drive up the complexity of the conversations
8 that we are having with our customers, the
9 interaction between our customer-facing teams and our
10 operations teams.

11 And so in order to manage that increasing
12 complexity as well as the increased number of
13 customers and number of customer requests, we are
14 investing in, for example, IT solutions like an
15 enhanced CRM to help our existing staff manage that
16 increased complexity, manage the increased number of
17 customer requests.

18 And if you'll permit me very quickly just to
19 bring you to CCC 50, just to illustrate -- I will
20 just wait for it to get pulled up on the screen here.
21 If you could just scroll to the second page, please,
22 Lianne -- sorry -- third. One more down. One more
23 table down. There we are.

24 So specifically in the -- you know, the customer
25 billing, the corporate -- the customer and community
26 relations teams, we are investing in technology
27 solutions related to the growth and electrification
28 in order to keep our head count from significantly

1 rising.

2 So we are seeing all those things I just
3 mentioned, the increased complexity, the increased
4 number of customer requests, the increased number of
5 customers, but we are maintaining or only adding one
6 additional head count in our customer and community
7 relations team and one additional head count in our
8 customer billing team. That's -- that's kind of one
9 of the impacts that we see growth as it relates to
10 our IT programs, for example.

11 T. LADANYI: So it, obviously, shows that you
12 are doing this very efficiently, and I compliment you
13 on it.

14 Now, since you mention electrification, I am
15 trying to understand why electrification would have
16 an impact on operation maintenance administration.
17 Now, electrification, as I understand, are existing
18 customers of Hydro Ottawa who are heating with
19 natural gas and now decided to put -- install a heat
20 pump. Why would that increase your maintenance
21 costs?

22 L. HEUFF: So the intensification is what I
23 would -- what you're referring to, I would refer to
24 as intensification where when you describe
25 electrification as an existing customer starting to
26 use more of their service, their existing service, or
27 expanding their service.

28 In some cases, those require higher OM&A costs

1 as a result of the advanced degradation or the
2 accelerated degradation of the assets that can take
3 place. So as the assets are heavily utilized, it can
4 actually cause the assets to degrade faster, at a
5 more rapid pace, which would require increased number
6 of interventions or an intervention timing or renewal
7 timing that is sooner than would have otherwise been
8 required.

9 T. LADANYI: So since you mentioned this, in a
10 residential area, as I understand it, there are
11 distribution transformers on poles, sometimes in
12 vaults, and they deteriorate if customers on that for
13 example, street use more kilowatts? More kilowatt
14 hours? Why would they -- what would wear out? They
15 are essentially -- in my mind, they are passive
16 assets. There is nothing that happens to them.

17 L. HEUFF: So transformers is a good example.
18 So if there was surges that happen as a result of the
19 intensification, and the existing transformers begin
20 operating at above their rating for periods of time,
21 especially on hot weather days, if there is a very
22 high loading on the transformer, it can cause the
23 transformer to degrade more rapidly as a result of
24 that increased loading.

25 T. LADANYI: That's right. So if that happens,
26 then you are going to go that that pole -- and I am
27 familiar, it happens in Toronto -- and a crew will
28 come and replace the distribution transformer. That

1 would be capital. That wouldn't be maintenance.

2 L. HEUFF: That would be capital; however, what
3 we are applying in our testing and inspection and
4 maintenance methodologies is an ability to diagnose
5 and capture that type of information.

6 So specifically, if I was to take you to -- if
7 you will just give me a moment. So Undertaking
8 JT1.12, please. Table A. Or even we will start
9 actually, at the beginning of the response.

10 So the image recognition for anomaly detection
11 is a good -- and connected with the machine learning
12 for regional analysis.

13 So what that is, is as -- one of our advanced
14 technologies is to apply drone inspection. We have
15 just conducted a drone inspection pilot, and we will
16 begin utilizing drones in order to inspect the assets
17 on the system, specifically the overhead assets.

18 At this point in time, we leverage ground-based
19 inspection technology, and we are not able to
20 necessarily identify hot spots or degraded assets
21 that are at the top of the pole very readily.

22 With the drone inspection technology, we are
23 also going to begin capturing multitudes of images,
24 very, very large amounts of data. And so in order to
25 apply that to be able to notice that a transformer,
26 for instance, has degraded and is starting to show
27 hot spots, we are also looking to apply the image
28 recognition for anomaly detection in the machine

1 learning which will actually notify us automatically
2 without having to ask one of our engineers to look
3 through tens of thousands of pictures and try and
4 find anomalies in it.

5 So these are very advanced and readily available
6 services from service providers that we have already
7 been speaking with and that are a part of the RFP
8 that we have conducted for the drone inspection
9 technology. And this is the type of thing that will
10 allow us to recognize before a failure happens.

11 And in this case, it's not that we are trying --
12 we don't want to get to the point that -- what you
13 have described, where the transformer fails, because
14 that means someone has actually experienced an
15 outage. And so what we are trying to do is detect
16 these types of things before they actually fail so
17 that we can get in and intervene in a timely and
18 planned manner so that we can minimize the disruption
19 to our customers. In a --

20 T. LADANYI: So how would you -- go ahead.
21 Sorry.

22 L. HEUFF: Sorry. I was going to say in a
23 similar sense, the real-time asset condition
24 assessment, as we have noted, we are implementing an
25 EAM, an enterprise asset management system. We also
26 employ PI Vision, which is a technology that allows
27 us to monitor our assets.

28 And so we are looking to also, in some cases at

1 the station level, be able to collect information and
2 further monitor and have it flag us in real-time when
3 there is a need for intervention of -- as a result of
4 it exceeding a threshold or a limit so that we can
5 employ a preventative maintenance and interactive --
6 like, we can -- we can employ preventive maintenance
7 techniques rather than having to wait for the asset
8 to fail and replacing it in an emergency basis.

9 T. LADANYI: So you mentioned that you're using
10 a lot of new technology. But essentially, isn't that
11 the same staff now having different tools? So these
12 people on staff who are doing this work get paid the
13 same salary, they just have a better -- they just
14 have better equipment. And the cost of the equipment
15 is probably in general plant, it's not -- it's a
16 capital cost. It's not going to be in OM&A.

17 L. HEUFF: So this cost that I am describing
18 here, the \$1.8 million, is very specifically in OM&A.
19 It is in the testing and inspection and maintenance
20 program and 4 Staff 134 that we went through
21 previously.

22 T. LADANYI: So I worked for many distributors -
23 - or several -- and not -- many utilities. I won't
24 say distributors. And my understanding is that some
25 companies actually -- if they -- let's say they find
26 an asset that needs to be replaced. The cost of the
27 inspection to actually determine if the asset needs
28 to be replaced is actually capitalized as is the cost

1 of the asset, and none of it ends up in operation and
2 maintenance.

3 A. COLLIER: That's not the accounting rules
4 that we are following.

5 T. LADANYI: So you are not -- you don't do
6 that.

7 Okay. Let's go to major weather events because
8 I only have a limited time, and I want to cover a few
9 more areas.

10 So if you go back to my favourite table which is
11 OM&A cost drivers, which we were on a little while
12 ago, you see major weather events in '22 and '23.
13 And are major weather events the same as extreme
14 weather that you mention in your themes?

15 A. COLLIER: Yes.

16 T. LADANYI: It is just a different name, okay.

17 So now please turn to Exhibit 4, Tab 1, Schedule
18 1, page 11. And here, you list severe weather
19 events. Is that the same as the major weather events
20 too?

21 A. COLLIER: Yes.

22 T. LADANYI: Now, I notice that you state that
23 one source of your information is Ottawa Citizen.
24 Like, do you really rely on Ottawa Citizen to
25 determine what is a major weather event?

26 L. HEUFF: No, we do not. We follow the OEB's
27 methodology of determining what would cross the
28 threshold of a major weather event or a major event

1 day from a reliability perspective.

2 T. LADANYI: So you list three. Would three
3 events be statistically significant?

4 L. HEUFF: So I don't know that I would classify
5 three events as statistically significant; however, I
6 would point you towards the study that we have
7 undertaken in 2018, and then we also update it again
8 in 2023 -- perhaps 2022, I might have my timing
9 slightly off -- which is on the record, and I can
10 point you to the evidence if you're interested where
11 we did undertake a study with Stantec on the overall
12 climate change that we are seeing within the Ottawa
13 region.

14 And there is strong evidence, statistically-
15 based evidence that Stantec has pointed to to suggest
16 that there is a shifting demographic in Ottawa and
17 that we are starting to see more wind events as well
18 as more freeze/thaw cycles. So there is statistical
19 evidence that I would call -- that I would qualify as
20 statistically significant on the record.

21 T. LADANYI: So why would a surge, let's say, in
22 the weather events increase your OM&A costs?

23 L. HEUFF: So there's a few different ways to
24 answer that. In the sense of these weather events
25 that we saw, there is not an increase in our -- we
26 have not budgeted an increase in our reactive
27 maintenance costs in any of the programs. And I can
28 bring you to the individual tables, if you would

1 like, to show where the reactive maintenance of the
2 storms has not been carried forward.

3 And we do not budget for emergency events and
4 storms in the future. That is a risk that we take on
5 ourselves and that we will have to manage in the
6 event that additional storms do happen.

7 However, I would note that as a result of the
8 multiple storms that we have faced, we have seen
9 things like trees that have been damaged. As Ms.
10 Collier pointed out in her opening remarks, the
11 delayed mortality of the trees has become very real
12 for us as a result of the derecho. The as-needed
13 trim program, which is provided in the evidence --
14 just a second and I will provide you with the
15 reference.

16 If you look at 4 Staff 139, Table D, please.

17 So if you see in 4 Staff -- in the as-needed
18 program in Table D, historically, we were looking at
19 706,000, 743,000. And these were pre-derecho
20 numbers.

21 Post derecho, that number has climbed to 2 and a
22 half million dollars in 2024. We, in fact -- and it
23 is included in our budget that we forecasted that
24 this would return to somewhere closer or lower again
25 into 2025. What we have seen is that's not the case.

26 What these as-needed -- what these include is
27 very much the customers that are calling in and
28 notifying us. It's a combination. But one of the

1 driving factors is customers who call in and notify
2 us that there is a tree that is encroaching on a line
3 that is going to cause a risk to potentially -- a
4 reliability risk, and one that we have obligations to
5 remove from an electrical safety perspective.

6 To give you a sense of that, this year, we
7 thought it would drop. We are still seeing hundreds
8 of call volumes come in. Pre-derecho, we used to
9 have a backlog of 15 to 30 types of activities we
10 would have to deal with. We are in the hundreds at
11 all times with -- even at the rates we are running,
12 we are still seeing hundreds of volumes of calls that
13 we can't get to at any point in time.

14 So this is something that is a lasting effect of
15 a storm that is causing real pressure on our O&M
16 budget that is not necessarily apparent otherwise,
17 that you wouldn't necessarily think of, but it is
18 something that we are dealing with still.

19 T. FREEMAN: And if I can just build on what Ms.
20 Heuff is saying. The impact of extreme weather is
21 not just on our assets, it's also on our customers.
22 And it changes customer expectations of us as their
23 utility provider.

24 So our customers have a heightened sense of
25 extreme weather and outages, and they expect improved
26 communication from us during outages. They want to
27 know immediately what's happening, what their
28 estimated time of restoration is.

1 During the last rate period, we did invest in
2 enhanced outage communications, and part of our OM&A
3 budget for this current rate period is taking that to
4 the next step. So we do have some additional
5 enhancements to our outage communications which can
6 be outlined in Schedule 2-5-9, if you could pull that
7 up, please.

8 And that would be in Section 3 on page 13 of
9 Schedule 2-5-9. Actually, I think if we scroll down
10 to the bottom of page 2 -- sorry, the second page of
11 that. Apologies, Lianne. It would be the bottom of
12 page 14. Just to the bottom.

13 And so here we have outlined that we are
14 planning to invest in improved outing communications.

15 And just to circle back to the point that I made
16 earlier, increased customer communication, increased
17 expectations of our customers on us as a utility
18 provider does require our frontline customer-facing
19 staff to do more with the resources that we do have,
20 and that does require investments such as in our IT
21 systems and programs to help our front line customer-
22 facing staff meet our customer expectations.

23 T. LADANYI: But you are not hiring more staff
24 to deal with major weather events. What I understand
25 you are doing is you will use existing staff and
26 perhaps pay them more overtime.

27 T. FREEMAN: So specific on the customer side of
28 things, and then I will let my colleagues speak more

1 on the operations side, but on the customer side of
2 things, to deal with that increased customer
3 expectation and increased customer call volume, we
4 are investing in, again, IT systems.

5 Our CRM expansion is a good example of that.
6 When our customers call in, they expect whoever they
7 are talking to to be able to provide answers, to have
8 the answers handy. And so keeping our staff
9 consistent with the levels that it is in our customer
10 engagement areas requires investment in new tools,
11 which are part of the OM&A envelope that we are
12 discussing here today.

13 L. HEUFF: Yeah, and --

14 T. LADANYI: So what --

15 L. HEUFF: Mr. Ladanyi --

16 T. LADANYI: If I can ask you a question about
17 this. Now, do you do any outsourcing, for example,
18 for unusual events like for example, outsource repair
19 to other companies? I notice again where I live in
20 Toronto, Toronto Hydro has a lot of outsourcing done,
21 what I would refer to as maintenance on their assets.

22 L. HEUFF: We employ a mixture of internal and
23 external resources to work on our assets, yes, for
24 both maintenance and capital.

25 T. LADANYI: This is late in the proceeding. Is
26 there an exhibit that shows how much of operation and
27 maintenance is outsourced?

28 L. HEUFF: So I can point you towards in 4-1-

1 3(c), if you give me a minute, I will find the
2 actual...

3 So page 13. And I apologize that this won't
4 give you -- this is in a capital perspective, I
5 believe.

6 So this gives you a general ratio of, from '21
7 to '25, the amount of outside services that we did --
8 that we employed for gross operations expenditures.
9 So I do believe this may have both, and I would have
10 to confirm for you, but I believe this might have
11 both capital and operating. And this is a percentage
12 of outside services --

13 (Reporter appeals)

14 L. HEUFF: Outside services, materials, and
15 internal labour.

16 And then a secondary exhibit that would be
17 helpful, I think, Mr. Ladanyi, if you could please
18 turn, Lianne, to 4 CCC 35.

19 So I think this one is maybe a bit more helpful
20 for what you're asking for.

21 So these are the specific individual system O&M
22 programs that we have where we -- sorry. I think
23 this is all O&M programs. Yes. So this is all of
24 our O&M programs and the amount of internal and
25 contracted labour that we use today and that we are
26 also forecasting for the '26 period starting in the
27 '26 period.

28 T. LADANYI: Okay, thank you.

1 In this theme area, I just want to ask you about
2 the labour strike. So you are not budgeting anything
3 for a labour strike; are you?

4 A. COLLIER: No.

5 I would like to just add one point to Mr.
6 Freeman and Ms. Heuff's testimony just a second ago
7 in terms of whether we are adding any additional new
8 head count to deal with extreme weather.

9 We are adding some additional head count in our
10 business continuity program, and that's directly from
11 some observations and after-action items that came
12 out of some severe weather that we experienced in '22
13 and '23. We do need to strengthen that program and
14 become more resilient. So technically, we are adding
15 some head count in that program.

16 T. LADANYI: Okay. Thank you.

17 I am running out of time, and I am going to have
18 to speed up a little bit here.

19 PRESIDING COMMISSIONER DUFF: Mr. Ladanyi,
20 actually, we took a 15-minute break, and we dealt
21 with 10 minutes of procedural issues, so I am
22 flexible a little bit in that regard. I realize what
23 the schedule said, but I want to be fair to you.

24 T. LADANYI: Thank you. I think -- I don't
25 think I will be longer than 15 minutes. I am trying
26 to not go -- the answers are very interesting, but
27 they are kind of long, so it's hard for an intervenor
28 to predict exactly how much time answers will take.

1 So please turn to Exhibit 4, Tab 1, Schedule 2,
2 page 9, Table 4. And it's a summary of OM&A program
3 costs from 2021 to 2026, and I think other
4 intervenors probably will or -- have referred to or
5 will refer to this.

6 And there are many categories here, and it would
7 take far too long to ask you questions about all of
8 them. I am going to focus only on engineering and
9 design. And I don't think -- I am trying not to
10 duplicate anything anyone else is doing, and it's
11 kind of difficult with this many intervenors.

12 So when you look at engineering and design, it
13 has a compound annual growth rate of 17.7 percent,
14 and the largest is the increase from 2025 bridge year
15 to the 2026 test year. So why are you suddenly --
16 and I presume that's what you are doing, hiring more
17 engineers to work on operation maintenance
18 administration projects?

19 L. HEUFF: So the growth you're seeing in
20 engineering and design has two components. It is a
21 growth of head count, which is described in a number
22 of exhibits. JT2.10 does provide the specific head
23 count increases, if you're interested in seeing
24 specifically the resources that would be added to the
25 team.

26 And then the second one is as a result of
27 assumptions of allocation to the O&M budget of their
28 compensation, and adjustments to the assumptions of

1 O&M allocations is also creating an increase in that
2 budget as well.

3 T. LADANYI: So this engineering and design line
4 that shows this growth, that includes -- does it
5 include internal engineering and design, or does it
6 also include outsourced engineering and design?

7 L. HEUFF: It would include both outsourced and
8 engineering -- or both outsourced and internal. I
9 could -- just a second, and I think there's an
10 exhibit that actually shows a better breakdown, if
11 you're interested.

12 So if you turn to 4 CCC 43, Table A, please. So
13 this might be a better, more illustrative -- sorry.
14 It's a hard word to pronounce -- version of where you
15 can see the cost drivers between '25 and '26 by the
16 individual items.

17 One item that I failed to mention previously,
18 which was an oversight on my part, and I apologize,
19 is -- and it's a very substantial one -- is the \$2.9
20 million for the EAM platform, which is budgeted for
21 2026, to begin in 2026, that we are undertaking this
22 year.

23 T. LADANYI: So what's shown on this table are
24 entirely OM&A costs, or are there some capital costs
25 here too?

26 L. HEUFF: This is entirely OM&A costs.

27 T. LADANYI: Okay. Could you turn to 4 CCC 50,
28 page 3. Yes. And that's the Appendix 2-JC. That's

1 right. And that, I understand, is showing FTEs?

2 L. HEUFF: Correct.

3 T. LADANYI: So when I see the line for
4 engineering and design, there is a substantial growth
5 in FTEs?

6 L. HEUFF: There is.

7 T. LADANYI: And this is from 83 to 160. And I
8 am trying to understand, why would you suddenly have
9 such a large growth in FTEs?

10 L. HEUFF: So if I may, I would bring you to
11 JT2.10, please. So then -- oh, sorry -- if you
12 scroll down to Table A, please.

13 So then here provides the individual positions,
14 and I won't stay on this table for long other than to
15 give you a sense of the number of different positions
16 that are contemplated with the engineering and design
17 team and to give you a sense of the breadth of the
18 types of resources that we are needing to enhance as
19 a result of the growing capital program as well as,
20 very specifically, the growth that we have seen even
21 before the addition or the doubling of the capital
22 program that we are seeing. And that is a
23 predominant driver of the incremental head count that
24 are required for the engineering and design team.

25 We very clearly outlined the main drivers of the
26 engineering and design growth within -- within 4-1-
27 3(c), and so I think what -- and I am just looking
28 for the -- there's one -- so we broke them down into

1 four different program -- or four different areas of
2 growth: the customer connection and capacity program
3 growth, DER and capacity connection request
4 complexity, grid modernization, and enhanced
5 leadership and oversight.

6 So in the '21 to '25 period specifically, we saw
7 substantial growth in a number of different areas.
8 One that's a very useful, I think, illustrative
9 example would be -- if you could turn to Exhibit 4-1-
10 3, Attachment C, Figure 4, on page 10, please.

11 And what you'll see here is the number of PCRs
12 or preliminary consultation reports and connection
13 impact assessments that we are handling internally as
14 part of the engineering team over the years and the
15 massive growth. In 2025, although it's not shown on
16 the page, I can confirm, has grown even further and
17 is even higher than what 2024's volumes were.

18 These are net new activities that the engineers
19 must undertake as a result of the interconnections of
20 the DERs, specifically with the home program by the
21 IESO, and I know my colleague Mr. Freeman gave the
22 proper name for that program earlier, and so we are
23 seeing a large volume and a large uptick in these --
24 these connections alone, and we do describe in 4
25 Staff 162, specifically this volume alone
26 substantiates the massive increase we have seen in
27 the engineering resources that -- just the number of
28 resources in the engineering, specifically the

1 engineers that we have added in the 2021 to 2025
2 period.

3 We are also seeing massive growth in the system
4 access portfolio as well, which is also evidenced on
5 the record in 4-1-3 under -- on -- at Figure 2 where
6 you'll see that our growth is doubled versus what the
7 OEB approved or what we have forecasted to be
8 handling for overall number of connections.

9 Our actual connection volume as a result of the
10 Homes Faster Act as well has gone up substantially
11 compared to what we had forecasted. And that's also
12 evidenced on the record in Section -- in Section 2-5-
13 5.

14 So those types of activities are really driving
15 an increased volume on the engineers and the
16 resulting requirement for the engineering head count
17 in the '25 -- or '21 to '25 period.

18 T. LADANYI: Well, thank you for confirming one
19 of my -- let's say, my main arguments, which is that
20 DERs are, in fact, causing increases in cost far in
21 excess of any benefits they provide to the grid.

22 Of course, I am not going to have to use it and
23 be able to use it in this particular case for these
24 two issues, but that is what I have been saying all
25 along, that they are -- DERs are very labour
26 intensive and causing -- also capital intensive, and
27 they are causing a lot of problems for utilities.

28 And even though some intervenors claim the DERs

1 are wonderful, they are not. Anyway, I will leave it
2 at that, but let me continue with -- further with my
3 questions.

4 So you had actually a slide just before about
5 the positions. Can you go back to that slide,
6 please. I think it was -- it might have been a CCC
7 interrogatory.

