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BY COURIER

December 20, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**EB-2018-0190 – Wataynikaneyap Power GP Inc. on behalf of Wataynikaneyap Power LP
Application for leave to construct transmission lines and associated facilities in
Northwestern Ontario – Interrogatory Questions (Round #2)**

Please find attached Hydro One Remote Communities Inc.'s ("Remotes") second round of interrogatory questions regarding the WPLP's Application for leave to construct transmission lines and associated facilities in northwestern Ontario. These are being filed in response to Procedural Order No. 2 released on December 14, 2018, providing the opportunity for Intervenor and OEB staff to provide supplemental written interrogatories to Wataynikaneyap Power.

An electronic copy of these questions has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

1
2 **Hydro One Remote Communities Interrogatories**

3
4 **Issue: Operations, Access and Community Readiness**

5
6 **INTERROGATORY #1**

7
8 **Reference:**

9
10 HORC Interrogatory #15 part g)

11
12 a) In its response to HORC IR #15 part g, WPLP notes that WPLP will be responsible for work
13 on the Wawakapewin TS, and states that, “As such, access to Wawakapewin TS should not
14 have an impact on Remotes’ OM&A costs post-implementation”. It is Remotes’
15 understanding that as a wholesale market participant, Remotes will be responsible for
16 maintaining the wholesale metering, planned to be located on the DS side of the TS station
17 just outside the fence. Is WPLP planning to maintain the wholesale metering? Please
18 explain.

19
20 **INTERROGATORY #2**

21
22 **Reference:**

23
24 Board Staff Interrogatories #13 & #9
25 HORC Interrogatories #9 & #10

26
27 ***Preamble:***

28
29 In response to Board Staff IR #13 part a, WPLP notes that the scope of required local distribution
30 upgrades has been determined based on deficiencies identified through inspections undertaken
31 by the ESA and Remotes. WPLP also references an implementation plan that includes INAC’s
32 Project Approval Request (“PAR”) process. The following are the dates, by community, that
33 these inspections were completed and reports were forwarded to the Communities, INAC and
34 OSLP.

Community	Distribution Asset Assessment - Report Date
Poplar Hill	July 2018
North Spirit Lake	December 2017
Keewaywin	June 2018
Muskrat Dam	September 2017
Wawakapewin/Long Dog	September 2017
Wunnumin	December 2016

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- a) Has the PAR process been initiated for any of these projects? If not, why not?
- b) If the PAR process has been initiated for any of the projects, have any of the PARs been approved?
- c) Please describe the framework anticipated for funding and the project execution to implement the upgrades that are referenced in the IR response.

INTERROGATORY #3

Reference:

Board Staff Interrogatory #13 part b)

Preamble:

In its response to Board Staff IR # 13 part b, WPLP states that, with the exception of Pikangikum, WPLP is not responsible for any of the IPA upgrades.

- a) Who specifically is responsible for managing the IPA upgrade projects?
- b) Does WPLP anticipate any risks related to the completion and in-service dates of the Remote Connection Lines if the IPA upgrades are not completed when the grid construction is completed?

1 c) Please describe the potential impact of delays in community connections on the WPLP
2 project if the required work in the IPA communities is not completed. If there is no impact,
3 why not?
4

5 d) As the proponent, Transmission Licensee and beneficial owner of the grid connection project
6 why does WPLP not have a role in ensuring the IPA communities are ready for grid
7 connection?
8

9 **INTERROGATORY #4**

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11 **Reference:**

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13 HORC Interrogatory #9
14

15 ***Preamble:***

16
17 Remotes notes that the work outlined in HORC IR #9 was not completed in time for the
18 community of Pikangikum's scheduled connection to the grid in December, 2018. In November,
19 Remotes applied to the OEB for a service territory amendment (EB-2018-0325) to take over the
20 assets in the community on an emergency basis. Because none of its conditions to serve the
21 community were met, Remotes requested and the OEB approved an interim period of relief from
22 licence obligations since it will not be in a position to bill customers or perform all required
23 distribution services.
24

