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File No. 339583-000101

April 18, 2011

By Electronic Filing and By Email

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

Dear Ms. Walli

Ontario Waterpower Association (“OWA”)	
Board File No.:	EB-2011-0067

Please find attached the Interrogatories of Canadian Manufacturers & Exporters (“CME”) to Ontario Waterpower Association (“OWA”).

Yours very truly,

A handwritten signature in black ink, appearing to read 'VJD', followed by a long horizontal flourish.

Vincent J. DeRose

VJD/kt

Encl.

- c. Paul Norris (OWA)
- Scott A. Stoll (Aird & Berlis LLP)
- Mark C. Graham (Hydro One)
- Miriam Heinz (OPA)
- Paul Clipsham (CME)

OTT01\4474275\1

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 the Ontario Waterpower Association pursuant to section 74(1)(b) of the *Ontario Energy Board Act*, 1998 to amend Hydro One Networks Inc.'s Electricity Distribution Licence ED-2003-0043 to exempt Hydro One from sections 6.2.4.1(e)(i) and 6.2.18(a) of the Distribution System Code in respect to waterpower generation facilities.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS ("CME")
TO ONTARIO WATERPOWER ASSOCIATION ("OWA")**

Proposed Amendment to Sections 6.2.4.1(e)(i) and 6.2.18(a) of the Distribution System Code, Exhibit A, Tab 2

1. CME understands that sections 6.2.4.1 and 6.2.18 of the Distribution System Code ("DSC") establish a process which, amongst other things, ensures that the allocated cost of connection is fully recovered by the distributor from the embedded generation facility. To this end, section 6.2.18 of the DSC requires that the applicant generation facility pay a connection cost deposit equal to 100% of the total estimated allocated cost of connection at the time the connection cost agreement is executed. This deposit protects distributors such as Hydro One Networks Inc. ("Hydro One"), and by extension Hydro One's ratepayers, from the risk of incurring connection costs prior to payment.

Within this context, CME wishes to better understand the impact which the OWA's proposed amendments will have, if any, on ratepayer's exposure to connection costs. To this end, CME has the following questions:

- (a) If the Board grants the amendments to the DSC requested paragraph 4 of the OWA's application, will Hydro One and/or Hydro One's ratepayers be financially exposed to any connection costs that would currently be recovered from the connection cost deposit equal to 100% of the total estimated allocated cost of connection required by section 6.2.18 of the DSC? If so, please set out the extent of that financial risk. If not, please explain how the proposed amendments will ensure that Hydro One's ratepayers will not be exposed to any of the estimated allocated cost of connection with the embedded generation facilities.
- (b) Will any of the relief sought in OWA's application result, directly or indirectly, in incremental costs to Hydro One's ratepayers? If the answer is yes, please explain.