8 L. HEUFF: Was it JT2.10 with the individual
9 positions?

10 A. BARRIE: I think you are looking for CCC 50,
11 was it?

12 T. LADANYI: Yeah, that's right. I think the
13 one with the positions.

14 I wanted to ask about what conclusion can we
15 draw from those positions, and it describes the names
16 of the positions.

17 What I wanted to ask you actually is you have
18 kind of, like, a forecast that you are going to
19 maintain these positions for the five-year period; is
20 that what you're saying? Sorry. You took me to that
21 before.

22 L. HEUFF: It's -- reference JT2.10, please,
23 Lianne.

24 T. LADANYI: Yeah, that one. So --

25 L. HEUFF: Please repeat the question, Mr.
26 Ladanyi.

27 T. LADANYI: Yeah, so I wanted to understand.
28 Are you saying that you are going to -- you have

1 these positions. Are you going to maintain these
2 positions? I mean, obviously, individuals will move
3 to other jobs. Some will be hired. Some will be
4 fired. But are you intending to maintain these
5 positions as shown here, for example, distribution
6 engineer?

7 And I think it's showing -- is it 8 or 6 in
8 2027? The numbers are kind of small. So you're
9 saying that you will actually maintain those
10 positions -- 6, that's right.

11 L. HEUFF: So the positions that are being hired
12 in 2026 --

13 T. LADANYI: Yeah.

14 L. HEUFF: -- and the ones that have been hired
15 in 2024, yes. As I --

16 T. LADANYI: Yeah.

17 L. HEUFF: As I stated yesterday, the positions
18 for 2027 and beyond, obviously, we will have to
19 review as a result of the overall -- the capital --
20 the envelope -- capital envelope reduction as well as
21 the OM&A reduction that's resulting from the updated
22 formula.

23 T. LADANYI: But the base is 2026, so, I mean,
24 the rates are going to be set on the 2026. You're
25 actually free to change these positions later in
26 subsequent years; isn't that right?

27 L. HEUFF: So I am not sure what you mean. Can
28 you please be more specific --

1 T. LADANYI: Well, I am trying to say that, I
2 mean, this is what your current snapshot is, what you
3 think the future is going to look like, but, in fact,
4 the future might be different.

5 So even though, let's say, you're adding five
6 distribution engineers in 2026, the base year, you're
7 actually not making a commitment to maintain those
8 incremental five positions during the future years.
9 It's just how the rates are going to be set; would
10 that be right?

11 A. COLLIER: So, Mr. Ladanyi, I mean, the way we
12 certainly operated in '21 to 2025 was on an envelope
13 basis. You will see throughout our evidence that if
14 there was productivity initiatives that were done and
15 we may not have needed head count in a certain
16 position but maybe we needed an additional power line
17 maintainer in the field, we have made those trade-
18 offs, so we would expect the ability to do the same.

19 T. LADANYI: So I have had a long career
20 actually, 51 years in utilities, and for 16 years, I
21 worked in engineering and operations at TransCanada
22 Pipelines. Later on, I worked in engineering
23 operations at Consumers' Gas. And in my experience,
24 what happens is that if utilities have more capital
25 projects, engineers are transferred from operation
26 and maintenance into capital, and then when capital
27 projects essentially slow down, then they go back
28 into OM&A. And are you essentially experiencing the

1 same thing?

2 A. COLLIER: All of these positions on -- these
3 are all the new positions in the table -- in our plan
4 regardless of whether they are capital or OM&A. The
5 capital versus OM&A allocation is separate depending
6 on the position. Sometimes they are doing direct
7 timesheets.

8 In the case of engineering or supervision or
9 supply chain, we're allocating some of their time to
10 capital through burdens. So that's certainly
11 happening each year.

12 T. LADANYI: So can you go back to Table C, as
13 we just -- the -- sorry -- which is the -- CCC 4 -- 4
14 CCC 50, that one, yes.

15 So, now, this is a -- and I am kind of intrigued
16 by the look in the future. So if you look at 2027,
17 you have 158 FTEs. Then in 2028, you have 162 FTEs.
18 And then it drops to -- in 2029 back to 158. Can you
19 explain what is happening there?

20 L. HEUFF: Yes. I would remind you that this
21 table is FTEs, so this includes --

22 T. LADANYI: Yes, of course.

23 L. HEUFF: -- temporary, not just position
24 based. And so when you review this table, it's not
25 necessarily completing aligning with what you would
26 see in JT2.10 because JT2.10 is specifically full-
27 time permanent head count whereas this position is
28 showing FTEs -- or this table -- sorry -- is showing

1 FTEs.

2 So the EAM program has temporary head count that
3 is allocated to it, which you will see the dollars
4 associated with it, and those head count do go away
5 at the end of 2028, which is why you do see a
6 reduction in the overall head count. And then there
7 is additional positions that come on in 2030.

8 And so I think the puts and takes of things like
9 temporary projects, the EAM project is where you will
10 see those ups and downs.

11 T. LADANYI: So I am coming, actually, to the
12 end. I wanted to ask you one more question.

13 So there's a possibility that, for example, 2026
14 base rates include salaries of engineers working on
15 OM&A projects, while in 2027 or 2028, the salaries of
16 those same engineers are capitalized. How can the
17 OEB be assured that there will not be any double
18 recovery of salaries of engineers when engineers move
19 to work on capital projects?

20 A. COLLIER: What we have found in kind of
21 looking at this over an extended period of time and
22 history and trending is our allocation, especially in
23 the operations team, is pretty stable in terms of the
24 amount that gets allocated to capital. So we are not
25 expecting any significant shift.

26 Where you are seeing some shifts is, as Ms.
27 Heuff spoke to, certain IT programs and temporary
28 staff, is where you are going to see a larger shift.

1 Our capital program is doubling, so there will be
2 plenty allocation to capital over the period.

3 T. LADANYI: And that will be -- and
4 essentially, engineers working on capital projects
5 will be -- or the work will be outsourced to other
6 companies; is that what you are saying? Or they will
7 be on contract or...

8 L. HEUFF: No. So the engineers that -- it
9 depends or it's varying. As you will note in that
10 JT2.10 table, there are a number of different
11 engineers that are defined. Project engineers is the
12 one, and it's actually -- they are described more
13 under the distribution operations.

14 Project engineers would be your project managers
15 who do support the capital programs that are -- the
16 capital projects, sorry. So, for instance, stations
17 that are being built. As well as the ones -- the
18 individuals that are shown in JT2.10, project
19 coordinators, project administrators, engineering
20 technologists.

21 Those are the individuals who are working on the
22 projects themselves as the actual project managers,
23 the work scheduling functions, the work planning
24 functions. And those ones would be almost entirely
25 attributed to capital, and their labour would be
26 almost entirely attributed to capital.

27 Whereas some of the other engineers are more
28 long time view engineers. So the asset planning

1 engineers, for instance, which fall under the
2 distribution engineers. And "distribution engineer"
3 is a catchall for a number of different types. We
4 are moving away from a methodology of calling all
5 engineers "distribution engineers" into their
6 individual titles, and that is why you do see a mix
7 that's used on the page.

8 So distribution engineers, broadly speaking, do
9 work on sometimes real-time customer requests where a
10 customer is asking to connect to the system, and they
11 have to find the most efficient and safe way to
12 connect them to the system.

13 But they are also looking at the long-term views
14 such as undertaking the 2050 study as well. And so
15 something like the 2050 is a longer view, not
16 necessarily meeting the capitalization threshold that
17 would be required from an accounting perspective
18 versus time that they would spend on a real -- like,
19 on a customer basis. And so there is a mix of where
20 their time gets allocated.

21 A. COLLIER: Just to add to that from the
22 accounting perspective, I know it's a while since we
23 converted to IFRS, but we do have to look at directly
24 attributable costs in terms of what can be allocated.
25 So that's directly attributable to assets. The rest,
26 when they are working on longer term planning and
27 there's not specific assets, then their time is
28 charged to OM&A.

1 That's not necessarily consistent amongst all
2 utilities, especially those are that are on different
3 accounting standards like US GAAP.

4 T. LADANYI: If I can just make one closing
5 statement. I thank you. You were really good.

6 I just wanted to say that I am kind of concerned
7 because I have noticed during my career that if you
8 look back, let's say, 50 years ago, all of the
9 engineering work was done by employees of utilities.
10 And if you look at it now, a lot more of the
11 engineering work is outsourced to engineering
12 companies.

13 And what I have seen here is what is your
14 current forecast for the future. Is there a
15 possibility that you will be outsourcing more in
16 future years and you will probably not maintain those
17 FTEs?

18 L. HEUFF: So we are always looking at areas
19 where we can outsource in order to ensure that we
20 have a risk management profile. So we do want to
21 ensure that we are able to adjust to volume swings.
22 And so we have engineering firms available to us who
23 can help support if there is a surge in volume that
24 we know is temporary and short term which wouldn't
25 warrant bringing on a full-time employee, as you
26 would have to then eliminate that employee in the
27 future.

28 So in some cases, we do employ engineering firms

1 to deal with swings in volume or significant shifts,
2 and so we ensure that we have contractual
3 relationships open with engineering firms so that we
4 can handle that type of flux.

5 And we also are exploring other areas where we
6 may be able to supplement the workforce where we
7 don't already today. Again, to deal with things like
8 surges in volumes and for any kind of contingency and
9 risk planning as well.

10 But we do employ a fundamental base core of
11 engineers. These are the numbers that you see on the
12 page today and that are shown in on JT2.10, and there
13 is no intent at this point in time to change that
14 methodology or to eliminate or reduce those roles.

15 T. LADANYI: Okay. Thank you. These are all my
16 questions. You were a great panel. Thank you for
17 your time.

18 PRESIDING COMMISSIONER DUFF: Okay. Mr.
19 Ladanyi, thank you very much.

20 The schedule next has CCC, Mr. Gluck.

21 **CROSS-EXAMINATION BY L. GLUCK**

22 L. GLUCK: Good afternoon.

23 PRESIDING COMMISSIONER DUFF: I will leave it in
24 your hands. The Panel would like to break around 1
25 o'clock, but whatever is a natural end or a break in
26 your cross-examination.

27 L. GLUCK: Okay. Thank you very much.

28 Good afternoon. My name is Lawrie Gluck, and I

1 am a consultant for the Consumers Council of Canada.

2 In your opening statement yesterday, the company
3 mentioned that affordability remains paramount at
4 Hydro Ottawa; do you recall that?

5 A. COLLIER: I do.

6 L. GLUCK: If we could please pull up page 12 of
7 the approved settlement proposal, please. It must be
8 the next page. Page 14, sorry. Thank you.

9 And based on the settlement, can you please
10 confirm that as it stands today, subject to the OEB's
11 determination with respect to the unsettled issues,
12 mainly the proposed operational expenses, that
13 residential customers will be paying \$66 or 16
14 percent more annually for distribution service from
15 Hydro Ottawa in 2026 relative to their current bills?

16 A. BARRIE: That is correct.

17 L. GLUCK: And if we extend that bill impact
18 analysis out over the five-year term of the custom
19 IR, the forecast is that residential customers will
20 be paying \$166 or 40 percent more annually for
21 distribution service from Hydro Ottawa in 2030
22 relative to their current bills; is that accurate?

23 A. BARRIE: That one, I would have to take
24 subject to check because we don't have the five-year
25 view in this table.

26 L. GLUCK: Okay, thank you.

27 And you discussed this with Mr. Rubenstein
28 yesterday. More than 60 percent of the 2026 revenue

1 deficiency and the related bill impacts is driven by
2 the unsettled issue of operational expenses; is that
3 fair?

4 A. BARRIE: So I'd like to put some context to
5 that. Because I do think it's important to remember
6 that, you know, we have had a couple of discussions
7 today about IFRS, cloud computing, and what we are
8 seeing is a shift of things like cloud computing
9 going into OM&A.

10 We also have been managing hyperinflation over
11 the last five years that is not embedded into Hydro
12 Ottawa's rates, which is a significant portion of the
13 jump from the '25 to the '26 period. If we look at
14 Hydro Ottawa's earnings over the last five years, you
15 can see how that's been impacting the company at that
16 level.

17 And so when we look at these changes, I think it
18 does need to be put in the context of that.

19 I also would like to note that some of our
20 efficiencies also that we incorporate, and especially
21 when we look at things like solutions such as cloud
22 computing, they are creating and driving efficiencies
23 not only in the OM&A area of the revenue requirement,
24 but also in the capital as well as other revenue.
25 And so you really need to holistically look at how
26 those changes interact and are interdependent.

27 So if you reduce the amount of spend, for
28 instance, on the cloud computing and the efficiency

1 projects we plan to use going forward, that is not
2 just an impact in OM&A but is an impact in other
3 areas and also reduces the efficiency that we can
4 create for the future in order to try and maintain
5 our rates.

6 L. GLUCK: Thank you. And I appreciate those
7 are the drivers of the deficiency that we are talking
8 about. But mathematically, 60 percent of the bill
9 impacts that we are seeing in 2026 are driven by the
10 operational budget increase; is that fair?

11 A. BARRIE: It's a cumulative impact of the
12 items that I have just listed, yes, that's impacting
13 the increase in 2026 that we are seeing historically
14 a change in OM&A that we did not see before related
15 to a lot of things that have just changed in the
16 industry.

17 L. GLUCK: Okay, thank you.

18 And in the opening statement and in a discussion
19 you had with Mr. Brophy this morning, the company
20 stated that 87 percent of customers surveyed
21 supported Hydro Ottawa's plan or a plan that does
22 even more to advance outcomes. Do you recall that?

23 T. FREEMAN: Yes, that's correct.

24 L. GLUCK: Thank you.

25 If we could go to Exhibit 1, Tab 4, Schedule 2,
26 page 10, please. And if we look at Table 2 that's on
27 the screen here, what the company describes as
28 support in its opening statement, and is described as

1 social permission in this table, is the sum of the
2 first three rows; is that right?

3 T. FREEMAN: Yes, that's correct.

4 L. GLUCK: And when you look at the third row,
5 which is the answer that the majority of survey
6 respondents provided across all categories of
7 customers, the answer is basically, I don't like the
8 bill increase, but I think it's necessary for the
9 grid; is that fair?

10 T. FREEMAN: Yes, that's correct.

11 L. GLUCK: And to me, that doesn't sound like
12 resounding support for the plan; would you agree with
13 that?

14 T. FREEMAN: No. I would suggest that it does
15 support the plan while recognizing that the costs are
16 going to increase. And as I am sure you can
17 appreciate, a lot of people don't want their costs to
18 increase, but this line item does specifically denote
19 support for the plan as is.

20 L. GLUCK: Okay, thank you.

21 And when you look at the four options of answers
22 that were provided to the survey respondents, it's
23 basically three versions of support and only one
24 option for opposition. Is that a reasonable
25 interpretation of the survey design?

26 T. FREEMAN: That is how the survey was
27 designed, yes.

28 L. GLUCK: Thank you.

1 And if I were to add the percentage of customers
2 that selected that they don't like the proposed
3 increase and add them with those that opposed the
4 plan, that would end up being a small majority of
5 customers; is that fair?

6 T. FREEMAN: The math is fair, but I don't think
7 the comparison between the two categories is fair.
8 Again, I would reiterate that although the third line
9 on this table is noting that customers aren't happy
10 with the -- or don't want to pay more, they are
11 supporting the plan and recognizing that it is
12 necessary, which I think is a testament to the
13 customer engagement and education to help explain all
14 the drivers that we have been discussing over today,
15 and including yesterday, and throughout these entire
16 proceedings, in fact, of why these increases are
17 necessary even if an increase is, you know, not
18 desirable, if people don't want their costs to go up.
19 They are supporting the fact that we do need to make
20 these investments.

21 L. GLUCK: Thank you.

22 And why would a reasonable survey design provide
23 three options -- three affirmative options and only
24 one dissenting option?

25 T. FREEMAN: I think the dissenting option is
26 quite clear in saying regardless of the information
27 provided to me -- speaking as a respondent to the
28 survey, regardless of the information provided, I

1 oppose this plan. Whereas there is some nuance in
2 supporting a plan.

3 There are customers out there who felt like we
4 should be doing more, we should be accelerating our
5 spending, who felt like the drivers that we
6 identified required further investment than what we
7 had proposed.

8 There are, of course, customers who think that
9 we did hit it right on the head and support the pace
10 that we are proposing.

11 And there are, of course, as we discussed a
12 couple times here, customers who, while they don't
13 really want to pay more, they do recognize the
14 importance of what we are trying to do and therefore
15 support it.

16 And I would also added that throughout the
17 survey, we did provide opportunity for open comment
18 for customers to provide more context if they chose
19 to on their dissenting position.

20 L. GLUCK: Thank you.

21 In terms of some of those written responses, the
22 more fulsome responses, can we go to page 323 of
23 Exhibit 1, Tab 4, Schedule 2, attachment A, please.
24 Thank you.

25 And just for -- just to confirm, these are the
26 more fulsome responses that you -- a sample of some
27 of the more fulsome responses that you're referring
28 to. You know, they -- someone says the salaries paid

1 for executives are out of control and need reining
2 in. Is this what you're referring to?

3 T. FREEMAN: Yes. Those are -- that's a sample
4 of some of the open comments.

5 L. GLUCK: Okay, thank you.

6 My next set of questions are with respect to the
7 2026 overtime budget. So if we can go to page 29 of
8 the CCC compendium, please, and perhaps we can mark
9 that as well.

10 M. MILLAR: The exhibit number is K2.1.

11 L. GLUCK: Thank you.

12 **EXHIBIT K2.1: CONSUMERS COUNCIL OF CANADA**
13 **COMPENDIUM**

14 L. GLUCK: So what we have here -- if there is a
15 way to get it a little bit more on the -- the whole
16 table on the screen, perhaps. Thanks.

17 What you have here is basically a copy of 4 CCC
18 52, Attachment A, and I have added a little summary
19 table at the bottom to make it a little easier to
20 follow.

21 And can you please confirm that the total
22 overtime budget is forecast to increase from
23 approximately 4 million in 2024 to 4.75 million in
24 2026?

25 A. COLLIER: I can confirm that those numbers
26 are correct.

27 L. GLUCK: Thank you.

28 And can you please confirm that Hydro Ottawa

1 implemented a policy change after 2024 that no longer
2 allows management to receive overtime wages?

3 A. COLLIER: Just a second.

4 Sorry. Could you just repeat your question for
5 me?

6 L. GLUCK: Sure.

7 Can you please confirm that Hydro Ottawa
8 implemented a policy change after 2024 that no longer
9 allows management to receive overtime wages?

10 A. COLLIER: So I can confirm that we
11 implemented a policy change, but the second part of
12 your question is incorrect. We still do have
13 management, especially frontline supervisors, that
14 are eligible for overtime.

15 L. GLUCK: Okay.

16 A. COLLIER: It's just a certain selection of
17 our management team that no longer receive overtime.

18 L. GLUCK: Okay. So let me try -- let me ask
19 this question.

20 In terms of this table, I see that for the 2025
21 bridge year, 2026 test year, overtime for management
22 has been forecast at zero. Is that because -- is
23 that related to a policy change or just that you're
24 forecasting zero management pay?

25 A. COLLIER: No. That's -- that's not
26 necessarily -- I guess it's an error in how we built
27 out the budget. Originally, when we did the 2K
28 schedule, we did not break it down in this level of

1 detail that's being asked for in CCC 52.

2 So you will see, middle of the page, where it
3 says "non-union overtime", and if you look at the
4 test year, it's the 512,976. That really should have
5 been split between non-union and management. So
6 you'll see management has some actuals, but there
7 really should be a split between those two groups in
8 the '25 bridge year and the '26 test year.

9 L. GLUCK: Okay. So that management line
10 includes supervisors that you're saying continue to
11 receive overtime pay?

12 A. COLLIER: Correct.

13 L. GLUCK: Okay.

14 And I wasn't planning on asking for an
15 undertaking, but would it be possible to undertake to
16 correct this to allow for a, you know, trend analysis
17 of overtime across the three categories of employees
18 that are reflected in the table?

19 A. COLLIER: Yeah, we could. We could, for
20 sure. I have some other comments, but I don't know
21 if you have other questions.

22 MR. GLUCK: I have a -- I have a few questions
23 left on it, but do you want to -- we could talk about
24 the undertaking after, then, if that's better.

25 Okay. So when I am looking at this table, you'd
26 agree with me that 2022 and 2023 were outlier years
27 in terms of overtime generally due to storms and the
28 labour strike that occurred in those years; is that

1 fair?

2 A. COLLIER: Absolutely, yes.

3 L. GLUCK: Okay.

4 And the company has stated previously that 2024
5 is a relatively normal year and a reasonable basis
6 for comparison to test -- a reasonable comparison to
7 the test year forecast of overtime; is that fair as
8 well?

9 A. COLLIER: Yes. We got lucky with weather in
10 2024.

11 L. GLUCK: Got it.

12 And so if we go down in the table a little bit,
13 you will see in the summary there that you're
14 forecasting an \$800,000 approximate increase between
15 2026 and 2024. And so my question is can you help me
16 with that? What is driving that increase, given that
17 we just discussed that 2024 is a reasonable
18 comparison year?

19 A. COLLIER: Sure.

20 So, first of all, the addition that you have
21 added to the table is in absolute dollars. We are
22 adding additional head count in 2026, so, obviously,
23 those -- the pool of employees that will be eligible
24 for overtime will be larger. Also, overtime is a
25 percentage of compensation, so there is normal
26 increases in compensation.

27 The better way that I think you should look at
28 it is overtime as a percentage of salary and compare

1 that from 2024 to 2026. So we've done that, and I am
2 happy to add that to the undertaking that you have
3 just requested.

