

**Hydro One Networks Inc.**

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**LAW**

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BY COURIER

January 31, 2013

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

Dear Ms. Walli:

**EB-2012-00047 – Horizon Utilities Corporation – Application for Service Area Amendment –  
Hydro One Networks Inc. Interrogatory Responses**

Please find attached two (2) hard copies and an electronic copy of responses provided by Hydro One Networks Inc. to interrogatory questions from Board Staff, Horizon Utilities, SEC and BCPI, ENWIN, Essex.

Yours very truly,

ORIGINAL SIGNED BY MICHAEL ENGELBERG

Michael Engelberg

enc

c – Horizon Utilities Corporation (Electronic Only)  
Intervenors (Electronic Only)

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

**Interrogatory**

Ref: Hydro One Evidence, Page 2

Hydro One states that “the Application seeks to carve out, from the territory of HONI, the incumbent LDC, existing, long-standing customers already being served by HONI’s facilities, without discussion or negotiation with HONI, the incumbent LDC”.

In Part Two of the Application, Horizon states that Hydro One had initially agreed to the transfer of the three customers. Part Two of the Application contains an email from Hydro One which suggests that there had been some discussion or negotiation.

- a) Please explain why Hydro One states that there has not been any negotiation or discussion with Hydro One regarding the transfer of the customers listed in Part Two of the Application.
- b) With regard to the email from Horizon to Hydro One, attached at “Part II – Attachment 4”, please advise as to whether Rob Davidson or Tammy O’Sullivan responded to the email, and the nature of the response.

**Response**

- a) Hydro One’s statement quoted above was referring to all parts of the SAA application wherein Horizon seeks to transfer a significant number of existing Hydro One customers. Horizon, without discussion or the knowledge of Hydro One, sent letters to Hydro One’s customers soliciting their support for this SAA, without Horizon having engaged in substantive negotiations with Hydro One regarding the transfer of these customers.
- b) Part II – Attachment 4 in the October 24<sup>th</sup> version of the SAA application was an email from Hydro One to Horizon requesting that they provide a contact name at Horizon. Therefore, Hydro One staff did not respond to this email.

**Ontario Energy Board (Board Staff) INTERROGATORY #2 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Page 2

Hydro One states that “the Application seeks to carve out, from the territory of HONI, the incumbent LDC, a new school being built, which school was wrongfully connected by HUC during the construction phase.”

Please provide evidence and rationale in support of Hydro One’s allegation that the school was wrongfully connected by the applicant during the construction phase.

**Response**

On or about September 21, 2012 Hydro One was informed by Horizon verbally that it connected Bishop Ryan High School within Hydro One territory and asked Hydro One to allow the temporary connection to remain and work with the School Board to provide the necessary OTC for the permanent connection. Hydro One also received an email from Kathy Lerette, VP of Utility Operations at Horizon, on September 24<sup>th</sup> which stated

*‘New school being built on the mountain Trinity Church and Rymal Road. This is the Summit Park area and the Hydro One territory exists here .....The Horizon technicians assumed this was Horizon territory and provided an estimate for the temporary service and proceeded to connect it. The transformer bank is connected to the Horizon pole line on the north side of Rymal. They also provided a CCRA and OTC for the permanent service which has now been rescinded and the consultant will be contacting Hydro One for an OTC.*

*The main issue here, is that the customer has paid for the 3-phase temporary service, and has had it connected. I would like to speak to the appropriate person at Hydro One to obtain permission to leave the temporary service as is, so the customer can continue without penalty. I would hate to see the customer suffer as a result of wrong assumptions made regarding who’s service territory this is.’*

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

**Interrogatory**

Ref: Hydro One Evidence, Pages 3 and 4

Hydro One states that its costs to service the proposed development in Part One of the Application is lower than the applicant and has provided a table for comparison purposes.

- a) Please provide a table providing a breakdown of all the non-contestable and contestable costs to connect the development.
- b) 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.

Hydro One states that given the construction of the Hydro One reinforcement line to Binbrook, service to customers in the area in question will not require further upstream capital additions by Hydro One or additional costs. This suggests that Hydro One will need to expand its infrastructure to serve the development in Part One of the Application.

- a) If there are existing assets in the area that are capable of supplying the customer, please provide a detailed description of the assets and the date on which these assets were constructed.
- b) If there are no existing assets in the area capable of serving the development, please explain why Hydro One believes it will not incur any expansion costs to serve this new development. If there are expansion costs, please explain who will be responsible for these costs to connect this development and how these costs will be allocated to this development.

**Response**

Please note that Hydro One has labeled the answer as parts a) b) c) & d) in our response.

a) Hydro One has used the format and headings used by Horizon Utilities in its IR response to Board Staff # 7. Similar to HUC, this estimate uses, in part, costs provided by the contractor hired by the developer. Therefore, the calculation of a capital contribution is purely illustrative as Hydro One would not seek to actually charge the developer the amount described below since the developer is paying directly for the work performed by the contractor.

		Horizon Utilities	Hydro One	Comments
1	Cost to Prepare Offer to Connect	\$ -	\$ 12,878	Engineering Cost
2	Engineering and Inspection	\$ -	\$ 38,254	Worksite Inspection Cost
3	Upstream Expansions Costs	\$ 127,953	\$ -	
4	Connection Costs	\$ -	\$ -	
5	Service & Metering	\$ -	\$ -	
6	Uncontestable Costs	\$ 132,020	\$ 520,719	Description on Page 6, Schedule A, HONI OTC
7	Contestable Costs	\$ 1,057,196	\$ 281,582	Contestable costs using Contractor Schedule
8	Other (Civil) Costs	\$ -	\$ 280,389	Estimate of Other Civil Costs using Contrator Schedule
	Totals	\$ 1,317,169	\$ 1,133,821	
		Matches Staff IR # 7 to HUC	Matches Page 4, HONI Evidence	

With reference to item 6 in the table above, HONI includes a number of items in the Non-Contestable portion that other Utilities, including HUC, generally include as contestable. The items total \$380,075 which, when subtracted from the HONI Non-Contestable cost of \$520,719 brings the net cost down to \$140,644 compared to HUC Non-Contestable cost of \$310,000. A list of the items is included in Hydro One evidence of January 11<sup>th</sup> on page 5.

- 1 b) The table below is provided to conform to the headings included in Appendix B of  
2 the Distribution System Code:  
3

1	Net Present Value	=	PV of Operating Cash Flow (2)	+	PV of CCA Tax Shield (7)	-	PV of Capital (8)
2	PV of Operating Cash Flow	=	PV of Net Operating Cash (3)	-	PV of Taxes (6)		
3	PV of Net Operating Cash	=	PV of Annual Revenues (4)	-	PV of Annual OM&A (5)		
4	PV of Annual Revenues	=	\$1,530,796				
5	PV of Annual OM&A	=	\$ (856,346)				
6	PV of Taxes	=	\$ (190,532)				
7	PV of CCA Tax Shield	=	\$88,532				
8	PV of Capital *	=	<u>\$ (1,133,821)</u>				
1	<b>Net Present Value (Capital Contribution)</b>	=	<b>\$ (561,371)</b>		SUM(4,5,6,7,8)		

4  
5  
6  
7  
8  
9  
10

\* The capital costs included above includes \$561,971 that the customer will pay directly to their contractor – not Hydro One. Therefore the NPV (capital contribution) is purely illustrative for comparison sake and does not represent the actual contribution that Hydro One would propose to charge the customer.

