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Vice President and Chief Regulatory Officer
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BY COURIER

May 11, 2009

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

Dear Ms. Walli:

EB-2009-0019 – Ottawa River Power Corporation Service Area Amendment – Responses to Ottawa River Power Corporation and Board Staff Interrogatories

I have attached a copy of the response to the Board Staff and Ottawa River Power Corporation Interrogatories.

An electronic copy of Hydro One Networks' Interrogatory responses has been filed using the Board's Regulatory Electronic Submission System (RESS).

Sincerely,

ORIGINAL SIGNED BY ANDREW SKALSKI

For Susan Frank

Attach.

- c. Mr. Douglas Fee, Ottawa River Power Corporation
EB-2009-0219 Intervenors

Ontario Energy Board (Board Staff) INTERROGATORY #1 List 1

Interrogatory

1. Reference: Hydro One's Evidence, Page 1, Section 2.0, Lines 20-22
Hydro One states "*Hydro One provides service to the areas surrounding the 4 licensed service areas of ORPC, including the remainder of the Town of Mississippi Mills outside of Almonte Ward.*"

(a) Please describe the density of Hydro One's distribution system in the area adjacent to the proposed amendment area, from which Hydro One could supply the proposed development (i.e. low, medium, or high) and how does it compare with ORPC's system, from which ORPC proposes to supply the proposed development.

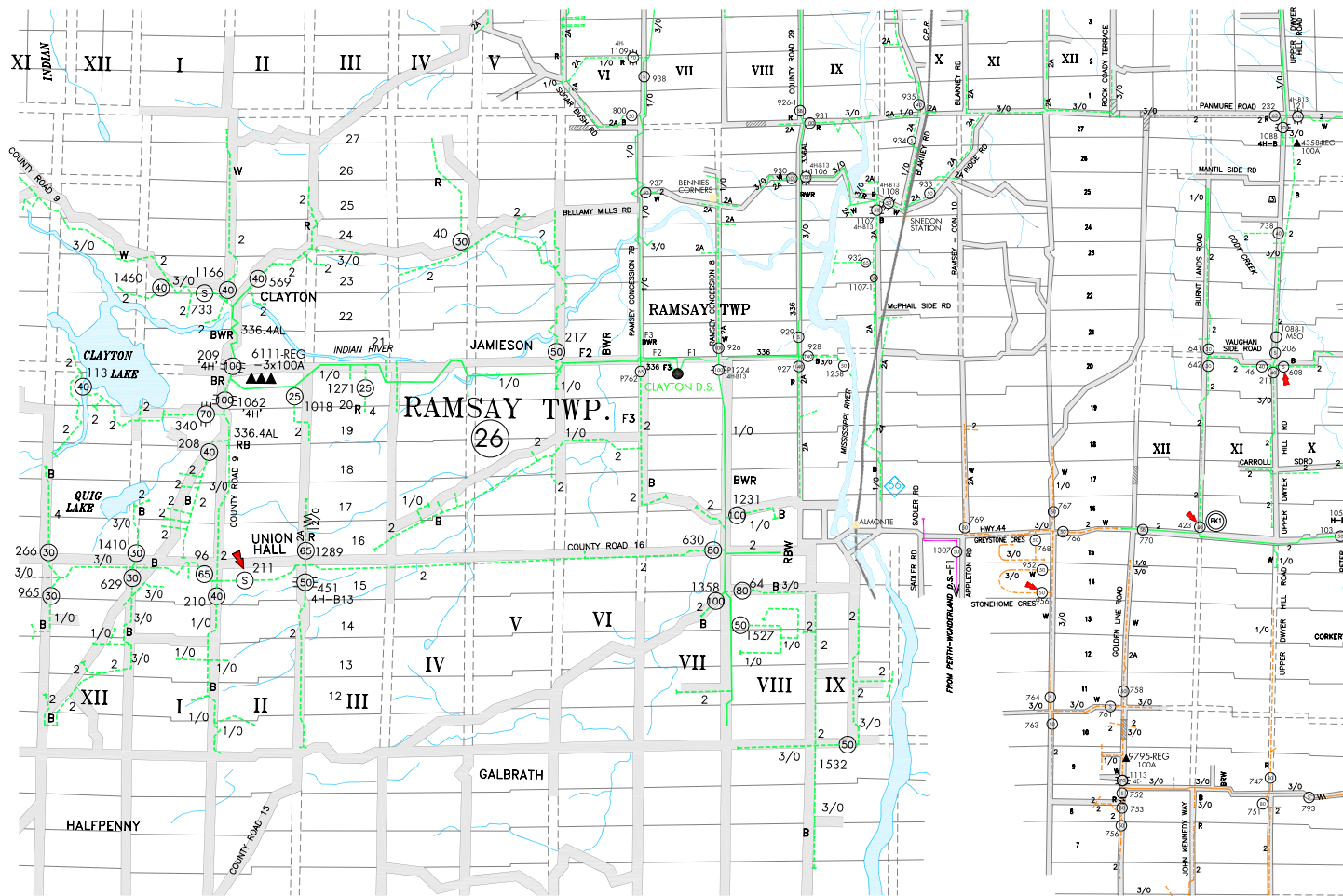
(b) Please provide a mapping of the area showing Hydro One's distribution systems, the proposed amendment area and the area(s) from which Hydro One intends to supply the proposed development.