4 So overtime as a percentage of salary in 2024
5 actual was 5.9, and in the 2026 test year, it's 5.8.

6 L. GLUCK: Okay. Well, I would appreciate that
7 information altogether in an undertaking, if you're
8 willing.

9 A. COLLIER: Happy to do that.

10 M. MILLAR: We can call that J2.2.

11 **UNDERTAKING J2.2: CORRECT CONSUMERS COUNCIL OF**
12 **CANADA COMPENDIUM TO ALLOW FOR A TREND ANALYSIS**
13 **OF OVERTIME ACROSS THE THREE CATEGORIES OF**
14 **EMPLOYEES THAT ARE REFLECTED IN THE TABLE**

15 L. GLUCK: And then my follow-up question is I
16 can understand that -- I can certainly understand
17 that increases in compensation wouldn't -- you know,
18 in aggregate dollars, overtime would also be higher
19 because it's based on the compensation amounts.

20 But your comment about the FTE increase, so if
21 you're going to have more people doing the work, why
22 would there be -- why would there be an expectation
23 that there would be more overtime done? Wouldn't
24 there be less overtime? You have more people, so you
25 don't have to overwork the people you have?

26 A. COLLIER: Yeah. So I will start with some
27 opening comments, and then Ms. Heuff can jump in, if
28 she wants to.

1 So, obviously, we are doubling our capital
2 program. There is a significant amount of capital
3 work that is -- has to almost be done at night or to
4 not disrupt traffic, whether it's on the weekends or
5 in the evenings. So for that reason, you are going
6 to see -- even with additional head count and a
7 doubling of a capital program, you are going to see
8 some natural increases in overtime.

9 You're right in terms of my opening comments
10 yesterday. Part of our 2026 test year is stabilizing
11 the workforce and, hopefully, reducing the overtime
12 percentage, and that's why the percentage does drop
13 slightly. But we are -- we are going to see, I
14 think, more of that impact in the 2027 to 2030 year,
15 and as you know from the settlement, we reduced that
16 OM&A envelope by almost 40 million in that period.

17 So I think that's where we will see more
18 overtime efficiency as new staff are brought on,
19 trained, and then, hopefully, it will relieve some of
20 the pressures that we are seeing currently.

21 L. HEUFF: And maybe just to add, I think Ms.
22 Collier did a good job of describing, and OT --
23 overtime can be both emergency or planned.

24 And there is also a new category that I would
25 call somewhere in between, so -- and it is falling
26 under planned. But as a result of the updates to the
27 ERP, the electrical emergency response plan, and our
28 business continuity plan that Ms. Collier referred to

1 previously, we have undertaken as well to pre-stage
2 resources when we know weather is coming in so that
3 they are available and on call and ready to respond
4 immediately.

5 So that is also increasing and driving an
6 increase in the overall amount of overtime that we
7 are using as a result of these --

8 (Reporter appeals)

9 L. HEUFF: Staying back or -- as a result of
10 staging of resources for storms. Is that -- or is
11 the -- support the -- so as a result of the staging
12 of resources, that's a new initiative that you will
13 see an increase in overtime.

14 Another thing that I would point to that is
15 driving up the overall overtime usage that's in line
16 with what Ms. Collier was saying is the complexity of
17 the planned projects we are undertaking.

18 A good example is the 4 kV station asset
19 renewals. As we are eliminating the 4 kV stations
20 and we are converting to different voltage levels,
21 that does require work on every individual's homes,
22 and a lot of -- a lot of businesses are also impacted
23 as a result. And in many cases, they require us to
24 come after hours so that we don't end up disrupting
25 their service.

26 And so it's a very labour-intensive and a very
27 after-hours type of work that's a different style of
28 initiative. It's newer to our work program than we

1 have seen before.

2 There is other examples as well of just
3 complexities of pole renewals and areas where there
4 is -- where it's disruptive where we do need to
5 employ overtime and work on weekends so that we don't
6 disrupt businesses and don't disrupt streets and
7 traffic plans and stuff as well.

8 L. GLUCK: Okay. Thank you for that.

9 Can we go to page 30 of the compendium, please.

10 This table was copied from Appendix 2N, and it's
11 filed in response to 1 Staff 1. And I just
12 reformatted it a little bit so it's a little bit
13 easier to follow the change in the corporate cost
14 allocation over time. That's the only change. The
15 numbers are all the same.

16 And can you first please confirm that the
17 allocated costs have increased from 4 million in 2021
18 to 7.7 million in 2026?

19 A. BARRIE: I can confirm that.

20 L. GLUCK: Thank you.

21 If we can please go to page 31 of the
22 compendium, please. If we could go down a bit.

23 And I am going to just provide a brief summary
24 of this response and ask you if I understand it
25 correctly.

26 My understanding is the explanation for the
27 increase is that initially in 2022 and 2023,
28 additional corporate support costs were incurred due

1 to the 2022 storm events and the 2023 labour strike;
2 is that fair?

3 A. BARRIE: The piece that I would maybe refocus
4 on is that you said, "initially". So I think Ms.
5 Heuff did a really good job of talking about how
6 weather is just changing generally in the Ottawa
7 area, and we spoke to, a number of times, about how
8 the strike just emphasized a number of areas of the
9 company that we need to focus on and assure that we
10 don't experience another strike in the future.

11 And as a result, it maybe initially sent those
12 allocations, but I just want to make sure that it
13 wasn't a temporary, but it's just a change in the way
14 we are doing business now and that we have more
15 focused time from our executives as a result of these
16 two incidents.

17 L. GLUCK: Okay. Thank you.

18 If we could go back to page 30, please. And if
19 we can just take a look at the information management
20 and technology line there. And you'll see that the
21 IT-related corporate service costs allocated to Hydro
22 Ottawa increased by over \$300,000 between 2021 and
23 2026; is that fair?

24 A. BARRIE: Sorry. The numbers are just really
25 tiny, but it does appear to be the case.

26 L. GLUCK: Yeah. Sorry about that.

27 A. BARRIE: It would be good to have a
28 different...

1 L. GLUCK: And you'd agree that that's an 80
2 percent increase, 750,000 over 417,000?

3 A. BARRIE: I'll take that subject to check.

4 L. GLUCK: Thank you.

5 And if we could please go to page 41 of the
6 compendium. And if we -- if we go to the IT line in
7 this table, information management and technology,
8 you will see that the internal Hydro Ottawa resources
9 have increased by five FTEs between 2025 -- or
10 proposed to increase by five FTEs between 2025 and
11 2026; is that right?

12 A. WILLIS: Yes, that's correct.

13 L. GLUCK: And in total, there is an increase of
14 ten FTEs between 2021 and 2026; is that right?

15 A. WILLIS: Subject to check, yes.

16 MR. GLUCK: Okay.

17 And so Hydro Ottawa's significantly increased
18 its internal IT resources, as shown in this table,
19 between 2021 and 2026, and at the same time, is
20 basically doubling the allocation of IT support from
21 Hydro Ottawa Holding Inc.; is that a fair
22 characterization?

23 A. WILLIS: Give me a moment, please.

24 L. GLUCK: Sure.

25 A. COLLIER: So I will start the response to
26 this.

27 So this table that we're -- that's on the screen
28 here, which is CCC 50, is the FTE in Hydro Ottawa

1 Limited. And my colleague Mr. Willis can speak to
2 the increase in the head count in the information
3 management and technology program.

4 But just to step back and address your comment
5 about the holding company increase, so there's a
6 number of factors that are driving that, but the main
7 ones are increased executive time being allocated in
8 IT. And I am just looking for the IR -- sorry. I
9 couldn't find the word -- the IR that talks to that.

10 And you probably don't need to pull it up, but
11 it's CCC 57, and if you go there, you will see that
12 the information management and technology allocation
13 went from 53 percent to 60. So part of that is a
14 recognition of IT executive time that's more focused
15 on HOL.

16 As I mentioned in my opening remarks yesterday,
17 the grid is evolving, and it's becoming very
18 technological, and there's a lot of digital touch
19 points. Our EDMS program, our operational technology
20 is getting way more complex, so that's part of the
21 reason that you're seeing that percentage increase.

22 Also, from a cybersecurity perspective, some of
23 the additional cybersecurity head count is at the
24 holding company because they're providing
25 cybersecurity protection for all of our affiliated
26 companies as well as some cybersecurity directly in
27 the HO -- in the Hydro Ottawa Limited team that
28 you're seeing here on this page.

1 So I will let other colleagues step in,
2 depending on if I have answered your question or not.

3 L. GLUCK: I appreciate the response and sort of
4 the rationale.

5 But when I'm -- when I'm taking a look at, you
6 know, trying to understand the full workforce
7 complement that's happening here, is it fair to say -
8 - and we are focused on IT right now, so I will stay
9 there for a moment. But you're seeing an increase in
10 internal resources for IT, you know, ten additional
11 FTEs over -- between '21 and '26, and then you're
12 also seeing a very significant increase in -- an 80
13 percent increase that we discussed before in the
14 corporate costs allocated to the -- to the
15 distributor for similar activities.

16 A. WILLIS: IT has been experiencing a very wide
17 funnel of work for quite sometime. We have cyber
18 threats that are hitting us on a daily basis that are
19 AI and sophisticated. We have grid transformation, a
20 level of that that is going on and will continue in
21 the 2026 time frame and beyond. We have evolving
22 customer and employee expectations that are driving a
23 level of digital transformation, and having to
24 grapple with many technology advancements.

25 We are making significant investments into grid
26 modernization, especially control systems, EDMS, AMI
27 2, and our Enterprise Asset Management. This
28 requires staff to manage systems, data,

1 configuration, integrations between systems as well
2 as manage the OT assets to ensure they're secure.

3 We have additionally been spending quite a bit
4 of money on cybersecurity, posture, business
5 continuity. And through 2021 through '23, we largely
6 maintained a flat head count while trying to realign
7 many positions to avoid having to drive new head
8 count.

9 A couple of examples that come to mind, we -- we
10 retired a unique help desk position and redirected
11 that to an IT service management position, we
12 eliminated a DBA position and repurposed that head
13 count for data engineering, which is a skill that we
14 need.

15 In 2026, we are looking to add five new
16 positions, largely around cyber, the transition to
17 cloud, and the level -- some program management
18 positions given the level of transformational
19 projects that are increasing.

20 I would also say that the numbers that you're
21 seeing here are FTEs and reflect some temporary
22 positions that are included in this. As you can
23 appreciate, IT does not have all of the business
24 knowledge, we often need to bring in resources from
25 the business, and we have interns and temp positions
26 that are needed to execute on our projects.

27 L. GLUCK: Thank you. If we could --

28 A. COLLIER: Mr. Gluck, before you leave --

1 L. GLUCK: Sure.

2 A. COLLIER: -- you mentioned an 80 percent
3 increase. Can you show me where --

4 L. GLUCK: Yeah. So that was in the previous
5 discussion. So page -- I think page 30 of the
6 compendium.

7 Yeah. So the IT -- I can't see it so well
8 either. One second.

9 A. COLLIER: Going from 417 -- 417,000 in 2021
10 to 751 in 2026?

11 L. GLUCK: Yes.

12 A. COLLIER: So if that's the case, it's a
13 \$334,000 increase, which I calculate to be only 44
14 percent.

15 L. GLUCK: 334 on 417?

16 A. COLLIER: Oh, sorry. Yeah. I shouldn't be
17 doing math on the stand. Thank you.

18 L. GLUCK: No, thank you.

19 PRESIDING COMMISSIONER DUFF: I try to avoid it
20 myself.

21 A. COLLIER: Yeah.

22 L. GLUCK: So I have one last set of questions
23 on the corporate costs. If we can -- so we are here,
24 we are on page 30. You had a discussion with Mr.
25 Brophy about this this morning.

26 There is a line item here titled "Distribution
27 Leadership", and those costs started in 2025,
28 \$308,000. And my understanding of the conversation

1 you had this morning is that distribution leadership
2 costs prior to 2025 were part of the utility, part of
3 Hydro Ottawa Limited; is that fair?

4 A. BARRIE: That is fair.

5 L. GLUCK: Thank you.

6 And so if -- if I were looking to really do a
7 comparison of the internal costs between 2024 actual
8 and 2026, you would need to normalize for the
9 movement of distribution leadership costs that used
10 to form part of the utility and would have showed up
11 in, you know, the internal compensation costs and
12 have now been moved -- they are still part of OM&A,
13 but they have been moved to the corporate costs; is
14 that fair? So you need to do a normalization in 2024
15 to do a proper comparison?

16 A. BARRIE: So corporate -- just to be clear,
17 corporate costs are part of OM&A. So that 75 percent
18 movement is -- the salary was there before, the
19 salary there after within OM&A.

20 L. GLUCK: Right. It's in OM&A. And I may not
21 -- I may have not stated my question very well.

22 It was in OM&A -- they are both in OM&A.
23 Corporate costs are in OM&A and internal compensation
24 costs are in OM&A.

25 But if you were looking at Appendix 2K, so,
26 like, looking at -- directly at the internal
27 compensation costs, you would need to normalize 2024
28 to reflect the movement of those distribution

1 leadership costs out of internal, the internal 2K
2 comp, into the corporate service cost; is that fair?

3 A. COLLIER: I think if you pull up Appendix 2K,
4 you will see a decrease in the management including
5 executive between the 2024 actuals and the 2026 test
6 year. So it's in Attachment 1, Staff 1, Appendix 2K.
7 I don't know if that is helpful or answers your
8 question, Mr. Gluck.

9 L. GLUCK: Well, let me take a look at it over
10 lunch. Maybe this is a good time to break, and I
11 will take a look at that. I expect that I have about
12 perhaps 30 minutes left after that.

13 PRESIDING COMMISSIONER DUFF: Okay. That's
14 fine. There is a few things to happen at lunch. I
15 am just wondering is one hour even enough?

16 I mean, Ms. Coban, I know you -- I would like to
17 really resolve the issue with Mr. Rubenstein's
18 undertaking. So I don't know who you need to consult
19 with and discuss -- I don't know if you are talking
20 to your consultant, and you need time to do that. So
21 maybe you can let me know if you need a little bit
22 more time or not.

23 D. COBAN: Yeah. I am seeing Ms. Collier nod
24 that a little bit more time would be helpful just to
25 make sure we can have that discussion. Thank you.

26 PRESIDING COMMISSIONER DUFF: I am in your
27 hands.

28 D. COBAN: How are we doing schedule-wise?

1 PRESIDING COMMISSIONER DUFF: We are very good,
2 in my opinion. No, I mean, I am generally tracking,
3 but according to the schedule today, you know, Mr.
4 Gluck will end at -- about a half an hour. That's
5 it, so I am not too concerned.

6 D. COBAN: Okay. So perhaps an additional 15/20
7 minutes, if you will indulge us.

8 PRESIDING COMMISSIONER DUFF: Okay.

9 D. COBAN: Thank you.

10 PRESIDING COMMISSIONER DUFF: Great. Why don't
11 we come back at 2:20. Okay. Good. Thank you very
12 much.

13 --- Upon luncheon recess at 1:01 p.m.

14 --- Upon resuming at 2:21 p.m.

15 PRESIDING COMMISSIONER DUFF: Please be seated.
16 Okay, we returned. I think we have a few preliminary
17 matters perhaps you can report on. I did see Mr.
18 Gluck's picture on my screen but -- oh, there they
19 are. Thank you so much. Okay. I just want to make
20 sure everybody is here and can listen.

21 Ms. Coban.

22 **PRELIMINARY MATTERS**

23 D. COBAN: So thank you for giving us the
24 opportunity to consider the undertaking that SEC
25 proposed this morning with respect to the analysis
26 that we discussed yesterday in terms of compensation
27 benchmarking.

28 We can agree to take the undertaking, but we

1 would like to just add to the last part of the way
2 that it's been phrased with respect to providing
3 calculation if it can be reasonably done, just to
4 recognize that, you know, we will on a best-efforts,
5 reasonable basis undertake to provide a calculation
6 if that can be done.

7 But sitting here today, we haven't gone through
8 all of the analysis that would need to be done. So
9 we just wanted to add that language to make it clear
10 that it will be done on a best-efforts basis.

11 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein,
12 any comments?

13 M. RUBENSTEIN: I am not sure I can reasonably
14 disagree with that caveat, so that's okay with us.

15 PRESIDING COMMISSIONER DUFF: We were just
16 talking in the breakout room, when we get to
17 tomorrow, we will talk about dates for potential
18 undertaking responses. So that's kind of where the
19 rubber is going to hit the road, what could you do
20 within the allotted time. Then we will have a date
21 for that so that we can come to an agreement on
22 submission dates.

23 M. MILLAR: Madam Chair, I think we can mark
24 that now as we had not before.

25 PRESIDING COMMISSIONER DUFF: We can.

26 M. MILLAR: So it's J2.3, and Mr. Rubenstein
27 read the undertaking into the record earlier this
28 morning, and I think the only addition to that was

1 the caveat by Ms. Coban about it being on a best-
2 efforts basis.

3 D. COBAN: Yeah. I would just say that the
4 language I have written down here is "if it can be
5 reasonably done" added to the end of Mr. Rubenstein's
6 phrasing this morning.

7 PRESIDING COMMISSIONER DUFF: Thank you very
8 much.

9 **UNDERTAKING J2.3: ADVISE WHETHER HYDRO OTTAWA**
10 **AGREES THAT TABLE 2 IN THE SEC COMPENDIUM**
11 **PROVIDES A REASONABLE METHOD TO QUANTIFY THE**
12 **ASSOCIATED VARIANCES APPLIED TO HYDRO OTTAWA'S**
13 **OVERALL COMPENSATION COSTS INCLUDED IN THE 2026**
14 **OM&A BUDGET, AND IF NOT, PROVIDE HYDRO OTTAWA'S**
15 **VIEWS OF THE APPROPRIATE METHOD AND THE**
16 **RESULTING CALCULATION, IF IT CAN BE REASONABLY**
17 **DONE**

18 PRESIDING COMMISSIONER DUFF: Okay. With that
19 said, Mr. Gluck, can you continue?

20 And I just -- advising we have had a few changes
21 to the schedule, estimates are being reduced, so the
22 pressure on the exact time is -- I just realized we
23 just took a -- right now, we just took, you know,
24 another five minutes dealing with procedural matters,
25 so if you need an extra ten or 15 minutes, that's not
26 a problem.

27 **CROSS-EXAMINATION BY L. GLUCK (CONT'D)**

28 L. GLUCK: Appreciate that. Thank you.

1 Before the break, we were discussing the
2 movement of distribution leadership costs out of
3 Hydro Ottawa to the holding company in 2025. And you
4 mentioned that I will see a reduction in Appendix 2K
5 between 2024 and 2025. And I did take a look at
6 Appendix 2K over the break, and I do see the
7 reduction that you were mentioning.

8 But when I was discussing the concept of a
9 normalization of the internal Hydro Ottawa
10 compensation costs in Appendix 2K, the idea is to
11 have the comparison between 2024 and 2026 on equal
12 footing. On that basis, a normalization would
13 require the distribution leadership cost to be
14 removed in 2024 as those same costs are outside of
15 Appendix 2K in 2026. Are you following my logic?
16 Does that make sense?

17 A. COLLIER: I am following it, yes.

18 L. GLUCK: Okay, thank you. That's really the
19 end of that line of questioning.

20 If we can go to page 44 of the compendium,
21 please. Thank you.

22 So based on this response, I understand that
23 Hydro Ottawa made certain enhancements to the
24 testing, inspection, and maintenance program, and the
25 total cost of these enhancements is \$5.6 million; is
26 that correct?

27 L. HEUFF: Maybe just a slight correction. We
28 will be making; we haven't yet undertaken.

1 L. GLUCK: Right. This is for 2026.

2 L. HEUFF: Correct.

3 MR. GLUCK: Thank you.

4 And if we go to the bottom of the table here,
5 1.8 million of the \$5.6 million total increase is
6 associated with improvements to maintenance programs
7 and practices based on exploring opportunities to
8 automating the capture of inspection information,
9 enhance condition assessment based on artificial
10 intelligence; is that right?

11 L. HEUFF: That's correct.

12 L. GLUCK: Thank you.

13 If we could go to page 51 of the compendium,
14 please.

15 And this table here provides a breakdown of the
16 \$1.8 million of incremental costs that we were just
17 discussing; is that right?

18 L. HEUFF: That's correct.

19 L. GLUCK: And if we look at the first row for
20 image recognition for anomaly detection and the final
21 row for real-time condition assessment, it looks like
22 to me the main costs are establishing the algorithms
23 and getting the necessary data ready; is that a
24 correct understanding?

25 L. HEUFF: So to an extent. I think what -- it
26 might be helpful for me to pass it over to my
27 colleague Mr. Willis who can probably give a better
28 understanding. He speaks IT much better than I do.

1 So if you wouldn't mind, I will ask that he provide -
2 -

3 L. GLUCK: Of course, sure.

4 A. WILLIS: Yeah. So the new image recognition
5 and machine learning for anomaly detection will be a
6 new cloud software as a service application that we
7 will be implementing. There will be ongoing
8 subscriptions associated with that application.

9 We are going to have to configure the
10 application, train models to recognize the results of
11 some of these images that are being produced through
12 drone captures and station enhancements.

13 We are going to have to integrate with existing
14 systems, and those integrations will evolve over
15 time. There is a level, I would say, of data
16 preparation, model creation and refinement going
17 forward. We are going to have some license and API
18 fees as well as compute fees, which is also typical
19 with AI solutions.

20 L. GLUCK: So just to make sure I understand,
21 you initially establish these algorithms, and then in
22 the future years, you have to obviously use those
23 algorithms to execute this sort of activity, you
24 know, the detection and the real-time condition
25 assessment, but are these algorithms established in
26 the first instance, and then in -- and then you use
27 them in future years? Or is it a continuum of
28 creating these algorithms?

1 A. WILLIS: The platform that we will be using
2 will bring many of those algorithms, and depending on
3 what we want to extract from the images, it is going
4 to have to learn -- we have to train models to learn
5 what it is based on the assets and the photographs,
6 what data we want to get out. So it is -- it evolves
7 over time.

8 L. GLUCK: Okay.

9 And so is there an expectation that at any
10 point, you know, these algorithms are established,
11 and you would see a reduction in costs or the costs
12 remain at the level we are seeing here throughout the
13 entirety of the custom IR term?

14 A. WILLIS: That really depends on the assets
15 and the different types of assets that we are
16 deploying. If we get to a point where we have got
17 the images for the asset types that we need, then
18 those costs would start to go down.

