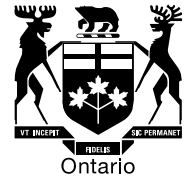


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**BY E-MAIL**

October 10, 2012

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Interrogatories on Intervenor Evidence  
Hydro One Networks Inc.  
2013-2014 Electricity Transmission Revenue Requirement and Rates  
Board File No. EB-2012-0031**

Please find attached Board staff interrogatories on Intervenor Evidence for this proceeding.

Sincerely,

*Original Signed By*

Harold Thiessen  
Case Manager – EB-2012-0031  
Senior Advisor - Applications

Attachment

**Board Staff Interrogatories on Intervenor Evidence**  
**Hydro One Networks Inc.**  
**2013-2014 Electricity Transmission Revenue Requirement and Rates**  
**EB-2012-0031**

**HQ Energy Marketing Evidence**  
**Prepared by Elenchus Research Associates Inc.**

- 1) Does Elenchus believe that any of CRA's alternative scenarios offer a significant improvement over continuation of the current rate, in terms of matching the revenue to the cost allocated to the ETS?
  
- 2) Is Elenchus is aware of any related cost allocation studies that have been done in any other jurisdictions?

**APPrO Evidence**  
**Prepared by Cliff Hamal (Managing Director, Navigant Economics)**

- 1) Ref: Hamal Evidence, p. 6 (Figure 2), and p. 27 (Figure 7)

The first row of data in Figure 2 and the fifth row are both titled Consumer Surplus, but have different values. The data in the first row appear to match the information in the CRA report that is cited in footnote 2. Why was the fifth row of data included in Figure 2, and why was the information in this row used in Figure 7 rather than the data in the first row?

- 2) Ref: Hamal Evidence, p. 27 (Figure 7)

Please provide a version of Figure 7 which shows a simple sum of the three years 2013, 2015 and 2017

Please confirm that the Ontario Surplus (summed over the three years) is nearly the same as that of the "No Tariff" scenario.

- 3) Ref: Hamal Evidence, p. 9 and pp. 29-30

The evidence concerns possible disadvantages of a time-based tiered rate structure for the Export Transmission Service, including that the higher rate would not be charged during hours of actual high load with the precision

assumed in the CRA analysis. The conclusion at p. 30 is that a tiered rate structure is not advisable

Would the disadvantage of a tiered structure be lessened by a rate structure that would be responsive to transmission system conditions (such as load or available capacity), rather than relying on time boundaries that had been defined far in advance?

Has Mr. Hamal done any analysis of responsive pricing for Export Tariff Service, either prospectively for Ontario or in actual practice in other jurisdictions? If so, please provide a description of such analysis.

### **APPo Evidence**

**Prepared by Marc-Andre Laurin (Brookfield Energy Marketing LP)**

- 1) Ref: Marc-André Laurin Evidence, pp. 3-4

The evidence suggests that traders experience greater uncertainty than usual when the Ontario system is in or may be approaching a situation of surplus baseload generation (SBG). The uncertainty includes the effect of IESO actions to deal with this situation.

Would the uncertainty and risk be increased or reduced if the IESO were to include, as one of its possible actions to deal with SBG, temporarily reducing the rate charged for ETS to a lower amount (such as \$0/MWh)?

### **PWU Evidence**

**Prepared by Robert Hebdon – McGill University**

No Questions.