



Suite 1600
1 First Canadian Place
100 King Street West
Toronto, Ontario
Canada M5X 1G5
Telephone (416) 862-7525
Facsimile (416) 862-7661
www.gowlings.com

March 14, 2008

Tom Brett
Direct (416) 369-4628
tom.brett@gowlings.com
File No. T967518

VIA COURIER AND RESS FILING

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: EB-2007-0681 - Hydro One Networks' 2008 Distribution Rate Application
- Milton Hydro's Interrogatories to Hydro One**

Pursuant to Procedural Order No. 2, please find enclosed three hard copies of the Interrogatories of Milton Hydro to Hydro One.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Tom Brett".

Tom Brett

TB:jc

Enclosure

c. The Applicant and Intervenor (by e-mail)

TOR_LAW\6821583\1

**Hydro One Networks' 2008 Distribution Rate Application
EB-2007-0681**

Milton Hydro's Interrogatories to Hydro One

Issue 7.1 and Issue 7.2

Issue: Cost Allocation and Rate Design

1. Attached to this document is a map prepared by Milton Hydro, which shows schematically the area surrounding the Hydro One Networks' Palermo Transformer Station ("Palermo TS") in Oakville abutting Halton Regional Road 25, the boundary with Milton, near the point at which Hydro One Networks' Corridor crosses Regional Road 25.

Can you please confirm that the schematic map reasonably portrays the position of the Palermo TS, the location of Hydro One Networks' property, the location of the M-1 and M-3 feeders which supply Milton Hydro, the M-5 and M-6 feeders that supply Burlington Hydro, and the M-8 , M-7, M-4 and M-2 feeders that supply the Town of Oakville.

2. Can you confirm that Hydro One owns that portion of the M-1 and M-3 feeders that are on Hydro One's property, and that this portion of the two feeder lines is about .24 km. in length.
3. Can you confirm that the remainder of the M-1 and M-3 feeder lines, the part which lies along the road allowance of Regional Road 25, and into Milton Hydro's territory, is not owned by Hydro One but is owned by Milton Hydro and is approximately 2 km. long.
4. Can you confirm that there are currently five wooden poles supporting the M-1 and M-3 feeder lines on Hydro One's property.
5. Can you confirm that Milton Hydro's payments for LV charges for service from feeders M-1 and M-3 over the period May 1, 2002 to January 1, 2008 are approximately \$608,831.00, and that, had Milton Hydro been charged on the basis that the M-1 and M-3 feeders were specific LV lines, Milton Hydro's payments over the same period would have been approximately \$14,916.00 (assuming the current Specific LV Line rate of \$526 per km. was charged throughout that period).
6. Can you confirm that the replacement value of the 5 poles and 200 metres of line is approximately \$30,000.00.
7. Please confirm that the voltage of the M-1 and M-3 feeders is 27.16 kv.
8. Please confirm that the Hydro One property on which Palermo TS sits is not part of Hydro One Distribution's service territory.

9. Can you confirm that over the last two years there have been discussions between Milton Hydro and Hydro One with respect to the sale of the .24 km. of M-1 and M-3 feeder lines to Milton Hydro.
10. Please confirm that Hydro One bills Milton Hydro for the service provided through feeder lines M-1 and M-3 as Shared LV lines on the basis of Milton Hydro's monthly maximum demand at the delivery points, e.g. the Hydro One property boundary.
11. Please confirm that the M-1 and M-3 feeders currently, and since they were constructed, serve only Milton Hydro, and that there are no taps off that part of the M-1 and M-3 feeder lines that are on Hydro One Distribution's property.
12. Please confirm that under Hydro One's current cost allocation and rate design scheme, had the Palermo TS been constructed on a piece of Hydro One's property in Milton Hydro's territory rather than in Oakville Hydro's territory, the service provided to Milton Hydro by the M-1 and M-3 feeders would have been classified as Specific LV Lines and priced accordingly.
13. Please confirm that under Hydro One's cost allocation and rate design scheme, it is only the fact that a part of the M-1 and M-3 feeders lie in Oakville Hydro's service territory that leads it to classify the M-1 and M-3 feeders as shared LV lines, notwithstanding the fact that these two feeders are, and always have been, dedicated to Milton Hydro's load.
14. Please confirm that the renaming of the LV charges from LV to ST rates, and the establishment of the ST Rate Class to replace the LV rates class (Ex. G, tab 4, sch. 4, pp. 1 - 4) does not change Hydro One's classification of LV lines into Shared LV Lines, Specific LV Lines, and Specific Distribution Lines, and, more particularly, that the classification of the Hydro One owned portions of the M-1 and M-3 feeders referred to above remain Shared LV Lines.
15. The Board noted at p. 10, paragraph 2.04 of its Decision with Reasons in RP-2000-0023/EB-2001-0016, that Hydro One stated in its evidence that it would be filing a LV cost allocation study in its next rates application. Was such a study ever prepared? If so, can Hydro One please provide a copy.

