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

DECISION AND ORDER ON COST AWARDS

EB-2024-0115

HYDRO OTTAWA LIMITED

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

BEFORE: **Allison Duff**
Presiding Commissioner

Robert Dodds
Commissioner

David Sword
Commissioner

July 13, 2026

OVERVIEW

Hydro Ottawa Limited (Hydro Ottawa) filed a custom incentive rate-setting application with the Ontario Energy Board (OEB) on April 15, 2025, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Hydro Ottawa charges for electricity distribution, beginning January 1, 2026.

This is a decision on intervenor cost claims submitted in that proceeding.

PROCESS

A Notice of Hearing was issued on May 9, 2025. The following parties applied for, and were granted, intervenor status.

- Building Owners and Managers Association Ottawa (BOMA Ottawa)
- Coalition of Concerned Manufacturers and Businesses of Canada (CCMBC)
- Community Action for Environmental Sustainability (CAFES Ottawa)
- Consumers Council of Canada (CCC)
- Distributed Resource Coalition (DRC)
- Enbridge Gas Inc. (EGI)
- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence,
- Pollution Probe
- School Energy Coalition (SEC)
- Vulnerable Energy Consumers Coalition (VECC)

BOMA Ottawa, CCMBC, CAFES Ottawa, CCC, DRC, Energy Probe, Environmental Defence, Pollution Probe, SEC, and VECC were granted cost award eligibility.

On May 12, 2026, the OEB issued a Decision and Order which, among other things, outlined the process for cost awards.

The OEB received cost claims from BOMA Ottawa, CCMBC, CAFES Ottawa, CCC, DRC, Energy Probe, Environmental Defence, Pollution Probe, SEC, and VECC.

On June 18, 2026, Hydro Ottawa filed a letter objecting to a number of the cost claims. Six intervenors and OEB staff filed letters responding to Hydro Ottawa's objections between June 22, 2026, and June 30, 2026.

Hydro Ottawa

On June 18, 2026, Hydro Ottawa filed a letter objecting to a number of the cost claims. Of the total 1,727 hours claimed by intervenors, Hydro Ottawa recommended a reduction of 77 hours or a 4% reduction in awarded hours[1].

Hydro Ottawa submitted that although they view intervenor participation as valuable to the regulatory process, there are areas of improvement within the current framework that must be balanced to ensure the protection of ratepayer interests. Hydro Ottawa's cited the OEB's mandate and 10-point action plan as underscored in both the OEB's report on Intervenors and Regulatory Efficiency and the Practice Direction on Cost Awards that emphasize the plan to enhance regulatory efficiency, reduce administrative burden, and eliminate duplication.

Hydro Ottawa undertook an evaluation of the cost claims using two primary benchmarks.

The first evaluation was a comparative evaluation of the hours spent in the current proceeding relative to its 2021–2025 rate application, taking into account the specific scope of the Custom IR application and the nature of the unsettled issues. While acknowledging that the current application included a substantive oral hearing and addressed a distinct historical period, Hydro Ottawa noted that the volume of original evidence was similar across both applications. It also emphasized that it invested substantial time into augmenting the level of detail, explanation, and cross-referencing in its evidence to streamline the discovery phase and support a more efficient review process for all participants.

The second evaluation was a peer-to-peer review evaluating the relative hours claimed by different intervenor groups for comparable tasks, such as interrogatory preparation and hearing attendance. While recognizing that direct comparisons have limitations due to differing roles and responsibilities, Hydro Ottawa assessed whether the hours claimed reasonably align with objective measures of participation, such as the volume of questions asked or the preparation of compendiums.

Hydro Ottawa pointed out that it is important to distinguish coordination for efficiency from coordination for strategic outcomes. While the OEB encourages intervenors to coordinate their efforts to streamline the process, reduce duplication, and improve efficiency, such coordination should not result in multiple parties billing for overlapping

[1] Hydro Ottawa letter, June 18, 2026, Table 2, p. 4

or duplicative work. Cost awards should instead reflect distinct contributions that provide incremental value to the Board.

Hydro Ottawa also expresses concerns regarding the transparency of OEB staff cost recovery. Hydro Ottawa requested that OEB staff costs be itemized and publicly reported in a manner consistent with intervenor cost claims, including separate identification of expert, legal, consultant, and other related costs

Hydro Ottawa also sought clarification regarding the recoverability of costs associated with OEB staff's expert evidence. Hydro Ottawa noted that the final expert report provided limited benchmarking analysis and did not produce a quantified growth factor, despite references to these issues in the original request for expert evidence.

