

29 February 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board

VIA RESS

Dear Ms. Walli:

**Re: EB-2007-0681-HONI 2008 DX rates – GEC interrogatories to HONI**

Attached please find our interrogatories to HONI in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Poch', with a stylized flourish at the end.

David Poch

## GEC Interrogatories to Hydro One

### 1. Issue 1.2, (OEB CDM Directives) Ex. A-17-1, page 1

In its Decision on HONI's 2006 rates case the Board stated at para. 2.3.9: "The Board expects Hydro One to provide a more sound analysis of CDM program details and reduction objectives in future applications." At 2.3.13 the Board went on to request bottom-up analysis of CDM Impacts and indicated an expectation of an LRAM proposal. The HONI response and exhibit references appear to provide no details of HONI initiated CDM in 2008 and no details of HONI delivered CDM in 2008 nor an LRAM proposal.

- a. Please provide details of all CDM programs that HONI is involved in or expects to be involved in during 2008 with load impacts.
- b. Please provide copies of all directions, or memorandum containing or describing government direction to HONI in regard to CDM received from 2006 to date.
- c. Please provide all information in HONI's possession concerning opportunities for cost-effective CDM among HONI customers that is not currently being pursued in OPA programs.
- d. OPA has indicated that it is prepared to receive proposals for funding for LDC initiated CDM programs that may have widespread application. What studies and applications has HONI made in this regard and what effort does HONI anticipate making in 2008?
- e. The OEB has indicated that it will consider rate funding of CDM for programs that are not funded by OPA and that are targeted at the distributor's customers. What studies or applications has HONI made in this regard and what effort does HONI anticipate making in 2008?
- f. Please provide details of staffing and resources committed to CDM in 2006, 2007 and 2008.

### 2. Issues 1.2, 3.11, 4.9 (Line Losses & OEB Directives) Ex. A-17-1, page 3

The Board at para. 4.3.10 of its 2006 Rates Decision directed that HONI file a work plan for implementing the Kinectrics proposals that were not undertaken in 2006 or justify otherwise. In Exhibit A-15-3 attachment A, pages 28-29 Kinectrics updates their recommendations and proposes spending and further studies. At A-15-3, page 12 HONI indicates that no additional line loss reduction efforts are currently planned beyond those routinely pursued and at D1-3-5, page 37, table 10 no amounts appear for CDM capital spending in 2008. Please clarify which Kinectrics recommended initiatives (including work programs and studies) HONI is undertaking

in 2008 and to what extent (or has completed in prior years) and which it is deferring or not pursuing in whole or part, if any.

3. Issue 3.1 (O&M Expense for DG studies) Exs. C1-2-3, page 2, Table 1 and E3-1-1, pages 9-10

HONI forecasts continued high but declining expenditures on Development OM&A for Data Collection, Engineering and Technical Studies in part due to DG connection studies (with corresponding reducing revenue – E3-1-1, page 3, table 2).

- a) Please explain why HONI forecasts a decline from 2007 to 2008 given its present inability to meet regulatory requirements for connection assessments (as evidenced by its Nov. 30<sup>th</sup> request to the OEB for relief from DSC provisions in that regard) and given the expected additional work that will result from the forthcoming OPA Clean Energy Standard Offer Program?
- b) Do the expected 225 DG studies (E3-1-1, page 10, table 11) in 2008 include CESOP triggered studies?

4. Issue 5.3 (accounting treatment of revenue and expenses for OPA funded CDM)

Please provide a summary of spending and revenue by program for all OPA funded, HONI delivered, CDM programs in 2006, 2007 and expected for 2008 and indicate if these amounts have been eliminated from utility revenues and expenses or how they are being accounted for.