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April 30, 2012

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

Dear Ms. Walli:

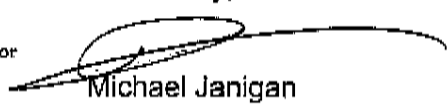
Re: Board File No. EB-2012-0180
Hydro One Networks Inc.
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

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.

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

Thank you.

Yours truly,



Michael Janigan
Counsel for VECC

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

**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?

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