19 L. GLUCK: Okay. So there is an aspect of one-
20 time costs in this table; is that fair?

21 A. WILLIS: Those costs will continue because we
22 are constantly deploying assets, and we will train a
23 model. That particular piece of that cost is maybe
24 done for one asset, but subsequent assets will need
25 to continue. We have been talking with our partners
26 and received some preliminary estimates, and what we
27 have put forward is representative of those
28 conversations.

1 L. GLUCK: And I thought -- I thought you did
2 say, though, that at a certain point, the algorithms
3 are established across your -- your pool of assets,
4 and then there's -- there's an expectation that costs
5 would start coming down; did I hear that correctly?

6 A. WILLIS: They are going to continue over the
7 time frame that we have budgeted in this rate
8 application. What I was talking about was longer
9 term.

10 L. GLUCK: So in the next five years, there is
11 going to be continuous training of this software to
12 review the images; is that what you're saying?

13 A. WILLIS: Yeah, there's going to be ongoing
14 subscriptions. There's going to be configuration
15 service to train how -- the information we want to
16 extract from these images on the platform.
17 Integrations are going to evolve over time. We need
18 to integrate with our enterprise asset management
19 system, which is a big project for us.

20 We are going to have to integrate with some of
21 our work management systems. And we are also going
22 to have kind of ongoing compute fees. Every time we
23 train these models, there are cost and compute fees
24 to generate that model.

25 L. GLUCK: Okay. Thank you.

26 And I think I understand from your response that
27 this is all -- these costs are all external costs?
28 There's -- these -- the cost of this table, the 1.8

1 million, has no internal labour?

2 L. HEUFF: So it would be a combination of
3 internal labour. There would be internal labour
4 associated with supporting these activities and -- or
5 getting the activities established. And the -- like,
6 for instance, integrations and such would be done by
7 internal IT support staff; however, external -- there
8 is a number of external fees as well, so it's a
9 combination.

10 L. GLUCK: Okay. Thank you.

11 And can we just look at the automated station
12 inspection line for a moment.

13 And the largest cost in there is the inspection
14 execution. Can you just tell me what that is.

15 L. HEUFF: So in this case, the inspection
16 execution and scope contains cost to purchase new
17 tablets as well as the software that will be required
18 in order to ingest the images, I guess you could say,
19 from the stations as the station inspections are
20 being -- that we are using in order to do this --
21 these new inspections.

22 L. GLUCK: Okay. And why would that be an
23 ongoing cost? You are going to buy these tablets,
24 and seems to me that it would be a one-time sort of
25 thing.

26 A. WILLIS: We are also buying a new module of
27 one of our OT applications. It's called PowerDB. It
28 manages all the testing inspections for our system

1 relays, I believe. There's definitely ongoing
2 subscriptions associated with this, and similarly, no
3 system we have is an island. There are integrations
4 that will need to be built into many of our systems,
5 EAM and our work management systems, similar to what
6 I spoke about before.

7 L. GLUCK: Thank you.

8 And is it fair to say that this new format of
9 automated station inspection is going to cost more
10 than the previous, presumably, manual approach?

11 L. HEUFF: Yeah, I would say it's going to --
12 it's going to cost more to collect the information,
13 but there's a caveat to that, that it's very much a
14 required expansion, in our minds, because, as you'll
15 note with the reductions that we have made in the
16 overall capital program, specifically the reductions
17 that will likely need to take place in the system
18 renewal, coupled with the degradation and the overall
19 age of our station assets, it's very critical to us
20 that we are able to collect more detailed information
21 from the stations and that we are able to get real-
22 time information.

23 As you can appreciate, the stations is -- a
24 failure of a station asset is the most impactful
25 failure we can have from an outage perspective and
26 puts us in the most vulnerable state, and so the
27 station assets are the most critical and the ones
28 that -- knowing that they were also the ones that are

1 in the most degraded state and that we are very
2 constrained from a renewal dollar perspective, these
3 investments are very much needed.

4 L. GLUCK: Okay. Thank you.

5 Can we please go to page 58 of the compendium,
6 please.

7 This table shows the vegetation management costs
8 by the various activities within it. And can you
9 confirm for me that the proposed planned vegetation
10 management budget for 2026 is \$3.9 million?

11 L. HEUFF: Yes, that's correct.

12 L. GLUCK: Thank you.

13 And can we please go to page 62 of the
14 compendium.

15 And my understanding of this table is it shows
16 the cycle of planned vegetation management by
17 geographic area; is that right?

18 L. HEUFF: That's correct.

19 L. GLUCK: And the cycle of tree trimming is
20 pretty clear from this table. Some areas are done
21 every two years, and others are done every three
22 years; is that right?

23 L. HEUFF: Correct.

24 L. GLUCK: And there's one sort of departure
25 from that cycle. And if you look at the area marked
26 as VMC03, which appears to be on a three-year
27 trimming cycle, but it's proposed to be trimmed in
28 both 2025 and 2026. Can you explain why that is?

1 L. HEUFF: I cannot, unfortunately. I am not
2 that knowledgeable in the trimming to this level of
3 detail. I am happy to speak to you broadly about our
4 trimming methodologies and the overall approach, but
5 why there would be a specific anomaly in one year,
6 unfortunately, I just -- I don't have that
7 information.

8 L. GLUCK: Okay.

9 And do you know if the 2026 budget includes --
10 the 2026 planned tree trimming budget includes VMC03?

11 L. HEUFF: If -- I can't confirm a hundred
12 percent that this 2026 plan that's on the page
13 matches what we have now entered into an agreement
14 with, with the tree trimming contractor.

15 L. GLUCK: I really just mean in the
16 application, the --

17 L. HEUFF: In the -- in the --

18 L. GLUCK: -- the dollars, the 3.9 million, does
19 it include that?

20 L. HEUFF: In the application, they would match,
21 yes.

22 L. GLUCK: Okay. Thank you.

23 I have a few follow-up questions now related to
24 the discussion that you had with Mr. Rubenstein
25 yesterday regarding the connection between the
26 reduced capital expenditures as agreed to in the
27 settlement proposal and the FTE complement.

28 And my understanding of the discussion that you

1 had with Mr. Rubenstein yesterday was that
2 essentially the 17 percent reduction to the capital
3 program has no impact on the 2026 hiring plan; is
4 that right?

5 L. HEUFF: That's correct.

6 L. GLUCK: And you mentioned also that for 2027
7 and the later years of the ratemaking term, there may
8 be certain adjustments that need to be made to the
9 hiring plan for those years; is that right?

10 L. HEUFF: That's correct.

11 I think what might be helpful is if we go to
12 JT2.10.

13 MR. GLUCK: Sure.

14 L. HEUFF: So I am also not going to attempt to
15 do math on the stand just right off the top of my
16 head. I have learned my lesson from my colleague Ms.
17 Collier.

18 But roughly speaking, I believe if you were to
19 add up the head count, 37 plus 6 plus 1 plus 2 that's
20 in the total row at the very bottom, the percentage
21 representation of head count in this instance is
22 significantly higher than the 17 percent capital
23 reduction that we are anticipating.

24 So just mathematically alone, it's pretty
25 straight math to see that there's not necessarily a
26 direct correlation and that we would anticipate that
27 the 81 -- that the reductions that we may need to
28 take in the outer years will more than cover the

1 reduction that we are seeing in capital.

2 L. GLUCK: Okay. Let me -- let me ask this --
3 if we can go to page 24 of the approved settlement
4 proposal, please.

5 Okay. And this is the difference between the
6 proposed and settled CAPEX; is that right?

7 L. HEUFF: That's correct.

8 L. GLUCK: And when I look at the change year by
9 year, there is a relatively even reduction to CAPEX
10 across the five years of the plan; do you see that?

11 L. HEUFF: So I do -- I do want to qualify that
12 with this is a straight reduction, as we noted in the
13 settlement proposal, that we did take a straight
14 reduction from a simplistic perspective just given
15 the time constraints of needing to apply the
16 reductions and that we will be undertaking shortly
17 following these proceedings to come up with a more
18 detailed actual reduction plan.

19 So they may change once we determine the actual
20 projects that will be adjusted.

21 L. GLUCK: Okay.

22 And are you suggesting that you have no intent
23 to reduce 2026 CAPEX? Are you suggesting that it's
24 going to be back-ended, the way you reduce things?

25 L. HEUFF: No, I am not suggesting that. I am
26 saying it's just -- just to take the table with note
27 that it's not likely to look like that specifically
28 once we have completed the actual reductions.

1 L. GLUCK: Fair.

2 But if you are going to be making reductions to
3 2026 CAPEX, why would you only see FTE reductions in
4 the later years of the plan? You're saying there is
5 a connection between the capital plan and the hiring
6 plan, and we see here CAPEX reductions in 2026, the
7 same as '27, the same as '28. So why -- why would
8 the reductions only occur after the test year?

9 L. HEUFF: Yeah, so as I -- as I was speaking to
10 this a little bit earlier, and it's very much in
11 relation to some of the opening remarks that were
12 made by Ms. Collier around some of the constraints
13 that we have been under for the previous five years,
14 the significant financial cost pressures that we have
15 been under over the previous five years. And
16 although we did make significant investments in head
17 count in 2024, they quite simply just were not
18 sufficient.

19 There has been a number of areas that are still
20 heavily constrained from an overall head count
21 perspective, most notably in the engineering and
22 design team, the -- the team that's responsible for
23 execution of the capital program. They have seen
24 quite significant amounts of constraints in their
25 area, and they do require immediate head count, and
26 that's not because of just the doubling of the
27 capital program that we are seeing, but also because
28 they are understaffed, even as of today. And there

1 is a number of other areas that are in similar
2 circumstances.

3 The other thing that we need to ensure that we
4 are taking into account is training and onboarding
5 and the time that it is going to take for staff to
6 become productive. And so bringing the staff on
7 early means they -- in 2026 means we won't
8 necessarily have them as being available and full
9 productive and fully trained until 2027 either.

10 And so there is a recognition of needing to
11 bring staff on immediately in order to be able to
12 support the program in its entirety over the course
13 of the five years.

14 L. GLUCK: The proposal that was made in the
15 application in the first instance was based on the
16 proposed capital plan; is that fair?

17 L. HEUFF: Yeah, just to qualify as well as and
18 OM&A programs.

19 L. GLUCK: Right, yeah. The original proposal
20 in the application?

21 L. HEUFF: Correct.

22 L. GLUCK: And now we are seeing a 17 percent
23 reduction -- an agreed-to 17 percent reduction to
24 capital expenditures, and you're saying regardless of
25 that, there will be no test year change to the hiring
26 plan?

27 L. HEUFF: That's correct.

28 L. GLUCK: Okay. Thank you.

1 Can we go to Exhibit 4, Tab 1, Schedule 3, page
2 9, please.

3 And if we go down a little bit, I just want to
4 discuss the HR hiring for a moment. With respect to
5 the additional HR positions proposed for 2026, it
6 appears from this -- this bullet here that one of the
7 primary drivers is recruitment and onboarding; is
8 that fair?

9 A. COLLIER: Yes. That's -- yes. That is one
10 of the primary drivers.

11 L. GLUCK: Thank you.

12 And to the extent that less recruitment and
13 onboarding is needed as less incremental FTEs are
14 needed in, you know, the business, not the support
15 units, then the need for incremental HR resources is
16 diminished; is that fair?

17 A. COLLIER: So as I alluded to in my opening
18 remarks yesterday, a big -- a big portion of our 2026
19 hiring plan is the stabilization of the workforce
20 after the period that we have been through in 2021 to
21 2026. So the level that HR needed to be staffed to
22 execute on this is part of that.

23 L. GLUCK: Okay. Thank you.

24 And can we please go to page 65 of the
25 compendium, please. I think it's near the bottom of
26 the page. Yeah, thank you.

27 Here, the company discusses that it invests 40
28 hours per employee annually on average for training

1 and development. And I reviewed the record, and I
2 can't seem to find either the historical or proposed
3 training budget. Is it provided somewhere on the
4 record and I just missed it?

5 A. COLLIER: Just give me a second to look.

6 L. GLUCK: Thank you.

7 A. COLLIER: So, Mr. Gluck, training is in many
8 programs. There are some corporate training that are
9 in the HR program, there is some safety training that
10 is in the safety program, and then there is some
11 specific training depending on disciplines, whether
12 that's engineering or accounting, professional
13 development courses that are embedded within those
14 programs. So training, you know, occurs kind of
15 throughout all of the JC -- or a number of the JC
16 programs.

17 I don't believe there is anywhere on the record
18 where we have compiled the total dollars, subject to
19 check.

20 L. GLUCK: Can you please undertake to provide
21 either the total training budget for the 2020 to 2026
22 period or a more granular breakdown of the training
23 budget, whatever is easiest? I just think it's
24 something that is important that's currently missing
25 from the record.

26 A. COLLIER: For the test year?

27 L. GLUCK: I was looking for 2020 to 2026.

28 A. COLLIER: 2020?

1 L. GLUCK: 2021, sorry. The historical period
2 to the test year.

3 A. COLLIER: I mean, there's a lot of variety in
4 those years. As I mentioned earlier, 2021 is not a
5 good comparison because of COVID. There was a lot of
6 training not occurring during COVID, that's for sure.

7 We also paused a number of training during 2022
8 because of the derecho. Everyone was working on that
9 project. It was a short storm in duration but lasted
10 months.

11 And then in 2023, our training was also impacted
12 by the strike.

13 So I am not sure how comparable 2021, '22, or
14 '23 would be.

15 L. GLUCK: I mean, what I am looking for is the
16 historical period to 2026 test year training budget.
17 And you're welcome to put whatever narrative you
18 believe is necessary to understand the information
19 with respect to the comparability of the early years
20 of the historic period.

21 D. COBAN: I am just wondering if -- just given
22 what Ms. Collier has mentioned in terms of the
23 usefulness of the data from '21 to '23 because of
24 these extraordinary events that happened over that
25 period and thinking about the effort that it would
26 take to pull together these details that you're
27 asking for, if we could agree on a shorter timeline
28 for looking at this information, perhaps '24 to '26

1 being more comparable years.

2 L. GLUCK: I think that's fair. '24 to '26
3 would work.

4 M. MILLAR: We will call that J2.4.

5 L. GLUCK: Thank you.

6 **UNDERTAKING J2.4: PROVIDE THE TOTAL TRAINING**
7 **BUDGET OR A MORE GRANULAR BREAKDOWN OF THE**
8 **TRAINING BUDGET FOR THE PERIOD OF 2023 TO 2026**

9 L. GLUCK: And would it be fair to assume that
10 there is a linkage between the budgeted training
11 amounts and the number of employees?

12 A. COLLIER: Yes.

13 L. GLUCK: And would it also be fair to assume
14 that new hires are budgeted more extensive training
15 budgets than staff with a longer tenure?

16 A. COLLIER: I don't know if that's a totally
17 fair comparison. I would have to look at the
18 details. We do succession training, leadership
19 training. So certainly as employees advance through
20 their career, there is different training.

21 A. WILLIS: I would just also like to point out
22 that there is a level of mandatory training in the
23 organization. Cybersecurity happens to be a very big
24 area for us. We're training staff to recognize
25 phishing attempts, right, and we're training them to
26 -- what to do when they observe any abnormalities.
27 So there is a lot of other mandatory training that
28 happens throughout the course of the years.

1 L. GLUCK: Thank you.

2 So just to confirm the response there, you agree
3 that there is a linkage between the budgeted training
4 amounts and the number of employees; is that right?

5 A. COLLIER: Yes, there is a linkage.

6 L. GLUCK: But you did not agree that there is a
7 linkage between -- that new hires are budgeted more
8 extensive training than staff with longer tenure.
9 You didn't agree to that? Is that...

10 A. COLLIER: It's not that I disagree with it.
11 It's that I don't have that level of granularity to
12 confirm or disagree with that.

13 L. GLUCK: Okay.

14 A. COLLIER: I just wanted to add that there are
15 lots of other training for employees that have been
16 with the company for a while as well, not just new
17 employees.

18 L. GLUCK: Okay. Thank you very much. Those
19 are my questions for the Panel. I appreciate it.

20 PRESIDING COMMISSIONER DUFF: Just one question
21 on that. What are going to be the sources that you
22 are going to use in deriving these training budget
23 numbers? Like, perhaps in your interrogatory -- I
24 mean, the undertaking response, you could list if
25 they're embedded within certain numbers already in
26 evidence. Like, I am a little confused where you are
27 going to draw -- are you going to do some allocations
28 from existing numbers in evidence? Is there a GL

1 line called "training" that you have that you just
2 haven't shared in evidence?

3 A. COLLIER: Yeah. That is where I was going to
4 go, Madam Chair. Obviously we have summarized the
5 data here, but in our ERP system, there is many
6 different layers of coding for training. So
7 hopefully my accountants aren't cringing at this
8 undertaking, but I think it should be possible.

9 PRESIDING COMMISSIONER DUFF: Okay. Now I
10 understand better. Thank you.

11 A. COLLIER: Yeah.

12 PRESIDING COMMISSIONER DUFF: So, Mr. Gluck, you
13 are done for this panel?

14 L. GLUCK: I am done. Thank you very much.

15 PRESIDING COMMISSIONER DUFF: Thank you.

16 Next I have VECC, and I am not too sure who is
17 going first. Mr. Garner?

18 M. GARNER: Well, I will try and help you with
19 that. Mr. Harper is going to go first, but since he
20 is online, what I would like to do is -- we filed two
21 compendiums and perhaps it would be just best to mark
22 them both as exhibits right away. And I will name
23 them first so they are easily identified in the
24 record.

25 So one is called "Compendium 1" and it's dated
26 January 15th, and it says "Panel OM&A" on it.

27 M. MILLAR: That's K2.2.

28 M. GARNER: Thank you.

1 **EXHIBIT K2.2: VULNERABLE ENERGY CONSUMERS**
2 **COALITION COMPENDIUM 1 ENTITLED "PANEL OM&A",**
3 **DATED JANUARY 15**

4 M. GARNER: And the other one is identified as
5 "VECC Compendium 2", it's dated January 14th, 2026,
6 and it's entitled "Panel Net Metering".

7 M. MILLAR: K2.3.

8 M. GARNER: And Mr. Harper will use that
9 compendium, the latter, for his examination. Thank
10 you.

11 **EXHIBIT K2.3: VULNERABLE ENERGY CONSUMERS**
12 **COALITION COMPENDIUM 2 ENTITLED "PANEL NET**
13 **METERING", DATED JANUARY 14, 2026**

14 M. GARNER: And I will turn it over to him.

15 **CROSS-EXAMINATION BY B. HARPER**

16 B. HARPER: Good afternoon, Panel. Sorry. Good
17 afternoon, Commissioners. Good afternoon, Panel. As
18 Mr. Garner said, my name is Bill Harper. I am a
19 consultant for VECC. I will be asking questions
20 about the net metering issue and referring to the
21 VECC compendium Exhibit 2.3.

22 Now, Mr. Ladanyi had covered some of the
23 questions I was planning on asking, and I have tried
24 to refine my questions over the lunchtime, but there
25 may be some overlap just to help with consistency in
26 terms of the questions I do want to ask.

27 So start off by way of background, I understand
28 that the net metering rate on your current 2025

1 tariff sheet is \$16 per month; correct?

2 A. BARRIE: That is correct.

3 B. HARPER: And this follows from the Board's
4 decision regarding your 2021 to 2025 CIR application
5 that was EB-2018-0261?

6 A. BARRIE: That is correct.

7 B. HARPER: Maybe if we can turn to Tab 1 of
8 VECC's compendium on net metering, and that would be
9 PDF page 3.

10 And here, we have a copy of the page you were
11 talking about with Mr. Ladanyi this morning setting
12 out your request for -- if you want to scroll down a
13 little bit further -- setting out your request for an
14 approval of a rate of \$14 per month for both net
15 metering and microFIT for 2021 and subsequent values
16 for 2022 through 2025 based on escalating the \$14 by
17 inflation such that we reach the \$16 in 2025;
18 correct?

19 A. BARRIE: That is correct.

20 B. HARPER: Okay. And as we see here, the \$14
21 represented a decrease from the approved rate of \$19
22 in 2020?

23 A. BARRIE: That is correct.

24 B. HARPER: And that was based, I guess, on -- I
25 understand from the application, a reassessment of
26 the costs of actually providing the services?

27 A. BARRIE: If memory serves me correct, the --
28 one of the main drivers between 2021 also was the

1 number of customers.

2 B. HARPER: So, right, the denominator increased
3 as well, so it reduced the overall cost per customer?

4 A. BARRIE: That is correct. We had also, I
5 believe -- as you mentioned, we created some -- as
6 much as it was a manual process, we created some
7 efficiencies within the manual process.

8 B. HARPER: Would it be fair to say that the
9 reduction from \$19 to \$14 was consistent with the
10 OEB's user pay principle, i.e., the costs have
11 decreased and therefore the charges that you are
12 going to charge customers are reduced accordingly?

13 A. BARRIE: That would be correct.

14 B. HARPER: Okay.

15 And, finally, can you confirm that the forecast
16 revenue from these charges was included in Hydro
17 Ottawa's forecast other revenue for the period '21 to
18 '25 and thereby served to reduce the base revenue
19 requirement that was needed to be collected through
20 customers' distribution rates?

21 A. BARRIE: That is correct.

22 B. HARPER: Okay. Thank you.

23 Now, if we could turn to page 8 of the VECC
24 compendium. And here, we have an extract from your
25 application which is Exhibit 8, Tab 4, Schedule 2,
26 page 3.

27 And here, you indicate that:

28 "As of November 1st, 2021, Hydro Ottawa stopped

1 charging the net monthly service charge to net
2 metering customers. Net metering customers,
3 unlike other generation customers, also include
4 a monthly service charge based on the
5 distribution rate class they are assigned
6 to".[as read]

7 And then later on, the application goes on to
8 state:

9 "The net metering was removed to encourage
10 residents to generate their own energy and
11 support the City of Ottawa's energy and
12 emissions plan".[as read]

13 Now, with respect to your first reason, and that
14 is that these customers already pay a monthly service
15 charge, can you confirm that there are other
16 instances where customers pay an additional fixed
17 charge to help cover incremental costs?

