



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street
 Tel: (613) 562-4002

Suite 1204
 Fax: (613) 562-0007

Ottawa, ON Canada
 e-mail: piac@piac.ca

K1N 7B7
www.piac.ca

Board of Directors

Harry Gow, Chair
Chelsea

April 30, 2012

Barbara Cram
Saskatchewan

Ms. Kirsten Walli
 Board Secretary
 Ontario Energy Board
 Suite 2700
 2300 Yonge Street
 27th floor
 Toronto, ON
 M4P 1E4

VIA Fax and Email
 3 pages

George Iny
Montreal

Michael MacNeil
Ottawa

Claire McNeil
Halifax

Cynthia Patterson
Gaspé

Arne Paus-Jensen
Saskatoon

Dear Ms. Walli:

Howard Pawley
Windsor

Re: Board File No. EB-2012-0180
Hydro One Networks Inc.
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Jim Quail
Vancouver

Nancy Riche
St. John's

Please find enclosed the Interrogatories of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted matter. We have also directed a copy of VECC Interrogatories via fax and email.

Rob Rainer
Ottawa

Armine Yalnizyan
Toronto

Please note 2 hard copies have been sent to the Ontario Energy Board via mail.

Ottawa Office

Michael Janigan
 Executive Director
 General Counsel
 Ext. 26

Thank you.

Yours truly,

Donna Brady
 Office Administrator
 Ext. 21

Michael Janigan
 Counsel for VECC

John Lawford
 Counsel, Ext. 25

Janet Lo
 Counsel, Ext. 24

Cc: Hydro One Networks Inc. – Susan Frank – Regulatory@hydroone.com

Toronto Office
1102-34 King St. E.
Toronto, ON
M5C 2K8

Michael Buonaguro
 Counsel
 (416) 767-1666

Honorary Directors
 William H. Hurlbert
Edmonton

Andrew J. Roman
Toronto

Gaylord Watkins
Jakarta

**APPLICATION BY HYDRO ONE NETWORKS INC. FOR A
DEFERRAL ACCOUNT RELATED TO AN ONGOING
PROCEEDING EB-2011-0140 TO DESIGNATE AN ELECTRICITY
TRANSMITTER TO UNDERTAKE DEVELOPMENT WORK
FOR THE EAST-WEST TIE LINE.**

Board File: EB-2012-0180

VECC'S INTERROGATORIES

QUESTION #1

Reference: Application, Sections 3.1 and 4.1
EB-2010-0002, Exhibit C1, Tab 2, Schedule 4, page 10 and Exhibit
F1, Tab 1, Schedule 2, page 3

- a) Please confirm that Hydro One Networks' 2011-2012 Rate Application referenced \$4.1 M and \$3.0 M respectively in 2011 and 2012 for development work for the East-West Tie Expansion and that any actual expenditures were to be "captured in a variance deferral account".
- b) Please indicate why this existing deferral account could not be used to capture the types of costs described in Section 3.1 of the current Application.

QUESTION #2

Reference: Application, Section 3.1

- a) Will Hydro One Networks' staff be undertaking any work in direct support of EWT LP's application to be the "designated transmitter"?
- b) Will Hydro One Networks' staff be undertaking any work in direct support of EWT LP activities if the latter is chosen as the designated transmitter?
- c) If yes to either (a) or (b), does Hydro One Networks plan to segregate the work/resources involved in directly supporting EWT LP from those required as the incumbent in providing support to the OEB process (and ultimately the designated transmitter) and undertaking any necessary work related to the ultimate connection of the E-W Tie to Hydro One Networks' existing facilities. If so, how does it plan to do so?

QUESTION #3

Reference: Application, Section 3.1 and Appendix A

- a) Section 3.1 makes reference to three sub-accounts: one for incremental consultant expenditure; a second for incremental administration costs and a third for labour. However, Attachment A does not make any mention of three sub-accounts related to incremental costs. Indeed in Appendix A it is not clear if there are one or two proposed sub-accounts, since the sub-accounts under items (1) and (2) have the same name. Please reconcile.

- b) Why is it necessary to record the non-incremental costs (e.g. the base labour costs) in the deferral account? Could the same objectives be achieved by simply tracking these costs as opposed to formally recording them in a deferral account?

*****End of Document*****