Present Value of Future Cash Flows - 25 Year Time Horizon																									
	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr21	Yr22	Yr23	Yr24	Yr25
Monthly Fixed Revenue	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,188
Monthly Variable Revenue	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666	\$ 5,666
Total Monthly Revenue	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854
Total Annual Revenue	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246
PV of Revenue	\$ 1,530,796																								
Total OM&A	\$ 68,515	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957	\$ 65,957
PV of OM&A	\$ (856,346)																								
Revenue	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246	\$ 118,246
Less:Expenses	\$ (68,515)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)	\$ (65,957)
Taxable Income	\$ 49,731	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290	\$ 52,290
Tax on Income	\$ 14,049	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772	\$ 14,772
PV of Income Taxes	\$ (190,532)																								
CCA on Net Capital	\$ (22,898)	\$ (43,964)	\$ (40,447)	\$ (37,211)	\$ (34,234)	\$ (31,496)	\$ (28,976)	\$ (26,658)	\$ (24,525)	\$ (22,563)	\$ (20,758)	\$ (19,098)	\$ (17,570)	\$ (16,164)	\$ (14,871)	\$ (13,681)	\$ (12,587)	\$ (11,580)	\$ (10,653)	\$ (9,801)	\$ (9,017)	\$ (8,296)	\$ (7,632)	\$ (7,022)	\$ (6,460)
Tax Shield	\$ (6,469)	\$ (12,420)	\$ (11,426)	\$ (10,512)	\$ (9,671)	\$ (8,898)	\$ (8,186)	\$ (7,531)	\$ (6,928)	\$ (6,374)	\$ (5,864)	\$ (5,395)	\$ (4,963)	\$ (4,566)	\$ (4,201)	\$ (3,865)	\$ (3,556)	\$ (3,271)	\$ (3,010)	\$ (2,769)	\$ (2,547)	\$ (2,344)	\$ (2,156)	\$ (1,984)	\$ (1,825)
PV of Tax Shield	\$ 88,532																								
PV of Future Cash Flows	\$ 572,450	This is the Value that Hydro One can apply to support the Project																							
Capital Schedule																									
Capital Cost	\$ 1,133,821																								
Capital Contribution	\$ (561,371)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening UCC	\$ 286,225	\$ 549,552	\$ 505,588	\$ 465,141	\$ 427,930	\$ 393,695	\$ 362,200	\$ 333,224	\$ 306,566	\$ 282,041	\$ 259,477	\$ 238,719	\$ 219,622	\$ 202,052	\$ 185,888	\$ 171,017	\$ 157,335	\$ 144,749	\$ 133,169	\$ 122,515	\$ 112,714	\$ 103,697	\$ 95,401	\$ 87,769	\$ 80,747
CCA	\$ (22,898)	\$ (43,964)	\$ (40,447)	\$ (37,211)	\$ (34,234)	\$ (31,496)	\$ (28,976)	\$ (26,658)	\$ (24,525)	\$ (22,563)	\$ (20,758)	\$ (19,098)	\$ (17,570)	\$ (16,164)	\$ (14,871)	\$ (13,681)	\$ (12,587)	\$ (11,580)	\$ (10,653)	\$ (9,801)	\$ (9,017)	\$ (8,296)	\$ (7,632)	\$ (7,022)	\$ (6,460)
Closing UCC	\$ 263,327	\$ 505,588	\$ 465,141	\$ 427,930	\$ 393,695	\$ 362,200	\$ 333,224	\$ 306,566	\$ 282,041	\$ 259,477	\$ 238,719	\$ 219,622	\$ 202,052	\$ 185,888	\$ 171,017	\$ 157,335	\$ 144,749	\$ 133,169	\$ 122,515	\$ 112,714	\$ 103,697	\$ 95,401	\$ 87,769	\$ 80,747	\$ 74,288
Capital Contribution	\$561,371	ex HST																							

Customer Variables			YR_1	YR_2 +
Customers	Large_Res	#	101	101
Customers	Medium_Res	#	185	185
Customers	Commercial	#	1	1
UG Line Lengths	General_Line	M	2477	0
Energy Use (Monthly)	Large_Res	kWh	773.09	773.09
Energy Use (Monthly)	Medium_Res	kWh	613.65	613.65
Energy Use (Monthly)	Commercial	kWh	1892.16	1892.16
Energy Demand (Monthly)	Commercial	kW	10.16	10.16
Fixed Charge	Large_Res	\$/#	14.52	14.52
Fixed Charge	Medium_Res	\$/#	14.52	14.52
Fixed Charge	Commercial	\$/#	35.49	35.49
Energy Charge	Large_Res	\$/kWh	0.02918	0.02918
Energy Charge	Medium_Res	\$/kWh	0.02918	0.02918
Energy Charge	Commercial	\$/kWh	0.03938	0.03938
Demand Charge	Commercial	\$/kW	10.499	10.499
OMA_Cost (Annual)	Large_Res	\$/#	237.46	237.46
OMA_Cost (Annual)	Medium_Res	\$/#	223.29	223.29
OMA_Cost (Annual)	Commercial	\$/#	664.89	664.89
OMA_Cost (One-Time)	General_Line	\$/M	1.033	0
Fixed Revenue Per Year			\$50,259	\$50,259
Energy Revenue Per Year			\$67,988	\$67,988
OMA Cost Per Year			\$68,515	\$65,957
Construction Variables				
Design Costs	Non-Contest	\$	\$12,878	0
Subdivision Secondary Costs	Non-Contest	\$	\$380,990	0
Subdivision Primary Costs	Non-Contest	\$	\$139,729	0
Worksite Inspection	Non-Contest	\$	<u>\$38,254</u>	<u>0</u>
Capital Cost of Connection	Non-Contest	\$	\$571,850	0
3rd Party estimate of Civils	Contestable	\$	\$280,389	0
Contestable Costs	Contestable	\$	<u>\$281,582</u>	<u>0</u>
Total Cost of Connection	Contestable	\$	\$1,133,821	0

- 1  
2 c) The development is already connected to Hydro One's existing 8.32kV/4.8kV circuit  
3 on Rymal Road East. This circuit will be converted to 27.6kV/16kV under the  
4 planned enhancement project currently underway to bring a new circuit from Nebo  
5 TS to Binbrook. The feeder route will be along Rymal Road East and Hwy 56 south.  
6



- 1 d) The new feeder to replace the existing 8.32kV/4.8kV circuit is planned enhancement
- 2 work. The feeder route was selected based on the fact that the existing 8.32kV/4.8kV
- 3 can be easily converted to 27.6kV/16kV and the route requires relatively no forestry
- 4 work making it cost effective for Hydro One. Please see Appendix B of Hydro One's
- 5 evidence dated January 11, 2013 for further details.

**Ontario Energy Board (Board Staff) INTERROGATORY #4 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Page 6

Hydro One states that “vacant land inside an incumbent’s service territory should not be carved out and transferred to another LDC by means of an SAA application”.

- a) Please advise if this statement applies to contested SAA applications or uncontested SAA applications, or both.

**Response**

The statement that “vacant land inside an incumbent’s service territory should not be carved out and transferred to another LDC by means of an SAA application” applies to all contested SAA applications and in some circumstances may also apply to uncontested SAA applications such as EB-2004-0536. In EB-2004-0536 Hydro One did not consent to or contest the SAA, but instead submitted a letter to the Board stating the application, if approved would not meet the requirements of the Board’s Combined Distribution Service Area Amendments Proceeding (RP-2003-0044) Decision, and would be contrary to the Decision by seeking to acquire area in which there are no immediate plans for service. The Board dismissed this SAA and stated that Hydro One did not consent to the application, but in fact contested the applicant’s proposal based on the letter filed.

