

EXECUTIVE SUMMARY

1. INTRODUCTION

This Schedule provides a summary of Hydro Ottawa Limited's ("Hydro Ottawa" or "the utility") application to the Ontario Energy Board ("OEB") seeking approval of its proposed distribution rates and other charges for the five-year period of January 1, 2021 to December 31, 2025. This application ("Application") is submitted pursuant to section 78 of the *Ontario Energy Board Act, 1998*. In preparing this Application, Hydro Ottawa has been guided by the provisions set forth in the *Chapter 2, Chapter 3, and Chapter 5 Filing Requirements for Electricity Distribution Rate Applications*, as updated on July 12, 2018 and addended on July 15, 2019 ("Filing Requirements"), as well as the *Handbook for Utility Rate Applications* issued in 2016.

Herein, Hydro Ottawa highlights the key elements of this Application. These include the business, capital, and operational plans that underpin the Application, and the corresponding funding that is required to enable the utility to continue providing efficient and reliable services, along with a first-class customer experience, to Hydro Ottawa customers. This Schedule likewise explains how these plans align with customer needs and expectations, as well as what types of impacts are expected on customers' bills. For details on the specific approvals that Hydro Ottawa is requesting from the OEB by way of this Application, please see Exhibit 1-1-4: Administration and Attachment 1-1-4(A): OEB Appendix 2-A - List of Requested Approvals.

This Application employs the Custom Incentive Rate-setting ("Custom IR") method and marks the second successive rate filing in which Hydro Ottawa has opted to avail itself of this particular rate-setting approach.

Looking ahead to the 2021-2025 term, Hydro Ottawa anticipates a sustained need to undertake significant levels of capital investment in its distribution system, in order to maintain reliability and service quality for its customers. This need is the result of several factors, including aging infrastructure, an expanding customer base, continued growth across the City of Ottawa, and the effects of severe weather events. With respect to operational requirements, the utility

1 likewise continues to face numerous pressures, such as ongoing shifts in consumer
2 expectations for innovative services, the evolution of mission critical technologies, increased
3 penetration of distributed energy resources (“DERs”), and workforce retirements. Together,
4 these and other challenges are driving the need for investments and solutions which will ensure
5 that overall system performance is maintained and customer preferences are met – all while
6 safeguarding rates at a reasonable level. Accordingly, as described further below and elsewhere
7 in this Application, the Custom IR method remains the most suitable rate-setting option to
8 govern the approaching rate period for the utility.

9
10 The rate plan set forth in this Application builds upon the scope and success of the Custom IR
11 plan that Hydro Ottawa has been implementing over the course of the 2016-2020 period.
12 Numerous milestones have been achieved in the execution of this plan. Foremost was the
13 roll-out of a multi-year Customer Experience Roadmap, which was anchored in the twin
14 imperatives of putting the customer at the centre of everything that Hydro Ottawa does and
15 facilitating a customer experience that is driven by customer choice. Among the flagship
16 deliverables in this initiative were enhancements to the Customer Contact Centre (including
17 becoming one of the first distributors in Ontario to expand its hours of operation into Saturdays),
18 deployment of omni-channel capabilities and self-serve features to support customer
19 communication through preferred channels, introduction of a mobile application, achievement of
20 the highest level of customer participation in online billing of any distributor in Ontario, and the
21 launch of voice-activated digital assistance through such devices as Amazon Alexa and Google
22 Home (the first of its kind by any electric utility in Canada). Concurrent with the implementation
23 of this roadmap, Hydro Ottawa consistently received high marks from its customers in the
24 annual surveys that were commissioned to measure customer satisfaction with the utility.

25
26 Under its 2016-2020 rate plan, Hydro Ottawa has also crossed a new frontier in terms of
27 operational effectiveness. As of the end of 2019, the utility was on track to successfully execute
28 the largest multi-year capital expenditure plan in its history, with significant progress made in
29 replacing a large portion of assets at the end of their useful lives, connecting new customers to
30 the grid, and enhancing system capacity to keep pace with shifts in loads within the service

1 territory. These expenditures have translated into improved system reliability and performance,
2 with the utility having consistently met or exceeded its reliability targets over the 2016-2018
3 timeframe. In fact, over the course of 2016-2018, Hydro Ottawa met or exceeded each of the
4 measures in the annual Electricity Utility Scorecard for which a target had been assigned, with
5 100% of those measures showing performance improvement or consistent trending. Moreover,
6 the outage management and emergency restoration capabilities of the utility were put to the test
7 during several significant extreme weather events – the most damaging of which was the
8 unprecedented series of tornadoes that touched down in Hydro Ottawa’s service territory in
9 September 2018. While challenging, these events nevertheless presented the opportunity for
10 the utility to demonstrate its organizational and operational strength, depth, and maturity. The
11 positive response from customers and the community attested to the success of these efforts.

12
13 Hydro Ottawa also successfully completed a once-in-a-generation project to consolidate the
14 majority of its employees into new administrative and operations facilities. This project was
15 executed pursuant to approval granted by the OEB in its Decision and Rate Order on Hydro
16 Ottawa’s 2016-2020 Custom IR application.¹ For more background information, including a
17 detailed justification of the prudence of the costs incurred by the utility in the completion of this
18 project, please see Attachment 2-1-1(A): New Administrative Office and Operations Facilities.

19
20 Other noteworthy performance outcomes from 2016-2020 included the following:

- 21
22
- 23 ● Productivity gains through cost containment and increased automation of business
24 processes;²
 - 25 ● Successful delivery of conservation programs to customers;
 - 26 ● Greater efficiencies in maintenance and construction work;
 - 27 ● Upgrades to core business systems (including migration to cloud-based platforms);
 - 28 ● Implementation of a formal cyber security program;
 - Replenishment of the workforce through execution of a Talent Management Strategy;

¹ Ontario Energy Board, *Decision and Order*, EB-2015-0004 (December 22, 2015).

² Several productivity initiatives have enabled Hydro Ottawa to seek a reduction in specific customer charges for the 2021-2025 rate term. Please see Exhibit 8-7-1: Specific Service Charges for details.

- 1 • Expansion of the fibre telecommunications network to connect field area devices with
- 2 select substations; and
- 3 • Financial returns consistent with approved Return on Equity (“ROE”) levels.
- 4

5 It merits observation that Hydro Ottawa achieved the aforementioned outcomes and their
6 attendant benefits against the backdrop of approximately 6.0% growth in total customer count
7 during the 2016-2020 period, and of successful efforts to ensure no net increase in overall
8 permanent full-time employee headcount.

