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October 12, 2010

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0228 – Hydro One Networks Inc.
Miscellaneous Joint Use Pole Charges &
Miscellaneous Fees for Connection Impact Assessments
Energy Probe – Technical Conference Questions**

Pursuant to Procedural Order No. 2, issued by the Board on September 22, 2010, please find attached Questions from Energy Probe Research Foundation (Energy Probe) for the Technical Conference in the EB-2010-0228 Hydro One proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Anne-Marie Reilly, Hydro One Networks Inc. (By email)
Michael Engelberg, Hydro One Networks Inc. (By email)
Lawrence Schwartz, Economist Consultant to Energy Probe (By email)
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**HYDRO ONE NETWORKS INC.
APPLICATION FOR NEW RATES AND MISCELLANEOUS FEES
RELATED TO DISTRIBUTION GENERATION PROJECTS
EB-2010-0228**

ENERGY PROBE TECHNICAL CONFERENCE QUESTIONS

QUESTION TC #1

Reference: Energy Probe #1

Preamble: Energy Probe is concerned that the miscellaneous joint use charges for connecting generators of alternative energy to the grid reflect the true costs of connecting and transmitting that power.

Does the connection of these generators impose costs on HONI in addition to the costs of connecting? Assuming that the power generated is incremental to (i.e. does not displace) electricity that HONI expects to carry, does this power have impacts on the grid that affect HONI's overall distribution cost?

QUESTION TC #2

Reference: Energy Probe #2

Preamble: The current contracts between HONI and generators are for 20-year terms matching the power-purchase agreements in order to give certainty to lenders

- a) What are the implications for HONI if a generator goes out of business?
- b) If one generator goes out of business, what are the implications for other generators using the same pole(s)?

QUESTION TC #3

Reference: Energy Probe #7

Preamble: In regard to HONI's request for treatment as a "competitive service" unregulated by the Board, Energy Probe seeks clarification of HONI's response to the interrogatory that the generators "have an option to build their own pole line, and thus to select the preferred economic alternative for themselves."

- a) While HONI's response indicates that the construction of duplicative infrastructure is not its objective, has HONI estimated a generator's cost to construct? If so, please provide.
- b) If not, how can the public be convinced that the proposed charges for connection are substantially less than the avoided cost to construct?