

**Orangeville Hydro Limited (“OHL”) Service Area Amendment  
EB-2012-0181**

**Interrogatories Submitted by OHL re: Evidence of  
Hydro One Networks Inc. (“HONI”) filed on August 28, 2012**

Interrogatory #1

***Reference: Page 1, 6<sup>th</sup> bullet***

In this bullet and elsewhere in their submission, HONI submits that "OHL's subdivision design does not include a loop feed design, thereby making OHL's design technically inferior to HONI's". However, in its cost comparison table on page 8 of its submission, HONI includes \$40,000 in costs associated with a loop feed. Why does HONI state that OHL's offer does not include a loop feed when it includes costs for one in its cost comparison table?

Interrogatory #2

***Reference: Page 2, last para.***

HONI states that the “entrance to the subdivision...are entirely within HONI’s service territory”. How did HONI come to the conclusion that the entrance to the subdivision is entirely within HONI’s when there are four entrances via four different streets, three of which are accessed from OHL’s service area?

Interrogatory #3

***Reference: Page 2, para. 2***

HONI states that, because the "small partial lot...within OHL's service area (known as lot 8, block 6) does not have houses or electrical service, which in HONI's view means that OHL is clearly not an incumbent distributor."

- (a) What is the basis (i.e. legislation, Board code, etc.) for this view?
- (b) In section 7.0, pages 3-4 of the Board's *Filing Requirements for Service Area Amendments, Chapter 7 of the Filing Requirements for Transmission and Distribution Application*, the Board defines an incumbent distributor as a “distributor that currently has the region that is the subject of the SAA application in its service area”. In HONI's view, does this definition imply that there must be houses or electrical service in the subject area for the definition of incumbent distributor to apply?

Interrogatory #4***Reference: Page 4, para. 3***

HONI states that "based on the extent of construction underway, it is possible that the service point into the development may have been changed from Mill Street (as shown in OHL's application) to a service point from Melody Lane, a change which would affect the costs included in OHL's application." This change and the related costing implications and amendments are reflected in the revised Offer to Connect filed by OHL with the Board on August 24, 2012. Has HONI reviewed OHL's revised Offer to Connect?

Interrogatory #5***Reference: Page 4, para. 4***

HONI states that the local municipalities' standards for the burial of primary and secondary cable should not be taken into account by distributors or the Board "because it is the Electrical Safety Authority that has jurisdiction in this regard." This is HONI's basis for maintaining a direct burial standard for the proposed development when the municipal standard is that the plant be installed in duct.

- (a) Does the Electrical Safety Authority also approve a duct burial standard?
- (b) When connecting subdivisions in other jurisdictions, does HONI never comply with the local municipalities' standards regarding the installation of electrical plant?

Interrogatory #6***Reference: Page 4, para. 6***

HONI states: "In urban areas, such as the development, HONI's reliability and response time will be significantly better than Provincial averages and will be basically the same as other LDCs in the same situation".

- (a) Please provide evidence of this forward looking statement.
- (b) In the statement above, HONI indicates that the development is in an urban area. Please confirm whether the customers in the current phase of the proposed development will be classified by HONI as rural or urban customers.

Interrogatory #7***Reference: Page 4, para. 6***

In this paragraph and elsewhere, HONI indicates that “90% of HONI interruptions in this area had an average response time of 63 minutes.”

- (a) Please provide response time specifics for the remaining 10%.
- (b) Please provide an average response time for the full 100%.

Interrogatory #8***Reference: Page 5, para. 5***

HONI states that “there is more tree exposure on the line owned by OHL”. As reflected in OHL’s revised offer to connect (submitted in these proceedings on August 24, 2012), OHL will feed the proposed subdivision from the south via underground plant from Melody Lane. Given the above, how would there be more tree exposure under OHL’s proposal?

Interrogatory #9***Reference: Page 5, para. 6***

HONI states it “intends to supply any future phases of the development in the Grand Valley area within HONI’s service territory.” Based on this submission, it appears that HONI’s position is independent of the Board deciding that OHL is the appropriate developer for the current phase of the development. Would HONI’s position change if OHL was successful in the current application?

Interrogatory #10***Reference: Page 7, para. 3***

HONI indicates that it is the “Orangeville M6 that feeds Grand Valley DS”. Given that *Orangeville TS NA22 – Overview Operating Diagram (Low Tension)*, DWG No. NA22-2LT, Revision 72.0 dated July 10, 2012 (as posted on HONI’s web portal) indicates that the M2 that feeds the Grand Valley DS, can HONI confirm whether the M2 or the M6 feeds the Grand Valley DS?

Interrogatory #11***Reference: Page 7, para. 5***

HONI submits that “the only way to provide a true economic comparison is for the Board to take into consideration all costs to connect the new development to the distribution system, regardless

of who is paying those costs”. However, HONI has failed to provide a current offer to connect or economic evaluation or a detailed breakdown of the costs clearly sought by the Board (i.e. detailed description of all capital costs, both non-contestable and contestable; assumptions for project revenue calculation and the amount of the capital contribution the customer must pay). Please provide (i) a copy of HONI’s updated offer to connect, (ii) a copy of HONI’s updated economic evaluation with sufficient assumptions and details to support the numbers therein, and (iii) a breakdown of the costs related to the connection of the proposed development, including a detailed description of all capital costs, both non-contestable and contestable, assumptions for project revenue calculation and the amount of the capital contribution the customer must pay.