9
10 In light of its best-in-class performance in many areas, Hydro Ottawa received numerous
11 industry and professional awards during the 2016-2020 period, with recognition extended in the
12 contexts of customer programs, human resources and safety innovation, corporate social
13 responsibility, and best employer (among others).

14
15 Hydro Ottawa is confident that the accomplishments of the 2016-2020 rate term will position the
16 utility for continued success in delivering value to customers and meeting their needs for
17 reliable, responsive, and cost-effective services over the upcoming five-year period. As they did
18 in the preceding rate plan, customer engagement, continuous improvement, and performance
19 measurement will remain hallmarks of Hydro Ottawa’s planned activity for 2021-2025.
20 Productivity expectations and initiatives are embedded throughout the plans underpinning this
21 Application, alongside a robust framework for tracking and measuring outcomes, much of which
22 is informed by the benchmarking of Hydro Ottawa’s performance in several key program areas.

24 **2. ABOUT HYDRO OTTAWA**

25 Hydro Ottawa is licensed by the OEB to distribute electricity to approximately 340,000
26 customers, as of the end of 2019, within the City of Ottawa and the Village of Casselman. By
27 number of customers, Hydro Ottawa is the third largest municipally-owned electricity distributor
28 in Ontario. Its service territory covers 1,116 square kilometres and is comprised of a dense
29 urban core, large areas of suburban development, and a vast rural area that represents 60% of
30 the overall footprint.

1 Hydro Ottawa and its predecessor utilities have proudly served communities in the National
2 Capital Region for over 100 years. The utility's unique customer base includes residential
3 customers, commercial businesses, farms, and large institutional and industrial customers. As
4 the national seat of government, Ottawa is home to the federal parliament and key institutions
5 within the Government of Canada. Moreover, in terms of population, the city serves as the
6 second largest in the Province of Ontario and the sixth largest in the country.

7
8 In its current corporate structure, Hydro Ottawa serves as the successor to five utilities which
9 consolidated in the year 2000 (Ottawa Hydro, Kanata Hydro, Gloucester Hydro, Nepean Hydro,
10 and Goulbourn Hydro), following the amalgamation of several municipalities in the region and
11 the formation of the City of Ottawa. In 2002, the service territory of Casselman Hydro was
12 acquired.

13
14 Hydro Ottawa is a wholly-owned subsidiary of Hydro Ottawa Holding Inc., which is 100% owned
15 by the City of Ottawa and governed by an independent Board of Directors.

17 **3. HYDRO OTTAWA'S BUSINESS PLAN**

18 In accordance with the OEB's *Handbook for Utility Rate Applications*, Hydro Ottawa has
19 prepared a formal Business Plan that serves as the basis for the utility's overall strategy and
20 goals, elucidates the intersection between these goals and the proposals set forth in this
21 Application, and speaks to the benefits that will accrue to customers as a result of the plan's
22 execution. This Business Plan was approved by Hydro Ottawa's Board of Directors on
23 November 28, 2019 and is included in this Application as Exhibit 1-1-9.

25 **3.1 CORPORATE VISION & STRATEGIC OBJECTIVES**

26 Hydro Ottawa's vision is to serve as a leading partner in a smart energy future and as the
27 trusted energy advisor for customers. In order to achieve this vision, the utility has organized its
28 business strategy for several years around four critical areas of focus and their accompanying
29 strategic objectives. Hydro Ottawa will maintain continuity in these core objectives heading into
30 the 2021-2025 period. The key rationale for this approach is the level of success achieved

1 during the preceding five-year rate term, as well as the trajectory of the business and policy
2 landscape in which Hydro Ottawa operates.

3
4 Accordingly, as denoted in Figure 1, the business objectives that will guide Hydro Ottawa’s
5 activities and investments throughout the 2021-2025 rate period will be the following:

- 6
7 ● **Customer Value:** we will deliver value across the entire customer experience by
8 providing reliable, responsive, and innovative services at competitive rates.
- 9
10 ● **Financial Strength:** we will create sustainable growth in our business and our earnings
11 by improving productivity and pursuing business growth opportunities that leverage our
12 strengths – our core capabilities, our assets, and our people.
- 13
14 ● **Organizational Effectiveness:** we will achieve performance excellence by cultivating a
15 culture of innovation and continuous improvement.
- 16
17 ● **Corporate Citizenship:** we will contribute to the well-being of the community by acting
18 at all times as a responsible and engaged corporate citizen.
- 19

20 **Figure 1 – Corporate Strategic Objectives**



1 Of these objectives, the most important driver for Hydro Ottawa’s business strategy will remain
2 Customer Value, with the utility striving to put the customer at the centre of everything it does.

3
4 **3.2 ALIGNMENT WITH THE RENEWED REGULATORY FRAMEWORK**

5 The primary objectives animating Hydro Ottawa’s corporate vision are wholly consistent with the
6 main performance outcomes promoted under the OEB’s Renewed Regulatory Framework
7 (“RRF”). Hydro Ottawa views this broad alignment as a competitive advantage and remains
8 committed to firmly entrenching RRF principles and objectives throughout its operations and
9 business.

10
11 Table 1 below illustrates the alignment between the utility’s overarching objectives and the key
12 categories of performance outcomes under the RRF. For additional context, the table also
13 shows the congruence of Hydro Ottawa’s high-level performance goals and strategic outcomes
14 – which are utilized to measure progress in achieving the strategic objectives – with the RRF’s
15 areas of focus.

1 **Table 1 – Alignment of Hydro Ottawa’s Corporate Areas of Focus and Strategic**
 2 **Objectives with the OEB’s RRF Performance Outcomes**

OEB	Hydro Ottawa		
RRF Performance Outcomes	Key Area of Focus	Corporate Performance Goal	Strategic Outcome
Customer Focus	Customer Value	<ul style="list-style-type: none"> Assist customers in managing their energy consumption and electricity costs Deliver on customer expectations for service quality and responsiveness Maintain overall distribution system reliability 	<ul style="list-style-type: none"> Customer loyalty and satisfaction
Operational Effectiveness	Organizational Effectiveness	<ul style="list-style-type: none"> Continue to enhance operational performance and productivity Maintain leading health and safety record Enhance organizational and employee capability 	<ul style="list-style-type: none"> Efficient and effective operations Safe and healthy work environment Engaged, aligned and prepared workforce
Public Policy Responsiveness	Corporate Citizenship	<ul style="list-style-type: none"> Enhance our brand image in the community and the industry Continue to improve our environmental performance and reduce our impact on the environment 	<ul style="list-style-type: none"> Leading governance and business practices Engaged stakeholders Safe, secure and environmentally responsible services Positive community impact
Financial Performance	Financial Strength	<ul style="list-style-type: none"> Grow revenues from new sources Enhance / protect revenues from existing business lines 	<ul style="list-style-type: none"> Growth in shareholder value

3
 4 Further detail with respect to Hydro Ottawa’s alignment with the RRF can be found in Exhibit
 5 1-1-10: Alignment with the Renewed Regulatory Framework.