18 And the one I am thinking of specifically, say,
19 is the SSS admin charge, the customers who opted not
20 to be under a contract with the retailer.

21 A. BARRIE: So in that case, all customers still
22 pay a charge. So SSS customers pay the SSS charge,
23 and retailer customers theoretically pay it through
24 their contract price with the retailer because we
25 charge the retailer instead a fixed monthly fee, and
26 the expectation is they turn around and collect that
27 charge from their customers.

28 B. HARPER: Yes. But to be clear, the question

1 I was asking was that customers that don't contract
2 with a retailer -- let's say you're a residential
3 customer. You pay the standard residential
4 distribution charge. And on top of that, do you pay
5 the SSS admin fee as well to cover the incremental
6 cost associated with providing the standard supply
7 service; correct?

8 A. BARRIE: And that's -- yes. It's just I want
9 to be clear that there is two different ways. One
10 way to charge retailers, and one way to charge SSS.
11 So all customers still overall have an additional
12 charge above the distribution charge that's included,
13 similar to transmission rates. They just have
14 different types.

15 B. HARPER: Okay. Right. Well, I guess
16 whatever the customers' contracts with retailers pay,
17 that really isn't transparent to you. That's
18 something that's between the customer and the
19 retailer; correct?

20 You don't level customers who are contracting
21 with the retailer a separate charge for the fact they
22 are contracting with the retailer; do you?

23 A. BARRIE: No. But it's assumed naturally when
24 charges are incurred that that would be based in the
25 embedded fee that goes forward.

26 I would also point out when the OEB initially
27 set up both the SSS charge and the retail service
28 charge, they were identical. The OEB has undertaken

1 and relooked at the retailer charges and reset it,
2 which was actually shortly after Hydro Ottawa had put
3 in generic rates to include that -- to increase that
4 charge. The SSS charge, however, has never been
5 reviewed.

6 B. HARPER: But it is an incremental charge; you
7 would agree?

8 A. BARRIE: It is an incremental charge.

9 B. HARPER: Okay. Thank you.

10 Now, with respect to your second rationale that
11 it's because you wanted to encourage residents to
12 generate their own energy and support the City of
13 Ottawa's energy and efficiency plan and encourage
14 residents to generate an efficiency plan, I just
15 wanted to ask you, and this is just a hypothetical,
16 if there was no City of Ottawa energy and efficiency
17 plan, would you still consider it appropriate to stop
18 charging the net metering service charge as of
19 November 2021?

20 A. BARRIE: We had been getting feedback from
21 our customers specifically on this charge, which was
22 why we decided to also review it. It was in line
23 with the City of Ottawa's energy and emissions plan
24 as well. And as I spoke to earlier, that's why we
25 were very clear with our customers that we were
26 temporarily looking at this charge. We -- we
27 understood there was -- or they felt like they were --
28 -- they shouldn't be applied this extra charge, but we

1 needed to ensure that there was a reason.

2 And -- and we wanted to let customers know it
3 was temporary, so it would encourage generation in a
4 short term, but potentially that charge would be
5 coming back.

6 B. HARPER: Actually, I was just trying to
7 understand what the rationale was sort of back in
8 November 2021. And you put out two -- basically two
9 reasons here, and I was just wondering, it sounds to
10 me that both of them were given some weight in that
11 decision, you know. And that's really why I was
12 asking, if there was no City of Ottawa plan, would
13 you have still gone ahead with dropping the charge?

14 And it sounds like from your response that the
15 fact there was a plan was also a -- was also a
16 consideration when you made that decision; is that
17 correct?

18 A. BARRIE: It was -- like I said earlier on, I
19 wasn't part of those exact conversations. It was
20 probably a factor, but that's why -- because cost
21 causality, as you talked about, we wanted to ensure
22 that we took the right approach in looking at it, and
23 we wanted to ensure that we -- we would know if it
24 was prudent to continue charging this charge on a go-
25 forward basis.

26 Or if there was a decision to remove it, then we
27 wanted to make sure it was in line with the
28 expectations and other charges that we were charging

1 our customers.

2 B. HARPER: We will be talking about it a little
3 bit -- little bit later on, so I will come back to
4 that, but just to continue with the line I have here.

5 Now, in your discussion with Mr. Ladanyi, you
6 talked about not having to charge customers the rates
7 and charges that had been approved by the Board, and
8 you referenced waiving charges in certain
9 circumstances such as COVID or when specific
10 customers are in distress.

11 Can we agree that there is a difference between
12 waiving charges under unique circumstances and
13 ceasing entirety of the charge as a particularly
14 approved charge?

15 A. BARRIE: I believe there is a difference, but
16 I -- and I think there is a distinction between
17 waiving a charge, as we had the discussion with Mr.
18 Ladanyi, and introducing a new one, which we did not
19 do.

20 B. HARPER: Right. And also just deciding not -
21 - not to charge one that you have currently been
22 approved to charge?

23 A. BARRIE: Sorry. Can you repeat that
24 question?

25 B. HARPER: Well, I just -- when you were
26 answering my question, you said, yes, there was a
27 distinction. And I just want -- you know, and then
28 you went on, but I wasn't too sure if the distinction

1 you were agreeing to was the same as the one I had
2 asked you about, and that was there was a distinction
3 between waiving a charge and not charging at all,
4 anybody, a charge that had been approved by the
5 Board. And I guess you -- you would agree there is a
6 distinction between those two things?

7 A. BARRIE: I was just saying there is a
8 distinction because, one, naturally, you would look
9 to remove a charge that you are just removing, right.
10 If you have deemed that it's no longer appropriate,
11 you would go back to the Board, and you would ask to
12 remove it.

13 Whereas one that's temporary and, like, in a
14 situation such as, you know, waiving interest off a
15 late payment fee, it's a lot more unique, and you
16 don't need to necessarily adjust that going forward.
17 It may be part of a description on a rationale within
18 your evidence if, for some reason -- like, for
19 example, during COVID, if you had a natural decrease
20 and there was a clear change in the approach of using
21 it, that it might need to be mentioned, but it
22 wouldn't be required to ask to remove that charge.

23 B. HARPER: I was still back at 2021. I'm not -
24 - I wasn't as far forward as 2025 or 2026. I am
25 talking about your decision to stop charging a charge
26 that the Board had approved, not about what you are
27 doing now, is coming back for it and asking for a
28 permanent removal of it.

1 And so I just wanted to make sort of clear that
2 that's what I was talking about here, was just
3 specifically the decision not to charge a charge that
4 the Board had already approved.

5 A. BARRIE: Yeah, and my understanding is we are
6 allowed to do that. We have to --

7 B. HARPER: Right.

8 A. BARRIE: -- have a rationale and to ensure
9 that we are treating our customers fairly, so we
10 wouldn't be just, you know, deciding half the net
11 metering customers didn't get the charge and half of
12 them did based on --

13 B. HARPER: Everybody with red hair like me
14 doesn't have to pay, but everybody else has to pay,
15 yes, I understand. Okay.

16 Now, finally, I guess over the '21 to 2025
17 period, is this net metering charge the only charge
18 that was approved by the Board that you stopped
19 charging for entirely?

20 A. BARRIE: To my knowledge, it is the only
21 charge that we just -- we have not been charging.

22 B. HARPER: Right. Okay. Fine. Thank you.

23 Now, I think -- now I guess I would like to move
24 on to the proposal you have before the Board right
25 now, which I guess is on -- really stated on the same
26 page and where you state Hydro Ottawa's proposing to
27 remove the net metering charge from the 2026 to 2030
28 period.

1 And as a consequence, am I correct that the
2 forecast other revenues for 2026 to 2030 do not
3 include any revenues for the net metering charge?

4 A. BARRIE: That is correct. They do not.

5 B. HARPER: Okay.

6 A. BARRIE: Can I take a moment because -- just
7 to clarify my last question. I just want to ask
8 somebody.

9 So we just wanted to be clear, though, as part
10 of our 2026 application, we did a request to remove
11 another charge that would stop being charged in 2026,
12 just in case you're including that in your line of
13 questioning there in terms of stopping charges.

14 B. HARPER: No. I had just been talking about
15 the '21 --

16 A. BARRIE: Yeah, that is what I thought, but --

17 B. HARPER: Yeah, okay.

18 A. BARRIE: -- I just wanted to make sure that
19 that wasn't included, and I didn't misspeak. Okay.

20 B. HARPER: No, I agree. It's important we are
21 all on the same wavelength here.

22 Now, yesterday, Mr. Elson characterized the
23 Board approving a 2026 cost-based charge for net
24 metering as -- as reinstating the net metering
25 charges. That's at transcript page 188, if you need
26 to refresh your memory and don't recall it.

27 However, would it be correct to say that while
28 from Hydro Ottawa's perspective it would be a

1 reinstatement of the charge, from the Board's
2 perspective, it would not be a reinstatement, per se,
3 as the current -- currently approved Hydro Ottawa
4 tariff schedule actually includes a charge of \$16,
5 rather -- rather, let's say, the rate was set at \$8,
6 it would be a reduction in the currently approved
7 rate. Is that a -- is that a -- would that be a fair
8 characterization?

9 A. BARRIE: Yeah, I would say from a rates
10 perspective, it's not a reinstatement. It would be a
11 removal. It would be about starting charging
12 customers again.

13 B. HARPER: Right.

14 But from the Board's perspective, there's a --
15 there's a charge on the tariff sheet right now, and
16 basically, you're requesting a -- and in your
17 application, you are requesting a removal of that
18 charge?

19 A. BARRIE: That's correct.

20 B. HARPER: Correct. Okay. No. Fine.

21 Now, can we turn to your response to Undertaking
22 JT3.8, and that's at page 21 of the VECC compendium.

23 Now, if you scroll down. Could you scroll down
24 to the second page. It will be the lower half of the
25 second page. Thank you very much. Keep scrolling
26 down, please. Okay, stop. Yeah, that's fine.

27 Now, on page 2, you indicate that the updated
28 incremental cost of providing the net metering

1 service is \$8 per month, and that was the number you
2 have set out here under 2026; correct?

3 A. BARRIE: That is correct.

4 B. HARPER: And you also -- in the same
5 response, you also indicate in the line below -- and
6 I think Mr. Ladanyi talked to you about this -- is
7 what the annual revenues from 2026 to 2030 would be
8 based on that cost-based charge in 2028 and then
9 escalating at inflation over the years after that;
10 correct?

11 A. BARRIE: That is correct.

12 B. HARPER: And just to confirm, the \$8 is what
13 I would characterize -- would it be fair to
14 characterize it as a cost-based charge?

15 A. BARRIE: It is a cost-based charge, yes.

16 B. HARPER: Okay.

17 Now, during cross-examination by Mr. Elson
18 again, you indicated that the costs associated with
19 net metering were largely due to the fact that the
20 billing for GS customers has not been automated and
21 that these customers represented about 5 percent of
22 the total net metering customers; have I got those
23 two facts correct?

24 A. BARRIE: He mentioned that, subject to check,
25 it's slightly less, but it is in the realm of the 5
26 percent he indicated.

27 B. HARPER: I believe there is a VECC IR, which
28 we don't have to call up, where the number shows the

1 number of customers by GS versus residential, and
2 it's roughly 5 percent, yeah.

3 So I guess I was curious, and I think you
4 briefly mentioned this when you were having a
5 conversation with Mr. Elson. Was any consideration
6 given to instituting a cost-based charge for net
7 metering just for general service customers?

8 A. BARRIE: We did not. We had focused on
9 automating the residential and the small commercial
10 because they were the larger volume of customers, and
11 so we could have spent the time instead to do the
12 lower volume of customers and just removed it from
13 the commercial classes. It wouldn't have been the
14 more efficient approach, but it seems inappropriate
15 for net metering to just charge the group you chose
16 not to automate the process for.

17 We did actually plan to automate the process,
18 but when EV rates came in, the same experts are
19 required to do the -- kind of the two items, and we
20 needed to switch focus and have our attention on the
21 EV rates.

22 B. HARPER: And my understanding is, from the
23 testimony you gave yesterday, and I think also from
24 some of the IR responses, that you have no plan over
25 the '26 to 2030 -- excuse me -- 2026 to 2030 period
26 to automate the billing process for the larger GS
27 customers; is that correct?

28 A. BARRIE: That is my understanding at this

1 point in time, but should we get an opportunity or
2 should the volumes especially increase because it is
3 a manual process, then we would reconsider and ensure
4 that we put our dollars where it will have the most
5 efficiencies.

6 B. HARPER: Right.

7 Now, I think I know the answer to this, given
8 what you have said already, but maybe you can think
9 about this hypothetical.

10 If the Board was to decide that there needed to
11 be a separate charge to cover the incremental costs
12 associated with the monthly billing of net metering
13 customers, would Hydro Ottawa's preference to be --
14 to apply an \$8 charge to all net metering customers
15 or to apply a higher charge just to the GS customers
16 that are subject to the more manual process?

17 A. BARRIE: I am not really sure that I could
18 speak to that today. That would take some internal
19 discussion, and as mentioned earlier with Mr.
20 Ladanyi, like, this went through, you know, a
21 subworking group, and then it was approved by the
22 working group and returned by the RAS, so I wouldn't
23 want to just take the privilege of deciding that on
24 my own today.

25 B. HARPER: No, that's fair. I understand. I
26 have worked for utilities, and it's a -- it's a
27 multi-person decision-making process, yes.

28 During the cross-examining by Mr. Elson

1 yesterday, and this is at pages 184 to 185, you were
2 offered another reason for removing the charge, and
3 that was the fact that there were other rate options
4 such as the tiered rate, the TOU rate, and the ULO
5 rate, and there was no separate service charge for
6 them; do you recall that conversation?

7 A. BARRIE: I do recall that conversation.

8 B. HARPER: Okay.

9 Now -- now, is the monthly billing for these
10 three options fully automated such that there is no
11 real difference in the monthly cost of billing
12 customers regardless of which of those three options
13 they're on?

14 A. BARRIE: They are now. But the one I
15 referred to the most that is not is class A versus
16 class B global adjustment where part of the class A
17 is automated; however, part of it is not and still
18 takes a substantial amount of work in order to make
19 sure that class A customers first get the information
20 to decide whether they want to become class A or
21 class B customer, and then on a regular basis,
22 monitoring those charges as well as the way the OEB
23 has prescribed to have transitioning costs, and there
24 is a lot of extra work involved in the class A
25 customers.

26 B. HARPER: You know, and I heard you make
27 reference to that yesterday, and what struck my mind
28 is that -- and I am not asking you to say whether or

1 not because obviously it's not on your application,
2 but that begs the question as to whether or not one
3 could ask -- people within the utility could ask
4 themselves whether or not it would be appropriate to
5 reinstitute a separate charge to cover those higher
6 costs for the class B customers.

7 I mean, I am not saying whether you think that
8 is right or not, but that's a conversation that could
9 take place within your utility or within any utility;
10 is that not correct?

11 A. BARRIE: It is; however, given just the
12 policy stance of customer optionality in supporting
13 that on -- for customers and some of the evidence
14 that was pointed to yesterday, Hydro Ottawa on our
15 own would not likely be looking down that road, but
16 certainly others could.

17 B. HARPER: And I guess the question -- the fact
18 that it's a policy stance is one of the
19 considerations you would have to take into account in
20 terms of the -- you know, along with the fact there
21 is an incremental cost in terms of whether or not you
22 decided it was appropriate to make that additional
23 charge. And I think that's what you said, and
24 different utilities may land on different sides of
25 that fence; correct?

26 A. BARRIE: That's correct.

27 B. HARPER: Okay. Fine.

28 Now, would it also be correct to say that any

1 residential customer can choose between those three
2 options: tiered rates, TOU rates, and ULO rates;
3 however, the customer can only be on net metering if
4 they are able to install behind-the-meter generation?

5 A. BARRIE: That is the case; however, it
6 doesn't stop customers from installing generation
7 which would make one of those other options more
8 favourable. And certainly with EV rates,
9 theoretically, we are anticipating they would
10 probably have an EV vehicle.

11 B. HARPER: But we don't have EV rates for
12 residential customers right now, do we? We have got
13 EV rates for people --

14 A. BARRIE: For transmission, yeah. The larger
15 commercial customers could theoretically have those.

16 B. HARPER: But those EV rates for transmission
17 right now apply to charging stations, do they not?
18 They don't apply to -- they apply to charging
19 stations that are providing an EV charging service,
20 if I am not correct -- is that not correct?

21 A. BARRIE: That's correct. But I don't
22 necessarily think that would exclude them from being
23 net metered is all.

24 B. HARPER: No, but what I am saying is that a -
25 - there is no tariff right now for -- that's unique
26 for a residential customer or a commercial -- for a
27 residential customer that owns an EV vehicle other
28 than, say, the ULO rate -- ULO rate.

1 There's nothing called "the EV tariff rate" for
2 a residential customer. It's really the ULO rate
3 that would apply to them or that they could use;
4 right?

5 A. BARRIE: That is correct.

6 B. HARPER: Okay. Fine.

7 Now, in your response to both the Community
8 Action for Environmental Sustainability and Pollution
9 Probe, and I included those -- these in Tabs 3 and 4
10 of the VECC compendium -- you state that you're --
11 one of the reasons for implementing the -- for
12 stopping the charge is to support local distributed
13 generation and to reduce the cost to customers who
14 are interested in pursuing behind the net metering --
15 behind-the-meter generation, excuse me; is that
16 correct?

17 A. BARRIE: That was part of the reason the
18 charge was stopped, yes.

19 B. HARPER: Right --

20 A. BARRIE: And not the reason for the proposal.

21 B. HARPER: Okay. No, because when I looked at
22 those responses for both the -- you know, the
23 Community Action for Environmental Sustainability and
24 Pollution Probe -- this is at Tab 3 and Tab 4 of the
25 VECC compendium respectively -- it read like that was
26 one of the rationales you were using for stopping
27 entirely right now, not -- you know, for asking it to
28 be removed from your tariff sheet as -- you know, you

1 have already said it was one of the rationales back
2 in 2021.

3 It sounded like it was a continuing rational for
4 asking it to be removed from your tariff sheet. Have
5 I got that right, or is that maybe a wrong
6 interpretation of those responses?

7 A. BARRIE: I think the -- it also enables that,
8 and that was a message we were trying to also purvey,
9 that, you know, from a cost-causality perspective,
10 there is a way of looking at this, but it also does
11 enable.

12 So we don't want it to -- I guess we wanted to
13 note both things.

14 B. HARPER: So it's part of the rationale for
15 you coming before the Board right now and asking for
16 it to be removed from your tariff sheet from '26 to
17 2030, then?

18 A. BARRIE: I think it would -- it -- I think
19 the rationale for the Board is about cost causality.
20 Why internal stakeholders also believed it was a good
21 idea is because it encourages behind-the-meter
22 generation, which is a policy objective that is also
23 out there, and it did seem reasonable.

24 B. HARPER: Okay. Fine.

25 Maybe if we can go back to JT3.8 which was page
26 21 of the VECC compendium. If we go down to page 2.
27 And I think you had a brief discussion of this
28 already with Mr. Ladanyi, but I wanted to just

1 explore a couple of other aspects of it.

2 You indicate that the IESO recently announced
3 the Home Renovation Savings Plan, I guess the acronym
4 being HRSP, which enables homeowners to receive
5 rebates for solar panels installed, but in return,
6 the solar must be used for load displacement purposes
7 only, and they would not be eligible for the net
8 metering program, and that -- you state that the --
9 with this program, you anticipate that the -- that
10 most customers will be opting for the HRSP, and that
11 will have an impact on how many people are actually
12 participating in the net metering program and
13 actually reduce the number of, you know, anticipated
14 forecast participants going forward; is that correct?

15 A. BARRIE: That is our expectation because we
16 have seen customers signing up through this
17 mechanism, and as a result, they can't be net
18 metered.

19 B. HARPER: Okay. And I am just curious, how do
20 you know -- like, does the IESO advise you of which
21 customers in your service area have applied for and
22 have gotten the rebate so you know not to put them on
23 a net metering program if they were to ask you to do
24 so?

25 T. FREEMAN: Customers are required to indicate
26 to us when they are applying for the connection
27 whether or not they're receiving the incentive from
28 the IESO. We ask that question.

1 B. HARPER: Okay. But there's no back check
2 with the actual -- actual back check with the IESO
3 itself to confirm whether or not you're taking the
4 customer at his word at that point in time?

5 T. FREEMAN: I don't know for sure, actually. I
6 think we need to take that away to determine.

7 B. HARPER: Well, it's not determinative to me.
8 I was just curious if you know -- so don't worry
9 about it.

10 And when was the HRSP introduced? Like, how
11 much experience do you have? How many months or -- I
12 assume it's months of experience you have with seeing
13 how customers are responding to it.

14 T. FREEMAN: So the HRSP is part of the IESO's
15 most recent framework which launched in January 2025.

16 B. HARPER: Excuse me, 2025?

17 T. FREEMAN: 2025, yes.

18 B. HARPER: Okay. Fine. So it's about a year
19 ago.

20 And is there an end date for that program, or as
21 far as you know, there is no announced end date as to
22 when sort of people can make their last application
23 for a rebate?

24 T. FREEMAN: The current framework is -- it's
25 intended to be a 12-year enduring framework with a
26 three-year initial framework. So the current funding
27 is in place for a minimum of three years with an
28 expectation of renewed funding.

1 Programs may get updated or evolve over time,
2 but the expectation is that this will be an enduring
3 framework. But the current one is for three years,
4 so we are one year into the three years.

5 B. HARPER: Now, in your application, and
6 specifically in Exhibit 8, Tab 4, Schedule 1, you
7 propose to revise a number of Hydro Ottawa specific
8 service charges. And I think generally, if I am not
9 mistaken, these were accepted as proposed in the
10 settlement proposal, and one has been currently
11 approved by the Board; is that correct?

