

**Board Staff Interrogatories**

**Application for Service Area  
Amendments**

**Horizon Utilities Corporation**

**EB-2012-0047**

January 11, 2013

Part One

1. Ref: Page 9, Section 7.1.4(f)

The application states that existing Hydro One facilities in the area are not capable of supplying the customer.

- a) Please describe these facilities and provide a detailed explanation on why the facilities are not capable of supplying the customer.
- b) Please indicate whether these assets will become redundant in the event that the proposed amendment is granted and if so, explain how the costs for stranded equipment will be addressed.

2. Ref: Page 9, Section 7.2.1(a)

Horizon states that it has underground lines adjacent to the proposed development that are fed from underground and overhead 27.6kV distribution feeders surrounding the development.

- a) Please confirm that the existing infrastructure allows tie-over capability and if so, please provide particulars.
- b) Please confirm whether there is sufficient capacity on the existing feeders to provide service to future developments in the surrounding area, in addition to the proposed development.

3. Ref: Page 10, section 7.2.1(a)

Horizon states that Hydro One is proposing to build a new expansion consisting of an overhead distribution system of approximately 1.65 km in length to reach the edge of Summit Park Phase 7. Please explain the basis on which this statement is being made, i.e. is this based on discussions or information provided by Hydro One?

4. Ref: Page 10, section 7.2.1(a)

Horizon states that Hydro One's proposed connection to the express feeder also has negative cost implications for Horizon Utilities because the existing metering registration for the M3 feeder will no longer be considered as an "express" feeder and Hydro One does not propose to install new metering. Please provide information on costs to demonstrate how costs are expected to increase as a result of Hydro One's proposed connection.

5. Ref: Page 11, section 7.2.1(a)

Horizon states that Hydro One is not to use the express feeder competitively as that of another LDC servicing residential or commercial customer within the heart of an existing LDC service area. If this is the case, if the application is not approved for parts II, III and IV how is Hydro One to service its licensed territory therein?

6. Ref: Page 12, section 7.2.1(a)

Horizon states that if the OEB were to permit Hydro One's use of the express feeder in the described manner, that this would be tantamount to creating a new precedent. Does Horizon have evidence that a Hydro One express feeder was never used in the described manner?

7. Ref: Page 14, Section 7.2.1(c)

Horizon provided a summary of Hydro One's offer to connect. However, the information provided does not offer a clear comparison of the costs incurred by each distributor and of the customer's capital contribution.

- a) Please provide a table (side by side) which sets out all costs to connect the development under Options A and B, as set out in each distributor's offer to connect.

- b) Please provide a detailed explanation of how the capital contribution has been calculated by each distributor.

8. Ref: Page 21, Section 7.3.10

Horizon attached a letter to the application (Attachment 7) from Multi-Area Developments dated July 24, 2012 outlining the urgency in having its construction site energized to begin building by mid-September of that year. On September 12, 2012 the developer filed a letter with the Board stating that it had accepted Hydro One's offer to connect and therefore no longer wished to pursue a connection to Horizon.

- a) Given Horizon's awareness of the developer's urgency, please explain why Horizon did not respond to the September 12<sup>th</sup> letter until one month later, on October 10, 2012?

Attachment 3 is a letter from the developer which confirms Multi-Area Developments' request that Horizon supply electricity to the development. The letter states that the developer's anticipated date of development is April 2, 2012.

- b) Please explain why Horizon's Offer to Connect, Attachment 4, was not provided to the developer until June 5, 2012?

Part Two

9. Ref: Page 12, Section 7.1.4(f)

The application states that the three customers are currently supplied by Hydro One through an overhead service and that the developer will cover the costs to convert the service of the three customers from overhead to underground.

- a) Please confirm whether there will be any costs to the customer arising from this proposed change. If so, please provide details of these costs.

10. Ref: Page 14, Section 7.2.1(e)

Horizon states that there are 8 poles and 2 transformers belonging to Hydro One that will need to be removed to meet the streetscaping requirements by the City.

- a) Please provide a detailed explanation setting out who will be responsible for the costs of these stranded assets and whether there will be any costs to the customer as a result of this proposed change. If so, please provide details of these costs.

11. Ref: Page 20, Section 7.5.1

The application indicates that as of September 26, 2012, Hydro One provided a written request to transfer the three customers. However, the application also indicates that on October 22, 2012, Hydro One verbally advised that it no longer supports the transfer of these customers.

- a) Please provide written evidence indicating Hydro One's position regarding the transfer of the customers.
- b) Please confirm if there has been any additional discussion between Horizon and Hydro One regarding the transfer of these customers since the application was filed on October 24<sup>th</sup>. If not, please explain why Horizon has not continued bilateral discussions for the transfer of these customers.
- c) Please provide written responses from the affected customers consenting to the application.

Part Three

12. Ref: Page 13, Section 7.2.1(e)

The application states there are existing Hydro One assets currently providing service to the customers that are proposed to be transferred.

- a) Please provide a detailed explanation setting out who will be responsible for the costs of these stranded assets and whether there will be any costs to the customer as a result of this proposed change. If so, please provide details of these costs.

13. Ref: Page 17, Section 7.3.11

The application indicates that Hydro One has not consented to the application.

- a) Please provide evidence indicating that Hydro One was informed about Horizon's proposed service area amendment request to transfer the customers listed in Part Three of the application prior to the application being filed with the Board.
- b) Please provide written evidence indicating Hydro One's position regarding the transfer of the customers.
- c) Please confirm if there has been any discussion between Horizon and Hydro One regarding the transfer of these customers either prior to or since the application was filed on October 24, 2012. If not, please explain why Horizon has not entered into bilateral discussions for the transfer of these customers.
- d) Please provide written responses from the affected customers consenting to the application.

Part Four

14. Ref: Page 18, Section 7.5.2

Please confirm that the owner of the undeveloped parcel of land has been notified of the proposed service area amendment and provide evidence of support by the owner of the proposed amendment.

15. Ref: Page 18, Section 7.5.3

Please provide evidence confirming the date on which an offer to connect was requested from Hydro One by the Hamilton Wentworth School Board.

16. Ref: Page 18, Section 7.5.4

Part Four of the application as updated on December 17, 2012 includes an attachment (Attachment 6) containing Hydro One's service contract with the customer. On December 19, 2012, Hydro One filed a revised service contract. The information provided does not offer a clear comparison of the customer's capital contribution.

- a) Please provide Hydro One's economic evaluation based on methodology and inputs described in Appendix B of the Distribution System code. Please provide a detailed description of all capital costs included in the economic evaluation. Please provide the capital contribution amount resulting from the economic evaluation, which will be required from the customer.

- b) Please provide a table (side by side) with a breakdown of all the costs for both distributors to connect the development under the two options: Option 1 which includes contestable and non-contestable costs and Option 2, wherein the customer is responsible for the contestable costs.

Part Five

17. Ref: Page 8, Section 7.1.3

The service area amendment application is to incorporate undeveloped lands. Please confirm if there are any specific connection proposals at this time for the area being sought.

18. Ref: Page 17, Section 7.3.11

Please confirm if there has been any discussion between Horizon and Hydro One regarding this service area amendment request either prior to or since the application was filed on October 24, 2012.

19. Ref: Page 16, Section 7.3.10

Please confirm that the owner of the undeveloped lands has been notified of the proposed service area amendment and provide evidence of support by the owner of the proposed amendment.