PUBLIC INTEREST ADVOCACY CENTRE
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September 28, 2009

VIA COURIER AND EMAIL

Ms. Kirsten Walli
Board Secretary
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli,

Re: Vulnerable Energy Consumers Coalition (VECC)
EB-2008-0272 Hydro One Networks Inc. – Supplemental Filing

Please find enclosed the interrogatories of VECC in the above noted proceeding.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

HYDRO ONE NETWORKS INC.
2009/2010 TRANSMISSION RATES – SUPPLEMENTAL CAPITAL EVIDENCE
EB-2008-0272

VECC INTERROGATORIES

Question #1

Reference: i) Exhibit B/Tab 1/Schedule 1, page 2, lines 12-22
ii) Exhibit B/Tab 1/Schedule 1, page 1, lines 9-16

a) With respect to reference (i), please provide a schedule setting out a) the maximum southbound flows on the North-South Interface for the each of the most recent 24 months and b) the estimated transfer capability (both with and without the use of post contingency generation rejection). Please also identify those months where the use of post contingency generation rejection was required.

b) With respect to reference (ii), please provide a schedule setting out which additional resources discussed are already in service by the end of the period used in response to part (a) and their capacity.

Question #2

Reference: i) Exhibit B/Tab 1/Schedule 1, page 1, lines 17-18
ii) Exhibit B/Tab 1/Schedule 1, page 2, line 24 to page 3, line 13

a) Do the reliability concerns regarding supply to customers north of New Liskeard arise only with the development of additional northern generation or do they exist under present day circumstances? Please provide a full explanation.

Question #3

Reference: i) Exhibit C/Tab 1/Schedule 1, page 4 of 9, lines 23-28
ii) Exhibit B/Tab 1/Schedule 1, page 3, lines 22-23

a) The OPA's original recommendation for a 2010 in-service date appears to have been based, per reference (i), on the need to mitigate the potential for delays in the transmission projects coming into service. Is this still a consideration in the OPA's current recommendation? If not, please explain what has changed such that risk of delays is no longer a concern to the OPA.

Question #4

Reference: i) Exhibit B/Tab 1/Schedule 1, page 2, lines 7-10
ii) Exhibit C/Tab 1/Schedule 1, page 7 of 9

a) Are all 387 MW of Committed Resources (Reference (ii)) expected to be in-service by December 2010? If not, please indicate the which resources will not be in-service then and their expected In-service dates.

b) Please provide a schedule that sets out how much of the 375 MW of capacity (Reference (ii)):
- Was In-Service at Year End 2009
- Is Expected to be In-Service by Year-End 2010
- Is Expected to be In-Service by Year-End 2011

c) Based on the response to parts (a) and (b) and the currently anticipated in-service dates for the four projects directed by the Minister of Energy, please provide a schedule that sets out the anticipated maximum southbound flow for each month in 2011.

d) Please describe the impacts anticipated in 2011 if both projects (i.e., D7 and D8) were not completed and in-service until mid-2011. In doing so, please also include discussion as to the likelihood of the impacts occurring.

Question #5

Reference: i) Exhibit B/Tab 1/Schedule 1
ii) Exhibit B/Tab 2/Schedule 1
iii) Exhibit C/Tab 1/Schedule 5, page 3

a) Reference (iii) suggests that Project D8 will (on its own) increase the Flow-South Interface Transfer Capability by 340 MW and that Project D7 (on its own) will increase the value by a further 160 MW. However, the discussion in references (i) and (ii) implies that both projects D7 and D8 required in order to increase the North-South transfer capability.
- Does either project, if implemented on its own, have any impact on the North-South transfer capability? If not, please explain why. If yes, please the individual impacts.

b) Please re-do the response to Question 4 d) assuming Project D7 is in-service as planned in 2010 but project D8 is not in-service until mid 2011.

c) Please re-do the response to Question 4 d) assuming Project D8 is in-service as planned in 2010 but project D7 is not in-service until mid 2011

Question #6

Reference: i) Exhibit B/Tab 1/Schedule 2, page 2
ii) Exhibit B/Tab 2/Schedule 2, page 2

a) Please provide a schedule setting out the interest rates used to determine the AFUDC charges and the total AFUDC costs for each project.

b) Please explain the basis for the forecast AFUDC rates used.

c) Please confirm that the cost estimates presented in the current filing for each project are the same as those submitted in Hydro One Networks' original EB-2008-0272 Application. If not, please identify any differences.

Question #7

Reference: Exhibit A/Tab 2/Schedule 1, page 2

a) Please provide a schedule setting out the calculation of the $7.1 M increase in 2010 revenue requirement associated with the two projects.

Question #8

Reference: i) Exhibit B/Tab 1/Schedule 1, page 2
ii) Exhibit C/Tab 1/Schedule 4, page 3 of 92

a) Please reconcile the 1,300 MW existing North-South Transfer capability noted in reference (i) with the 1,400 MW value used by the IESO in reference (ii).