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Susan Frank
Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

April 18, 2011

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

Dear Ms. Walli:

EB-2011-0067 – Ontario Waterpower Association Application of DSC Exemption from Hydro One – Hydro One Networks Inc. Interrogatory Questions

I am attaching two (2) copies of Hydro One Networks ("Hydro One") interrogatory questions on Ontario Waterpower Association s Evidence.

A copy of this cover letter and the attached interrogatory questions have been filed in text-searchable electronic form through the Ontario Energy Board's Regulatory Electronic Submission System and the confirmation slip is also enclosed.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. Mr. Paul Norris, Ontario Waterpower Association
Mr. Scott Stoll, Aird& Berlis LLP

Ontario Waterpower Association
Application EB-2011-0067

Hydro One Networks Inc. Interrogatory Questions

<u>Interrogatory # 1</u>

The Ontario Waterpower Association's ("OWA") Proposed Rules would change the Connection Cost Deposit requirement due at the time the Connection Cost Agreement is executed. The change proposed is from 100% of the total estimated allocated cost of connection to a deposit of $20,000 per MW of contract capacity. Why does the OWA feel that $20,000 per MW is an appropriate deposit formula?

<u>Interrogatory # 2</u>

The $20,000 per MW deposit formula is the same formula that the Ontario Power Authority and Distributors use for the Capacity Allocation Deposit as defined in the Distribution System Code section 6.2.18 (b). Is it the OWA's view that its members will be able to easily distinguish between the Capacity Allocation Deposit and Connection Cost Deposit, given that the OWA is proposing the same formula for both? What steps can be taken, and by whom, to avoid confusion between the two deposits?

<u>Interrogatory # 3</u>

The OWA's Proposed Rules would ensure that Hydro One receives payment prior to expending resources. However, the schedule of payments is to be negotiated separately with each proponent. Individually negotiated contract payment schedules will increase the administrative cost and burden for Hydro One with respect to contract execution and contract management. How can an efficient process for establishing variation from the typical schedule be established? How would a payment schedule be established in cases where agreement cannot be reached through negotiation?