**Ontario Energy Board (Board Staff) INTERROGATORY #5 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Pages 7 and 12

Hydro One states that it will have assets readily available to service the new school development (Part Four of the Application).

- a) Please provide a detailed description of the assets in the area that are capable of supplying the customer and the date on which these assets were constructed.
- 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. If these assets will not become redundant, please indicate what existing loads they are now, or will be serving, if the amendment were granted.
- c) If there are no existing assets in the area capable of serving the development, please explain why Hydro One believes it will not incur any expansion costs to serve this new development. If there are expansion costs, please explain who will be responsible for these costs to connect this development and how these costs will be allocated to this development.

Hydro One has provided an attachment containing Hydro One's service contract with the customer in Part Four of the Application. The Hamilton- Wentworth District School Board filed a letter dated December 19, 2012 comparing the costs of being served by Hydro One and the applicant and concluding that its overall costs are higher if it is served by Hydro One.

- a) On what basis is the customer determined to be Sub Transmission customer rather than General Service customer?
- b) Is Hydro One able to provide an estimate for service of the customer as a General Service customer, so that costs can be directly compared with Horizon?
- c) Is there any reason why Hydro One is not able to serve the customer as a General Service customer?
- d) Please provide Hydro One's economic evaluation based on methodology and inputs described in Appendix B of the Distribution System code, and based on this customer being served as a General Service customer.

- e) Please provide a detailed description of all capital costs included in the economic evaluation.
- f) Please provide the capital contribution amount resulting from the economic evaluation, which will be required from the customer.
- g) Please provide a clearly itemized table with a breakdown of all the costs (non-contestable and contestable) between Hydro One and Horizon (side by side) to connect the customer as a General Service customer.
- h) Has there been any discussion between Hydro One and Horizon regarding the investment by Horizon in the transformation facilities being provided by Horizon for the school? If so, please provide such information.

**Response**

Please note that it appears that letters a) through c) have been reused in the question description above. The portions of the question after the first Part c) above have been relabeled to Parts d) through k).

- a) There is an existing Hydro One 8.32kV/4.8kV circuit on Rymal Road East. This circuit will be converted to 27.6kV/16kV under the planned enhancement project currently underway to bring a new circuit from Nebo TS to Binbrook.
- b) The new 27.6kV/16kV circuit is a planned enhancement project to bring a loop feed to Binbrook and hence will not be redundant.
- c) Please refer to HONI IRR to Board Staff 3 d).
- d) Please see HONI IRR to HUC 2 for a copy of the Hydro One Conditions of Service including the Board Approved Rate schedule. Included on Page 4-5 in Appendix "A" is the following description of a ST customer:

*(Sub-Transmission Classification refers to:) ... (load which) ...*

*ii) "is directly connected to and supplied from Hydro One Distribution Assets" ...*

*iii) "is greater than 500kW"*

The demand forecast provided by the customer significantly exceeds the threshold noted above. Therefore, Bishop Ryan School must be classified as a ST customer. Therefore, no estimates, drawings, calculations or other analysis have been performed assuming a scenario wherein the customer was provided service under a General Service rate schedule.

- 1 e) Under Hydro One's Conditions of Service and consistent with the provisions of  
2 Section 3 of the DSC concerning connections and expansions, the school has been  
3 treated as a "lie along" customer for connection purposes because it can connect  
4 directly to Hydro One's adjacent 27.6 kV feeder. As such, the Code does not require  
5 completion of an Appendix B-style economic analysis as part of the connection  
6 process, nor is there a capital contribution required based on that analysis.  
7  
8 f) As noted in part d) above, the customer must be classified as a ST customer and  
9 would therefore benefit from the lower ST rate.  
10  
11 g) Please refer to part e) above.  
12  
13 h) As shown in Appendix D of Hydro One's evidence, page 1 of 2 in Hydro One's  
14 Offer, the capital costs are for the following work items:  
15  
16 Metal guards, terminators, surge arrestors, fused primary cable termination and flared  
17 cable guards.  
18  
19 i) Please refer to part e) above. There is no capital contribution required.  
20  
21 j) The cost for the work identified in part h) above is all non-contestable.  
22  
23 k) There has been no discussion between Hydro One and Horizon regarding the  
24 investment by Horizon in the transformation facilities to be provided by Horizon for  
25 the school as part of Horizon's OTC.

**Ontario Energy Board (Board Staff) INTERROGATORY #6 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Page 7

In Section 7.1.2 of the Application, Horizon states that there is sufficient capacity on its existing underground distribution facilities, which are located in the adjacent phases bordering on the new phase development, to supply the load for the proposed sub-division (Part One of the Application) whereas Hydro One's distribution facilities in the area are currently not sufficient to supply the load for the development and would require additional investment. Horizon has stated that Hydro One's network of lines in the area is essentially the same as for the previous six phases of the Summit Park development. Hydro One did not contest applications by Horizon Utilities that allowed the earlier phases of the development to be connected to Horizon's system.

- a) Please provide a detailed description of the assets that Hydro One will rely upon to provide service to:
  - i. the proposed sub-division (Part One of the Application);
  - ii. the new school development (Part Four of the Application).
- b) Please confirm whether these assets are currently available to provide service. If not, please provide a detailed explanation of when these assets will be available to provide the required service.
- c) Please describe the density of Hydro One's distribution system in the areas adjacent to all the proposed amendment areas listed in the Application and provide a comparison to the density of Horizon's distribution system in these same areas.
- d) Please provide the following information:
  - i. Nameplate Rating of the NEBO TS supply transformer and summer and winter Long Term and Short Term ratings.
  - ii. Minimum ratings of each section of the relevant line sections of 27.6 kV M3 feeder, including the express section, the proposed Hydro One section, and the Horizon section.
  - iii. The location of sectionalizing assets on the Hydro One feeder, including breakers, disconnects, fuses etc. which would provide protection discrimination and ensure that faults on the proposed Hydro One section would not affect the integrity of the Horizon section of the line, and vice versa.

[Response](#)

- a) i and ii) For both the proposed sub-division (Part I of the Application) and the new school development (Part IV of the Application) Hydro One will connect the customers to the new 27.6 kV circuit which is being constructed along Rymal Road as part of the Enhancement Project to bring a loop feed to Binbrook and reinforce the distribution system for other industrial customers along the route. Other details can be found in the Offers to Connect for these customers.
- b) These assets will be available to provide the required service by April 2013 which meets the required connection date of each customer.
- c) Hydro One does not have access or knowledge of any density studies undertaken in Horizon Service area, so comparison is difficult; however, as the density in the area increases with the addition of subdivisions like Summit Park, Hydro One plans to introduce a new urban cluster in the area from Rymal Road East between Fletcher Road and Regional Road 56 continuing down Regional Road 56 to Binbrook.
- d)
- i. The Nameplate Rating of the NEBO TS supply transformer and summer and winter Long Term and Short Term ratings.
    - Voltage rating: T1 (220/28 KV), T2= (225.5/28KV)
    - Name plate Rating for T1 and T2 MVA: 50/67/83 MVA (ONAN /ONAF /OFAF)
    - Continuous MVA= 83.3 MVA for each transformer
    - 10 day LTR: 106 MVA (Summer)\*, 121MVA(Winter)

*\*For planning purposes, the summer 10 day LTR shall be regarded as a guideline on Nebo TS. The actual limited time ratings will be determined by Operations based on the pervading ambient temperature conditions, equipment constraints and limitations.*
  - ii. Please refer to Page 4 of the “Ancaster and Glanbrook Area Study” found in Appendix A of Hydro One’s evidence. The planning loading limit (PLL) on the M3 and M5 is 350A. The feeder loading could exceed this rating for shorter periods of time. The PLL is used as a guideline for longer term planning purposes.
  - iii. No utility protection discrimination has been proposed since Hydro One is intending on servicing the load via the M5 circuit, which is entirely Hydro One Distribution load.