25 a) Does WPLP have any advice to offer to the Board in terms of licence conditions or
26 conditions on the Leave to Construct that would help avoid this situation for future
27 connections?
28

29 **INTERROGATORY #5**

30
31 **Reference:**

32
33 Exhibit E, Tab 1, Schedule 1 (page1) and HORC Interrogatory #12 part a)
34

35 ***Preamble:***

36
37 The need for dual independent communication at the Distribution Stations will provide reliable
38 equipment status information to both WPLP and Remotes. This requirement is important for
39 continued operation of the systems, after both planned and unplanned physical system event
40 outage. The costs and time taken to gather the equipment status information will be considerably

1 reduced if these dual independent communication facilities are available. In addition to this
2 information, Remotes anticipates a need for metering communication from the Distribution
3 Stations supply point.

4
5 a) Is WPLP willing to work with Remotes in determining a dual independent communications
6 design that would serve the needs of both WPLP and Remotes?

7
8 **Issue: Rates**

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10 **INTERROGATORY #6**

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12 ***Reference:***

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14 HORC Interrogatory #16

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16 ***Preamble:***

17
18 WPLP's response to HORC IR #16 indicates that the impact to ratepayers is the same under the
19 alternate rate framework, since under the TSC, Remotes' contribution in aid of construction
20 would form part of its rate base and revenue requirement.

- 21
22 a) Does WPLP agree that the impact to rate payers would be the same only if the cost of capital
23 was the same for WPLP and Remotes?
24
25 b) As approved by the OEB in Remotes' 2017 cost-of-service rates application EB-2017-0051,
26 Remotes does not currently earn a return on equity for its rate base. Given this information,
27 does this change WPLP's response to this question?
28

29 **INTERROGATORY #7**

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31 **Reference:**

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33 HORC Interrogatory #19

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35 ***Preamble:***

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37 In the response to HORC IR #19 part c, WPLP indicates they expect that UTR rates would apply
38 to any new customers connecting to the Remote Connection Lines ("RCL").

- 1 a) Please confirm that the setting of rates for use of the WPLP lines will be subject to OEB
2 approval in a future application and the information provided in the response to HORC IR
3 #19 is for illustration purposes only?
4
- 5 b) Given that the Line Connection and Transformation Connection UTR charges specifically
6 reflect the costs associated with facilities included in deriving UTR rates, and given that the
7 cost of the RCL facilities are not included in the determination of the Line Connection and
8 Transformation Connection UTR rates, why does WPLP believe the use of the Line
9 Connection and Transformation Connection UTR charges are applicable to customers
10 connecting to the RCL?
11
- 12 c) Does WPLP believe Line Connection and Transformation Connection UTR charges are a
13 reasonable “proxy” for charges associated with using the RCL facilities? If so, please explain
14 why?
15

16 **INTERROGATORY #8**

17
18 **Reference:**

19
20 HORC Interrogatory #19 part d)

- 21
- 22 a) Please confirm that under both scenarios 1 and 2, the rows labeled as “Annual Incremental
23 UTR (Line + Transformation) Revenue” are not in fact UTR revenues, but rather revenue
24 that would be fully used to offset the RCL Revenue Requirement, which per WPLP’s
25 Alternative Rate Framework described in at page 10 of Exhibit J-1-1, would be treated
26 separately from the UTR revenue requirement? If not confirmed, please explain.
27
- 28 b) Please confirm that under both scenarios 1 and 2, Remotes would be responsible for paying
29 the full RCL revenue requirement, and that the RCL revenue requirement would be offset by
30 the revenues collected from the New Customer for use of the RCL. Under scenario 1 this
31 means the RCL revenue requirement of \$102,269,209 would be offset by \$1,184,400 in
32 revenues collected from the New Customer, which would result in Remotes paying \$184,400
33 less than they would otherwise pay if the New Customer had not been connected.
34 If not confirmed, please explain.
35
- 36 c) Please confirm that under scenario 2, while Remotes is not harmed by the connection of the
37 New Customer, there is in fact no reduction to the charges Remotes will pay for use of the
38 RCL as a result of the New Customer connecting to the RCL? If not confirmed, please
39 explain.