12 A. BARRIE: That is correct.

13 B. HARPER: And I believe you have answered this
14 question in your responses to Mr. Elson yesterday,
15 but I just wanted to be clear. In developing your
16 specific service charge proposals in terms of what
17 charges to drop and what charges to revise, would I
18 be correct to say that apart from the pole attachment
19 charge, which is set on a generic basis by the Board,
20 you did so by looking at Hydro Ottawa's circumstances
21 and Hydro Ottawa's costs and not by looking at the
22 practices of other utilities?

23 A. BARRIE: That is correct.

24 B. HARPER: Would it be fair to say that maybe
25 an example of that would be the fact that Hydro
26 Ottawa has a specific dry core transformer charge on
27 its rate schedule which I don't think I find in
28 either Alectra's, Hydro One's, or Toronto Hydro's

1 schedule?

2 A. BARRIE: I believe I have seen it on at least
3 one other utility's, but we are unique in that
4 aspect, yes.

5 B. HARPER: Okay, fine.

6 Thank you very much, Panel, for being responsive
7 to my questions, and those are all of mine. I will
8 turn it back to Mr. Garner now.

9 PRESIDING COMMISSIONER DUFF: Thank you, Mr.
10 Harper.

11 Mr. Garner.

12 **CROSS-EXAMINATION BY M. GARNER**

13 M. GARNER: Thank you.

14 Good afternoon, Panel. I seem to be the last of
15 -- or the only intervenor willing to brave the storm
16 to look you in the eye. And that's probably because
17 I am actually from Winnipeg. In Winnipeg, they call
18 -- you know what they call a winter day like this?
19 Thursday, the same as you guys probably call it
20 but...

21 So -- but I am going to start with some
22 questions of clarity from myself and also just some
23 issues I have been getting a little confused with as
24 we go through here.

25 So I want to start with Tab 1 of the second
26 compendium, and on page 2 of that. And you'll see
27 from that table that -- there are two tables in
28 there. And like my friend Mr. Gluck, what I have

1 done here is I have really just taken your tables and
2 I have eliminated the variance columns to make it
3 just clear.

4 So the first thing is -- and, I mean, subject to
5 check, but if there is an error in this, I would
6 appreciate knowing eventually because we may use it
7 in our argument. But it should be precisely what you
8 have in your evidence and that.

9 And so I just wanted to look at that, and I
10 wanted to ask you a question. I took these from the
11 undertakings which, Ms. Collier, I think when Mr.
12 Rubenstein started his examination, this was where
13 you brought him to the most recent numbers, and that
14 is why I was, first of all, trying to confirm these
15 were the numbers I should be looking at for the
16 purpose of this -- you know, the rest of what we are
17 going to do here; right?

18 A. COLLIER: So, yes, this is from JT2.16, and
19 with respect to 2025 actuals, it is the most recent
20 numbers that we have on the record, which is June
21 2025 as well as the Q2 forecast for '25.

22 M. GARNER: Right. And thank you for repeating
23 that because that is what I wanted to ask you next
24 was, in both cases, you have used the word "on the
25 record", and so that begged the question in my mind
26 is, well, is there a number that's not on the record
27 that's available?

28 And so what I was wondering was do you do, like,

1 a monthly roll up? Every month, do you do a roll up
2 at the end of -- so two weeks or a week after the
3 month to roll up where you're at?

4 A. COLLIER: We do do monthly financial
5 statement reporting for actuals, so that is kind of
6 why I have been using "on the record". Obviously we
7 are now in January of 2026, so I have July actuals,
8 September actuals, November actuals. We don't yet
9 have year-end actuals.

10 Obviously the year-end close takes much longer
11 as we prepare to have our financial statements
12 audited. So that is why I just wanted to be clear
13 when I say "on the record".

14 M. GARNER: But do you have unaudited actual
15 numbers to year end?

16 A. COLLIER: I haven't seen them yet. They are
17 not complete. They are not finished, no.

18 M. GARNER: Do you have unaudited numbers,
19 actual numbers, to end of November, though?

20 A. COLLIER: Yes.

21 M. GARNER: Okay. Well, let me just think about
22 that as we go through. I am not asking you at this
23 point to do anything with that.

24 The next place I wanted to go was actually in
25 this tab. And I wanted to go down to PDF page 5 of
26 it. It's the cost driver table. And this has been
27 raised with you a number of times, so I don't want to
28 belabour this issue, but I don't really like -- not

1 just the -- you filling out this table, I have seen
2 these tables before.

3 But I am very confused by these tables because
4 in the examination, I have heard it said that, you
5 know, there is numbers like the weather event, and
6 then there is numbers being backed out, but that not
7 what I see in this table.

8 This table is cumulative; right. You go from
9 '21, you have 85. 85 jumps to the top. Then you go
10 through all the adds, you get 101. 101 drops to the
11 top. And you go through it like that. It's a math -
12 - straight math; right?

13 I mean, so the -- where I am going to, the
14 weather events are straight math in this table. They
15 get to the 140. I mean, that's the way the table
16 mathematically works, isn't it?

17 A. COLLIER: So maybe we just step through it.
18 I think we had intended for this table to be helpful
19 and short and get at key themes, but hindsight is
20 always 20/20, so, you know, obviously, next time, we
21 will have to find a clearer way to get at themes.
22 But if we start from 91, which --

23 M. GARNER: Right.

24 A. COLLIER: -- you know, obviously, we had our
25 -- the COVID year, so that's the opening OEB-approved
26 amount, which was actually 90.6, so it is rounded
27 here. But our closing actual for '21 was 85.

28 If we move to the following year, 2022, we are

1 bridging between '21 actuals and '22 actuals, which
2 '22 actuals was 101. I am adding inflation. We are
3 using the OEB inflation parameters for that line
4 because, obviously, our GL does not capture inflation
5 on every line item. We don't get every invoice with,
6 you know, inflation baked in, so we had to figure out
7 a mechanism to calculate the impact of inflation, so
8 we used the OEB inflation, and we do have a lengthy
9 exhibit on inflation.

10 There is continuation of COVID, and then, yes,
11 there is down -- middle of the page, you see major
12 weather events, which was the derecho. But if I go
13 over to the 2023 column, the negative 6 million in
14 other costs is the removal of that derecho year as
15 well as other items, and there is an IR on the record
16 that gives you the detail of both of those other
17 negative 6 and 7.

18 M. GARNER: Yeah, sorry. Can you tell me -- and
19 maybe you can give me that reference. But can you
20 tell me, do they explain why the backout is --

21 A. COLLIER: Less.

22 M. GARNER: -- in 2023, 6, not 8 and 2, which
23 would be 10?

24 A. COLLIER: Yes. Yes. So maybe we want to
25 pull that up.

26 So I believe it's 4 Staff -- I think it's 4
27 Staff 132, but let me just check.

28 M. GARNER: Well, in order to just save time,

1 maybe we can do this is during the break, if you can
2 find it, we can just put it on the record. I think I
3 can move on if there's an explanation somewhere.

4 A. COLLIER: Just give me -- just give me one
5 second.

6 MR. FANTIN: Okay.

7 A. COLLIER: Yes, so it is 4 Staff 132, Lianne,
8 and you would need to go to page 2, Table A. And,
9 again, the figures in the table that you're looking
10 at, the JB cost driver, it is rounded, so it's a
11 negative 7, and here it's totalling 6.5.

12 So you can see here, we are backing out the
13 entirety of the major weather event and the labour
14 strike. This is '23 to '24. We were talking about
15 '22 to '23, but it gives you an example.

16 M. GARNER: But it's similar to the other ones?

17 A. COLLIER: Exactly.

18 M. GARNER: Yeah, okay. Thank you.

19 A. COLLIER: It gives you an example of the full
20 amount being backed out offset by other -- other
21 items.

22 M. GARNER: Thank you. I appreciate that.

23 A. COLLIER: Okay.

24 M. GARNER: That is what I was trying to
25 understand.

26 A. COLLIER: Okay.

27 M. GARNER: Now, going to the next tab -- or
28 next document in that tab, which is at page 6, these

1 are the cost drivers. And I was going to ask you a
2 question about this, but Mr. Gluck asked you kind of
3 one of the questions. I was going to jump in, but
4 rather than do that, I will just bring it up here.

5 He was asking about training, and you went
6 through -- you took an undertaking, J2.4. There is a
7 training line here of \$1.1 million in this OM&A cost
8 driver table. And so as you were going through that
9 conversation with him, I kept wondering to myself,
10 when you are doing this undertaking that you have
11 agreed to do, this training number here, 1.1, is that
12 going to be relevant or connected to what you're
13 intending to do in the undertaking so that I can
14 understand in the context of this driver, or would I
15 need some explanation?

16 Will it be something I look at and I will go,
17 why is 24 not something; right? That's what I am
18 trying to understand. I don't want to get confused
19 when you do the undertaking.

20 A. COLLIER: Yeah, so when we provide the
21 undertaking, we will try to be as helpful as we can
22 and provide the relevant commentary to supplement
23 kind of any variances that you see.

24 The training that you are seeing here in this
25 table as a driver in this year for 2024 is because we
26 did add 50 new staff, so that's why we incurred
27 additional training.

28 M. GARNER: But can I ask you this, though,

1 then: You said, I think, in the undertaking you do
2 from 2024 onward, but this implies, at least to me --
3 maybe I am incorrect -- this implies to me you must
4 know 2023 easily because you had to say there was an
5 increment of 1.1 million. In order to do that, you
6 have to have a base number to increment from.

7 A. COLLIER: Yeah, so I was implying I, myself,
8 as a witness didn't have the detail, not that --

9 M. GARNER: Well, can I ask this, and with
10 counsel's acquiescence: Could you include '23? And
11 I understood you had provisos about why it's not a
12 good number, but it would allow me to understand --
13 when you give the undertaking, it would allow me to
14 understand this number in context.

15 Your undertaking would show me, I guess,
16 something -- let's just call it 500,000 plus -- then
17 it's 1.1, 1.6, then -- you know what I mean? It will
18 show --

19 A. COLLIER: I mean, I can tell you the variance
20 here today. I do know why there is an increase. It
21 is because for three months, we did not have a large
22 portion of our staff doing any training because they
23 were on strike.

24 M. GARNER: Yeah, I think like Mr. Gluck,
25 though, what I am looking for is the trend, and so I
26 am trying to understand, like, how that works, and
27 you are about to give that. And I just want to make
28 sure I understand how this 2024 number got derived in

1 the -- on the basis of what your undertaking is,
2 like, how it was derived that way, you know what I
3 mean?

4 A. COLLIER: So I believe it was derived by the
5 variance between the 2024 training actuals and the
6 2023 training, and the reason it's higher is because
7 we added 50 new staff, but also we -- we had the
8 strike in 2023, so the training actuals were
9 depressed in 2023.

10 M. GARNER: The explanation is fair enough.

11 A. COLLIER: Okay.

12 M. GARNER: I am just looking for the number,
13 the '23 number. You have the '23 number? You have
14 just told me you have the '23 number.

15 A. COLLIER: In our GL, for sure.

16 M. GARNER: Yeah. So what I am saying is could
17 you modify the undertaking to include '23? I think
18 right now, it's '24 to '26.

19 D. COBAN: Yes, we can do that.

20 M. GARNER: Thank you.

21 Now, the next place I am going -- again, this is
22 just clarification for myself at least as we go
23 through these and have to get to the argument. I
24 want to make sure I understand these.

25 If you go to Tab 2 and you look at these program
26 costs per FTE -- and you'll have to excuse me. There
27 has been a lot of evidence, a lot of time, and I may
28 be just confusing different things -- you will see

1 there is a graph there, and then below that, the next
2 document is a table, which -- which I believe is the
3 -- underpins the graph, so I -- the -- you know, the
4 -- so first -- I guess the first question is can you
5 confirm that, that the bar chart is derived from
6 Table C FTEs, Appendix JC, OM&A by programs -- or
7 programs; is that how that gets derived?

8 A. COLLIER: Sorry. Could you just repeat your
9 question?

10 M. GARNER: Yeah, what I am trying to -- yes.

11 What I am trying to do is I am trying to -- I am
12 looking at Figure 1, and it's a bar graph -- a bar
13 chart, and I am trying to say to myself, oh, were the
14 numbers there actually taken from Table C, which
15 gives you these historical years of programs?

16 And you'll see, you know, for 2021, it's 585,
17 and it goes on like that. And I am just trying to
18 understand. It doesn't -- doesn't appear that way,
19 but this is FTEs by OM&A program.

20 A. COLLIER: Yeah. So for the FTE part of the
21 calculation in Figure 1, the FTEs are --

22 M. GARNER: Are from -- yes.

23 A. COLLIER: -- the total in Table C.

24 M. GARNER: Sorry. That's what --

25 A. COLLIER: Yes.

26 M. GARNER: Thank you.

27 A. COLLIER: The denominator.

28 M. GARNER: Yeah, the denominator.

1 A. COLLIER: Yes.

2 M. GARNER: Okay. Thank you. Right. Now --

3 L. HEUFF: And just -- sorry, Mr. Garner. If
4 it's helpful --

5 (Reporter appeals)

6 L. HEUFF: Apologies. I believe the underlying
7 figures -- the underlying data for Figure 1 is
8 provided in Table B of 4 CCC 50.

9 M. GARNER: Thank you. Thank you very much.

10 Okay. The next place I would like to go --
11 yeah, it's -- the next place, I would like to skip
12 ahead a bit and go down to page 12 of the PDF -- or
13 actually page 11 is JT2.10, and this has been talked
14 about before. This is a table that has a number of
15 the positions, job title positions, that have been
16 talked about. And back and forth over the last two
17 days, there has been a fair amount of discussion
18 about filling positions, and et cetera, on this and
19 whether you could fill them.

20 And maybe it's there in the record, but one
21 thing that gave me pause is a number of these jobs,
22 it seems to me -- not all of them, but a number of
23 them are not -- they are not jobs that you would
24 easily get on -- out in the -- out in the street.
25 They look like -- for instance, a supervisor of a
26 control centre, it looks to me like the most likely
27 candidate might be someone who works in the control
28 centre who is looking for, you know, a promotion or

1 is already highly qualified in doing it. And then
2 that leads to a cascading issue, right, that you hire
3 that person, and then you empty a position, and you
4 have to fill that position.

5 As you went through these in your HR plan, was
6 there a discussion? I mean, you have all of these
7 positions. Was there a discussion about how many of
8 these positions are going to cascade because of, you
9 know, the natural way you hire?

10 A. COLLIER: We do have a succession program at
11 Hydro Ottawa where we identify high performers at all
12 levels and who might be best suited for promotional
13 opportunities. So, yes, I think your
14 characterization is correct. Certain of these
15 positions would certainly be best filled, quicker
16 filled, easier to fill with internal candidates. It
17 does have a cascading effect to a certain degree.

18 But in that scenario, it's likely much easier to
19 fill the vacated position than the position that's
20 maybe more difficult to fill.

21 M. GARNER: For sure. And it's 81 positions
22 you're hiring in '26?

23 A. COLLIER: That's correct.

24 M. GARNER: Right.

25 And you -- but have you done a plan of how many
26 of those 81 positions may cascade down to other
27 positions inside? Was there any planning done around
28 that?

1 L. HEUFF: I wouldn't say specifically in the
2 way that you're characterizing it. But, however, I
3 would point to just the leadership lines since the
4 majority of the positions do fall under both
5 distribution operations and engineering and design.
6 So I will speak to those specifically, and then there
7 may be some other elements that some of my colleagues
8 would want to complement.

9 The leadership positions within there that are
10 the ones that would be the most likely to be filled
11 by internal staff, there is four of them -- or
12 there's -- sorry -- there's, yeah, four of them that
13 are contemplated in here: the supervisor,
14 contractor, management too for the control room, and
15 one for stations. And you are correct and -- based
16 on Ms. Collier's explanation that those are probably
17 the ones that are most likely to be filled by
18 internal staff.

19 The remainder by and large of the 27 direct
20 labour, those are all net new positions that would
21 have to come externally. The engineering positions,
22 again, engineers can't -- there's -- it's not a
23 succession to go from an engineer to an engineer, so
24 it's very unlikely that those would be filled by
25 internal candidates.

26 Likewise, with the engineering technologist,
27 project administrator, project coordinators, those
28 are all positions that would be net new. So metering

1 apprentice, again, I don't know that I've -- from
2 within the area, I think I am 68, I believe. I think
3 potentially four of them would be succession, and the
4 rest would be very much so external candidates.

5 M. GARNER: So that's your -- you haven't done a
6 plan; you have a sense of it, is what you are saying?
7 And just --

8 L. HEUFF: Correct.

9 M. GARNER: -- to your point, Ms. Collier, is,
10 yes, I guess I understand that it opens up, a
11 position has to be filled, but my point was that
12 position, first of all, you have to wait until the
13 candidate accepts and vacates that job, and then you
14 have to -- like, you don't start advertising
15 someone's job before they've left; right? You have
16 to wait until they leave; otherwise, it could be
17 uncomfortable for them.

18 A. COLLIER: Just to add to that, though --

19 M. GARNER: No, go ahead.

20 A. COLLIER: Just to add to that, as I mentioned
21 yesterday, we have been working on, you know, ways to
22 bring our vacancy rate down. It's been kind of an
23 inactive program for a while just because it's at too
24 high of a level that it's not sustainable.

25 So with that, one of the strategies that we have
26 employed is posting evergreen -- what we call
27 evergreen requisitions so that we always have a
28 pipeline of candidates for certain roles.

1 So in that way, yes, you obviously have to wait
2 for the internal candidate to accept the position
3 before you can hire, but we have lots of candidates
4 in the pipeline that maybe have already gone through
5 vetting and whatnot.

6 M. GARNER: Thank you.

7 If you go to page 15, this is the forecast cost
8 efficiency. When I look at the stretch factor number
9 4s to 5s, what does that mean? What does it mean, 4
10 to 5s? What does that -- what is the interpretation
11 of the 4 going to 5?

12 A. BARRIE: So this is the OEB's stretch factor,
13 so -- so for the PEG model, the cohort's 4 to 5. I
14 think, though -- Lianne, could you pull up from the
15 settlement instead, the PEG model. Yeah, I am just
16 trying to get the number. Sorry.

17 Yeah, so it's called -- in my binder, it's
18 called "PEG Model Settlement". I am not sure what
19 the -- yeah, it's Attachment 15. If you could go to
20 the tab called "Results" and maybe make it a little
21 bit smaller.

22 And this is the one after the settlement
23 negotiations, and so what you can see here is that
24 this model takes history information from a number of
25 years. It does an average over a three-year period
26 of what cohort a utility will be in. The OEB sets it
27 from 1 to 5, and this is a predictive model that we
28 are using for the settlement agreement that has Hydro

1 Ottawa moving into a cohort 4 in 2024 --

2 B. HARPER: Okay. So --

3 A. BARRIE: -- or 2026. Sorry.

4 B. HARPER: So are you telling me that -- okay.

5 So in the original evidence based on before the
6 thing, it was going from 4 to 5; now it's going from
7 3 to 4?

8 A. BARRIE: That's correct.

9 B. HARPER: Okay. So this is the one I should
10 rely to.

11 And so -- and what I take it from is a movement
12 from 3 to 4 is not a good thing; it's a bad thing?
13 It's a less efficiency? Whether you agree with its
14 calculation, that's what it's intending to show,
15 isn't it?

16 A. BARRIE: It is. And one of the items that
17 shifted us here was we had underreporting of
18 secondary lines, and you can tell that has a
19 significant change.

20 As part of our original evidence, we had also
21 proposed that due to a lot of the unique things,
22 like, we were talking about the net metering charge
23 which goes through other revenue, we have talked
24 about a lot of efficiencies that Hydro Ottawa has
25 implemented over the years, and you see those
26 efficiencies going through other revenue.

27 So we have a charge, for instance, of account
28 setup fee that is significantly lower than the -- of

1 what other utilities use. We reduced it first in
2 '21. We reduced it again as part of this proposal.

3 And what you see there, though, is the cost
4 efficiency of that particular charge goes to
5 customers through other revenue rather than OM&A, but
6 those costs actually reside in OM&A. So some of -- I
7 feel, and some of the evidence that we have put
8 forward with is that the PEG model doesn't fully
9 reflect Hydro Ottawa's efficiencies because we do
10 spend a lot of time in our other revenues and making
11 them more efficient.

12 But unfortunately, the way the US of A works is
13 some of -- a lot of that revenue or a cost related to
14 that revenue sits in OM&A. So it doesn't quite
15 reflect, and it is something we have been advocating
16 certainly for, is that the PEG model needs to bring
17 in other revenue as well in making sure that all of
18 our efficiencies are evaluated and looked at fulsome.

19 And we also had talked about -- in addition,
20 about some of the load. You can see that we have had
21 a lot of load growth within Hydro Ottawa's service
22 territory and in greenfield areas. And, clearly,
23 that means you are needing new poles, wires,
24 infrastructure in new areas, yet our peak has not
25 surpassed our 2010 peak.

26 And this PEG model is significantly relying on a
27 peak and therefore not, in our opinion, increasing
28 the predicted costs related to our capital program of

1 net new assets that need to be built for the -- what
2 used to be farm land, and those predicted costs are
3 not evaluated here --

4 M. GARNER: Thank you.

5 A. BARRIE: -- reasonably, in our opinion.

6 M. GARNER: So I take it you take umbrage to the
7 outcome of this model to you, and that's fine.

8 A. BARRIE: We spent a lot of time in that in
9 our evidence, yes.

10 M. GARNER: Yes.

11 Now, here is another one that's really just a --
12 I am a little confused.

13 If you go to Tab 3 and page 17 of the PDF, we
14 are talking about the positions, and I must be
15 missing something here.

16 In 2024, it said you had 50 hires, and then you
17 will see a table just below that, and it will say
18 number of full-time positions hired in 2024, 101. I
19 was trying to remember -- maybe it's there. I was
20 trying to remember, why is that number so different?

21 A. COLLIER: So the first table on page 17 of
22 your compendium are brand new positions. The second
23 table is hiring, meaning people retired, people
24 resigned, new positions. It's the full combination
25 of movement.