**Ontario Energy Board (Board Staff) INTERROGATORY #7 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Page 8

- a) In the first paragraph, Hydro One claims as a strategic advantage, the availability of underground locates through Ontario One Call service. Why would such access not be available to Horizon?
- b) Please explain why service reliability in Hydro One's urban areas would necessarily be "the same or better than service in HUC's" area.
- c) Please explain how reliability of the Horizon 27.6 kV system might be affected by the addition of the Hydro One Rymal Road leg to the NEBO TS circuits, including how faults on the Hydro One Rymal Road leg would be isolated from Horizon's system, and how the Horizon section would be isolated from Hydro One's feeders for faults on the Horizon section.
- d) Hydro One refers to Appendix A, which is an Area Study for Hydro One's service territory, and Appendix B, regarding the Loop Feed to Binbrook. These documents are undated. Please provide a copy of the covering letter or email which accompanied issue of this document, or other evidence of when the document was created.

**Response**

- a) Hydro One's statement regarding the availability of underground locates through Ontario One Call service was in response to Horizon's statement that there would be customer confusion regarding whom to call for service if Hydro One remains the distributor for the existing and future customers and not in reference to a strategic advantage. Such access is available to Horizon.
- b) Based on the information provided by Horizon in its SAA application, Hydro One's reliability in the area included in this SAA is better than Horizon's. The comparison is as follows: Of the eight Hydro One interruptions experienced in 2011 in this area, 63% of them were of a momentary nature where the outages are less than one minute. This is better than the reliability statistics reported by Horizon in its August 10, 2012, version of the SAA application which stated that 33 outages occurred in 2011, of which 13 were auto-reclose outages (less than 1 minute) for the feeder it plans to use to service the SAA area. The reliability at the station will be similar in nature given both LDCs are fed from the same transmission station, Nebo TS.
- c) Due to the reconfiguration of Hydro One's Rymal Road leg to M5 from the initially proposed M3 there will be no impact to Horizon's reliability. Each line has its own protection for faults emanating from Nebo TS hence this portion of line will not have



1       any impact on Horizon's line from a fault perspective as it would be isolated at the  
2       circuit breaker within the station. This would be true for Horizon's line (M3) as well.

3  
4       d) The Area Study and Loop Feed to Binbrook documents were created based on a  
5       culmination of data collections, multiple network models, meeting discussions and  
6       other documents related to the specific issues in the Ancaster and Glanbrook areas.  
7       As the need in a particular area escalates a report typically is written to bring together  
8       the above information and set the stage for a series of investments designed to  
9       maintain reliability and capacity in the area. Therefore the above-referenced reports  
10      are a culmination of work that took place from 2010 through to the end of 2012. The  
11      Area Study document was finalized and the Loop Feed to Binbrook document was  
12      created in December 2012 for the purposes of filing with Hydro One's evidence to  
13      assist the Board in understanding the full scope and rationale of Hydro One's plans  
14      for its distribution system in the SAA and surrounding areas.

**Ontario Energy Board (Board Staff) INTERROGATORY #8 List 1**

**Interrogatory**

Ref: Hydro One Evidence, Page 11

- a) Please provide a detailed description of the Hydro One assets being used to serve the customers listed in Part Two and Part Three of the Application.
- b) Please provide a more detailed breakdown of the estimated stranded costs of assets of \$15,000. Please distinguish the stranded costs related to the customers in Part Two of the Application from the customers in Part Three of the Application.

**Response**

- a) Hydro One confirms that the existing supply to these customers is primarily by the F-class feeder system. However, as detailed in Hydro One's evidence in Appendices A and B, in recognition of the growing load in the area, Hydro One is currently upgrading its distribution system to 27.6 kV supply, and when completed that will form the primary supply to the SAA lands, replacing the F-class system. For further details on assets currently servicing Part Three see (b) below.
- b) Given the age of the assets related to the customers in Part II of the application there were no stranded costs related to these assets as part of the \$15,000. There would be removal costs incurred, which have not been included here.

In relation to the customers in Part III of the Application, there would be fifteen transformers stranded if Horizon were successful in their request to service the customers along Rymal Road. This is comprised of the following:

- The section east of Fletcher Rd has 12 transformers operating at 4800v, three single phase and three 3-phase. The average age of these transformers is 25 years old and the average size is 25kva. The cost for the three single phase transformers is approximately \$455 each, for a total of \$1365 and the cost for the three banks is approximately \$3,276 each bank, for a total of \$9,828.
- The section between Trinity Church Rd and Fletcher has three transformers operating at 16000v. The average age of these transformers is one year and the average size is 25kva. The cost is approximately \$1008 ea for a total of \$3024.

In addition to the stranded assets there would be removal costs that were not included in the \$15,000 stranded asset costs.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #1 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide the names of those witnesses who will appear at the oral hearing of this  
7                    proceeding to give evidence on behalf of Hydro One Networks Inc. (“**Hydro One**”).  
8                    Please provide a copy of their respective résumé or *curriculum vitae*.

9  
10                  **Response**

11  
12                  The list of witnesses has not yet been determined. This information will be provided in  
13                  due course.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #2 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please file the Ontario Energy Board (“**OEB**” or the “**Board**”) approved rates for Hydro  
7                    One for 2013 for all residential rate classes, <50 kW, >50kW, and the sub transmission  
8                    (“**ST**”) rates for common and express feeders.

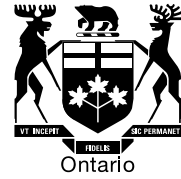
9  
10                   **Response**

11  
12                   A full listing of current rates for the aforementioned classes is available on the Board’s  
13                   website, in proceeding EB-2012-0136. See the Rate Order dated December 20, 2012,  
14                   which is also included as Attachment 1 to this response.

15  
16                   Please also refer to Hydro One’s response to HONI IRR to HUC 10 Part (b) (ii) in which  
17                   it is noted that “express feeder” is not the term used in Hydro One’s rate schedule.

Ontario Energy  
Board

Commission de l'énergie  
de l'Ontario



**EB-2012-0136**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Hydro One  
Networks Inc. for an order approving just and reasonable  
rates and other charges for electricity distribution to be  
effective January 1, 2013.

**BEFORE:** Ken Quesnelle  
Presiding Member

Cynthia Chaplin  
Vice Chair and Member

**RATE ORDER**  
**December 20, 2012**

Hydro One Networks Inc. (Hydro One) filed an application, dated June 15, 2012, with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, c.15, Schedule B, and the Board's Incentive Regulation Mechanism (IRM) framework seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2013. Hydro One has also applied for an adjustment to the rates it charges to accommodate proposed spending on projects contained in an Incremental Capital Module (ICM). The Board assigned the application File Number EB-2012-0136.

The Board issued a Notice of Application and Hearing dated July 6, 2012. On August 10, 2012 the Board issued Procedural Order No.1, approving a list of intervenors and intervenor eligibility for cost awards. Procedural Order No. 1 also included a timetable for hearing events and a draft Issues List. The Board made provision for submissions on the draft Issues List by Hydro One and intervenors.