6
 7 **3.3 CUSTOMER ENGAGEMENT**

8 The integration of customer feedback and providing customers with value for money serve as
 9 cornerstones of Hydro Ottawa’s business planning. In step with its overall business strategy to
 10 put the customer at the centre of everything it does, the utility endeavours to ensure that its
 11 capital and operational investment plans are guided and informed by customer needs,
 12 preferences, and priorities.

1 Hydro Ottawa avails itself of numerous tools, activities, and interactions to engage customers
2 and to reflect their input in the utility's planning and plans. Foremost among these are the
3 engagement initiatives that are administered on an ongoing basis. These represent an
4 evergreen posture on Hydro Ottawa's part to develop a genuine understanding of customers'
5 interests through a fluid and continuous feedback loop, which helps inform and sharpen the
6 utility's service delivery as a matter of established routine. Several of these activities are in line
7 with industry best practice, such as an annual customer satisfaction survey, formal Key
8 Accounts program, and engagement in numerous social media platforms. Other activities are
9 homegrown, having been formulated and customized to suit the particular needs of the utility
10 and its unique customer base. These include project-specific consultations that are hosted by
11 Hydro Ottawa when major distribution system projects have the potential to impact customers
12 and their community. Based on customer feedback, these consultations have resulted in the
13 evaluation of additional design options, the use of less impactful equipment, and/or the
14 collaborative scheduling of mutually agreeable timelines for project completion. Other examples
15 include surveys that are conducted each month of customers who contact Hydro Ottawa's
16 contact centre. Each customer is contacted and invited to rate their customer service
17 experience. Through analysis and monitoring of these results, Hydro Ottawa is able to identify
18 areas for improvement and adapt its processes to respond to customer preferences.

19
20 As a complement to the foregoing activities, Hydro Ottawa undertook targeted customer
21 outreach to inform the development of the specific plans and proposals set forth in this
22 Application. Consisting of a mix of qualitative and quantitative methodologies, this engagement
23 was launched in January 2019 and extended through September 2019.

24
25 The initial phase yielded consistent findings across low-volume customer classes – namely, that
26 reliability, prices, and investment in new technology constituted the top three priorities for
27 customers. Moreover, these customers generally held favourable views on making proactive
28 investments in aging infrastructure and grid modernization at the present time, with the
29 understanding that this may lead to near-term costs but will result in future savings.

1 Based upon the feedback received during Phase I, Hydro Ottawa undertook a second, more
2 expansive phase of engagement, in which the utility surveyed customers for their detailed
3 feedback on proposed plans for capital and operational investments over the 2021-2025 period.
4 A series of expenditure options were presented – namely, a reference case outlining the utility’s
5 proposed course of action, along with scenarios which either accelerated and expanded the
6 proposal, or which scaled back the scope and timing of the proposal. Customers were thus able
7 to express their views on a range of alternative proposals, as well as the respective trade-offs,
8 outcomes, and rate impacts.

9
10 Ultimately, the response from customers in all classes was heavily weighted in support of Hydro
11 Ottawa’s proposed plans or spending more than proposed for certain services. Nearly one-half
12 of respondents in the residential, small business, and mid-market and Key Account classes
13 (48%, 47%, and 46%, respectively) identified that Hydro Ottawa should maintain the forecasted
14 annual increase to deliver a program which focuses on the stated priorities. An additional 35%,
15 29%, and 23% of customers in these segments, respectively, expressed support for further
16 improvements in service, even if this entailed additional rate increases.

17
18 Of note, the number of customers who participated in this engagement exercise – nearly 21,000
19 in total – was the largest in the history of any Hydro Ottawa rate application. In itself, this result
20 was encouraging and instilled confidence in the quality of the information gleaned and the
21 representativeness of the sample pool of customers. Beyond this, however, Hydro Ottawa was
22 buoyed by the fact that the rate of response (i.e. number of respondents as a percentage of the
23 total customer base) exceeded that which was observed in the most recent rate filings from the
24 three largest distribution utilities in Ontario.³ In fact, according to the external vendor retained by
25 Hydro Ottawa to help execute the customer consultation process, the utility’s engagement
26 represented the single largest proportion of customers ever engaged by an electricity distributor
27 in Ontario for the purpose of informing the development of a rate application.⁴

³ Hydro One Networks Inc., *2018-2022 Custom Incentive Rate-setting Distribution Rate Application*, EB-2017-0049 (March 31, 2017); Toronto Hydro-Electric System Limited, *2020-2024 Custom Incentive Rate-setting Distribution Rate Application*, EB-2018-0165 (August 15, 2018); and Alectra Utilities Inc., *2020 Electricity Distribution Rate Application*, EB-2019-0018 (May 28, 2019).

⁴ Attachment 1-2-2(A): Customer Engagement Report, page 2.

1 Based upon customer feedback, Hydro Ottawa has crafted capital and operational plans that
2 emphasize the following four core principles:

- 3
- 4 1. Minimize rate increases
- 5 2. Maintain reliability and service quality
- 6 3. Address key pressures to the system, including:
 - 7 ● Aging infrastructure
 - 8 ● An expanding customer base and continued population growth
 - 9 ● The effects of severe weather events
- 10 4. Make prudent investments in emerging technologies to enhance service offerings
11 and/or reduce operation costs
- 12

13 Additional information on the portfolio of Hydro Ottawa’s customer engagement activities, as
14 well as the targeted activities undertaken to consult customers on the development of this
15 Application, is available in Exhibit 1-2-1: Customer Engagement Overview and Exhibit 1-2-2:
16 Customer Engagement on the 2021-2025 Rate Application.

17

18 **3.4 DISTRIBUTION SYSTEM PLAN**

19 Hydro Ottawa’s Distribution System Plan (“DSP”) represents the culmination of multiple internal
20 and external planning processes related to business strategy, customer engagement, capital
21 investment, asset management, and regional planning. The DSP details how distribution system
22 expenditures will be prioritized, paced, and optimized, while minimizing rate impacts for
23 customers and facilitating continuous improvement and productivity.

24

25 The DSP in its entirety can be viewed in Exhibit 2-4-3.

26

27 **3.5 PERFORMANCE MANAGEMENT AND MEASUREMENT**

28 Hydro Ottawa is committing to a robust performance measurement and reporting framework for
29 the upcoming five-year rate period. This framework expands and builds upon the success of the

1 one that was in place for 2016-2020, and will maintain the approach of combining standard OEB
2 performance measures with others that are customized for Hydro Ottawa's unique use.

