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Our Matter Number: 1099714

BY ELECTRONIC MAIL & COURIER

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2007-0050 – Hydro One Networks Inc. ("Hydro One") – Bruce to Milton Transmission Reinforcement Project

Please find enclosed for filing the interrogatory request of Hydro One to Pollution Probe.

Yours very truly,

Gordon M. Nettleton
GMN:njm

c. All Interested Parties in EB-2007-0050

HONI – POLLUTION PROBE INTERROGATORY 1

Ref. (a): Fagan/Lanzalotta Evidence, page 21, last para.
Ref. (b): Fagan/Lanzalotta Evidence, page 23, para. 3

Preamble: Hydro One requires a better understanding of Messrs. Fagan and Lanzalotta's view of Bruce Complex generation rejection.

Ref. (a) states that "The use of generation rejection for up to two Bruce units in an effort to increase transfer capability is a reasonable practice to deal with short-term needs that will be eliminated as the Bruce B units retire."

Ref. (b) states that "there has been no shortage of generator rejection use at Bruce. Over the past three years, generator rejection for at least one Bruce unit has been in use for 4,300 to 5,500 hours per year and generator rejection for two Bruce units has been in use for about 1,100 hours per year."

Question:

a) Please explain "short term needs" in Ref. (a) with regard to a rationale for the use of generation rejection in planning the Bruce transmission system.

b) Please provide Messrs. Fagan and Lanzalotta's understanding of the historical reasons behind generation rejection use on four Bruce units.

c) Please provide Messrs. Fagan and Lanzalotta's understanding of why generation rejection has been in use for "4,300 to 5,500 hours per year" over the past three years, as referenced in Ref. (b).

HONI – POLLUTION PROBE INTERROGATORY 2

Ref. (a): Fagan/Lanzalotta Evidence, page 18

Preamble: Ref. (a) compares the dollar-per-kilowatt of increased capacity cost of the applied-for project to that of the near-term and interim measures.

Question:

a) Are Messrs. Fagan and Lanzalotta of the view that a dollar-per-kilowatt comparison of capital costs for the applied-for project and a series compensation alternative, omitting consideration of other costs such as locked-in energy and transmission losses, is appropriate? If not, why not?

HONI – POLLUTION PROBE INTERROGATORY 3

Ref. (a): Fagan/Lanzalotta Evidence, page 4, para. 1d
Ref. (b): Fagan/Lanzalotta Evidence, page 4, para. 2

Preamble:

Ref. (a) states: "The benefits of the proposed line do not appear to outweigh the costs if Bruce B refurbishment does not occur, and, even with refurbishment, the net benefits may be negative depending on the assumptions one makes concerning locked-in energy."

Ref. (b) states: "While under some exceptional circumstances, a small amount of energy may be available but not delivered."

Question:

a) With respect to Ref. (a) please state the assumptions you are referring to and how these assumptions result in negative net benefits. Please provide all calculations.

b) Please quantify the phrase "small amounts" in Ref. (b) and carefully describe what constitutes "exceptional circumstances."

HONI – POLLUTION PROBE INTERROGATORY 4

Ref. (a): Fagan/Lanzalotta Evidence, pp. 21-23.

Preamble: Hydro One requires more information concerning Messrs. Fagan and Lanzalotta's understanding of generation rejection and the Bruce Special Protection System.

Ref (a) asserts that continued long term reliance on generation rejection and the Bruce Special Protection System, as at present, is reasonable.

Questions:

a) Please state the maximum number of hours that Messrs. Fagan and Lanzalotta consider to be reasonable (in each year) for the transmission system to use generation rejection as a means of meeting normal operation transfer capability requirements? Please provide a full explanation for the answer provided.

b) Please state the maximum number of hours of planned generation rejection use that Messrs. Fagan and Lanzalotta consider to be reasonable (in each year) for the design of transmission system requirements. Please provide a full explanation for the answer provided.

HONI – POLLUTION PROBE INTERROGATORY 5

Ref. (a): Fagan/Lanzalotta Evidence at page 24
Ref (b): Exh C/T 2/S 43/Part (b)(i) at pp. 3-4

Preamble: Hydro One is interested in learning about Messrs. Fagan and Lanzalotta's capital cost estimate for their proposed alternative.

Ref. (a) states:

> However, the above cost for the Longwood to Middleport alternative includes the cost of building double or triple circuit transmission lines, where only a single circuit line is being added. Assuming that a double or triple circuit line can be built for something in the range of 1.66 to 1.75 times the cost for a single circuit line…"

Ref. (b) provides general cost estimates for the likely facilities required for the Longwood to Middleport Option.

Questions:

a) Please provide a cost breakdown and explanation for why a double or triple circuit line can be built for 1.66 to 1.75 times the cost for a single circuit line, as stated in Ref. (a).

b) Ref (a) proposes a single-circuit line along the existing right-of-way instead of rebuilding the existing lines to incorporate the new 500 kV circuit from Longwood to Middleport. In determining their proposed alternative, have Messrs. Fagan and Lanzalotta taken into account:
   i. the cost of the additional right-of-way required to site a new single-circuit transmission line along the proposed right-of-way, and
   ii. any routing issues, particularly the siting of a new 500 kV line in the area near London?

c) Please explain the advantages and disadvantages of Messrs. Fagan and Lanzalotta's proposed transmission system (employing a new 500 kV line from Longwood to Middleport and series capacitors) as compared to Hydro One's proposed Bruce to Milton line.

d) What are the loss characteristics of Messrs. Fagan and Lanzalotta's proposed alternative as compared to the Bruce to Milton line?