

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5707
Fax: (416) 345-5866

Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

September 25, 2012

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

Dear Ms. Walli:

EB-2012-0181 – Orangeville Hydro Limited – Application for Service Area Amendment – Error in Board Staff submission

I am writing to advise the Board of an inadvertent factual error contained in Table 1 of Board Staff's September 20th submission in the above-noted proceeding. The capital contribution amount shown on the first line in the "OHL column" on Table 1 of page 6 should be \$341,742, not a credit of \$109,331. The error therefore amounts to a difference of \$451,073.

The correct \$341,742 capital contribution amount is referenced in a number of places in OHL's evidence, extracts of which are included in the attached document as supporting detail.

Using the figure of \$341,742 as the starting point on the table affects the sum at the bottom of the table and will result in the need to make other changes to Board Staff's submission.

Hydro One therefore respectfully suggests that Board Staff should revise its September 20th submission to correct the \$451,073 error and the conclusions and submissions that flow from the correction.

Sincerely,

ORIGINAL SIGNED BY ANDREW SKALSKI
Andrew Skalski

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

Attachment

Table 1 on Page 6 of 8 in the Ontario Energy Board Staff Submission for EB-2012-0181 has an error in the Customer Contribution Required for the Connection in the OHL column. HONI proposes that the table should be updated to the following:

Table 1

Mayberry Hills Subdivision				
	OHL	HONI (Option B)		
		700kWh	969kWh	1069kWh
Customer Contribution Required for the Connection	\$341,742	\$87,855	\$10,728	\$(15,437)
Contestable Work	Included in Offer to Connect	\$187,681 (as per HONI's evidence , page 8)		
Secondary Splices for 114 lots	\$28,500	\$28,500		
Civil works	Included in Offer to Connect	\$122,464 (as per HONI's evidence, page 8)		
Cost for relocation of existing line	\$175,854	Included in estimates above		
Internal Loop	\$40,000	Included in Offer to Connect		
Total Cost to Customer	\$586,096	\$426,500	\$349,373	\$323,208

As per OHL's Submission on August 24, 2012 Table 2 below shows the total customer contribution required is \$341, 742. This is the number that should be used not \$(109,331).

The screenshot shows a PDF document titled "EB_2012_0181_OHL_Submission_08242012.pdf" in Adobe Reader. It displays two tables. Table 1 is a breakdown of costs for non-contestable work, categorized by Engineering Design, Expansion, and Subdivision Secondary Costs, with columns for Material, Labour & Trucking, Overhead on Labour, and Total. Table 2 is a summary table showing Total Non-Contestable Work, Contestable Work, Civil Work Costs, Total Capital Costs, and Total Customer Costs.

Non-Contestable Work	Material	Labour & Trucking	Overhead on Labour	Total
Engineering Design				
Subdivision Design Cost	0	1,420	568	\$1,988
Expansion				
Primary Duct - Supply and Install to Limit of Construction	14,000	0	0	14,000
PME-9 - Supply and Install	8,263	1,210	584	10,056
Subdivision Secondary Costs				
Services - Secondary Connections and Related Costs	0	9,484	4,270	13,754
Primary Connections and Related Items	0	1,211	713	1,924
Total Non-Contestable				\$41,723

Non--Contestable Work	41,723
Contestable Work	220,430
Civil Work Costs	201,263
Total Capital Costs	463,415
Total Customer Costs	341,742

The contestable work and civil work costs estimated by Gamsby and Mannerow Limited are provided in Appendix A. The contributed capital amount that the customer must pay is \$341,742.

Section 2 shown below was used to obtain the \$(109,331) however this is a contractual figure used to demonstrate a transaction between OHL and the developer after the fact.

Under **Option B** the developer will be responsible for the Contestable, Civil, Inspection and other costs which are not factored in to this (\$109,331) credit amount.

EB-2012-0181_OHL_Submission_08242012.pdf - Adobe Reader

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Section 2 This transaction takes place at energization based on the actual costs of the project.

Transfer Price if Developer Installed (due to Developer)	\$451,073
Capital Contribution (shortfall due to LDC)	\$341,742
Net Due to Developer upon energization	\$109,331

Section 3 The transaction noted in Section 2 is based on inputted information from the Electrical System Connection Form provided by the Developer. When actual calculations are made there may be applicable impacts that the Developer is responsible for.

The following indicates the inputs utilized that may or may not need adjustment during the 5 year construction horizon

<u>Construction Costs</u>	<u>Expected Connections</u>	<u>Expected Avg Yrly Load/Cntr</u>
Contestable \$451,072.50	Year 1 23	0.08
Non-Contestable \$41,722.66	Year 2 23	0.08
Upstream Costs \$0.00	Year 3 23	0.08
TOTAL \$492,795.16	Year 4 23	0.08
	Year 5 22	0.09
	TOTAL 114	