3

4 An integral component of this framework is the set of measures that will form the basis of Hydro
5 Ottawa's 2021-2025 Custom Performance Scorecard (see Table 2 below). These measures
6 have been selected based upon a variety of factors and drivers, including responsiveness to
7 customer preferences, alignment with core RRF and corporate strategic objectives, and
8 correlation to key findings from the benchmarking analyses performed in support of this
9 Application.

1 **Table 2 – Custom Performance Scorecard Measures for 2021-2025**

Outcome	OEB Reporting Category	Hydro Ottawa Custom Measures	New/Existing	Target
Customer Focus	Customer Satisfaction	Contact Centre Satisfaction – Transactional Feedback	New	Maintain
		Number of MyAccount Customers	New	Increase
		Number of Online Billing Accounts	New	Increase
Operational Effectiveness	Safety	All Injury/Illness Frequency Rate	New	Reduce
		Lost Workday Severity Rate	New	Reduce
	System Reliability	Customer Average Interruption Duration Index	Existing	Monitor
		Feeders Experiencing Multiple Sustained Interruptions	Existing	Maintain
		Worst Feeder Analysis – Number of Feeders with Very Poor Performance	Existing	Reduce
		Stations Exceeding Planning Capacity	Existing	≤5%
		Feeders Exceeding Planning Capacity	Existing	≤10%
		Stations Approaching Rated Capacity	Existing	0%
	Cost Control	Feeders Approaching Rated Capacity	Existing	0%
		Productive Time	Existing	Maintain
		Labour Allocation	Modified	Maintain
		3-Year Average Cost per Pole – Wood Pole Replacement	New	Monitor
		3-Year Average Cost per Meter – Underground Cable	New	Monitor
Operational Effectiveness	Asset Efficiency	Average Cost per Kilometer – Vegetation Management	New	Monitor
		Average Cost per Pole – Pole Test and Inspection	New	Monitor
Public Policy Responsiveness	Environment	Technology Infrastructure Cost per Employee	New	Monitor
		Annual Oil Spills & Costs of Remediation	Existing	Reduce
		Non-Hazardous Waste Diversion Rate	New	Maintain
Financial Performance	Financial Metrics	Percentage of Green Suppliers	New	Maintain
		OM&A per Customer	New	Monitor
		Bad Debt as a Percentage of Total Electricity Revenue	New	Monitor
		Cumulative Capital Additions per Investment Category	New	Monitor
		Annual Capital Spending per Investment Category	New	Monitor

2

3 This proposed reporting regime is intended to equip the OEB, customers, and other

4 stakeholders with the ability to better monitor and understand diverse aspects of Hydro Ottawa’s

5 performance, and to demonstrate the utility’s accountability in transparently communicating the

6 outcomes achieved under its performance management framework.

1 **3.6 BENCHMARKING**

2 The preparation of Hydro Ottawa’s business plan was supported by year-over-year comparisons
 3 of Hydro Ottawa’s costs and outcomes, along with evaluations of the utility’s performance
 4 against its peers. The scope and substance of particular capital and operational programs were
 5 shaped, in part, by the analysis of trends in the achievement of system reliability, customer
 6 value, and financial strength outcomes. Similarly, the benchmarking of Hydro Ottawa’s
 7 expenditures and performance relative to samples of utilities across Ontario, Canada, and the
 8 United States has yielded valuable insights into areas in which the utility performs well and
 9 those in which there is room for improvement.

10
 11 To help inform the development of its business plan, the utility commissioned the following
 12 benchmarking studies from third-party experts:

13
 14 **Table 3 – Benchmarking Studies Filed in this Application**

Benchmarking Review	External Consultant	Application Attachment
Econometric Benchmarking Study of Hydro Ottawa’s Total Cost and Reliability	Clearspring Energy Advisors	Attachment 1-1-12(A)
Unit Costs Benchmarking Study	UMS Group	Attachment 1-1-12(B)
IT Budget Assessment Benchmark	Gartner	Attachment 1-1-12(F)
2019 Market Benchmarking	Mercer Canada	Attachment 1-1-12(G)

15
 16 The results from these studies consistently revealed that Hydro Ottawa is a strong performer
 17 relative to its peers in numerous categories, and that the utility is well-positioned to sustain
 18 ongoing improvements in key areas of performance.

19
 20 These findings have been internalized and incorporated into specific work programs, and will
 21 serve as important baselines and points of reference against which to measure the utility’s
 22 progress.

1 **3.7 PRODUCTIVITY & CONTINUOUS IMPROVEMENT**

2 Responsibly controlling costs and focusing on cost-effective delivery of outcomes that matter to
3 customers remain core priorities for Hydro Ottawa. Amidst the unique and challenging
4 confluence of compounding demands, pressures, and constraints on operations, the utility is
5 placing increased emphasis on incorporating productivity and continuous improvement gains, so
6 as to offset increasing expenditures and boost organizational capacity. Hydro Ottawa has
7 adopted numerous controls to provide the OEB, customers, and other stakeholders with robust
8 assurance that productivity, cost control, and continuous improvement objectives have been
9 firmly integrated into the utility's business planning process, and the resultant capital and
10 operational plans, for the 2021-2025 rate period.

11
12 For information on the range of productivity and continuous improvement activities that are
13 planned over the course of the upcoming rate term, please see Exhibit 1-1-13: Productivity and
14 Continuous Improvement Initiatives.

15
16 **4. HYDRO OTTAWA'S CUSTOM IR APPLICATION**

17 As noted in the OEB's 2012 report entitled *Renewed Regulatory Framework for Electricity*
18 *Distributors: A Performance-Based Approach* ("RRFE Report"), the Custom IR method is
19 "intended to be customized to fit the specific applicant's circumstances"⁵ and "may be
20 appropriate for distributors with significantly large multi-year or highly variable investment
21 commitments with relatively certain timing and level of associated expenditures."⁶

22
23 **4.1. PRINCIPAL DRIVERS JUSTIFYING THE USE OF CUSTOM IR**

24 The foregoing description of the suitable context for employing the Custom IR option is one
25 which remains applicable to Hydro Ottawa, as it prepares to enter into a new five-year rate
26 period. The results of the utility's asset management and network investment planning
27 processes have confirmed that significant capital investments are required over the course of

⁵ Ontario Energy Board, *Report of the Board - Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (October 18, 2012), page 19.

⁶ *Ibid*, page 14.

1 2021-2025, in order to ensure Hydro Ottawa is able to deliver safe and reliable electricity
2 service and to meet the needs and expectations of customers.