26 M. GARNER: It's turnover and everything.

27 A. COLLIER: It's everything.

28 M. GARNER: Yeah. It's everything.

1 A. COLLIER: Yeah, yeah.

2 M. GARNER: And I see, that's the difference.

3 A. COLLIER: Yeah.

4 M. GARNER: Right. Thank you.

5 PRESIDING COMMISSIONER DUFF: At some point, I
6 was going to suggest you may want to take a break,
7 Mr. Garner.

8 M. GARNER: Yeah. Sure. Let's just -- one
9 second. I am in your hands, really. I mean, you
10 know, would you like to take a break right now?

11 PRESIDING COMMISSIONER DUFF: There was a pause
12 in your cross. We have been sitting --

13 M. GARNER: That was my dramatic pause but...

14 PRESIDING COMMISSIONER DUFF: Well, why don't
15 we, then. We have now stopped the flow of your
16 cross. I mean, we have been sitting for an hour and
17 a half.

18 M. GARNER: For sure.

19 PRESIDING COMMISSIONER DUFF: I just was looking
20 at the rest of the schedule. From what I have been
21 told, BOMA is no longer cross-examining, so it is you
22 for the rest of the day, really.

23 And then, Staff, we will see how time -- where
24 we are there, but, I mean, perhaps we also start
25 fresh tomorrow morning.

26 M. MILLAR: Yes. We are in the Board's hands.
27 I can advise we definitely have less than the two
28 hours we had put down initially, but we have more

1 than we would be able to finish today, so if you
2 would like to start fresh in the morning or however
3 the Board would like to do that.

4 PRESIDING COMMISSIONER DUFF: Okay. That's
5 really helpful. Thank you for telling me that.
6 Okay. Let's take a break and meet again at five
7 after 4.

8 --- UPON RECESS AT 3:52 P.M.

9 --- UPON RESUMING AT 4:08 P.M.

10 PRESIDING COMMISSIONER DUFF: Please be seated.
11 Mr. Garner, do you want to continue?

12 M. GARNER: Thank you.

13 The next place I'd like to go, if you don't
14 mind, is at Tab 4 in my compendium, and specifically
15 page 21 of the PDF document, if Ms. Chartrand has the
16 thing there.

17 Now, if you go below, if you scroll below here,
18 you will see a Table 2. And, you know, there has
19 been a lot of discussion, and I have certainly --
20 think I have heard what you have to say about the
21 merit, but there was a lot of discussion basically
22 about how does a 17 percent reduction in the capital
23 plan flow through to a reduction in OM&A costs, et
24 cetera.

25 And I have heard your answer, I think the Board
26 has heard your answer about -- it doesn't, is what I
27 am hearing, anyways. But if one were to take a
28 contrary view that it must, and there must be a

1 result from that, what I was wondering was if you
2 will see here, you have percentages of OM&A as to
3 gross capital.

4 If one were to try and create an estimate of
5 what that savings is, and I know you don't believe
6 there is one that way, I'd still -- because we may
7 raise it in argument, I want to give you an
8 opportunity to look at this table and tell me, like,
9 what would be wrong or what would be the best way,
10 whatever way you would like to do it, of using, let's
11 say, 2026 or an average over that period and saying,
12 well, I can extrapolate from that the reduction
13 because I can take 20 percent or whatever it is,
14 because that's what it was before, and 20 percent of
15 that 17 percent -- you know, you could do a
16 mathematical calculation that shows you how to reduce
17 the OM&A by looking at this table.

18 I would just like to put that to you so that you
19 can consider it and tell me -- I am sure you are
20 going to tell me it's a bad idea to do it in any
21 event but is there a better way if you were going to
22 do it? Or is there another way the Board might say -
23 - if they were inclined, say, yes, you would need to
24 reduce it in some fashion?

25 L. HEUFF: So I think maybe there is a few
26 parts, and we will start by stepping through to maybe
27 just consider the -- what the updated percentage is
28 as well.

1 M. GARNER: Thank you.

2 L. HEUFF: So currently, if I am reading the
3 table the way that it's presented, so we are saying
4 that as a result of the total gross capital
5 expenditure increase, the percentage of O&M is
6 actually reducing -- with the original plan, with the
7 as-filed evidence, it would have been reducing to
8 20.6 versus the historical percentages of O&M to
9 total gross capital expenditures.

10 M. GARNER: Um-hmm.

11 L. HEUFF: Correct?

12 With the update -- and I did -- just out of
13 interest sake, I did run this number just to see, and
14 I asked to see what it would look like with the
15 reduced gross capital expenditure and to -- this is
16 with the 17 percent reduction just applied equally as
17 was done in the settlement proposal. And it brings
18 it down to 24 percent -- or brings it up, sorry, to
19 24 percent.

20 So suffice it to say that even at 24 percent, it
21 is still -- we are still looking to be much more --
22 like, it's still lower than what the historical
23 average is as a percentage.

24 And so the, you know, statements that were made
25 earlier around the fact that the O&M doesn't
26 necessarily reduce proportionally, I think, still
27 stands in the same sense that, in fact, previously,
28 we were probably even light, maybe, on O&M, if you

1 were to say that we would have maintained the
2 historical levels. And now with the capital
3 reduction that's been implemented, we are closer but
4 still lower than even the 2025 level of 25.8 percent.

5 M. GARNER: Maybe -- thank you, first of all,
6 for that.

7 But, again, let me put it this way: If the
8 Board were inclined to think that there should be
9 some adjustment for the lower capital, is there a way
10 in your mind that that could be done that has a
11 reasoning to it, a logic to it?

12 L. HEUFF: I mean, I'd have to almost walk you
13 through program by program as to why I don't feel
14 that the reduction would be merited. Now, I can
15 speak specifically to the system O&M programs, and
16 perhaps if that's of interest to you to walk through
17 individually why --

18 M. GARNER: No, I don't think so. And maybe it's
19 not even a fair question to you because your position
20 is that it wouldn't make any adjustment. But I just
21 wanted to be able to put that to you in case there
22 was something you wanted to explain.

23 L. HEUFF: So maybe to explain -- since I don't
24 know that I could provide a methodology, maybe to
25 explain why I don't think I can provide a methodology
26 might be an easier way to answer the question or a
27 more appropriate way to answer the question.

28 And so I think you have to consider the way that

1 we budget the individual programs and the individual
2 maintenance programs that are considered within the
3 system O&M line.

4 And I think it would be easy if -- or easier to
5 kind of describe if you were to move, if you don't
6 mind, Lianne, to 2-5-5, page 110, Table 36. Thank
7 you.

8 So if you see on here, this is the -- it is an
9 expansion of the table that we were looking at
10 previously where the system O&M programs are expanded
11 into their individual pieces.

12 So if I was to look at things like vegetation
13 management, underground locates, minor maintenance,
14 station -- stations maintenance is maybe not a great
15 example, but a number of the different items, even --
16 these pieces don't actually have or they have very
17 little connection, if any, to the capital program and
18 the actual drivers within the capital program.

19 And then you'll see there's other line items
20 with system ops 24/7, distribution overhead and
21 underground maintenance, station maintenance, testing
22 and inspection and maintenance, where there's
23 potentially a loose correlation between the two;
24 however, in fact, depending on which programs we're
25 contemplating -- so, for instance, a systems service
26 program where we are expanding the system as a result
27 of the capacity upgrades, we're in fact adding
28 assets.

1 And so the logic actually becomes counter to
2 what you would think in that space because we have
3 mandatory inspections and maintenance that we must do
4 on assists in the system.

5 And so a large investment in capacity upgrades,
6 in fact, drives the overall dollars for maintenance
7 up. In much the same way as we reduce system renewal
8 dollars, which we will likely have to do a reduction
9 in system renewal dollars as a result of the 17
10 percent reduction, there is obviously a very stronger
11 need for us to be more heavily investing in
12 inspection and maintenance, as we have discussed many
13 times over the past couple of days, around gathering
14 more condition information.

15 And so, again, there is an inverse correlation
16 in that sense where if you reduce the capital, you're
17 going to need the increased overall maintenance
18 dollars.

19 And so it's pretty difficult to say that there
20 is a direct one-to-one correlation because the answer
21 is it depends where you're removing the capital from,
22 and it also depends where the incremental capital is
23 going into.

24 So the system service being one of the main
25 drivers, as was pointed out, and even in the comments
26 by Board Staff on the settlement proposal, that's
27 actually driving higher maintenance dollars just in
28 the fact that it's growing because we have more

1 assets to inspect.

2 M. GARNER: Yeah. Thank you. I don't want to
3 interrupt, but, I mean, you are making the point you
4 have made before about it not leading to these
5 changes or -- and the second point as I am hearing it
6 is, and it depends on really what capital you end up
7 adjusting, which you haven't decided.

8 I guess that would then say this is if the Board
9 gave you a target, you would have the ability to
10 adjust your program to best meet the Board's target.
11 Because, as you're saying, you would be able to go
12 looking through your programs and ask yourself, where
13 are those places I can make those changes? Because
14 that's the reverse of what you've just said, which is
15 it depends on the program. Some of them are gives.
16 Some of them are takes. And so, you know, I have to.

17 And then I guess if the Board, though, said to
18 you is, okay, you are going to reduce your OM&A by
19 this amount of capital, you would have an opportunity
20 to look at your capital, and then that would go into
21 the inputting of your decision making. You'd be able
22 to input that as one of many elements, I am sure?

23 L. HEUFF: No. I would actually just
24 respectfully disagree with that commentary. We know
25 that there is a doubling of the capital program. We
26 know that a large portion is attributed to capacity
27 upgrades. That capacity upgrade volume and those
28 expansions of our system are mandated by customers

1 who are asking for connections. Those new assets
2 will be coming online. We have a deferral and
3 variance account for the capital upgrades program as
4 a result of that known growth that is coming online.
5 So those ones are going to be growing programs.
6 Those will create incremental.

7 We do know that there is going to be decreases.
8 It is very likely there will be decreases in the
9 system renewal. And, in fact, we have already
10 decreased the system renewal as part of the
11 rationalization exercise, which are putting further
12 stress on our O&M programs.

13 So the reason I am saying there isn't a
14 reduction is because it's actually that we have a lot
15 of increased stress just as a result of where the
16 program has lied -- or where it has landed at this
17 point in time. And further reductions are just going
18 to make it harder.

19 M. GARNER: I think we can -- we can agree to
20 disagree on that, but I think I can move on.

21 L. HEUFF: Okay.

22 M. GARNER: The next place I would like to go is
23 talk about the shared services, and this is in -- and
24 as a number of people have -- this is in Tab 5. And
25 there is a lot of different tables in here, but the
26 tables I would like to take a look at just to get
27 myself and you and us in the same -- on the same
28 page, so to speak, is the table at page 25.

1 There is a table Hydro Ottawa Holdings provided
2 by -- to Hydro Ottawa. That table is the one -- I
3 think we've seen this before -- going from 3.8
4 million to 7.7 million.

5 And then there is a table right after that on
6 the next page, I believe -- no, maybe it's not the
7 next page. There should be a table in here that
8 shows the other -- the reversal of that, the -- oh,
9 yeah, sorry. It's -- the tables are at page 25, I
10 guess, is the ones that show Hydro Ottawa is
11 providing to the holding company. And that one
12 actually doesn't change very much. That one goes
13 from 4.8 -- actually, it declines to 4.7.

14 Now, there is a number of reasons for that, and
15 it's written up in the evidence, a number of reasons
16 for all this. But one of the things that I had a
17 pause on was a comment made earlier in the hearing
18 which -- when someone was asking really about the
19 FTEs that are implied by the larger corporate
20 allocations of leadership, I think there was a
21 comment made -- might have been by you, Ms. Collier,
22 that -- or might have not been -- but it was that,
23 yeah, one has to look at both sides because there is
24 also the other people who we are giving services to.

25 But just on a dollar basis, you are actually
26 doing less in dollar basis, notwithstanding your own
27 cost base is much higher under your application,
28 which one would assume on a per-unit basis, your

1 costs should be much higher, but your costs are
2 actually declining in that way. They are not going
3 up.

4 So the real change is only happening from
5 holdings -- from the monies that are going to
6 holdings company, not really from the other way
7 around; isn't that correct? It seems patently
8 obvious that's the way the dollars are moving; right?

9 A. BARRIE: So in terms of the costs that are
10 decreasing with Hydro Ottawa to its affiliates, it's
11 actually related to -- less to FTEs as a result. So
12 Hydro Ottawa is sharing warehouse space with one of
13 our affiliates. Their needs were growing at the same
14 time as Hydro Ottawa's needs were -- Hydro Ottawa
15 Limited's needs were growing, and as a result, the
16 affiliate has moved out of our warehouse and is now
17 elsewhere so that we can use the space that we need.
18 And as a result, that's not really mainly driven by a
19 people-related cost.

20 At the same time, they also moved out of our
21 head office space in order -- so that we could
22 support the growth that we were having in FTEs, and
23 as a result, again, that is less about FTE costs and
24 space.

25 M. GARNER: Are you claiming there are more FTEs
26 going -- of services from your utility going to other
27 affiliates? Are you claiming the trend is there are
28 more -- of all these people you have hired, there is

1 actually going to be more people than in the past as
2 being allocated work into the affiliate; is that what
3 you are claiming?

4 A. BARRIE: No. It's just you said the dollars
5 would relate to FTEs with the decrease, and I was
6 saying the larger proportion of the dollar decrease
7 has to do with --

8 M. GARNER: I understood --

9 A. BARRIE: -- facility space and warehouse
10 space.

11 M. GARNER: I understood what you were saying.
12 I am asking you another question, though.

13 Are you claiming there is a greater number of
14 FTEs being allocated from the utility to the
15 affiliates than in the past, a significant difference
16 than in the past?

17 A. BARRIE: No. I am just saying the change in
18 the dollars, if the FTEs can remain --

19 M. GARNER: Let's focus on the first part.

20 A. BARRIE: -- relatively flat --

21 M. GARNER: The answer is no; is that what
22 you're saying, though?

23 A. BARRIE: Correct -- well, I don't know the
24 answer for sure. I am just saying --

25 M. GARNER: Okay. Then it's not no.

26 A. BARRIE: -- your statement of saying that it
27 has to be FTE related is incorrect.

28 M. GARNER: I hear you, but you are still not

1 answering the question. Either you know it or you
2 don't. That's fine.

3 A. BARRIE: Just a sec. We will consult. Maybe
4 somebody else does.

5 So we did have a conversation during technical
6 conference about this one because we -- the chart
7 that we were looking at earlier in terms of the FTE
8 count, and it's a lot clearer on that side because we
9 integrate the fleet -- or the facilities cost and the
10 FTEs and the way the model work, it's not as easy to
11 pull those FTE numbers down.

12 So I can't -- to your point, I can't say if it's
13 level going higher or going down.

14 M. GARNER: You don't know.

15 A. BARRIE: But my point was a significant cost
16 reduction, I do know without knowing about the FTEs,
17 relates to warehouse space and facilities space.

18 M. GARNER: No, thank you. But -- and I was
19 more focused on the FTE side of that question, but --
20 and it's fine. I mean, I understand what you are say
21 -- you don't know that number. That's what it is.

22 The next thing I would like to talk about, about
23 the services from Hydro Ottawa Holding to Hydro
24 Ottawa. And I am sorry. I was -- I must have missed
25 this in the evidence, but as Mr. Gluck was going
26 through everything, there was the discussion about
27 the change that happens in corporate leadership in
28 '24/'25, and I am sorry, but the corporate structure,

1 Ms. Collier, your position, is that -- were you once
2 working for the utility, and when was that, so to
3 speak? I don't mean being allocated costs, but the
4 holding.

5 A. COLLIER: I haven't been for a long time, so
6 certainly my last three -- or my last two before this
7 one has always -- has been in the holding company.

8 M. GARNER: I should have said your -- maybe
9 your position. I wasn't really personalizing --

10 A. COLLIER: I mean --

11 M. GARNER: -- to yourself. The CFO --

12 A. COLLIER: -- the chief financial officer is
13 in the holding company, yes.

14 M. GARNER: And has been.

15 So I was -- I was just curious because I went to
16 your website, and I am just -- I wasn't sure I could
17 find this in your evidence, and there is a nice page
18 of the team management for Hydro Ottawa, which is the
19 utility; right?

20 And is Mr. Conrad the CEO still, and is he in
21 the holding company, or is he in the utility?

22 A. COLLIER: He is our CEO, and he is in the
23 holding company.

24 M. GARNER: Okay. Thank you. And you're in the
25 holding company. You are being paid from the holding
26 company.

27 And I am going to go through these executives --
28 and pardon me if I butcher names, and please correct

1 me. I'm, you know --

2 Ms. Desroches, is she in the holding company?

3 A. COLLIER: She is in the holding company.

4 M. GARNER: Okay.

5 And Mr. Paradis, is he in the holding company?

6 A. COLLIER: He is now in the holding company.

7 M. GARNER: I see.

8 A. COLLIER: We did have discussion earlier

9 today where that allocation changed.

10 M. GARNER: Okay.

11 And Ms. Lupinacci, is that close enough? Okay.

12 Is she in the holding company?

13 A. COLLIER: Yes.

14 M. GARNER: And Mr. Dubé, is he in the --

15 A. COLLIER: Yes.

16 M. GARNER: He is in the holding company.

17 And how about Mr. Fernandes? Is he in the

18 holding company?

19 A. COLLIER: He is.

20 M. GARNER: And finally, Mr. Khokhar, is he in

21 the holding company?

22 A. COLLIER: Yes. But he supplies no services

23 to Hydro Ottawa.

24 M. GARNER: But he doesn't do any services?

25 A. COLLIER: Not for Hydro Ottawa Limited.

26 M. GARNER: But why, then, is he on your Hydro

27 Ottawa -- executive management team for Hydro Ottawa?

28 A. COLLIER: I think maybe you're looking at the

1 holding company executive management, or -- or we
2 just have one shared --

3 M. GARNER: I am on MyAccount. I see MyAccount
4 here, so I assumed it was the hydro company's
5 utility. It says "MyAccount". I guess if I press
6 here, it says -- I get MyAccount, so maybe -- maybe I
7 am, but, I mean, I am looking at hydroottawa.com.

8 I guess it doesn't matter for -- I mean, maybe
9 there is an error on the web page, and he shouldn't
10 be there. That's fine and dandy, I guess. But I am
11 just -- I am just curious about -- about that
12 structure.

13 So every person that's on the executive team is
14 from the holding company. And, Ms. Barrie, who do
15 you report to? Do you report to any of these
16 executives?

17 A. BARRIE: Yes. I report to Ms. Collier.

18 M. GARNER: Okay.

19 So there was an earlier conversation about how
20 you do the allocations between these utilities for
21 costs, and, Ms. Collier, the -- not to put words in
22 your mouth, paraphrase -- we have our calendars, we
23 do some timesheets, we do some stuff like this. We
24 don't have a formalized process, so we don't have a
25 person -- your EA, let's say, does not have a book to
26 go to to say, this is how I must allocate my time in
27 this office; that's not how it's done?

28 A. COLLIER: Every EA for each executive, their

1 allocation of time mirrors the allocation of their
2 executive.

3 M. GARNER: I see.

4 And you don't have, then, a set of rules that
5 you must apply, and if you don't apply them, you're
6 subject to some sort of sanction or whatever, do you
7 know what I mean. You are told to correct your --
8 the way you are doing this. You don't have a
9 guideline. And so --

10 A. COLLIER: I am not -- that's not -- I am not
11 clear on what you mean by that, rules --

12 M. GARNER: Well, what I mean is that you
13 allocate your time by your calendar, let's say, and
14 let's say Ms. Barrie gets it and she says to herself,
15 this doesn't look right, you're spending too much
16 time that we don't think you should spending it with
17 us, how does she go, like, the rule says -- Rule 6
18 says you are only supposed to do this? How does she
19 do that?

20 A. BARRIE: So we do provide education to those
21 who are supposed to be allocating their time so they
22 do understand, you know, that they should only be
23 allocating their time from -- for each affiliate
24 based on the work that they do. Certainly, year over
25 year, if we see swings, regulatory affairs is part of
26 that process, and we do ask questions, and we ask for
27 support in terms of understanding of why any
28 allocation would change, or if we're aware of

1 something that we thought would have impacted that,
2 we would also ask those questions.

3 M. GARNER: So you're in the position of
4 questioning your superior as to how their costs
5 should be allocated to the utility you work for?

6 A. BARRIE: Well, we -- they are aware of the
7 ARC, which is a very important --

8 M. GARNER: But I didn't ask that. You are in
9 that position.

10 A. BARRIE: So, yes, I am in the position --

11 M. GARNER: Are you in that position?

12 A. BARRIE: I can ask for understanding of why
13 if it's -- if it's changed, it's -- that's my role,
14 and that's my responsibility. Our internal auditor
15 ultimately -- you know, he has the dotted line
16 outside, but -- and he reports up to the CEO.

17 Similarly, you know, there is a code of ethics.
18 I am required to follow it, and I will ask questions
19 where I see anomalies or in ensuring, and my role
20 also is to ensure that people do understand the ARC
21 and the responsibilities under the ARC.

22 M. GARNER: Okay.

23 Can I ask, Ms. Chartrand, that you pull up -- I
24 gave you the reference -- 4 Staff 151. Do you mind
25 pulling that up for me, please. I am sorry. It
26 wasn't in my compendium. I thought it was, and I
27 noticed it was not. So I wonder if we can just take
28 a quick look at that. I think this -- 4 Staff 151,

1 yes. I think if you scroll down, it should be in
2 here. I am looking -- okay. Stop here.

3 Under the -- this is -- right here on page 204,
4 it says -- it's about sustainability. It says:

5 "Two of the four new positions will directly
6 support Hydro Ottawa's commitment to
7 sustainability and efforts related to Hydro
8 Ottawa Holdings' net-zero operations
9 target".[as read]

10 Why do the ratepayers care about Hydro Ottawa
11 Holdings' net-zero operation? Why do they care about
12 that?

13 T. FREEMAN: So this narrative is describing
14 that the net-zero target is at the holding company
15 level; however, these positions will be situated
16 within the regulated utility and focused on
17 coordinating efforts within that regulated utility
18 for the regulated utility's emissions.

