

Erie Thames Powerlines Corporation's Interrogatories
Re: Procedural Order No. 2 – Hydro One Network Inc.'s Revised Economic Evaluation

Interrogatory #1

In an effort to identify all projected costs associated with the construction of the electrical distribution system to connect the proposed Sifton residential development, the economic evaluation submitted by Erie Thames Powerlines Corporation ("Erie Thames") includes all costs associated with primary, secondary and the expansion, including the "civil works"¹ (the "Civil Work Costs"). Subsections 5.0 (j) and 5.2 (b) of the Residential Subdivision Agreement dated January 17, 2010 which was provided to Sifton Properties by Hydro One Networks Inc. ("HONI") states that the developer is responsible for the Civil Work Costs.

- (a) Does the revised economic evaluation submitted by HONI include all Civil Work Costs associated with the construction of the electrical distribution system for the proposed Sifton residential development?**
- (b) If the answer to (a) is yes, please indicate where all Civil Work Costs are reflected in HONI's revised economic evaluation.**
- (c) If the answer to (a) is no, please explain why HONI has excluded some or all Civil Work Costs in light of the Board's stated intention in Procedural Order No. 2 to "identify all projected costs" associated with the connection of the proposed Sifton residential development by a distributor.**

Interrogatory #2

HONI's cost estimates submitted to the developer on or about January 17, 2010 have decreased in its revised economic evaluation submitted to the Board on August 26, 2011. In particular, HONI's:

- 1) non-contestable estimate have decreased by 1.34% from \$83,874.72 to \$82,768.96;
- 2) contestable estimate have been decreased by 2.5% from \$111,708.02 to \$108,920.80;
- 3) transformers estimate has been decreased by 1.19% from \$8,020.00 to \$7,063.70;
- 4) inspections estimate has been decreased by 0.09% from \$10,789.24 to \$10,692.91; and
- 5) overall capital cost estimate has been decreased by 2.31% from \$214,391.99 to \$209,446.37.

- (a) Given the expected increase in HONI's costs² during this 18 month period, please explain the basis for the decreases in HONI's cost estimates described above.**

¹ Defined on page 1 of the Residential Subdivision Agreement dated January 17, 2010 which was provided to Sifton Properties by Hydro One Networks Inc. as: *"the excavation of trenches, sand padding with masonry sand and backfill, the concrete vaults, grounding & crushed stone base for transformers and kiosks, and road crossing ducts complete with pull rope and caps for spares"*.

² For example, HONI's payroll increased by approximately 8.2% in 2011 (see page 17 of the Board's Decision with Reasons, EB-2010-0002 dated December 23, 2010).