Responses to Hydro Ottawa's Objections

BOMA Ottawa

BOMA Ottawa submitted that Hydro Ottawa's proposed reduction to its cost claim was without merit and should be rejected. BOMA Ottawa argued that Hydro Ottawa's analysis relied on an inappropriate comparison to its previous cost of service application, despite the current proceeding being significantly larger and more complex. It noted that the application involved a capital plan of approximately $1.2 billion, substantially higher bill impacts, and significant issues related to electrification, distributed energy resources, and non-wires solutions, all of which required a greater level of intervenor effort. BOMA Ottawa submitted that higher participation costs were reasonable and that comparisons based on the size of the evidentiary record alone fail to reflect the true scope and complexity of the proceedings.

BOMA Ottawa also rejected Hydro Ottawa's specific criticisms regarding time spent on evidence review, interrogatory preparation, oral hearing preparation, settlement conference preparation, and written reply submissions. It submitted that metrics such as the number of interrogatories filed, the number of hearing questions asked, or the length of written submissions are not reliable indicators of the effort required to participate effectively in a complex proceeding.

CAFES Ottawa

CAFES Ottawa submitted that Hydro Ottawa's analysis of its cost claim was inaccurate and should be dismissed. It asserted that the comparison to Hydro Ottawa's previous rate application was fundamentally flawed, as CAFES Ottawa did not participate in that earlier proceeding. As a result, Hydro Ottawa relied on an inappropriate baseline and inflated the perceived increase in costs. CAFES Ottawa also rejected the consolidation of its costs with those of another intervenor, noting that it is a separate approved party and that combining claims have no basis in OEB rules or procedural direction.

CAFES Ottawa emphasized that sharing a consultant with another party reduced duplication and resulted in meaningful cost savings, which were clearly documented. CAFES Ottawa also disputed specific reductions suggested by Hydro Ottawa, explaining that its recorded time across items such as the Issues List and technical conference follow-up was appropriate and accurately reported.

DRC

DRC submitted that Hydro Ottawa's proposed reductions to its cost claim should be rejected, as they were primarily based on administrative categorization issues rather than unreasonable or unnecessary work. DRC explained that its time entries for settlement conference preparation and attendance reflected the overlapping nature of those activities and that any concerns relate to how time was categorized, not the appropriateness of the work performed. DRC submitted that it took a focused and coordinated approach to avoid duplication and promote regulatory efficiency.

OEB staff

OEB staff submitted that Hydro Ottawa's requests for additional detail regarding OEB costs falls outside the scope of the cost award process established for this proceeding. It explained that OEB costs are recovered under a separate provision of the *Ontario Energy Board Act* and that broader questions regarding cost transparency are more appropriately addressed through existing process improvement forums rather than in an individual proceeding. Accordingly, OEB staff declined to provide the requested cost breakdown.

OEB staff also disagreed with Hydro Ottawa's request to limit recoverable expert-related costs to those incurred after approval of expert evidence. It maintained that expert costs were appropriately incurred throughout the proceeding to support independent analysis and efficient case management, and that these costs are properly recoverable.

Pollution Probe

Pollution Probe submitted that Hydro Ottawa's objections to its cost claim were based on errors and inappropriate comparisons, particularly the reliance on a previous rate application that differed significantly in scope, complexity, and process. It argued that the current proceeding involved substantially larger capital and OM&A requests, additional issues, an extended settlement process, and an oral hearing, making comparisons to the prior proceeding unreliable. Pollution Probe argued that Hydro

Ottawa incorrectly calculated and assessed its claim by combining it with the claim of CAFES Ottawa, resulting in inflated figures and misleading conclusions.

Pollution Probe emphasized that coordination with CAFES Ottawa through a shared consultant reduced duplication and generated significant efficiencies, resulting in lower overall costs.

SEC

SEC submitted that Hydro Ottawa's objections to its cost claim are without merit, as the current application is significantly larger in scope and more complex than the previous proceeding. It noted that the capital budget more than doubled from approximately $504 million to $1.2 billion and that projected impacts on customer bills also increased materially, necessitating a greater level of intervenor effort. SEC further emphasized that the application introduced substantial changes, including new rate frameworks, revised planning approaches, and considerations related to electrification, rendering Hydro Ottawa's assertion of "comparable complexity" inaccurate.

SEC further submitted that Hydro Ottawa's analysis of intervenor time was flawed, as comparisons to prior proceedings and across intervenors are not meaningful. It explained that the additional time incurred reflects the scale and breadth of the application, and that SEC's use of two representatives, participation in technical conferences, and review of extensive materials including over 700 pages of undertaking responses were reasonable and, in many instances, unavoidable.

VECC

VECC asserted that the increased claimed costs were reasonable given the significantly larger and more complex nature of the current application. It noted that Hydro Ottawa's own spending proposals and legal budgets were substantially higher than in past proceedings, which naturally led to higher costs for intervenors and OEB staff. VECC contended that Hydro Ottawa's comparisons to prior cases are selective and fail to account for these differences in scale.

VECC also challenged Hydro Ottawa's analysis of intervenor time, stating it relied on narrow cost categories and ignored how work is distributed across activities.

