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October 10, 2012

Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Suite 2700  
Toronto, ON M4P 1E4

**Attention: Ms Kirsten Walli  
Board Secretary**

Dear Ms. Walli:

**Re: Hydro One Networks Inc.  
Change to Electricity Transmission Revenue Requirement and Rates  
HQ Energy Marketing Inc. ("HQEM") Interrogatories on APPrO Evidence  
Board File No: EB-2012-0031**

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Please find attached the interrogatories of HQ Energy Marketing Inc. ("HQEM") on APPrO Evidence in the above-noted application.

Sincerely,

*signed in the original*

George Vegh

- c. Mr. Matthieu Plante, Hydro Québec
- Mr. Yannick Vennes, Hydro Québec
- Mr. Michael Roger, Elenchus
- Mr. D.H. Rogers, Q.C., Counsel to the Applicant (e-mail)
- Mr. Pasquale Catalano, Regulatory Affairs, Hydro One Networks (e-mail)
- All Interested Parties (e-mail)

**EB-2012-0031**

**Interrogatories of HQEM to APPrO**

**Interrogatory 1. Reference: Cliff Hamal, “Evaluation of the Export Tariff” (“Hamal Evidence”), p. 4**

The evidence states that any producer surplus that is attributable to Ontario Power Generation’s non-prescribed assets will “accrue to the province and ultimately consumers.” It does not address the ultimate beneficiary of producer surplus that is attributable to Ontario Power Generation’s prescribed assets. As HQEM understands it, the payment amounts chargeable to consumers for electricity generation by Ontario Power Generation’s prescribed assets is largely determined by on a cost of service basis so that an increase in forecasted revenues results in a decrease in the amounts collected from consumers as payment amounts. Please confirm whether this is the author’s understanding.