19 M. GARNER: Why are you doing anything, I am
20 saying? Is -- why is Hydro Ottawa doing anything?
21 Are you doing something for Home Depot's program or
22 for Enbridge's program? Why are you doing anything
23 for this holding company's net-zero program? Why are
24 you interested in doing that?

25 T. FREEMAN: Sorry. These staff are focused on
26 Hydro Ottawa Limited's sustainability, emissions,
27 Hydro Ottawa Limited is the largest affiliate of
28 Hydro Ottawa Holding, and as you can image by the

1 type of work we do with our facilities and our
2 fleets, the bulk of the emissions that reside within
3 Hydro Ottawa Holding would be generated by Hydro
4 Ottawa Limited. So these staff are focused on the
5 regulated utility advancing emissions reductions
6 goals within that regulated utility.

7 M. GARNER: But they are not your net emissions
8 reductions, they are the holding company; right? You
9 are adopting their targets. They are not yours, they
10 are from your bosses, so to speak, have decided that
11 this is what you're doing.

12 T. FREEMAN: So the emissions of the regulated
13 utility contribute to the holding company. If you're
14 asking why the -- sorry -- why the regulated utility
15 cares about reducing our emissions, there is a long
16 answer to that.

17 Our customers care that we are leaders in
18 sustainability, that we walk the sustainability
19 journey along with them. Our customers are also
20 pursuing reductions in emissions. They are facing
21 targets from their investors and parent companies.
22 We are their major energy provider for a lot of them,
23 and they are looking to us for leadership and
24 guidance and -- and we care.

25 M. GARNER: But they are not your targets;
26 right? They are their targets. That what this says,
27 they are their targets, not your targets.

28 T. FREEMAN: The ultimate net-zero goal is held

1 by the holding company, but the emissions of the
2 regulated -- contribute to that --

3 M. GARNER: Can I take a -- I'm sorry. I didn't
4 mean --

5 T. FREEMAN: I was just going to say that we --
6 that the regulated utility is also committed to
7 reducing our emissions. It is actually on our
8 scorecard as well.

9 M. GARNER: Okay. Thank you.

10 Can we go to -- I am going to flip over to the
11 other compendium that my colleague Mr. Harper was
12 using, Compendium 2, and it's on page 8. And he
13 brought you to this question and I want to go back to
14 the question he said. And it's on page -- it's the
15 line that says -- and because -- I am bringing this
16 up because I think the record is a little fuzzy on
17 this when I listened to what was said. The sentence
18 I want to read is:

19 "The net metering charge was removed to
20 encourage residents to generate their own
21 energy and support the City of Ottawa's energy
22 and emission plan".[as read]

23 Now, in English, there is a thing called
24 conjunction; right? It's about ands and bes and
25 buts. So you -- it means you are putting together
26 two sentences. So the sentence actually reads two
27 sentences, and one of those sentences reads, the net
28 metering charge was removed to support the City of

1 Ottawa's energy and emission plan.

2 Isn't that the way that sentence is read? Or do
3 I have the wrong view of the English language and
4 conjunctions? Or are you resiling from that point?
5 You seemed to be in the discussion with Mr. Harper.

6 A. BARRIE: So -- and maybe the language there
7 is strong because we were getting complaints from our
8 net metering customers, and it also supported. So
9 the wording in that is probably a little stronger
10 than it should be, but we did --

11 M. GARNER: So are you resiling from it?

12 A. BARRIE: -- remove the charge, and we felt
13 that it both helped support net metering customers,
14 and it was something that we were going to undertake
15 on a short-term basis at least, to take on that
16 revenue risk over the rate term as we evaluated the
17 net metering charge.

18 M. GARNER: Ms. Barrie, you adopted this
19 evidence in the beginning with the Panel. Are you
20 resiling from this? Are you saying it's miswritten?

21 A. BARRIE: No. It's part of -- it's -- I just
22 find the wording a bit strong. You're pointing it
23 out. Yes, there's -- I am committed to the evidence.
24 But, you know, you're pointing out -- I am an
25 accountant. My strongest suit isn't actually in
26 grammar. And it's -- the remove is -- you're right,
27 it is a very strong statement.

28 And so I would have put the focus on I know we

1 were having also a lot of customer complaints, and
2 that was a reason we temporary removed the charge,
3 and we were reassessing it. And --

4 M. GARNER: I find it odd, though, that there is
5 nothing in that sentence that says about customers
6 complaining, is there? I am just missing that point.

7 A. BARRIE: There is not. And we don't --

8 M. GARNER: I see. Okay. That's fine. I just
9 wanted to know.

10 A. BARRIE: That is why I'm saying it's strong.

11 M. GARNER: I have heard you say it a few times.
12 I don't see it written anywhere. But that's fine.
13 That is why we are here today, I guess.

14 I would like to move on, I think, from that
15 area.

16 T. FREEMAN: If I could just be permitted, I do
17 want to clarify one thing because we moved on from
18 the previous conversation pretty quickly there.

19 M. GARNER: Sure. By all means.

20 T. FREEMAN: I want to correct something. So
21 you did mention that there are no targets for
22 greenhouse gas emission reductions for Hydro Ottawa.
23 It's not correct.

24 If we could pull up Exhibit 1-3-2, please, on
25 page 5. And what you will see is our custom
26 scorecard. And if we can just scroll down to the red
27 section, which is environment, and Line Number 1 is
28 to reduce our scope 1 greenhouse gas emissions. So I

1 did just want to clarify --

2 M. GARNER: Well, I am not sure you have
3 clarified anything because my point was, who made
4 those targets? Not that they had them. My point was
5 who established them? And the way the evidence read
6 was it sounds like the holding company -- that
7 evidence says the holding company --

8 T. FREEMAN: So the holding company established
9 a net-zero target. Hydro Ottawa Limited has
10 established a target of reducing scope 1 greenhouse
11 gas emissions as outlined in this table.

12 M. GARNER: Thank you.

13 A. COLLIER: And maybe if I can just have one
14 more point.

15 M. GARNER: Yeah, go ahead.

16 A. COLLIER: And Mr. Freeman certainly went
17 there with what customers care about. Things like
18 idling of large bucket trucks in their communities is
19 certainly something that they care about. So it is
20 an important factor for Hydro Ottawa Limited to also
21 reduce our greenhouse gas emissions. We do have a
22 very large fleet of vehicles that run lots of diesel.

23 M. GARNER: Okay. Thank you.

24 I want to go on to another issue. This is a
25 relatively minor issue. It's at Tab 7.

26 And the first table which is at page 35, this
27 just shows what your fees - I think they are in
28 hundred thousands of -- fees you are paying to EDA,

1 the Electricity Distribution Association, in
2 membership fees.

3 And then we had asked you about premiums you pay
4 to the MEARIE Group. It's my understanding the
5 MEARIE Group and the EDA are related companies; is
6 that your understanding? They share some governance?
7 Maybe you don't know.

8 A. BARRIE: Sorry, we don't know.

9 M. GARNER: That's fine.

10 If you go down to -- and so we had just asked
11 you what's the insurance -- we were looking for
12 premium increases from the MEARIE Group.

13 And I was struck by -- and then we hadn't
14 followed it up in the technical conference, and so
15 now I can only follow it up here.

16 And if you go to page 37 of this compendium, you
17 see at the bottom, it says -- yeah, no, it's on the
18 last page, so it's one more page, I believe. Yeah,
19 there we go.

20 It says:

21 "The MEARIE Group's competitive position in
22 terms of providing similar insurance systems to
23 the potential companies".[as read]

24 Disclosing it could decrease their sort of
25 competitive position is what this -- I take it this
26 is trying to say; right?

27 And I was kind of wondering, like, why do you
28 care? Are you -- got something vested in MEARIE?

1 Like, you care about that for some reason? Or is
2 there something in their agreement with you that says
3 that they can't share information like that?

4 D. COBAN: Mr. Garner, I think you're referring
5 to a portion of the record that the Board has granted
6 confidential treatment of.

7 M. GARNER: Um-hmm.

8 D. COBAN: And as you're aware, this is one of
9 the grounds for confidentiality under the Board's
10 rules. So it's, you know, not so much about why do
11 you care, but more a matter of complying with the
12 confidentiality protocols and the decision that the
13 Board had issued in respect of the underlying
14 insurance premium information.

15 M. GARNER: Well, I still ask the question, do
16 you have an interest in the competitive position of
17 MEARIE?

18 A. COLLIER: When we're posed questions like
19 this in interrogatories or undertakings, before we
20 are going to disclose information from our suppliers,
21 whether it be insurance or any supplier, we would
22 have to get their permission, and we did not get
23 their permission, hence we filed the confidentiality,
24 as Ms. Coban talked about.

25 M. GARNER: Okay. Thank you.

26 I would like to move on to Tab 8. And this is
27 under "Testing, Inspection, and Maintenance
28 Variances". And part of this is just a math problem

1 I am having, and I am probably looking at two things
2 that don't match and that's why. So maybe you can
3 help me with it.

4 You will see under the expenditures, you have --
5 expenditure line, you have 26 -- you have 8.894
6 million in '26, et cetera.

7 And then in response, there is a table that goes
8 through -- I think it's in this table. Maybe it is
9 below -- oh, sorry, it's below and -- and then
10 actually you can see in -- also in the evidence, I
11 think, what I have shown you is in the evidence then
12 had a table.

13 And then there was an interrogatory filed by
14 Board staff, 4 Staff 134, and it's showing up at page
15 42. And it kind of reproduces the table in the
16 evidence, and now it gives dollar figures next to it.
17 And the dollar figures end up at \$5.6 million as a
18 total.

19 So maybe one of you could just help me with how
20 do I make that \$5.6 million match up with Table 6
21 testing and inspection maintenance which also
22 includes the table without the dollar figures and the
23 evidence? How do I kind of make the 5.6 match the --
24 any of the figures and expenditures of Table 6? Is
25 there a way? Why are the numbers different? What am
26 I missing here?

27 L. HEUFF: Yes, there is a way. And you aren't
28 the only one who was confused, and I do apologize for

1 the confusion.

2 We have put on the record -- I would point you
3 to JT1.11.

4 M. GARNER: Okay.

5 L. HEUFF: Table A.

6 So if you scroll to the bottom, you will see the
7 \$6.1 million figure is added up in both cases.

8 M. GARNER: Okay. I missed this. And thank
9 you. So this is where I am -

10 L. HEUFF: This is --

11 M. GARNER: -- that problem gets resolved.
12 Okay.

13 L. HEUFF: Yes.

14 M. GARNER: Okay. Thank you very much. I don't
15 want to waste the time on it.

16 So the -- most of the thing under maintenance is
17 actually under the third-party non-wire alternative;
18 right? And that's actually the largest thing. It's
19 not -- why is that maintenance -- just as a practical
20 -- why is it classified as maintenance?

21 L. HEUFF: Yeah, so it's maintenance mainly
22 because it's difficult to characterize it as
23 something, and it's a new program, and this was kind
24 of a decision of which bucket to put it under. It's
25 maintenance in the sense that what it is is the
26 activities are maintenance.

27 The questionable could be whether testing
28 inspection and maintenance as a parent program, if

1 you will, was the correct location for it or not.
2 All that to say, the activities that are being
3 undertaken within it are maintenance activities.

4 M. GARNER: Okay.

5 Does it show up somewhere else in Hydro Ottawa
6 for evaluation of the effectiveness of third-party
7 non-wire alternatives when you do some kind of, you
8 know, analysis of, we did this, and these costs are
9 part of the costs of doing that, so whether -- did we
10 do something cost-effective, do you know what I mean?

11 L. HEUFF: So we have the BCA analysis that we
12 did file.

13 M. GARNER: So that's where this same figure
14 kind of does show up?

15 L. HEUFF: No, no. So -- and I think that's
16 maybe a bit of an area of clarification.

17 So the BCA itself is the analysis that we did to
18 ensure that the programs that we are employing in the
19 Kanata North region, specifically which are on
20 evidence, that they were cost-effective and that they
21 proved that the benefit cost analysis was positive.

22 Then there is -- we have another project that's
23 on the record, which is ODERA, and ODERA is a lot of
24 the enabling technologies to support our ability to
25 deploy the non-wires solutions, one being the BCA,
26 the programs that are described within the BCA that's
27 on the record.

28 And then this is another bucket of money, which

1 is this third piece, is the non-wires maintenance
2 fund, which is -- as I was -- I described it pretty
3 comprehensively this morning. I am not sure if you'd
4 prefer I went through it again or if you'd rather
5 just go back to the transcript which -- for your
6 time.

7 M. GARNER: I can look at the transcript in the
8 interest of time, but thank you -- thank you for the
9 offer.

10 L. HEUFF: Okay.

11 M. GARNER: I want to go to -- I believe it's
12 Tab 9, and I am a little bit shaky on what I have got
13 here, so let me just -- let me just, I think,
14 describe the problem, and maybe I have got -- I am
15 looking for the math I did. And if you shouldn't do
16 math on the stand, you shouldn't do it when you are
17 cross-examining, even with a pen, because I am not
18 good at it.

19 So here is what I was really trying to put
20 together in Table 20, which is on page 47, and then
21 the explanation, which is on page 48, and the
22 increases here.

23 And this goes -- I was trying to figure out
24 what's happening here because it says there's a \$1.1
25 million increase due to the strike from '23 to '24,
26 and then from '26 to '25, it says there is another
27 \$1.4 million, and then you get 10.5. But the strike
28 doesn't reproduce itself; right?

1 So wouldn't -- am I right that you back -- you
2 should be backing out the 1.1 after it comes out
3 again; right, doesn't it? Because the strike only is
4 a one-time event?

5 PRESIDING COMMISSIONER DUFF: Are we back in
6 your compendium, like, the reference that's on the
7 screen?

8 M. GARNER: No, we are not. We should be back
9 at the compendium -- thank you. We should be back at
10 the compendium at page 48. I am sorry. Thank you.
11 I am looking at my screen, not their screen. Sorry.

12 T. FREEMAN: So the 1.1, you are correct.
13 That's -- the two sections there are showing the
14 delta between 2023 and 2024. The 1.1 million
15 describes the reason for compensation cost changes in
16 between those two years. Obviously, '23 were because
17 of the strike. '26 versus '25 describes a different
18 variance, so the 1.1 million in compensation change
19 that's denoted as being from the strike is not
20 related to the change from '25 to '26.

21 It might help if we look at -- in -- at this
22 budget in more detail. If you'd like, I can take you
23 to --

24 M. GARNER: Well, no. Maybe there is an
25 explanation there, but, again, thank you. Maybe we
26 will go there. But just so I can say your answer
27 back because I, again, just --

28 The -- it goes from \$7.8 million in '23 to \$10.6

1 million in '26, and that's explained -- the
2 difference of that is 2.7, roughly, I think -- is
3 explained by those two items in this explanation, but
4 then one of them is not repetitive. But now you are
5 going to say, but there is a -- that's --

6 T. FREEMAN: Sorry.

7 M. GARNER: -- kind of not right. There is a
8 better place to look for that increment than --

9 T. FREEMAN: So the 1.1 million increase from
10 '23 to '24 would continue because '24 returns to
11 normal. One point -- or '23 was artificially low as
12 a result of the strike. So the 1.1 million increase,
13 when we go to '24, is returning to normal staffing
14 levels.

15 M. GARNER: But '22 is very close to '23, so --
16 and kind of -- like, the trend is really the other --
17 like, you are saying it was abnormally low, so then
18 there was a major increase that would have increased
19 in '23, but didn't increase because of the strike?

20 T. FREEMAN: So this is where I think the full
21 budget would be helpful because there is more detail
22 than is shown on --

23 M. GARNER: That's where -- why you were
24 bringing me to that.

25 T. FREEMAN: Yeah, so if we could go to CCC 46,
26 please, Lianne. And it would be at the top of page
27 2.

28 And so this is the full breakdown of the budget

1 that you were looking at. And if we look
2 specifically at labourers, the top line there, you'll
3 notice that 2022, we are around 4.5. There is a
4 significant dip in 2023 and then a bump back up in
5 2024 and then continuing on. So you can see the drop
6 in compensation, again, as a result of the strike in
7 2023.

8 M. GARNER: Okay. Thank you. Thank you for
9 that.

10 Sorry. Just -- if you just give me a moment to
11 look through my notes.

12 I think we will leave it at that and let
13 everybody get home a little early today. So thank
14 you very much for your responses, and thank you,
15 Panel, for your indulgence.

16 C. LI: Madam Chair, this is Clement Li from
17 BOMA Ottawa. I am wondering if you would kindly
18 allow me to ask one clarification question on net
19 metering. I know that I indicated earlier that I was
20 not going to do cross-examination, but then I figured
21 I only had one quick question, and it only takes five
22 minutes.

23 PRESIDING COMMISSIONER DUFF: Mr. Li, please
24 proceed. That's fine. Thank you.

25 **CROSS-EXAMINATION BY C. LI**

26 C. LI: Thank you. Thank you. I really
27 appreciate it. Okay.

28 Before I ask the question, let me play back the

1 events a little bit just to make sure that I get all
2 the facts.

3 So 2021 to 2025 rate period, Hydro Ottawa was --
4 well, received an OEB-approved net metering charge.
5 It's about 14 to \$16 over the period, depends on what
6 year. And -- and in November 2021, Hydro Ottawa
7 stopped charging for their client this net metering
8 charge and -- because -- well, the reason -- I don't
9 have to repeat the reason because it was discussed
10 many times today already.

11 But it really has no impact on the rate per se
12 because the revenue associated with this charge was
13 already included in the rate or deducted, I should
14 say, so it really has -- other than Hydro Ottawa was
15 earning a little bit less income, it really has no
16 impact on other customers; is that correct?

17 A. BARRIE: That is correct.

18 C. LI: Okay. And then so -- so in this
19 application, 2026 to 2030, so you're proposing to
20 officially remove this charge. And as listed in
21 JT3.8, which is actually conveniently listed in Mr.
22 Harper's compendium Tab 6, if you don't mind going
23 there just to put it on the screen, that would be
24 helpful.

25 So if you scroll down all the way to the bottom,
26 Table C, I think -- is it Table C, 2 C? Yeah, Table
27 C, okay.

28 So that is the illustrative revenue associated

1 with net metering. That is if Hydro Ottawa was to
2 charge the customer based on cost base, I guess, that
3 would be the revenue if you have this charge; is that
4 correct?

5 So if I add up the bottom row, I got \$544,000.
6 So let's say it's about half a million dollars. And
7 that would be included in your distribution rate if -
8 - under your current proposal; right? Because you
9 are not charging this; is it correct?

10 A. BARRIE: That's correct. Anything that's not
11 charged in other revenue will result in going into
12 what we were talking about yesterday when we went
13 through those levels of different revenue
14 requirements. So this would -- other revenue reduces
15 service revenue to get to revenue requirement from
16 rates. So if --

17 C. LI: Right.

18 A. BARRIE: -- this was collected then, yes. As
19 a result of this not being collected, it ends up in
20 revenue requirement from rates.

21 C. LI: Can you tell me how do you -- in your
22 current application, how do you allocate this in your
23 cost allocation model? Is it -- is it to all rate
24 classes, or is it just on residential and small GS
25 class because that is where your net metering
26 customers are?

27 A. BARRIE: Just to clarify, are you referring
28 to -- in historically when the revenue was being

1 collected? Or do you mean with the lack of other
2 revenue where the OM&A is going? Or the change --

3 C. LI: With the lack --

4 A. BARRIE: Because the OM&A, just to give some
5 -- the OM&A component is allocated one way in the
6 cost allocation model, other revenue is allocated in
7 a different way within the cost allocation model. So
8 if you take it from the perspective of other revenue
9 being higher versus how the OM&A is allocated, it's
10 kind of like a different answer, so...

11 C. LI: I am talking about in your current
12 proposal because you -- you are not proposing to
13 receive this revenue; right?

14 A. BARRIE: Correct.

15 C. LI: So that is cost --

16 A. BARRIE: So then if I --

17 C. LI: -- to you. How do you allocate this
18 cost?

19 A. BARRIE: So as a result, you would have to
20 look at the OM&A cost and how it's allocated. And
21 there is a billing and collections tab in the cost
22 allocation model, and so it would be flowing through
23 the same kind of allocators as the billing and
24 collection allocators.

25 C. LI: So it's just the general billing
26 allocators. So if that's the case, that would be to
27 all classes. Can I assume that?

28 A. BARRIE: Yes. But based on the specific

1 allocation of the classes. Because they each have a
2 different allocator within the billing and collecting
3 allocation. So it does get allocated to all classes.

4 C. LI: Right, right. I guess that's what I am
5 getting at. It's not only -- in reality, this is
6 really costs by net metering customers only, and they
7 really should go to residential and small customer --
8 I mean, the small business customer. But in your
9 cost allocation model, it's being allocated to all
10 classes?

11 A. BARRIE: But we also have net metering and
12 commercial classes, and the only ones that are not
13 automated and are actually in the costs are related
14 to the commercial classes. So it's -- just to
15 clarify, it's not just residential and small
16 commercial, it's residential, small commercial, and
17 the larger commercials classes are all eligible to be
18 net metered.

19 C. LI: Right. Right, okay. Okay. Actually,
20 that is all the question I have. I just want to make
21 sure that I understand how you allocated the cost
22 right now. Thank you very much. I really appreciate
23 it.

24 PRESIDING COMMISSIONER DUFF: Thank you, Mr. Li.
25 Given the hour, any last comments for today?
26 Ms. Coban? No?

27 D. COBAN: No, thank you.

28 PRESIDING COMMISSIONER DUFF: Okay. Then I

1 think we will end today and readjourn tomorrow at
2 9:30, and we will start with OEB Staff. Thank you
3 very much.

4 --- Whereupon matter adjourned at 4:55 p.m., to
5 resume Friday January 16th, 2026, at 9:30
6 a.m.