Procedural Order No. 2 was issued on September 6, 2012 approving the Issues List and setting a number of steps in the hearing process, including interrogatories on Hydro One's evidence and intervenor evidence. Procedural Order No. 3 was issued on November 6, 2012 which included a ruling on confidentiality of certain Interrogatory responses and set dates for a Technical Conference, a Settlement Conference and for an oral hearing.

The Settlement Conference was held on November 30, 2012 and December 3, 2012. Hydro One filed a proposed Settlement Agreement on December 11, 2012. The proposed Settlement Agreement also included a Draft Rate Order.

In a Decision released on December 14, 2012, the Board approved the Settlement Agreement as filed. As the Draft Rate Order was filed with the Settlement Agreement, the Board provided for a short comment period. No party commented on or objected to, the Draft Rate Order or the related exhibits.

In the Decision, the Board also indicated that it would institute a written proceeding within this application, with regard to the issue of Payments In Lieu of Taxes (PILS) Account 1562. As these PILS amounts, if any, will be captured in a variance account, the resolution of this issue will not affect the rates approved for 2013. A procedural order will be issued shortly, establishing a structure for this hearing.

#### **THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix A of this Rate Order is approved effective January 1, 2013 for electricity consumed or estimated to have been consumed on and after such date.
2. The Tariff of Rates and Charges set out in Appendix A of this Rate Order supersedes all previous Tariff of Rates and Charges approved by the Ontario Energy Board for Hydro One Networks Inc.'s Distribution service areas, and is final in all respects.

3. Hydro One Networks Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**ISSUED** at Toronto, December 20, 2012

**ONTARIO ENERGY BOARD**

Original Signed By

Kirsten Walli  
Board Secretary

**APPENDIX A**

**HYDRO ONE NETWORKS INC. DISTRIBUTION RATE ORDER TARIFF OF RATES  
AND CHARGES**

**EB-2012-0136**

**DECEMBER 20, 2012**



**HYDRO ONE NETWORKS INC.**  
**TARIFF OF RATES AND CHARGES**  
**FOR RETAIL DISTRIBUTION SERVICE**

**Effective Date: January 1, 2013**

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss  
Factors

**1.0 APPLICABILITY**

These rates are applicable to Hydro One Networks' retail customers, who are supplied through Hydro One Networks' retail distribution system, including customers previously served by acquired distribution utilities.

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless

- a) permitted by the Distributor's License or any Codes, or Orders of the Board, and amendments thereto as approved by the Board, or as specified herein, or
- b) as identified in Hydro One Network's Distribution Customers Conditions of Service document, or
- c) related to work or service of a customized nature and required for distribution assets, for example customer-requested pole relocation, repair of damages, new connections, etc.

This schedule does not contain any rates and charges relating to the electricity commodity (under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable) or any charges or assessments that are required by law to be charged by a distributor and are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment and any applicable taxes.

## **1.1 Implementation Dates**

Distribution Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Miscellaneous Charges – January 1, 2013 for all charges billed to customers on or after that date.

Retail Transmission Rates – January 1, 2013 for all consumption or deemed consumption services used on or after that date.

Loss Factor Adjustment – for all consumption or deemed consumption services billed following January 1, 2013 or later.

## 1.2 Customer Classifications

Residential - Year-round customer classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. All of the following criteria must be met:

1. Occupant represents and warrants to Hydro One Networks Inc, that for so long as he/she have year-round residential rate status for the identified dwelling he/she will not designate another property that he/she owns as a year-round residence for purposes of Hydro One rate classification
2. Occupier must live in this residence for at least four (4) days of the week for eight (8) months of the year and the Occupier must not reside anywhere else for more than three (3) days a week during eight (8) months of the year.
3. The address of this residence must appear on documents such as the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.
4. Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

Seasonal Residential customer classification is defined as any residential service not meeting the Residential Year-round criteria. It includes dwellings such as cottages, chalets and camps.

General Service classification applies to any service that does not fit the description of residential classes. It includes combination type services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential

Farm classification is applicable to properties actively engaged in agricultural production as defined by Statistics Canada. It does not include tree, sod, or pet farms. Services to year round pumping stations or other ancillary services remote from the main farm shall be classed as farm.

Sub-Transmission (ST) classification refers to:

- a) Embedded supply to Local Distribution Companies (LDCs), "Embedded" meaning receiving supply via Hydro One Distribution assets, and where Hydro One is the Host distributor to the Embedded LDC. Situations where the LDC is supplied via Specific Facilities are included.

Or

- b) load which:
  - i) is three-phase; and
  - ii) is directly connected to and supplied from Hydro One Distribution assets between 44 kV and 13.8 kV inclusive; the meaning of "directly" includes HON not owning the local transformation; and
  - iii) is greater than 500 kW (monthly measured maximum demand averaged over the most recent calendar year or whose forecasted monthly average demand over twelve consecutive months is greater than 500 kW).

### **1.3 Density Zones**

Urban Density Zone is defined as areas containing 3,000 or more customers with a line density of at least 60 customers per kilometre.

Medium Density Zone is defined as areas containing 100 or more customers with a line density of at least 15 customers per kilometre.

Low Density Zone is defined as areas other than Urban or Medium Density Zone.

## **1.4 Rate Classes**

### Residential

- UR - Year-round Residence in an Urban High Density Zone
- R1 - Year-round Residence in a Medium Density Zone
- R2 - Year-round Residence in a Low Density Zone
- Seasonal - Seasonal Residential Occupancy

### General Service

- UGe - General Service - Urban Density  
Applicable to Farm Three Phase customers, Farm Single Phase energy-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- UGd - General Service - Urban Density  
Applicable to Farm Three Phase customers, Farm Single Phase demand-billed customers, and Industrial Commercial customers located in an Urban Density Zone
- GSe - General Service  
Single Phase and Three Phase Energy-billed customers not located in an Urban Density Zone
- GSd - General Service  
Single Phase and Three Phase Demand-billed customers not located in an Urban Density Zone
- DGen - Distributed Generation  
Embedded retail generation facility connected to the distribution system that is not classified as MicroFIT generation.
- MicroFIT - This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system
- Unmetered Scattered Load (GSe-Unmetered)  
This classification refers to certain instances where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Hydro One reserves the right to review all cases and may require that a meter be installed at its sole discretion. Services that

can be unmetered include cable TV amplifiers, telephone switching devices, phone booths, bus shelters, rail way crossing signals, traffic signals, and other small fixed loads.

Further servicing details are available in the utility's Conditions of Service (including in the "Unmetered Connections" section).

#### Sub Transmission

- ST - Sub Transmission

(Refer to criteria as specified in section 1.2)

Hydro One establishes billing determinants for demand customers at the greater of 100 per cent of kW and 90 per cent of kVA where kVA metering is installed. When a Customer's power factor is known to be less than 90 per cent, a kVA meter or other equivalent electronic meter shall be used for measuring and billing.

#### Lighting

- Street Lights

This rate is applicable to all Hydro One Networks' core and acquired retail customers who have streetlights. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

The energy consumption for street lights is estimated based on Networks' profile for street lighting load, which provides the amount of time each month that the street lights are operating.

- Sentinel Lights

This rate is applicable to all Hydro One Networks' core and acquired retail customers who have separate service to a sentinel light. Networks' core retail customers are customers of Networks' retail distribution system, excluding those customers previously served by acquired distribution utilities.