3
4 The drivers underlying this need are numerous. For starters, while the overall profile of Hydro
5 Ottawa's asset demographic is positive, a major segment of the asset population (19%) has
6 reached its expected service life and thus poses a higher risk of failure. This includes
7 approximately 51% of stations and 23% of overhead system assets (i.e. poles, transformers,
8 and switches). Alongside these asset demographic figures, the utility's asset demographic
9 ratings show that 17% of assets are in Poor or Very Poor condition.⁷

10
11 What's more, the City of Ottawa continues to experience steady year-over-year growth, with
12 municipal policy promoting the development of new residential subdivisions and business parks,
13 as well as intensification in urban areas.

14
15 In addition, an increase in storms and severe weather events is placing greater stress on the
16 system, with an upward trend over the last five years in the number of outages caused by
17 adverse weather. During a six-month span in 2018 alone, there were three major weather
18 events that affected the Ottawa area (tornadoes, flooding, and freezing rain), which in turn
19 caused considerable damage to the system and heavily impacted spending in emergency
20 replacement of assets.

21 22 **4.2. CAPITAL EXPENDITURES**

23 Hydro Ottawa developed its forecasted capital expenditures for the years 2021-2025 based
24 upon an identification and analysis of system needs, customer expectations, and requirements
25 for general plant capital. The total capital expenditure forecast underwent a number of iterations
26 and refinements, in order to address issues of priority, customer preference, rate and bill
27 impacts, resource capacity, and financing capability.

⁷ Please see Exhibit 2-4-3: Distribution System Plan for more information on the demographics and condition of the utility's assets.

1 In response to feedback expressed by customers, appropriate parameters and constraints have
 2 been incorporated to limit the costs and impacts on bills associated with planned capital
 3 investments. In its customer engagement activities, Hydro Ottawa heard a recurring preference
 4 for reliability to be maintained or improved at minimal or no increased cost. As a result, the utility
 5 has created a capital plan that paces investments in order to minimize rate impacts, with a focus
 6 on continuous improvement with respect to the efficiency and productivity of distribution
 7 planning and plan implementation.

8
 9 One practical effect of this approach is that the proposals set forth in this Application do not
 10 encompass all of the investments that Hydro Ottawa would deem to be worthwhile for purposes
 11 of optimally fulfilling system needs during the 2021-2025 period.⁸ Nevertheless, Hydro Ottawa is
 12 confident that the portfolio of capital investments that ultimately emerged from its prioritization
 13 and calibration process will enable strong performance of the system and will serve customers'
 14 interests effectively.

15
 16 Hydro Ottawa's capital expenditure plan for the 2021-2025 period proposes an average annual
 17 expenditure of \$100.7M per year, as follows:

18
 19 **Table 4 – Summary of 2021-2025 Capital Expenditures (\$'000,000s)**

Investment Category	2021	2022	2023	2024	2025	Average 2021-2025
System Access	\$56.7	\$41.0	\$37.4	\$34.5	\$34.0	\$40.7
System Renewal	\$43.3	\$44.0	\$40.2	\$39.4	\$40.5	\$41.5
System Service	\$31.0	\$27.4	\$24.3	\$25.2	\$23.9	\$26.4
General Plant	\$32.0	\$11.7	\$7.6	\$17.4	\$16.9	\$17.1
Capital Contributions	\$(41.3)	\$(25.2)	\$(19.9)	\$(19.2)	\$(19.3)	\$(25.0)
TOTAL	\$121.8	\$98.9	\$89.6	\$97.2	\$96.0	\$100.7

20
⁸ As explained further in Exhibit 2-4-1: Capital Expenditure Summary, the process undertaken by the utility to rationalize its initial asset needs forecast resulted in a reduction in the 2021-2025 capital expenditure forecast of approximately \$50.0M per year.

1 For more detail on 2021-2025 capital funding requirements, please refer to Hydro Ottawa’s DSP
2 and associated attachments in Exhibit 2-4-3.

3
4 **4.3. OPERATIONS, MAINTENANCE & ADMINISTRATION EXPENDITURES**

5 Hydro Ottawa’s duties to manage a safe and reliable distribution system, serve customers in a
6 manner that is responsive to their needs and preferences, and maintain compliance with a
7 broad range of legislative and regulatory requirements compel the utility to incur a level of costs
8 that is proportionate to the magnitude of its operational obligations. Responsibly controlling
9 these costs and focusing on cost-effective delivery of outcomes therefore remain core priorities
10 for the utility. What’s more, the critical importance of cost control is magnified against the
11 backdrop of the evolution underway across the broader North American electricity sector, which
12 is forcing utilities to modernize aspects of their service delivery models in order to adapt to the
13 increased complexity of system operations, the changing expectations of customers, and the
14 shifting economics of the marketplace.

15
16 It is important to understand Hydro Ottawa’s proposed operations, maintenance, and
17 administration (“OM&A”) expenditures for the years 2021-2025 in the context of OM&A costs for
18 the 2016-2020 Custom IR rate period, as presented in Table 5 below.

1 **Table 5 – Historical, Bridge, and Test Year OM&A Costs by Major OM&A Category (\$'000s)**

OM&A Category	Historical			Bridge		Test	CAGR ⁹
	2016	2017	2018	2019	2020	2021	
Operations	\$18,399	\$18,860	\$20,877	\$22,398	\$23,824	\$22,924	4.5%
Maintenance	\$9,739	\$10,299	\$9,125	\$8,653	\$9,767	\$9,855	0.2%
Subtotal	\$28,138	\$29,158	\$30,003	\$31,050	\$33,591	\$32,779	3.1%
Billing and Collecting	\$12,594	\$12,745	\$11,941	\$10,220	\$12,052	\$12,711	0.2%
Community Relations	\$5,290	\$5,120	\$4,759	\$5,131	\$5,895	\$6,365	3.8%
Subtotal	\$17,884	\$17,865	\$16,700	\$15,352	\$17,946	\$19,076	1.3%
Administrative and General	\$36,599	\$35,222	\$40,161	\$41,143	\$40,453	\$42,068	2.8%
TOTAL OM&A EXPENSES¹⁰	\$82,621	\$82,245	\$86,863	\$87,545	\$91,990	\$93,923	2.6%

2

3 Based on the proposed costs for the 2021 Test Year, OM&A expenditures for the remaining
 4 years of the 2021-2025 Custom IR period have been calculated through the application of an
 5 escalation factor, which is discussed in further detail in section 4.4 below. The result is the
 6 breakdown of OM&A costs shown in Table 6.

7

8 **Table 6 – Annual OM&A Program Expenditures for 2021-2025 (\$'000s)**

2021	2022	2023	2024	2025
\$93,923	\$96,280	\$98,697	\$101,174	\$103,714

9

10 Hydro Ottawa's proposed OM&A costs over the 2021-2025 term translate into an average
 11 annual expenditure of \$98.8M.

