POWER WORKERS' UNION INTERROGATORIES
HYDRO ONE NETWORKS INC.
2008 ELECTRICITY DISTRIBUTION RATES APPLICATION
(EB-2007-0681)

PWU Interrogatory 1

Issue: 1.6

Issue: Is service quality on the OEB specified performance indicators acceptable?

Exh.A/T15/S1/P.7 (Table 2: Service Reliability Indicators)

(a) Please explain the reason why the OEB's SAIFI target for the years 2005, 2006, 2007 and 2008 (≤ 3.1) is lower (less strict) than the OEB's SAIFI target for 2004 (≤ 3.0)?

(b) Please expand Table 2 to include data for 2002 and 2003.

PWU Interrogatory 2

Issue: 1.6

Issue: Is service quality on the OEB specified performance indicators acceptable?

Ref (a): Exh.A/T3/S1/P 18 – Figure 4, P.19 – Figure 5

Ref (b): Exhibit C1/Tab 2/P.30/ Table 9

Preamble:

Ref (a) indicates that tree contacts accounted for 57% of total SAIDI and 28% SAIFI for the period 2003-2006.

Ref (b) indicates that vegetation management accounted for $88.9m, $86.4m, and $89.1m in 2004, 2005, and 2006 respectively.

Questions:

(a) Please explain why the budget allocated to vegetation management decreased in 2005 by about 3% from the amount in 2004.

(b) Can Hydro One confirm that the high contribution of tree contacts to SAIDI and SAIFI in Ref (a) is partly due to the low levels of spending on vegetation management for the period 2004-2006? Please explain.

PWU Interrogatory 3

Issue 4.3

Issue: Are the 2008 sustaining capital expenditures proposed for Asset Replacement appropriate?

Ref (a): Exhibit A/T15/S 2/ Attachment A, Hydro One Distribution Benchmarking Study and Exhibit A/T 14/S 5 – Tree Trimming

Preamble:

Ref (a) states:

"…Hydro One has by far the longest cycle time between consecutive trimming of each tree. It would be worth investigating to see whether that has led to greater difficulty in performing the trimming when the time comes for each tree or circuit. It is also conceivable that this long cycle leads to more "hot-spot" trimming than usual, which is typically more expensive than routine cycle trimming. Previous studies executed by PA Consulting have indicated that the optimum tree trimming cycle length is nearer to 5-6 years than to the 11 currently in practice at Hydro One."

Questions:

(a) Please provide Hydro One's understanding of the above statement, specifically whether shortening the tree trimming cycle length from the current 11 years to 5-6 years would be less expensive and/ or improve reliability.

(b) Does Hydro One plan to shorten its current tree trimming cycle length? Please explain.

PWU Interrogatory 4

Issue 4.3

Issue: Are the 2008 sustaining capital expenditures proposed for Asset Replacement appropriate?

Ref (a): Exhibit D1 Tab 2 Schedule 1 page 7

Ref (b): Exhibit D1 Tab 3 Schedule 2 – Wood Structure Replacement

Preamble:

In Ref (a), "Very Poor" and "Poor" condition assets are defined as high risk and requiring replacement, refurbishment or other remedial action within the next 5 years to correct significant deterioration.

In Ref (b), On Page 19, it is indicated that about 4% of Hydro One's 1.65m **poles** have been found to be sub-standard, i.e., in "poor" or "very Poor" state. This amounts to 66,000 poles.

On Page 20, it is stated that Hydro One replaced 5,200 poles in 2006 and 6,852 poles in 2007 and plans to replace 7, 000 poles in 2008.

Questions:

(a) What proportion of the 4% (66,000) of the poles require replacement in the next 5 years and what proportion is planned for refurbishment or other remedial action?

(b) If the 66,000 poles cited above require replacement over the next 5 years, and given the historic data for 2006 and 2007 cited above, please explain how Hydro One plans to achieve the target of replacing 66,000 poles in "poor" and "very Poor" condition in the next 5 years at the current rate of pole replacement?

(c) Please explain the slight decrease from $ 40.1m in the 2007 to $39.8m in the 2008 Test year in the spending level for pole replacement given Hydro One's plan of increasing the number of poles replaced from 6,852 in 2007 to 7,000 in 2008?