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By Electronic Filing and By Email

January 13, 2011

Kirsten Walli
Board Secretary
Ontario Energy Board
27th floor – 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli

Hydro One Networks Inc. – 2011-2014 Board-Approved CDM Programs Application

Board File No.: EB-2010-0332

Our File No.: 339583-000093

Please find enclosed the Interrogatories of Canadian Manufacturers & Exporters (“CME”) for Hydro One Networks Inc.

Yours very truly

A handwritten signature in black ink, appearing to be 'VJD', followed by a long horizontal line extending to the right.

Vincent J. DeRose
VJD/kt
Encl.

c. All Interested Parties
Paul Clipsham

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IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an Application by Hydro One Networks Inc. for an Order or Orders granting approval of initiatives and amounts related to the Conservation and Demand Management Code.

INTERROGATORIES OF CANADIAN MANUFACTURERS & EXPORTERS (“CME”)

Reference: Exhibit B, Tab 1, Schedule 2, page 2 of 24

1. Hydro One Networks Inc. (“Hydro One Networks”) states that it extended its end-use analysis to further understand its customer base, and also conducted customer surveys to gain a better understanding of Hydro One Networks’ customers’ perspectives on CDM. To this end, Hydro One Networks states that the results of these surveys provided insight into what energy efficiency measures have already been undertaken by customers, what measures they are planning to take in the near future, and what type of CDM programs would be of interest to them.
 - (a) Please produce the results of the customer surveys, including any summary reports; and
 - (b) Please confirm whether Hydro One Networks shared the results of the customer surveys with Hydro One Brampton Networks Inc. (“Hydro One Brampton”). If the results of the surveys were not shared with Hydro One Brampton, please explain why not.

Reference: Exhibit B, Tab 1, Schedule 2, page 2 of 24

2. Hydro One Networks states that a third party consultant was retained to prepare an analysis of CDM potential in Hydro One Networks’ service territory, and that the consultant’s analysis indicated that approximately 71% of Hydro One Networks’ CDM target can be achieved through OPA contracted programs and implementation of the Board-approved programs. To this end:
 - (a) Who was the consultant that conducted the analysis?
 - (b) Was the consultant retained only by Hydro One, or was the consultant retained jointly by Hydro One Networks and Hydro One Brampton?
 - (c) Please provide a copy of Hydro One Networks’ retainer agreement with that consultant; and

(d) Please provide a full copy of the consultant's analysis.

Reference: Exhibit B, Tab 1, Schedule 2, Figure 5

3. Hydro One Networks provides an overview of the four-year MW savings, MWh savings and projected cost budgets for the Board-approved programs. According to Figure 5, Hydro One Networks' total four-year budget will be \$32M, the four-year MWh energy savings will be 179,000, and the peak MW cumulative savings will be 49. CME calculates that Hydro One Networks' four-year MWh energy savings of 179,000, when divided into the total budget of \$32M, represents \$178.77 per MWh.

In EB-2010-0331, Hydro One Brampton Networks Inc. ("Hydro One Brampton") has filed similar evidence. Specifically, at Exhibit B, Tab 1, Schedule 2, page 9 of 16, Hydro One Brampton confirms that its four-year budget will be \$7.86M, its four-year MWh energy savings will be 72,431, and its four-year MW cumulative savings will be 15.813. In this context, CME calculates that Hydro One Brampton's four-year MWh energy savings of 72,431, when divided into the four-year total budget of \$7.86M represents \$108.52 per MWh. On the basis of these calculations, it appears that Hydro One Networks' cost per MWh is about 64% greater than Hydro One Brampton's cost per MWh.

Please explain why Hydro One Networks' cost per MWh of \$178.77 is \$70.25 more than Hydro One Brampton's cost per MWh of \$108.52.

Reference: Exhibit C, Tab 1, Schedule 2, page 27 of 67

4. In describing initiative No. 3, which is the monitoring and targeting initiative for medium and large commercial businesses with average demand above 200 kW, Hydro One Networks states that the initiative will ensure that customer's senior management fully support the M&T project to establish it as a continuous improvement process. Please provide a further explanation on exactly how the initiative will ensure "buy in" from senior management.