The energy consumption for sentinel lights is estimated based on Networks' profile for sentinel lighting load, which provides the amount of time each month that the sentinel lights are operating.

Distribution Volumetric Energy Charge is on metered or estimated usage (per kWh)

## **1.5 Rural or Remote Electricity Rate Protection**

Under the *Ontario Energy Board Act, 1998* and associated regulations, every qualifying year-round residence and farm with a principal residence is eligible to receive Rural or Remote Electricity Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, which is currently \$28.50 per month.

## **1.6 Specific Service Charges**

Specific service charges details are included at the end of this schedule and are applicable to all customers.

# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Residential – Urban [UR]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	16.50
Distribution Volumetric Rate	\$ / kWh	0.02529
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00053
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00044
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00696
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00500

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Residential – Medium Density [R1]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	23.85
Distribution Volumetric Rate	\$ / kWh	0.03353
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00090)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00062
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00051
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00707
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00509

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Residential – Low Density [R2]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge* (includes Smart Meter Funding Adder - \$3.92)	\$	60.90
Distribution Volumetric Rate	\$ / kWh	0.03683
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00085)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00091
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00075
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00008)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00690
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00480

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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\* Under the Ontario Energy Board Act, 1998 and associated regulations, every qualifying year-round customer with a principal residence is eligible to receive Rural or Remote Rate Protection (RRRP). The service charge shown for eligible R2 customers will be reduced by the applicable RRRP credit, currently at \$28.50.

# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Seasonal Residential – Seasonal

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	23.42
Distribution Volumetric Rate	\$ / kWh	0.08117
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00065)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00149
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00123
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00013)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00652
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00470

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### **General Service Energy Billed (less than to 50 kW) [GSe - metered]**

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#### **Monthly Rates and Charges - Electricity Component**

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### **Monthly Rates and Charges - Delivery Component**

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	39.79
Distribution Volumetric Rate	\$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00358

#### **Monthly Rates and Charges - Regulatory Component**

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Urban General Service Energy Billed (less than 50 kW) [UGe]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	14.01
Distribution Volumetric Rate	\$ / kWh	0.01666
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00106)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00031
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00026
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00003)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00535
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00366

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### **General Service Energy Billed (less than 50 kW) [GSe - Unmetered]**

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#### **Monthly Rates and Charges - Electricity Component**

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### **Monthly Rates and Charges - Delivery Component**

Service Charge	\$	29.37
Distribution Volumetric Rate	\$ / kWh	0.03981
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00093)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00065
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00054
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00518
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00358

#### **Monthly Rates and Charges - Regulatory Component**

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### General Service Demand Billed (50 kW and above) [GSd]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	55.62
Distribution Volumetric Rate	\$ / kW	11.370
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.307)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.121
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.100
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.010)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.68
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	1.14

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Urban General Service Demand Billed (50 kW and above) [UGd]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	32.32
Distribution Volumetric Rate	\$ / kW	6.914
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.356)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.093
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.077
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.008)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	1.75
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	1.19

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### **Distributed Generation [DGen]**

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#### **Monthly Rates and Charges - Electricity Component**

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### **Monthly Rates and Charges - Delivery Component**

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	41.64
Distribution Volumetric Rate	\$ / kW	5.939
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kW	(0.048)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kW	0.071
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kW	0.059
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kW	(0.006)
Retail Transmission Rate - Network Service Rate (4)	\$ / kW	0.35
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kW	0.23

#### **Monthly Rates and Charges - Regulatory Component**

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Street Lights

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge	\$	1.45
Distribution Volumetric Rate	\$ / kWh	0.07209
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00102)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00059
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00049
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00005)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00303

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Sentinel Lights

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge	\$	1.48
Distribution Volumetric Rate	\$ / kWh	0.09877
Volumetric Rate Rider #9 - Deferral/Variance Account Disposition 2012 (expires December 31, 2014)	\$ / kWh	(0.00100)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$ / kWh	0.00103
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$ / kWh	0.00085
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$ / kWh	(0.00009)
Retail Transmission Rate - Network Service Rate (4)	\$ / kWh	0.00435
Retail Transmission Rate - Line and Transformation Connection Service Rate (5)	\$ / kWh	0.00303

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$ / kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$ / kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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### MicroFIT Generator

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Service Charge	\$	5.40
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# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### Sub Transmission [ST]

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#### Monthly Rates and Charges - Electricity Component

Rate Rider for 2012 Global Adjustment Sub-Account Disposition – Non – RPP Customers (expires December 31, 2014) (14)	\$ / kWh	(0.00050)
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#### Monthly Rates and Charges - Delivery Component

Service Charge (includes Smart Meter Funding Adder - \$3.92)	\$	295.68
Meter Charge (for Hydro One ownership) (12)	\$	471.17
Facility charge for connection to Common ST Lines (44 kV to 13.8 kV) (9)	\$/kW (1) (15)	0.675
Facility charge for connection to Specific ST Lines (44 kV to 13.8 kV)	\$/km (2)	640.12
Facility charge for connection to Specific Primary Lines (12.5 kV to 4.16 kV)	\$/km (2)	496.09
Facility charge for connection to high-voltage (> 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1) (15)	1.614
Facility charge for connection to low-voltage (< 13.8 kV secondary) delivery High Voltage Dist'n Station	\$/kW (1) (15)	3.579
Facility charge for connection to low voltage (< 13.8 kV secondary) Low Voltage Dist'n Station	\$/kW (3) (15)	1.965
Volumetric Rate Rider #9A (General) - Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (10)	\$/kW (1) (15)	0.275
Volumetric Rate Rider #9B (Wholesale Market Service Rate) Deferral/Variance Account Disposition 2012 (expires December 31, 2014) (11)	\$/kW (1) (15)	(0.627)
Volumetric Rate Rider #10 - Incremental Capital Costs (expires December 31, 2014 or when new 2015 rates come into effect)	\$/kW (1) (15)	0.010
Volumetric Rate Rider #11 - Smart Grid Costs (expires December 31, 2013)	\$/kW (1) (15)	0.008
Volumetric Rate Rider #12 - Shared Tax Savings (expires December 31, 2013)	\$/kW (1) (15)	(0.001)
Retail Transmission Service Rates (6)(7)(8):		
Retail Transmission Rate - Network Service Rate (4)	\$/kW	3.18
Retail Transmission Rate - Line Connection Service Rate (5)	\$/kW	0.70
Retail Transmission Rate - Transformation Connection Service Rate (5)	\$/kW	1.63

#### Monthly Rates and Charges - Regulatory Component

Wholesale Market Service Rate (7) (13)	\$/kWh	0.0052
Rural or Remote Rate Protection Rate (7) (13)	\$/kWh	0.0011
Standard Supply Service - Administration Charge (if applicable)	\$	0.25

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Notes:

Note (1): The basis of the charge is the customer's monthly maximum demand. For a customer with multiple delivery points served from the same Transformer Station or High Voltage Distribution Station, the aggregated demand will be the applicable billing determinant. Demand is not aggregated between stations.

Note (2): The basis of the charge is kilometers of line, within the supplied LDC's service area, supplying solely that LDC.

Note (3): These rates are based on the "non-coincident demand" at each delivery point of the customer supplied by the station. This is measured as the kW demand at the delivery point at the time in the month of maximum load on the delivery point. For a customer connected through two or more distribution stations, the total charge for the connection to the shared distribution stations is the sum of the relevant charges for each of the distribution stations.

Note (4): The monthly billing determinant for the RTSR Network Service rate is:

- for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
- for interval-metered customers: the peak demand from 7 AM to 7 PM (local time) on IESO business days in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.
- for non-interval-metered demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.

