

**INTERROGATORIES OF
THE ELECTRICAL CONTRACTORS ASSOCIATION OF ONTARIO (ECAO) and
THE GREATER TORONTO ELECTRICAL CONTRACTORS ASSOCIATION
(GTECA)**

1. ***Reference: Applications Covering Letter Dated June 15, 2009, page 3, 2nd paragraph; Application for a Distribution Licence (EB-2009-0180), page 10; Affidavit of Jean-Sebastien Couillard, paragraph 36.*** The evidence describes the 2005 services agreement between THESI and the City of Toronto negotiated in 2005, which is to be transferred from THESI to the regulated distributor.

Please file a copy of this agreement.

2. ***Reference: Application for a Distribution Licence (EB-2009-0180), pages 13 and 14.*** The evidence refers to THESI staff, "*which have detailed Streetlighting System experience*", to be transferred from THESI to the regulated distributor. The evidence states: *Upon completion of the proposed transaction, the amalgamated utility will be fully resourced to perform design, installation, operation and maintenance services for the Streetlighting System and the currently licensed distribution system in the City of Toronto.*
 - (a) Which services associated with street light installation or maintenance are currently outsourced by THESI, and in what rough proportions (relative to work done by THESI employees).
 - (b) Does THESL currently provide any services to THESI? If so, please list the services provided.
 - (c) If the approvals requested are granted will these outsourcing arrangements be maintained following the transfer?
 - (d) As these arrangements expire, will employees of the regulated distributor assume the functions currently outsourced?
 - (e) Please detail any collective labour agreement provisions, requirements or restrictions that would impact THESL's ability to, or practices regarding, the outsourcing of street light installation or maintenance work.

3. **Reference: Application for a Distribution Licence (EB-2009-0180), page 20.** The evidence states: *The proposed transaction will have no effect on competition in Ontario's electricity commodity market.*

Will the transaction have an effect on competition in Ontario's electricity services market (including the market for the provision of electrical contracting services)? If not, why not.

4. **Reference: Application for a Distribution Licence (EB-2009-0180), pages 21 and 22.** The evidence addresses issues regarding the maintenance and repair of the street lighting system and the impacts of that system on certain distribution customers served through that system.

- (a) Please provide a map which is marked to indicate in which areas of THESL's franchise territory distribution customers are served through the street lighting system.
- (b) Do new connections continue to occur through the street lighting system rather than directly to the current distribution system? If not, when was the last such connection effected?
- (c) Please detail the alternatives to connection of distribution customers through the street lighting system, and indicate the specific types and average quantum of incremental costs entailed by the alternative configurations.

5. **Reference: Application for a Distribution Licence (EB-2009-0180), pages 22 and 23 .** The evidence addresses distribution rate impacts of the proposed transactions.

- (a) Is it proposed that the capital cost of the poles and street lights be included in rate base and earn a return?
- (b) If so:
 - (i) Please estimate the 2010 and 2011 revenue requirement impacts of this addition to rate base.
 - (ii) Please estimate the 2010 and 2011 offsetting revenue requirement adjustment resulting from revenues under the service agreement with the City of Toronto.
- (c) Is it proposed that the charges for the provision of lighting services (as distinct from the physical distribution of electricity) to the City of Toronto be subject to regulation? If so, please describe, and provide an estimate of, the new rates/charges for the provision of street lighting services that the Board would be asked to approve for each of 2010 and 2011.

6. **Reference: Applications for leave to Transfer and Amalgamate (EB-2009-0181/0182/0183), page 11.** The evidence states: *By including the Streetlighting System in the distribution utility, any third party currently or wanting to connect to the Streetlighting System will be required to contract New THESL to arrange for only qualified personnel to conduct the work. This will ensure integrity of the system and improper [sic] connection to the system.*
- (a) Please indicate the current process for establishing a new load connection through the street lighting system as a distribution customer.
 - (b) Please detail instances of "improper connection to the system" that have occurred under the current arrangement.
7. **Reference: Applications for leave to Transfer and Amalgamate (EB-2009-0181/0182/0183), pages 12 and 13.** The evidence addresses the issue of policy drivers and regulatory context for the current distinction between the street lighting and the distribution systems, and the "regulatory authority" in respect of the former that the distributor proposes to assume.

Reference: Affidavit of Jean-Sebastien Couillard, paragraphs 11 et seq. The evidence describes pre-corporatization organization of municipal electric utilities, and the Ontario Hydro policy that lead to transfer of street lighting systems from these municipal departments to other municipal departments.