Interrogatory #12

***Reference: Page 7, para. 6***

HONI suggests that OHL has “recognized” that the line relocation costs should be included “in its Motion Submission, paragraph 9.” OHL’s submission in question reads as follows: “*In the event that the Board determines that the Line Relocation Cost constitutes part of the total cost of connection, the Line Relocation Cost simply needs to be added to the Developer’s total costs...*” [emphasis added] Given that OHL’s submission above is clearly conditional upon the Board determining that the line relocation costs are relevant (which they have not), what is HONI’s rationale for suggesting that OHL has “recognized” that these costs should be included?

Interrogatory #13

***Reference: Page 7, para. 5-6 and cost comparison table on Page 8***

As rationale for including the line relocation costs in its cost comparison, HONI submits that “the only way to provide a true economic comparison is for the Board to take into consideration all costs *to connect* the new development to the distribution system, regardless of who is paying those costs.” [emphasis added] However, in its Decision on HONI’s Motion, the Board concluded that the line relocation activities are “occurring because of the developer’s need to register the subject development, rather than to energize it” and that the related relocation costs are “not relevant to the comparison of costs associated with servicing the subject development.”

- (a) Given the Board’s conclusion above, why does HONI continue characterize these costs as one of the costs to connect the new development?
- (b) On a related note, why are these costs included in the cost comparison table provided by HONI?

Interrogatory #14

***Reference: Cost Comparison Table on Page 8***

HONI has provided a costing table in an attempt to compare the connection proposals of HONI and OHL. In presenting this table, HONI has made a number of incorrect assumptions regarding

OHL's connection proposal and price and HONI has included a number of costs that are not supported by the Board's Decision on HONI's Motion or by HONI's submission itself.

- (a) What is the validity of the table HONI provided for "comparison purposes only" when it is not supported by evidence such as an economic evaluation, an offer to connect or other supporting data?
- (b) Although OHL considers the secondary splices as part of contestable work, how did HONI arrive at a cost of \$28,500 when OHL's calculations to do this work would be approximately \$8,680?
- (c) Under civil work, has HONI taken into account the additional cost of installing the plant in duct as required by the municipality? If not, what would be the additional amount of civil costs related to installing the plant in duct?
- (d) How did HONI arrive at a cost of \$40,000 for OHL's internal loop feed when OHL's calculations to do the additional work to complete an internal loop feed would be approximately \$12,500 (which represents the cost of a dip pole)?

Interrogatory #15

***Reference: Page 9, para. 1***

HONI has not provided a total of the capital contribution expected from the developer (total customer costs) in connection with HONI's connection proposal. As stated in its decision in EB-2011-0085, the Board ruled that "considerable weight should be given to the costs of the assets necessary to effect the connection and the *capital contribution the customer must pay*". [emphasis added] Nonetheless, HONI did not include the cost to the customer in their discussion of the developer's capital contribution on page 9 or in the cost comparison table on page 8.

- (a) Please explain why these totals were excluded from HONI's submission.
- (b) Please provide the total of the capital contribution expected from the developer in connection with HONI's connection proposal.

Interrogatory #16

***Reference: Page 9, para. 1-2***

HONI submits that, if OHL serviced the development, HONI's customers would continue to be held responsible for \$224,273 in upstream reinforcement costs associated with this phase of the development". Please explain in detail what these costs represent and how they would not be covered by the increased low voltage charges paid to HONI.

Interrogatory #17***Reference: Page 9, para. 3***

HONI submits “OHL should have included an amount greater than \$0 in its economic evaluation consistent with the requirements of Appendix B of the Distribution System Code unless it can provide evidence that its five-year rolling average costs are \$0. HONI states that it is inappropriate for OHL’s economic evaluation to include \$0 for capacity enhancement costs.” OHL has included a five-year rolling average of \$0 because there have been no enhancement costs related specifically to system expansions within the subject area within the past five years. More specifically, there have been no system expansions (defined in the DSC as “a modification or addition to the main distribution system in response to one or more requests for one or more additional customer connections that otherwise could not be made, for example, by increasing the length of the main distribution system”) in Grand Valley in more than a decade. Given the above, and considering that HONI did not submit interrogatories to OHL on this point, what is the basis for HONI’s assertion that it is inappropriate for OHL’s economic evaluation to include \$0 for system enhancement costs?

Interrogatory #18***Reference: page 11, para.1***

HONI has stated that the differences in the way that the distributors treat contestable and non-contestable costs “results in duplicated costs on the HONI calculation.” However, it appears that HONI has unilaterally attempted to address this duplication in the cost comparison table on page 8.

- (a) Please confirm whether the duplication of costs is addressed in HONI’s cost comparison table.
- (b) Please identify any duplicated costs not reflected in HONI’s cost comparison table.