Response

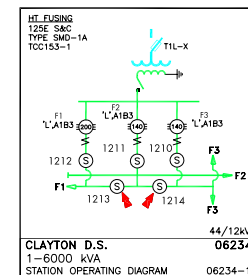
a. Hydro One has both high and low density areas it serves across the Province in addition to 88 former municipal utilities. In this particular area, Hydro One would describe its system as medium density. Hydro One, as stated in the evidence, has a 3-phase line at the entrance to the development. The line serves some recent commercial development along the front of the development. Hydro One also has a 16 kV line at another entrance to the development and a 12 kV line nearby.

ORPC has described its system in their evidence as a 4 kV system that has immediate capacity to service the initial phase, and will require reinforcement if the entire development proceeds in the future.

b. Attached is a map depicting the facilities in the area.



LEGEND	
SYMBOL	DESCRIPTION
---	3 ϕ PRIMARY (7.2/12.48 kV)
---	2 ϕ PRIMARY
---	1 ϕ PRIMARY
---	3 ϕ PRIMARY (27.6/16 kV)
---	2 ϕ PRIMARY
---	1 ϕ PRIMARY
	1234 SWITCHING VAULT
	456LL7 OPENER & NUMBER
	2345 SWITCH, NUMBER & FUSE SIZE
	1254 AIR BREAK SWITCH
	4444 LOAD BREAK SWITCH
	2456 RECLOSER, NUMBER, TYPE & SIZE
	RABBIT - STEP DOWN TRANSFORMER
	37 CAPACITOR
	METERING UNIT
	OPEN POINT
	UNDERGROUND CABLE
	DISTRIBUTION STATION
	D.S. NAME
	R2345 150 SINGLE REGULATOR & SIZE
	R2345 3K150 2-PHASE REGULATOR & SIZE
	R2345 3K150 3-PHASE REGULATOR & SIZE



DISTRIBUTION STATIONS	
ASSET ID	D.S. NAME
06234	CLAYTON D.S.
08828	LANARK D.S.
.	.
.	.
.	.
.	.

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PERTH OPS CENTRE PERTH DISTRIBUTION OPERATING MAP RAMSEY TWP. EAST (ZONE 4)			
Drawn: A. VIDAR	Checked: Phil Bunn	Field Approved: AREA	
Date: MAY 8, 2009	Note:		
Scale: SEE SCALE BAR			
Dwg. No. ALMONTE	Rev. 00		

PLOT: 28 x 40

Ontario Energy Board (Board Staff) INTERROGATORY #2 List 1

Interrogatory

2. Reference: Hydro One's Evidence, Page 2, Section 3.2, Lines 28-30
Hydro One states "*The design and estimating process is progressing and Hydro One will file the Offer to Connect once completed if required*"

(a) Please provide Hydro One's cost estimate for serving the proposed development in the same manner as ORPC's cost estimates provided in section 3c of its February 22, 2009 evidence. If Hydro One cannot file this information, please provide reasons.

(b) Please provide the date by which Hydro One expects to complete its Offer to connect the proposed development.

Response

- a. Below is the preliminary estimate for serving the proposed development. The estimate and design is incomplete as the developer and his consulting engineer has not provided complete information regarding the development.

	1-81 units
Electrical Works (cable, transformers, meters)	\$199,000
Upstream Reinforcement	None required
Civil Works (trenching, transformer pads)	Supplied by Developer
Capital Contribution from Developer	\$87,000

Hydro One is unable to make a detailed comparison with ORPC's design and estimate as this information has not been provided.

Hydro One has not estimated the entire development as (a) complete information has not been provided, and (b) the developer has not requested it.

- b. The timing of the Offer to Connect is in the hands of the developer. Hydro One is awaiting complete information from the developer and his consulting engineer.