Note (5):

(a) The monthly billing determinant for the RTSR Line and Transformation Connection Service rates is

- for energy-only metered customers: the customer's metered energy consumption adjusted by the total loss factor as approved by the Board.
- for all demand billed customers: the non-coincident peak demand in the billing period. The rates shown are to be adjusted by the total loss factor as approved by the Board.

(b) For customers with load displacement generation above 1 MW, or 2 MW for renewable generation, installed after October 1998, RTSR connection is billed at the gross demand level.

Note (6): Delivery point with respect to RTSR is defined as the low side of the Transformer Station that steps down voltage from above 50 kV to below 50 kV. For a customer's multiple interval-metered delivery points served from the same Transformer Station, the aggregated demand at the said delivery points on the low side of the Transformer Station will be the applicable billing determinant.

Note (7): These rates pertain to the IESO's defined point of sale; consequently, appropriate loss factors as approved by the Board and set out in Hydro One Distribution's loss factors must be applied to the metered load of energy-metered customers. Similarly, appropriate loss factors as approved by the Board and set out as Hydro One Distribution's loss factors must be applied to the applicable tariffs of demand-billed customers.

Note (8): The loss factors, and which connection service rates are applied, are determined based on the point at which the distribution utility or customer is metered for its connection to Hydro One Distribution's system. Hydro One Distribution's connection agreements with these distribution utilities and customers will establish the appropriate loss factors and connection rates to apply from Hydro One Distribution's tariff schedules.

Note (9): The Common ST Lines rate also applies to the supply to Distributors which use lines in the 12.5 kV to 4.16 kV range from HVDSs or LVDSs.

Note (10): "Rider 9A (General)" is charged based on appropriate billing kW.

Note (11): "Rider 9B (Wholesale Market Service Charge)" applies to those customers who were charged Wholesale Market Service Charges by Hydro One Distribution.

Note (12): The Meter charge is applied to delivery points for which Hydro One owns the metering.

Note (13): The Wholesale Market Service Rate and the Rural or Remote Rate Protection Rate are charged solely to non-Wholesale-Market-Participants.

Note (14): The Global Adjustment rider applies to the non-LDC and non-RPP ST customers that were charged Wholesale Market Service Charges by Hydro One Distribution.

Note (15): For customers with load displacement generation above 1MW, or 2 MW for renewable generation, installed after October1998, the ST volumetric charges are billed at the gross demand level.

### **Customer-Supplied Transformation Allowance**

Applicable to customers providing their own transformers:

Primary Voltage under 50 kV (per kW)

Demand Billed	\$ / kW	0.60
Energy Billed	cents / kWh	0.14

## **Transformer Loss Allowance**

- Applicable to non-ST customers requiring a billing adjustment for transformer losses as the result of being metered on the primary side of a transformer. The following uniform values shall be applied to measured demand and energy to calculate transformer losses for voltages up to and including 50 kV (as metered on the primary side):
  - a) 1.5% for transformer installations up to an individual bank capacity of 400 kVA,
  - b) 1.0% for bank capacities over 400 kVA.And;
- Applicable to ST customers requiring a billing adjustment for transformer losses as the result of being metered on the secondary side of a transformer. The following uniform value shall be added to measured demand and energy (as metered on the secondary side) to adjust for transformer losses:
  - a) 1.0%
- Alternatively, transformer losses may be determined from transformer test data, and measured demand and energy adjusted accordingly.
- For services which are not demand metered, an assumed demand of 50% of the transformer capacity will be used to calculate the loss allowance. Where several transformers are involved, the bank capacity is assumed to be the arithmetic sum of all transformer capacities.



## **Loss Factors**

<b>Rate Class</b>	<b>Factor</b>
<b>Residential</b>	
UR	1.078
R1	1.085
R2	1.092
Seasonal	1.092
<b>General Service</b>	
GSe	1.092
GSd	1.061
UGe	1.092
UGd	1.061
DGen	1.061
<b>Lights</b>	
Street	1.092
Sentinel	1.092
<b>Sub Transmission</b>	
Distribution Loss Factors	
Embedded Delivery Points (metering at station)	1.000
Embedded Delivery Points (metering away from station)	1.028
Total Loss Factors	
Embedded Delivery Points (metering at station)	1.006
Embedded Delivery Points (metering away from station)	1.034

# HYDRO ONE NETWORKS INC.

## RATES FOR RETAIL DISTRIBUTION SERVICE

**Effective Date:** January 1, 2013

This schedule supersedes and replaces all previously approved schedules of  
Rates, Charges and Loss Factors

### SPECIFIC SERVICE CHARGES

#### Standard Amounts

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
1	Temporary Service	\$500			
2	Dispute Meter Test	\$30 plus Measurement Canada fees			
3	Collection of account – no disconnection/load limiter	\$30			
4	Collection/Disconnect/load limiter/reconnect (at meter) trip – regular hours	\$65			
5	Collection/Disconnect/load limiter/reconnect (at meter) trip – after regular hours	\$185			
6	Collection/Disconnect/load limiter/reconnect (at pole) trip – regular hours	\$185			
7	Collection/Disconnect/load limiter/reconnect (at pole) trip – after regular hours	\$415			
8	Account Set-up Charge	\$30			
9	Arrears Certificate	\$15			
10	NSF Cheque Charge (Plus bank charges)	\$15			
11	Easement Charge for Unregistered Rights	\$15			
12	Late Payment Charge	1.5%/month			
13a	Retailer Services – Establishing Service Agreements (refer to Handbook for all charges)	\$100/agreement/Retailer +\$20/month/Retailer +\$0.50/month/customer + other			
13b	Retailer Services – Other (includes Bill Ready for Retailers and Service Transactions Requests) as per the Handbook, Chapter 12	\$0.30/month/customer + \$0.25/request for request fee + \$0.50/request for process fee			
14	Special Meter Reads	\$30			
15	Service Layout Fee – Basic		\$562		
16	Service Layout Fee – Complex		\$750		
17	Crossing Application – Pipeline		\$2,600		
18	Crossing Application – Water		\$2,960		
19	Crossing Application – Railroad		\$3,100		
20	Line Staking – per meter		\$3.75		
21	Central Metering – New service < 45 kW		\$115		
22	Conversion to Central Metering < 45 kW		\$935		
23	Conversion to Central Metering > 45 kW		\$815		
24	Tingle Voltage Test – In Excess of 4 Hours (per hour – average 2 additional hours)		\$125		
25	Standby Administration Charge per month		\$480		

Rate Code	Specific Service Charge - Standard Name	Calculation Method			
		2006 Rate Handbook	Standard Formula	Other Formula	Time and Materials
26a	Connection Impact Assessment (CIA) Charges – Small & Medium		\$10,335		
26b	Connection Impact Assessment (CIA) Charges – Large		\$10,405		
27	Sentinel Lights Rental Rate per month			\$7.10	
28	Sentinel Lights Pole Rental Rate per month			\$4.15	
29	Joint Use for Cable and Telecom companies per pole			\$22.35	
30	Joint Use for LDCs per pole			\$28.61	

**Horizon Utilities Corporation (HUC) INTERROGATORY #3 List 1**

**Interrogatory**

Has the Board approved for 2013 any changes to the rate class descriptions in respect of the density thresholds for the residential rate classes? If so, please detail the changes. Please confirm which residential rate class Hydro One submits is applicable to Parts I, II and III of the SAA Application.