12

13 Of note, during the internal budgeting process, the initial levels of OM&A submitted by the
 14 various Divisions within the utility resulted in a compound annual growth rate ("CAGR") of 3.5%
 15 over the 2021-2025 period. In step with its commitment to continuous improvement and with
 16 customer preferences for minimizing rate increases, Hydro Ottawa then applied a custom

⁹ CAGR represents the compound annual growth rate between 2017 and 2021.

¹⁰ Totals may not sum due to rounding.

1 OM&A escalation factor to contain upward pressure on operational expenses and to embed
2 productivity expectations throughout the 2021-2025 period. This lowered the overall OM&A
3 CAGR to 2.51% and achieved a reduction of \$13.1M in OM&A spending over the course of the
4 rate term.

5
6 For additional information on Hydro Ottawa's OM&A programs, cost drivers, and year-over-year
7 variances, please see Exhibit 4-1-1: Operations, Maintenance and Administration Summary and
8 Exhibit 4-1-4: Operations, Maintenance and Administration Cost Drivers and Program Variance
9 Analysis.

10 11 **4.4. CUSTOM PRICE ESCALATION FACTOR**

12 As established by the RRF, under a price cap form of incentive rate-setting, rates are adjusted
13 using a formulaic approach in the years following the first year base rates. This formula consists
14 of a two-component Price Cap Index ("PCI"): inflation and productivity. For electricity
15 distributors, the formula includes an industry-specific inflation factor and two factors for
16 productivity. One productivity factor is a fixed amount for industry-wide productivity, and the
17 other is a stretch factor which is set each year based on the level of productivity the distributor
18 has achieved as evaluated by the Pacific Economics Group ("PEG") econometric model.

19
20 Under a Custom IR approach, the annual rate adjustment must be based on a custom index
21 supported by empirical evidence that can be tested. The annual adjustment must include explicit
22 financial incentives for continuous improvement and cost control targets. As noted in the OEB's
23 *Handbook for Utility Rate Applications*, "these incentive elements, including a productivity factor,
24 must be incorporated through a custom index or an explicit revenue reduction over the term of
25 the plan (not built into the cost forecast)."¹¹

26
27 As a result, for years two through five of its upcoming rate term (i.e. 2022-2025), Hydro Ottawa
28 is proposing to adopt a Custom Price Escalation Factor ("CPEF") framework, which is based on

¹¹ Ontario Energy Board, *Handbook for Utility Rate Applications* (October 13, 2016), page 25.

1 the approach approved by the OEB in Hydro Ottawa’s 2016-2020 Custom IR application.¹² This
2 framework is aligned with OEB policy and based on sound ratemaking principles, and
3 incorporates the OEB’s key principles and expectations of a Custom IR application.

4
5 Hydro Ottawa is proposing that OM&A costs in years two through five of its rate term be
6 adjusted by the CPEF, on an annual basis, as follows:

$$\text{CPEF} = I - X + G$$

7
8
9
10 where

11
12 *“I” is the inflation factor*

13 *“X” is the two-component productivity factor*

14 *“G” is the growth factor*

15
16 Using this formula, Hydro Ottawa has determined that the CPEF will be 2.51%.

17
18 A more detailed explanation of the CPEF and the evidence supporting the use and assigned
19 value of each factor is included in Exhibit 1-1-10: Alignment with the Renewed Regulatory
20 Framework.

21 22 **4.5. RATE BASE**

23 Hydro Ottawa’s requested rate base for the 2021 test year is \$1,219M, which represents an
24 increase of approximately \$244.8M or 25% over the OEB-approved rate base for the 2020
25 Bridge Year. Table 7 below identifies the rate base requested for each year during the
26 2021-2025 period. Please refer to Exhibit 2-1-1: Rate Base Overview for further details.

¹² Ontario Energy Board, *Decision and Order*, EB-2015-0004 (December 22, 2015), page 1.

1 **Table 7 – Summary of Rate Base (\$'000s)**

	2021	2022	2023	2024	2025
Rate Base	\$1,218,659	\$1,303,922	\$1,349,619	\$1,376,805	\$1,419,763

2
3 **4.6. REVENUE REQUIREMENT**

4 Hydro Ottawa is requesting approval for both service and base revenue requirement for each
5 year in its planned 2021-2025 rate term, along with the resulting rates and riders based on
6 forecast capital expenditures, OM&A, depreciation expense, cost of capital, payments in lieu of
7 taxes (“PILS”), and revenue from other sources. For the 2021 Test Year, Hydro Ottawa requests
8 a service revenue requirement of \$214.9M, which represents an increase of \$14.3M or 7% from
9 the service revenue requirement previously approved by the OEB for 2020.

10
11 The principal cost drivers underlying Hydro Ottawa’s Test Year revenue requirement are the
12 increases to rate base, which are attributable to capital investments that the utility must
13 undertake in order to continue providing safe and reliable electricity service to the residents and
14 businesses in Ottawa and Casselman. Other cost drivers include increases to amortization
15 expense, OM&A expenses, interest, and return on rate base.

16
17 Table 8 below provides a summary of the proposed revenue requirement for 2021-2025.

18
19 For additional details regarding Hydro Ottawa’s revenue requirement and related cost drivers,
20 please refer to Exhibit 6-1-1: Calculation of Revenue Deficiency or Sufficiency.

1 **Table 8 – Summary of Revenue Requirement for 2021-2025 (\$'000s)**

	2021	2022	2023	2024	2025
Return on Rate Base	\$67,489	\$73,588	\$77,441	\$79,860	\$84,624
Distribution Expenses (not including amortization)	\$93,923	\$96,280	\$98,697	\$101,174	\$103,714
Amortization	\$52,450	\$56,860	\$59,142	\$60,711	\$64,027
Payment in Lieu of Taxes	\$1,024	\$5,211	\$8,766	\$11,660	\$7,689
Service Revenue Requirement	\$214,886	\$231,939	\$244,045	\$253,405	\$260,053
Less Revenue Offsets	\$10,977	\$11,013	\$11,667	\$12,151	\$12,457
Base Revenue Requirement	\$203,909	\$220,926	\$232,378	\$241,254	\$247,596
Transformer Ownership Credit	\$1,056	\$1,056	\$1,056	\$1,059	\$886
Revenue Requirement from Rates	\$204,965	\$221,982	\$233,434	\$242,312	\$248,483
Forecasted Load at 2020 Rates	\$187,905	\$188,833	\$189,716	\$190,703	\$191,468
Cumulative Revenue Deficiency (over 2020)	\$(17,060)	\$(33,149)	\$(43,719)	\$(51,609)	\$(57,014)
Yearly Revenue Deficiency over 2020	\$(17,060)	\$(16,089)	\$(10,570)	\$(7,891)	\$(5,405)

2
 3 **4.7. LOAD FORECAST**

4 Hydro Ottawa's forecasted energy consumption for the 2021 Test Year is 7,065,745 MWh. This
 5 is 374,879 MWh (5.0%) lower than the 2016 OEB-approved MWh forecast. The utility's
 6 forecasted number of customers for the 2021 Test Year is 344,936, representing an increase of
 7 6.1% over the 2016 OEB-approved number.