Ontario Energy Board (Board Staff) INTERROGATORY #3 List 1

Interrogatory

3. Reference: Hydro One's Evidence, Page 4, Section 3.3, Lines 1 and 2
Hydro One states *"Hydro One contends that ORPC's desire to align its service area to the expanded Almonte Ward boundary is contrary to the RP-2003-0044 Decision with Reasons."*

(a) The Board's Decision with Reasons in RP-2003-0044 states, in part: *"...local distribution companies will profit from early knowledge respecting development in areas contiguous to their highly developed distribution system. In such cases, applications for amendment to service areas, provided they are supported with convincing evidence respecting the fundamental economic efficiency of the proposal, will have good prospect for success."*

i. In light of the above Board statement in RP-2003-0044, please provide information demonstrating that ORPC's application is contrary to RP-2003-0044 Decision with Reasons? If Hydro One cannot provide this information, please provide reasons.

ii. Also in light of the statement above, please explain why service of the proposed amendment area by Hydro One is not contrary to, or is supported by the RP-2003-0044 Decision with Reasons.

Response

i. ORPC is applying to amend its service area to match the expanded municipal ward boundary of the town of Almonte. As noted in Hydro One's evidence the Board stated that proposals to align service areas with municipal boundaries are ill considered unless the proponent can provide concrete evidence that the extended area is needed to provide service to actual customers using assets and capacity in a manner that optimizes existing distribution assets. Hydro One has assets and capacity at the doorstep of this development, and does not believe that service from ORPC optimizes the assets and capacity of Hydro One's system.

Hydro one has also submitted that much of the lands sought are undeveloped and may not be developed for some time. ORPC acknowledges in its Supplementary Information (item 3(c)) that the pace of development of the additional phases is dependent on market conditions and on the currently limited availability of services (water and sewage), with no information provided on when water and sewage capacity will be upgraded. Both the service territory expansion to align with the municipal boundary and the seeking of vacant lands with no real or proposed customers in the near future are contrary to the RP-2003-0044 Decision with Reasons.

1
2 ii. Hydro One is already the licensed service provider for this area and is well
3 positioned to service the development. In the RP-2003-0044 Decision with
4 Reasons the Board stated that “The extension of low density based service to
5 areas contiguous to local distribution systems is often not an optimization of the
6 system resources”. That is not the case here. Hydro One as a well developed
7 distribution system that lies along the proposed development in an area of
8 medium density.

9
10 Hydro One has consented to many service area expansions by neighbouring
11 LDC’s where, in Hydro One’s opinion, it was more economically efficient for the
12 LDC to provide service. In this instance Hydro One does not agree that this is the
13 case.

Ontario Energy Board (Board Staff) INTERROGATORY #4 List 1

Interrogatory

4. Reference: Hydro One's Evidence, Page 2, Section 3.2, Lines 18, 24 and 25

Hydro One states *"Like ORPC, Hydro One is well positioned to service this development, should it proceed.....Hydro One contends that its ability to service the site is technically equal to ORPC's"*

Reference: ORPC's Application, Page 4, Section 7

ORPC states *"...we believe with existing facilities of both HONI and ORPC being adjacent to the property that connection costs for both companies will be relatively the same"*

a. Based on the above statements and other available information on the record of this proceeding, is it Hydro One's position that its ability to serve the proposed amendment area is equal or comparable to ORPC's from the perspective of 1) economic (cost) efficiency, 2) system planning, 3) safety and reliability and 4) rate impact on existing customers?

i. if yes, please provide a detailed explanation addressing each factor and any other factors Hydro One believes are relevant and the reason Hydro One considers them relevant;

ii. if no, please identify the differences between itself and ORPC in respect of the 4 factors identified in (a); or

iii. if Hydro One is unable to respond, please provide reasons for not being able to do so.

b. In line with item (a) above, please provide the following information:

i. new or upgraded electrical infrastructure necessary to serve the proposed amendment area;

ii. outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) that are proposed to supply the proposed amendment area; and

iii. evidence of quality and reliability of service for similar customers in comparable locations and densities to the proposed amendment area

Response

- a. Hydro One believes that its ability to serve the proposed amendment area is at least equal, if not superior to ORPC's from the perspective of economics, system planning, and safety and reliability. There is no rate impact to Hydro One's existing customers.
- b.
 - i. No new or upgraded infrastructure is required to service the development. The new infrastructure required to service this development is within the development itself. The developer will have the option of providing the infrastructure itself and transferring ownership to Hydro One, or have Hydro One supply and install the required facilities.
 - ii. Attachment A provides the reliability statistics for the both the F1 feeder from Wonderland DS and the F2 feeder from Carleton Place. The statistics are further broken down into planned and forced outages. Currently the area in question would be fed from the Wonderland DS F1 feeder. Later this year, these customers are to be transferred to the Carleton Place F2 feeder as the system is being reconfigured for the Hwy. 7 four-lane expansion project. Comparable statistics for ORPC, taken from the OEB Yearbook, are also provided for ease of reference.
 - iii. Hydro One, as stated previously, serves urbanized populations across the province and provides a level of service typical to the quality and reliability of a former municipal electric utility.