- (a) Under the current regulatory structure, who is responsible for planning and construction of new or replacement street lights in the City of Toronto?
- (b) Please detail THESL's current involvement in the planning and construction of new or replacement street lights within its franchise territory.
- (c) If the applications were granted, how would these responsibilities change?
- (d) In the current regulatory context, is the provision of street lighting for new subdivisions within Toronto Hydro's franchise a contestable activity?
- (e) Are there currently street lights located within Toronto Hydro's franchise territory that are not owned by THESI? If so, would this continue to be the case if the applications are granted?

8. **Reference: Application (by NewCo) for a Distribution Licence (EB-2009-0180), page 7.** The evidence responds to a licence application form question regarding impacts on any other parties, e.g. joint users of poles.

- (a) Do distribution customers currently connected to the distribution system through the street lighting system pay any fees to THESI (i.e. incur any costs beyond the distribution charges charged by the regulated distributor)? If so, what will happen to these charges should the applications be approved?
- (b) Do distribution customers currently connected to the distribution system through the street lighting system enter into any agreements with THESI regarding their connections? If so, what will happen to these agreements should the applications be approved?

9. **Reference: Affidavit of Jean-Sebastien Couillard, paragraphs 4 to 9.** The evidence traces a history of development of the street lighting system as part of the distribution function. In demonstration of this history the evidence cites, and provides excerpts from, Toronto Hydro annual reports for the years 1915, 1917, 1921, 1922, 1924, 1972, 1973 and 1979.

ECAO/GTECA are interested in understanding what other commercial activities were part of the electricity utility at the relevant times, in order to fully consider the evolution of electricity distribution in the province. Please file full copies of the reports cited. (Electronic versions are acceptable if the material is voluminous.)

10. **Reference: Affidavit of Jean-Sebastien Couillard, paragraphs 16 et seq.** The evidence describes the restructuring of Ontario's electricity sector to separate monopoly functions from competitive businesses. THESI, as a competitive energy services company, acquired the street lighting system from the City of Toronto.

- (a) If the applications are approved, will THESI continue to provide street lighting services of any kind?
- (b) What business activities would THESI continue to be engaged in following the proposed transactions?
- (c) Does THESI currently provide any services to THESL? If so;
 - (i) please list these services;
 - (ii) detail in each instance whether THESI or THESL employees, or some other entity's employees, are used in the provision of this service; and

- (iii) indicate in each case whether the provision of the service by THESI to THESL will continue following the transactions proposed.

11. **Reference: Affidavit of Jean-Sebastien Couillard, paragraph 34.** The evidence provides the affiant's view to the effect that the government's policy regarding electricity sector structure has not directly considered street lighting activities.

- (a) Are any of the applicants aware of any discussions with Ministry of Energy staff regarding this issue, and if so what Ministry Staff's views have been?
- (b) Please provide copies of any correspondence with Ministry of Energy Staff in the possession of any of the applicants and relating to the ownership of street lighting assets or the provision of street lighting services.

12. **Reference: Affidavit of Jean-Sebastien Couillard, paragraphs 13 and 36.** The evidence describes two historical transactions involving transfer of the street lighting assets serving the City of Toronto. The first transaction was transfer of the assets from Toronto Hydro's predecessor to the City. The second was transfer of the assets from the City to THESI's predecessor.

Please provide all excerpts from the documents related to these previous transfers that describe the assets being transferred.

13. **Reference: Affidavit of Ben Lopianata.** The evidence describes the physical configuration and components of the street lighting system.

Was any consideration given to transferring that part of the current street lighting system which actually distributes electricity (e.g. the low-voltage underground electrical circuit which actually transmits) but retaining in the unregulated affiliate the electricity consuming (and associated) assets (e.g. the lights and poles)? If not, why not. If so, why was this option rejected?

14. **Reference: Affidavit of Ben Lopianata, paragraphs 15 and 16.** The evidence states that THESI crews cannot work on THESL assets, and vice versa.

- (a) What barriers exist to an agreement that would provide authorization to employees or contractors of both companies to work on either company's assets?

- (b) Does THESL ever provide employees, in emergency situations or otherwise, to work on assets owned by another entity? If so, please describe the circumstances in which such arrangements are made, and how they are effected.
- (c) Does THESL contract out any work on its distribution system? If so, please describe what work is contracted out and the process for authorizing non-THESL employees to work on distribution assets.
- (d) What alternatives to the proposed transactions have the applicants considered to address each of the safety, efficiency and reliability concerns expressed as the basis for the instant applications? Please provide any existing documentation of the alternatives considered.