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BY COURIER

May 25, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700,
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

EB-2015-0141 – Rogers Communication Partnership et al. for Leave to Bring a Motion to Review and Vary Decision EB-2013-0416/EB2014-0247 – Undertaking Response

Please find enclosed the response to undertaking J1 provided at the Motion Hearing in the above-noted proceeding.

An electronic copy of this undertaking response has been filed using the Board's Regulatory Electronic Submission System (RESS).

Sincerely,
ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan

cc. Intervenors

Encl.

UNDERTAKING – J1

Undertaking

To Confirm That The Difference Between Tables 1 And 2 Is That Table 2 Has A Corrected Set Of Data And Table 1 Does Not.

Response

Table’s 1 and 2 use the same base data and all calculations are correct. The words “Corrected Input” found in the headers of Columns 4, 5, 6 and 7 of Table 2 should have been deleted in the response to Exhibit I, Tab 2, Schedule 2.1 as noted by Mr. Boldt at Page 49, lines 12-15 of the May 19, 2016 Motion Day transcript. Hydro One in the interrogatory response filed on April 15, 2016 did provide updated/corrected information with respect to actual year-end values, the number of attachers and the percentage reduction for power assets from numbers originally filed. The key differences are summarized below.

Original Submission (Exhibit G2, Tab 5, Schedule 1 , EB-2013- 0416)	Table 1 (Exhibit I, Tab 2, Schedule 2.1, EB-2015- 0141)	Table 2 (Exhibit I, Tab 2, Schedule 2.1, EB-2015- 0141)
2.5 Attachers	1.3 Attachers	1.3 Attachers
15% Reduction for Power Assets	5% Reduction for Power Assets	15% Reduction for Power Assets
2012 Actual Year-End Values	2014 & 2015 Actual Year-End Values	2014 & 2015 Actual Year-End Values

More specifically:

- (a) **Table 1** uses a **5% reduction in USofA acct. 1830** to remove power assets in determining Net Embedded Cost of poles. (5% was the value in the Ottawa Hydro Decision); reflects 1.3 actual attachers; 2014 year end values were included in Columns 4 and 5 and 2015 year end values were used in Columns 6 and 7. Pole Maintenance Costs under Column 4 reflects year-end 2014 values with **No forestry included**, Column 5 reflects year-end 2014 values **with forestry included** in Pole Maintenance Costs. Column 6 reflects year-end 2015 values with **No forestry included** in Pole Maintenance Costs and Column 7 reflects year-end 2015 values **with forestry included** in Pole Maintenance Costs.
- (b) **Table 2** uses a **15% reduction in USofA acct. 1830** to remove power assets in determining Net Embedded Cost of poles. (15% was the value used in RP-2003-0249 and what Hydro One originally submitted in EB-2013-0416); reflects 1.3 actual attachers; 2014 year end values were included in Columns 4 and 5 and 2015 year end values were used in Columns 6 and 7. Pole Maintenance Costs under Column 4 reflects year-end 2014 values with **No forestry included**, Column 5 reflects year-end

1 2014 values with forestry included in Pole Maintenance Costs. Column 6 reflects
 2 year-end 2015 values with No forestry included in Pole Maintenance Costs and Column 7
 3 reflects year-end 2015 values with forestry included in Pole Maintenance Costs.

4
 5 To summarize, both tables are comparing 2014 and 2015 rates with different inputs as
 6 captured above. Table 1 incorporates a 5% reduction and Table 2 is using a 15%
 7 reduction in USofA acct 1830 to remove power assets in determining Net Embedded
 8 Cost of poles. An updated Table 2 has been provided with the words “Corrected Input”
 9 removed.

10

11 **Updated Table 2 (removed “Corrected Input” from table headings)**

	Column #1	Column #2	Column #3	Column #4	Column #5	Column #6	Column #7
Inputs	OEB 2005	Hydro One Pre-filed	Hydro Ottawa Decision (EB-2015-0004)	Hydro One (2014) with 1.3 Attachers, based on Hydro Ottawa Decision (15% Reduction for Power-Specific Assets, no Forestry Included)	Hydro One (2014) with 1.3 Attachers, based on Hydro Ottawa Decision (15% Reduction for Power-Specific Assets, Forestry Included)	Hydro One (2015) with 1.3 Attachers, based on Hydro Ottawa Decision (15% Reduction for Power-Specific Assets, no Forestry Included)	Hydro One (2015) with 1.3 Attachers, based on Hydro Ottawa Decision (15% Reduction for Power-Specific Assets, Forestry Included)
DIRECT COSTS							
Admin Costs	\$0.69	\$0.85	\$2.28	\$0.90	\$0.90	\$0.93	\$0.93
Loss in Productivity	\$1.23	\$1.51	\$1.96	\$3.09	\$3.09	\$3.18	\$3.18
Total Direct Costs	\$1.92	\$2.36	\$4.23	\$3.99	\$3.99	\$4.11	\$4.11
INDIRECT COSTS							
Net Embedded Cost (NEC)	\$478.00	\$745.86	\$1,479.02	\$944.49	\$944.49	\$1,058.06	\$1,058.06
Depreciation Cost	\$31.11	\$12.68	\$38.89	\$23.83	\$23.83	\$25.77	\$25.77
Pole Maintenance Cost	\$7.61	\$82.41	\$11.89	\$5.52	\$88.56	\$8.04	\$77.28
Capital Carrying Cost	\$54.49	\$63.32	\$118.91	\$80.19	\$80.19	\$83.27	\$83.27
Total Indirect Costs	\$93.21	\$158.41	\$169.69	\$109.54	\$192.58	\$117.07	\$186.31
ALLOCATION							
# of non-power attachers	2.5	2.5	1.74	1.3	1.3	1.3	1.3
Allocation Factor	21.9%	21.9%	28.8%	34.3%	34.3%	34.3%	34.3%
Indirect allocated	\$20.43	\$34.69	\$48.80	\$37.57	\$66.05	\$40.16	\$63.91
Pole Rate	\$22.35	\$37.05	\$53.03	\$41.56	\$70.04	\$44.26	\$68.01