IRR # 4 Board Staff Attachment A

Ottawa River Power (Statistics from Ontario Energy Board - Yearbook of Electricity Distributors)

	2005	2006	2007	Average (2005-2007)
SAIFI	1.3	4.4	3.0	2.9
SAIDI	4.3	5.0	2.2	3.8

Hydro One

Forced outages

Wonderland DS F1

Number of customers 227

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (Jan to April)	Average (2005-2007)
# of primary interruptions	2	1	4	2	3	3	1	3	3	1	2.3
SAIFI (Ints/cust)	2.0	0.1	1.8	1.4	0.3	2.9	1.0	2.5	3	1	2.1
SAIDI (Hours int/cust)	1.7	0.1	6.3	1.6	0.5	3.4	0.3	1.6	0.4	0.2	1.8
Average Duration	0.8	1.5	3.5	1.2	2.1	1.2	0.3	0.6	0.1	0.2	0.7

Carleton Place 2 DS F2

Number of customers 541

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (Jan to April)	Average (2005-2007)
# of primary interruptions	5	3	6	7	1	3	4	2	11	1	3.0
SAIFI (Ints/cust)	2.2	0.7	2.8	3.0	1.0	1.3	1.5	1.2	6.2	1.0	1.3
SAIDI (Hours int/cust)	2.1	2.9	6.9	4.1	0.1	0.8	1.7	0.7	8.9	0.2	1.1
Average Duration	1.0	4.2	2.4	1.4	0.1	0.6	1.1	0.6	1.4	0.2	0.8

Planned outages

Wonderland DS F1

Number of customers 227

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average (2005-2007)
# of primary interruptions	1	1	1	5	1	9	1	2	0	0	4.0
SAIFI (Ints/cust)	0.3	1.0	0.9	0.3	0.2	1.0	0.1	1.9	0	0	1.0
SAIDI (Hours int/cust)	0.6	4.8	0.9	0.9	0.3	2.2	0.0	8.8	0	0	3.7
Average Duration	2.0	4.8	1.1	2.6	1.7	2.2	0.4	4.5	0	0	2.4

Carleton Place 2 DS F2

Number of customers 541

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average (2005-2007)
# of primary interruptions	0	1	3	0	1	0	0	0	0	0	0.0
SAIFI (Ints/cust)	0.0	0.2	2.5	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
SAIDI (Hours int/cust)	0.0	0.1	6.9	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Average Duration	0.0	0.7	2.7	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0

Ottawa River Power Corporation (ORPC) INTERROGATORY #1 List 1

Interrogatory

1. In Section 3.1, it is indicated that the ORPC application “is at best premature”. In view of a proposed start date of spring 2009 for the Phase 1 development of the Sadler Development and the time frame for a contested SAA, could HONI explain how this application could be delayed to a later time?

Response

ORPC’s evidence is clear;

- No Offers to Connect have been made, nor accepted
- None of the phases have final approval.
- Two of the phases are expected to be developed in the future
- The first phase may proceed dependent on obtaining final approvals and the economic conditions.

No evidence has been provided that suggests this development will actually proceed.

Ottawa River Power Corporation (ORPC) INTERROGATORY #2 List 1

Interrogatory

2. In Section 3.1, it is suggested that the application should only be for Phase 1 of the development. Our experience is that it would be very difficult to try and design a distribution system (especially an underground system) that did not encompass the complete development block. Based on the draft layout for the whole Sadler Development, does HONI considerate it possible that the development could be rationally split between two distributors' supplies?

Response

Hydro One already has this situation in a number of places in the Province, however this is not what Hydro One's submission is referring to. ORPC is applying for lands that do not have detailed proposals respecting specific customers. The other 2 phases will possibly develop over the next 10 years. The Board's Decision with Reasons for EB-2003-0044 was clear regarding applications that sought broad swathes of geography without detailed proposals respecting specific customers.

Ottawa River Power Corporation (ORPC) INTERROGATORY #3 List 1

Interrogatory

3. In Section 3.2, HONI has indicated that ORPC has not met the onus of demonstrating that this SAA does not meet the public interest. What aspects of public interest (i.e. cost, service, response to developer, reliability, etc.) have not been met?

Response

In the Decision with Reasons EB-2004-0044 the Board states;

“In a contested application the onus will be on the applicant to demonstrate that the amendment is in the public interest. Amendments that are consistent with the principles articulated by the Board and supported by evidence that demonstrates their advantages, will have a greater chance of success.”

There is no similar onus on the incumbent LDC (Hydro One) to demonstrate that the public interest is not met. Hydro One has provided in its submission where it believes ORPC has not met the principles of the Decision with Reason and therefore does not meet the public interest.