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Director – Major Projects and Partnerships
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BY COURIER

September 19, 2012

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**EB-2012-0181 – Orangeville Hydro Limited – Application for Service Area Amendment –
Hydro One Networks Inc. Additional Interrogatory Responses**

Please find attached two (2) hard copies and an electronic copy of responses provided by Hydro One Networks Inc. to the remaining interrogatory questions from the Ontario Energy Board.

Sincerely,

ORIGINAL SIGNED BY ANDREW SKALSKI

Andrew Skalski

c – Orangeville Hydro Limited (Electronic Only)
Intervenors (Electronic Only)

Ontario Energy Board (Board Staff) INTERROGATORY #3 List 1

Interrogatory

Reference: Hydro One's Evidence, Page 8, Table - Comparison of connection costs between HONI and OHL

Board staff had difficulty reconciling the amounts provided by Hydro One in the table on page 8 of its evidence to the amounts included in Hydro One's offer to connect filed by OHL with its revised application dated May 10, 2012. Also there appears to be inconsistency with assumptions for customer connection schedules as well as average monthly consumption used by Hydro One and OHL in their respective calculations of capital contribution required from the customer.

b. Please prepare the economic evaluation based on average consumption of 700 kWh in order to make projection of incremental revenue and O&M expenses comparable with OHL's.

c. In OHL's economic evaluation it is assumed that customer connections are staggered over five years, while in Hydro One's offer to connect it is assumed that all customers are connected in one year.

Please prepare your economic evaluation based on five year connection schedule so that Hydro One's economic evaluation is comparable with OHL's.

Response

b. Please see the table below for the results of the requested economic evaluation. This evaluation has been prepared using customer connections staggered over five years and the load forecasts as indicated below. Please note that HONI disagrees that OHL's average monthly consumption for its residential rate class of 700kWh should be used in the economic evaluation calculations. HONI's reasons for disagreeing are noted in HONI's previous response to this IR on September 13, 2012.

Load Forecasts Used in Economic Evaluation

- i. an average consumption of 700kWh as requested
- ii. an average consumption of 976kWh which is HONI's average monthly consumption for its R1 rate class
- iii. a monthly consumption of 1069kWh which is HONI's customer connection specific load forecast used in HONI's Offer to Connect.

1 Please see table below for Option A and Option B results for each scenario

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	@1069 kWh		@976 kWh		@700 kWh	
	Option A	Option B	Option A	Option B	Option A	Option B
PV Revenue	\$867,347	\$867,347	\$818,461	\$818,461	\$674,626	\$674,626
PV OM&A	\$538,027	\$538,027	\$520,253	\$520,253	\$467,957	\$467,957
Capital Contribution	\$202,152	\$-15,437	\$228,376	\$10,728	\$305,536	\$87,855

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c. Please refer to b.

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