FINDINGS

The OEB has reviewed of all the cost claims and has measured them against the detailed review of the same cost claims by Hydro Ottawa. The OEB finds no material concerns with any one individual intervenor's cost claim and approves all the cost claims as filed.

The OEB has reviewed the claim to ensure compliance with its *Practice Direction on Cost Awards* and the OEB approves the cost claims as filed, for the reasons that follow.The OEB acknowledges Hydro Ottawa's recognition that intervenor participation within the adjudicative process is a vital component that brings diverse perspectives and targeted analyses, which assists the OEB in testing the applicant's evidence. The OEB agrees and equally values the engagement of Hydro Ottawa in assessing cost claims from intervenors. Both these endeavours ensure a process that is fair to all parties and results in just and reasonable rates.

To arrive at its recommended reductions in intervenor cost claims, Hydro Ottawa carried a comparative evaluation of the hours spent in the current proceeding relative to Hydro Ottawa's previous rate application in 2021, (EB-2019-0261) accounting for the specific scope of this Custom IR application and the nature of the unsettled issues. Hydro Ottawa stateds that the volume of original evidence was similar across both applications, and both were established using a custom framework with growth and custom stretch factors, alongside utility-specific deferral and variance accounts.

The OEB finds that Hydro Ottawa's comparison of this proceeding for 2026-2030 rates to the previous proceeding for 2021-2025 rates was inappropriate on the basis that the application was more complex and the proceeding was significantly different due to many factors including: larger capital and OM&A budget requests, a new custom IR proposal, an extended settlement process, significant issues not settled by parties, an oral hearing (vs. a written process for one minor issue), incremental requests such as including non-wires projects.

Additionally, the OEB has compared the total intervenor cost claims versus the requested revenue requirement in each of the 2021 and 2026 applications and has found that, as a percentage, the intervenor cost claims represent 0.19% and 0.21% of the requested revenue requirement, respectively. The key distinguishing factors of the current 2026-2030 application compared to the 2021-2025 application are that it:

a) addressed a distinct historical period compared to the previous application
b) the utility is navigating a greater degree of change
c) the process necessitated a substantive oral hearing and argument phase

Accordingly, the OEB finds that, on comparative basis, the total of the intervenors cost claims in this application are reasonable despite the negative comparison drawn by Hydro Ottawa.

The OEB continues to recognize that comparative benchmarking and cost comparisons can be useful tools in assessing the reasonableness of cost claims. However, cost comparisons alone can be an imperfect basis upon which to determine whether reductions are warranted

It was in this context that the OEB undertook a detailed review of each intervenor’s cost claim, taking into consideration the specific objections raised by Hydro Ottawa.

The OEB notes that Hydro Ottawa’s application raised several complex and detailed issues. In this proceeding, the OEB benefitted from hearing a diversity of perspectives and interpretations of the evidence. As evident in the oral hearing of the unsettled issues, intervenors and OEB staff provided distinct viewpoints on policy and customer issues that assisted the OEB in assessing the evidence from multiple perspectives. The OEB recognizes that parties may spend varying amounts of time and effort, concentrating on different areas of the same evidentiary record.

Upon review of all the cost claims and details that support the claims the OEB is of the view that the breadth of intervenor perspectives in this proceeding provided important input to the panel in rendering its decisions in this proceeding.

The OEB finds no material concerns with any one individual intervenor’s cost claims when measured against the concerns raised by Hydro Ottawa, and as such approves the cost claims as filed.

The OEB denies Ottawa Hydro’s request that the OEB provide OEB staff’s costs in an itemized manner consistent with OEB Chapter 2 Filing Requirement Appendix 2-M - Shared Services/Corporate Cost Allocation.

As indicated by OEB staff, the OEB has statutory authority to order recovery of its expenses, such as expert and application-related expenses, under section 30(4) of the OEB Act. The subject of the OEB’s direction in the Decision and Order regarded submissions on cost awards under section 30(1) of the OEB Act.

ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro Ottawa Limited shall immediately pay the following amounts to the intervenors for their costs:

• Building Owners and Managers Association Ottawa	$ 75,048.97
• Coalition of Concerned Manufacturers and Businesses of Canada	$ 25,962.92
• Community Action for Environmental Sustainability	$ 41,378.34
• Consumers Council of Canada	$ 98,265.97
• Distributed Resource Coalition	$ 30,460.05
• Energy Probe Research Foundation	$ 27,585.60
• Environmental Defence,	$ 23,608.42
• Pollution Probe	$ 36,104.64
• School Energy Coalition	$153,479.90
• Vulnerable Energy Consumers Coalition (VECC)	$108,864.92

DATED at Toronto July 13, 2026

ONTARIO ENERGY BOARD

Ritchie Murray

Digitally signed by Ritchie Murray
Date: 2026.07.13 17:01:57 -04'00'

Ritchie Murray
Registrar