8
 9 Table 9 provides a high-level summary of Hydro Ottawa's forecasted load for 2021-2025.

10
 11 **Table 9 – Load Forecast Summary**

Year	Total Sales (MWh)	Total Customers ¹³
2021	7,065,745	344,936
2022	7,088,184	348,104
2023	7,116,619	351,138
2024	7,165,092	354,088
2025	7,179,631	357,017

¹³ Figures in this column do not include Standby Power customers.

1 Hydro Ottawa has provided a five-year detailed class-specific weather normalized load forecast
2 and customer connection forecast for each rate class in Exhibit 3-1-1: Load Forecast. This
3 forecast incorporates modifications to the provincial electricity conservation framework that were
4 enacted by the Government of Ontario in 2019, as well as the impacts of embedded generation.
5

6 **4.8. COST OF CAPITAL**

7 Cost of capital components have been determined for each year during the 2021-2025 planned
8 rate term. Hydro Ottawa has used the following debt/equity ratio for all years: 4% short-term
9 debt, 56% long-term debt, and 40% equity.
10

11 Hydro Ottawa has utilized the short-term debt rate of 2.75%, as provided in the 2020 Cost of
12 Capital Parameters letter dated October 31, 2019, for the full five-year term covered by this
13 Application. The utility has forecasted the weighted average cost of long-term debt based on the
14 cost of existing embedded debt, anticipated long-term borrowing requirements, and the forecast
15 yield for 2021-2025 long-term debt issuances. Using the OEB's formulaic calculation, Hydro
16 Ottawa has also forecast an ROE for the full five-year period covered by this Application.
17

18 It is Hydro Ottawa's intention to provide regulatory efficiency and rate stability over the five-year
19 term of this Application by not making any further updates to cost of capital components.
20

21 For additional details on the cost of capital determinations and calculations employed by Hydro
22 Ottawa, please see Exhibit 5-1-1: Cost of Capital and Capital Structure.
23

24 **4.9. COST ALLOCATION AND RATE DESIGN**

25 Hydro Ottawa has prepared a cost allocation model for each of the five years in the proposed
26 2021-2025 rate plan using the OEB's cost allocation methodologies and model. Hydro Ottawa's
27 2021 base revenue requirement has been allocated across the utility's nine rate classes. The
28 resulting revenues-to-cost ratios for each rate class were determined using the total revenues
29 over costs for each year, pursuant to OEB guidelines.

1 Hydro Ottawa engaged Elenchus Research Associates to undertake a Cost Allocation Model
2 study to determine whether refinements were necessary to better reflect the OEB's principle of
3 cost causality in its cost allocation to customers. The results of the study indicated that four rate
4 classes require adjustments to bring them within OEB-approved ranges. In this Application, the
5 utility is proposing the necessary adjustments to achieve this result. For more information,
6 please see Exhibit 7-1-1: Cost Allocation.

7
8 With respect to rate design, one noteworthy feature of Hydro Ottawa's 2021-2025 rate plan is
9 that it marks the first five-year rate term for the utility in which distribution rates for residential
10 customers will be set at a fully fixed charge. Effective January 1, 2020, Hydro Ottawa completed
11 the transition to fully fixed rates for these customers, in accordance with the policy adopted by
12 the OEB in 2015.¹⁴ As noted elsewhere, the execution of this transition has implications for the
13 presentation of information pertaining to the impacts on residential customer rates associated
14 with the proposals and plans set forth in this Application.¹⁵

16 **4.10. DEFERRAL AND VARIANCE ACCOUNTS**

17 Hydro Ottawa is proposing to clear Group 2 Accounts, including the Lost Revenue Adjustment
18 Mechanism ("LRAM") Account. The total net deferral and variance ("DVA") balance proposed for
19 disposition is \$(5,751,923). Hydro Ottawa is proposing that the Rate Riders for Group 2
20 Accounts (excluding LRAM) be disposed of over two years. For the LRAM Variance Account, a
21 one-year disposition period is proposed. As no Group 1 Accounts are being requested for
22 disposition at this time, the rate riders are the same for Regulated Price Plan ("RPP") and
23 non-RPP customers.

24
25 In this Application, Hydro Ottawa is also proposing modifications to and the discontinuance of
26 certain DVAs. For further such information, as well as for details on amounts proposed for DVA
27 clearances, please see Exhibit 9-1-1: Summary of Current Deferral and Variance Accounts and
28 Exhibit 9-2-1: New Deferral and Variance Accounts.

¹⁴ Ontario Energy Board, *Board Policy - A New Distribution Rate Design for Residential Electricity Customers*, EB-2012-0410 (April 2, 2015). Please see Exhibit 8-2-1: Rate Design Policy Consultation for details.

¹⁵ For example, please see the explanation provided in Exhibit 1-1-7: Customer Summary.

1 **4.10.1. Capital Variance Account**

2 In this Application, Hydro Ottawa proposes to sustain the use of a variance account wherein it
3 will record, on an annual basis, the impacts on revenue requirement arising from variances
4 between actual and forecasted cumulative capital additions. Capital additions would be tracked
5 using three categories: System Access, System Service and System Renewal, and General
6 Plant.¹⁶ The creation and use of such a variance account was sanctioned as part of the
7 Approved Settlement Agreement governing Hydro Ottawa's 2016-2020 rates. The utility
8 believes that the administration of this capital variance account on an ongoing basis is an
9 effective means of ensuring transparency and accountability in the planning, execution, and
10 reporting of annual capital expenditures. By proposing the calculation of the annual variance on
11 a cumulative basis, Hydro Ottawa's intent is to ensure that if projects are delayed, but are
12 completed as planned at a later time, then the reduction to revenue requirement will only reflect
13 the period of delay and will cease when the projects have been added to rate base.

14
15 The one modification to the capital variance account that Hydro Ottawa is proposing to
16 introduce for the 2021-2025 period is the use of a separate sub-account for System Access
17 capital additions. The rationale for this proposal is that capital spending in this category is driven
18 by customer requests and is therefore difficult to predict, as the level of required expenditure is
19 outside of the utility's control.

20
21 For additional information on the Capital Variance Account, please see Exhibit 9-2-1: New
22 Deferral and Variance Accounts.

23
24 **4.10.2. Earnings Sharing Mechanism**

25 In order to insulate customers from the risk of Hydro Ottawa generating excess earnings, the
26 utility is proposing the inclusion of an earnings sharing mechanism ("ESM"). ESMs permit the
27 sharing of utility earnings with customers when earnings rise above or fall below a certain
28 threshold. Under an ESM, earnings may be passed along to customers in the form of rate

¹⁶ The System Renewal and System Service categories have been merged into one category to reflect Hydro Ottawa's standard operating practice to shift funds between the two categories, as warranted by customer and operational requirements.

1 reductions or rate offsets. Hydro Ottawa is proposing an asymmetrical ESM such that it is only
 2 proposing to share earnings that exceed a basis point threshold above the utility’s ROE, with no
 3 corresponding adjustment if its earnings fall below the basis point threshold.

4
 5 The proposed ESM formula is as follows:

6
 7 **Table 10 – Proposed ESM Formula**

#	Threshold	Treatment
1	Under earning	Borne entirely by shareholder
2	0-150 basis points	Fully retained by shareholder
3	Above 150 basis points	50/50 sharing of ratepayer/shareholder

8
 9 Additional detail on the ESM is included in Exhibit 9-2-1: New Deferral and Variance Accounts.

10
 11 **4.10.3. Z Factor(s)**

12 In its *Handbook for Utility Rate Applications*, the OEB affirmed its policy that “[a]n acceptable
 13 adjustment during a Custom IR term is a Z factor mechanism for cost recovery of unforeseen
 14 events.”¹⁷ In step with this guideline, Hydro Ottawa intends to reserve its right over the course of
 15 the 2021-2025 rate term to file a Z factor application in order to recover costs resulting from
 16 unforeseen events, decisions, or activities, the results of which cannot be reasonably
 17 anticipated or quantified at this juncture and where the costs exceed the utility’s materiality
 18 threshold. Examples include unforeseen weather events or changes to laws or regulations
 19 requiring significant implementation investment.

20
 21 **4.10.4. Certification of Evidence - Commodity Accounts 1588 and 1589**

22 As per the Filing Requirements, Hydro Ottawa’s Chief Financial Officer hereby certifies that the
 23 utility maintains robust processes and internal controls for the preparation, review, verification,
 24 and oversight of Account 1588 RSVA – Power and Account 1589 RSVA – Global Adjustment.

¹⁷ Ontario Energy Board, *Handbook for Utility Rate Applications* (October 13, 2016), page 27.

1 **4.11. BILL IMPACTS**

2 Table 11 below provides a summary of the total bill impacts for typical customers in all rate
3 classes. Further details regarding Hydro Ottawa's proposed bill impacts are available in Exhibit
4 8-12-1: Bill Impact Information.

1

Table 11 – Summary of Bill Impacts

Rate Class		Approved	Proposed				
		2020	2021	2022	2023	2024	2025
Residential (750 kWh)	Distribution Charge	\$28.64	\$29.95	\$32.13	\$33.97	\$34.95	\$35.56
	Change in Distribution Charge		\$1.31	\$2.18	\$1.84	\$0.98	\$0.61
	% Distribution Increase		4.57%	7.28%	5.73%	2.88%	1.75%
	% Increase of Total Bill		1.32%	1.54%	1.28%	0.68%	0.43%
General Service <50 kW (2,000 kWh)	Distribution Charge	\$71.32	\$73.06	\$78.13	\$83.28	\$86.33	\$88.58
	Change in Distribution Charge		\$1.74	\$5.07	\$5.15	\$3.05	\$2.25
	% Distribution Increase		2.44%	6.94%	6.59%	3.66%	2.61%
	% Increase of Total Bill		0.65%	1.37%	1.37%	0.81%	0.59%
General Service 50 kW - 1,499 kW (250 kW)	Distribution Charge	\$1,461.93	\$1,537.98	\$1,669.42	\$1,785.17	\$1,853.01	\$1,905.37
	Change in Distribution Charge		\$76.05	\$131.44	\$115.76	\$67.84	\$52.36
	% Distribution Increase		5.20%	8.55%	6.93%	3.80%	2.83%
	% Increase of Total Bill		1.59%	0.74%	0.65%	0.38%	0.29%
General Service 1,500 kW - 4,999 kW (2,500 kW)	Distribution Charge	\$15,941.18	\$16,614.68	\$18,015.99	\$19,263.84	\$19,992.90	\$20,452.40
	Change in Distribution Charge		\$673.50	\$1,401.31	\$1,247.85	\$729.06	\$459.50
	% Distribution Increase		4.22%	8.43%	6.93%	3.78%	2.30%
	% Increase of Total Bill		1.53%	0.78%	0.69%	0.40%	0.25%
Large Use (7,500 kW)	Distribution Charge	\$48,420.32	\$53,922.32	\$58,287.22	\$62,092.67	\$64,292.42	\$65,709.17
	Change in Distribution Charge		\$5,502.00	\$4,364.90	\$3,805.45	\$2,199.75	\$1,416.75
	% Distribution Increase		11.36%	8.09%	6.53%	3.54%	2.20%
	% Increase of Total Bill		2.16%	0.79%	0.68%	0.39%	0.25%
Sentinel Lighting (0.4 kW)	Distribution Charge	\$9.53	\$10.91	\$13.14	\$15.31	\$17.20	\$18.99
	Change in Distribution Charge		\$1.38	\$2.23	\$2.17	\$1.89	\$1.79
	% Distribution Increase		14.46%	20.46%	16.54%	12.33%	10.44%
	% Increase of Total Bill		7.36%	8.74%	7.83%	6.32%	5.65%
Street Lighting (1 kW)	Distribution Charge	\$7.76	\$6.99	\$7.97	\$8.68	\$8.98	\$9.24
	Change in Distribution Charge		\$(0.77)	\$0.98	\$0.71	\$0.30	\$0.26
	% Distribution Increase		(9.98)%	14.07%	8.92%	3.46%	2.91%
	% Increase of Total Bill		(1.10)%	3.16%	2.24%	0.96%	0.83%
Unmetered Scattered Load (470 kWh)	Distribution Charge	\$17.08	\$17.49	\$19.55	\$21.37	\$22.67	\$23.82
	Change in Distribution Charge		\$0.41	\$2.06	\$1.82	\$1.30	\$1.15
	% Distribution Increase		2.42%	11.76%	9.33%	6.10%	5.07%
	% Increase of Total Bill		0.98%	2.36%	2.05%	1.44%	1.26%

2