**Response**

No changes in rate class descriptions were approved for 2013. The residential customers in the affected area are generally expected to be billed as UR customers.

**Horizon Utilities Corporation (HUC) INTERROGATORY #4 List 1**

**Interrogatory**

When did Hydro One receive a request for an Offer to Connect (“OTC”) from:

(a) Multi Area Developments Inc. (“**Multi-Area**” or the “**Developer**”); and

(b) the Hamilton-Wentworth Catholic District School Board (“**School Board**”);

Please produce a copy of every written request received from either of these prospective customers and any related communications.

**Response**

(a) Please refer to HONI IRR to BCPI, ENWIN, ESSEX 2, part a).

(b) The Hamilton-Wentworth Catholic District School Board first contacted Hydro One on September 21, 2012 regarding on Offer to Connect for Bishop Ryan High School. Hydro One met with the School Board’s contractor on September 28, 2012 and on September 30, 2012 the contractor returned the New Customer Connection Information (NCCI) form to Hydro One.

**Horizon Utilities Corporation (HUC) INTERROGATORY #5 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence filed January 11, 2013, updated January 14, 2013 (hereinafter “**Hydro One Pre-filed Evidence**”)

**Preamble**

Horizon Utilities’ initial understanding was that Hydro One was proposing to construct a new 27.6 kV circuit along Rymal Road East (“**27.6 kV Rymal Road East Circuit**”) with a connection to either the M3 and/or M4 express feeders which have always exclusively served Horizon Utilities. From Hydro One’s pre-filed evidence filed January 11, 2013, Horizon Utilities now understands that Hydro One is no longer proposing to connect the new 27.6 kV Rymal Road East Circuit to either of the M3 and/or M4 feeder but rather to connect to the M5 feeder at or near the Nebo Transformer Station (“**Nebo TS**”).

Please provide a detailed breakdown of all of the fully loaded costs associated with the 27.6 kV Rymal Road East Circuit, including, without limitation (whether incurred or forecast):

- (a) the cost of connection to the M5 feeder;
- (b) Hydro One’s responsibility for the costs to replace, refurbish or repair Bell Canada telephone poles;
- (c) the cost to reframe or refurbish poles;
- (d) the cost to replace any Hydro One poles;
- (e) the cost to install all wires, supports, conductors (including labour, equipment and materials);
- (f) the cost to install the several “Rabbits” which currently provide power to the Summit Park 7 development;
- (g) any other labour and materials associated with the design, acquisition, and construction of this proposed circuit; and
- (h) the cost of the planned upgrades at the Nebo TS to provide additional load to the M5 feeder (or the 27.6 kV Rymal Road East Circuit).

In the event that the interconnection with the M3 or M4 express feeders remains a consideration by Hydro One, please respond to the same questions above detailing all

1 of the costs associated with the new 27.6 kV Rymal Road East Circuit with the  
2 connection at the M3 and/or M4 express feeder.

3  
4  
5 **Response**

6  
7 (a) to (e) and part (g) To connect the 27.6kV feeder on Rymal Rd to the M5 for the  
8 short term, a feeder is being built on Glover Rd. between the current M5 and the  
9 27.6kV feeder. The cost of this feeder is not in the scope of this proceeding as it is  
10 an enhancement project being built to provide back up to the existing feeder and  
11 serve a number of industrial loads in the area.

12  
13 (f) The cost to install three step-up transformers (commonly referred to as 'rabbits') is  
14 approximately \$24,000 in materials and \$1,000 in labour. Once the 27.6kV feeder  
15 is energized, the rabbits can be removed and used elsewhere on Hydro One's  
16 system so the only incremental cost is labour.

17  
18 (h) No additional work was required at Nebo TS for the 27.6 kV Rymal Road East  
19 Circuit.

**Horizon Utilities Corporation (HUC) INTERROGATORY #6 List 1**

**Interrogatory**

- (a) Please confirm that Hydro One's current proposal is to extend the proposed 27.6 kV Rymal Road East Circuit from a point near the connection with the M3/M4 feeders west and south to a connection point at or near Nebo TS.
- (b) What is the distance from the connection point at or near Nebo TS to the proposed connection to Summit Park 7?
- (c) Please provide a detailed construction route map for the proposed 27.6 kV Rymal Road East Circuit from the Nebo TS to Summit Park 7.

**Response**

- (a) Please refer to HONI IRR to HUC 11.
- (b) The distance from the connection point to the M5 feeder near Nebo TS and Summit Park Phase 7 is 2.2 km.
- (c) Please refer to Attachment 1 to HONI IRR to HUC 11.



**Horizon Utilities Corporation (HUC) INTERROGATORY #7 List 1**

**Interrogatory**

Assuming that the proposed 27.6kV Rymal Road East Circuit is constructed, what are the costs to connect this circuit to:

(a) Multi-Area's Summit Park 7 development; and to

(b) Bishop Ryan Catholic Secondary School ("**Bishop Ryan SS**").

Please fully describe and explain your response and why such costs do not appear in Hydro One's OTC to these customers (Appendix C and D to Hydro One's Pre-filed Evidence).

**Response**

The costs to connect the Hydro One customers listed in parts (a) & (b) above to the 27.6 kV circuit that is currently under construction along Rymal Road East are included in the Offers to Connect previously filed with the Board.

If the question above is referring to the fact that Hydro One did not attribute any of the estimated costs of constructing the new 27.6 kV circuit along Rymal Road to the Offers for the school and Summit Park Phase 7, Hydro One's response is that the new line is a long-planned enhancement project designed as part of a loop-feed to reinforce Hydro One's service to the Binbrook area. As such, those costs are appropriately pooled, not charged as expansion work to a specific new connection project. Please see Hydro One's evidence in Attachments A and B for more details regarding the Binbrook loop feed enhancement project.

**Horizon Utilities Corporation (HUC) INTERROGATORY #8 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence

**Preamble**

Hydro One has stated on a number of occasions that the proposed 27.6 kV Rymal Road East Circuit is necessary to provide service to the Summit Park 7 development and to the Bishop Ryan SS. Given the capacity constraints at the Nebo TS, please respond to the following questions:

- (a) Is an upgrade at Nebo TS necessary for the purposes of Hydro One providing service to the Bishop Ryan SS and to the Summit Park 7 development?
- (b) Are any changes planned or forecast at the Nebo TS to provide load to supply these customers?
- (c) Please produce copies of all documentation between Hydro One Distribution and Hydro One Transmission which relate to any reconfiguration or upgrading of the Nebo TS for the purposes of connecting the proposed 27.6 kV Rymal Road East Circuit to provide load to the Bishop Ryan SS and the Summit Park 7 development. Horizon Utilities requests that the documentation produced include all emails, memoranda, draft Cost Sharing Agreements and executed Agreements commencing as at the date when such reconfigurations or upgrades at Nebo TS were first contemplated.

**Response**

- (a) No. The Nebo TS upgrade is required to address the overall long-term growth in the area.
- (b) No. No changes planned or forecast at the Nebo TS are to provide load to supply these customers.
- (c) Hydro One Distribution did not engage Hydro One Transmission to provide capacity for Bishop Ryan SS and Summit Park 7 development specifically, as these connections are accommodated on the distribution network. Hydro One Distribution worked with Hydro One Transmission to get additional capacity in order to meet the long-term need of the Ancaster and Glanbrook areas.

**Horizon Utilities Corporation (HUC) INTERROGATORY #9 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence, page 14 of 15; Appendix E, and Horizon Utilities Interrogatory Responses to Board Staff No. 1 and the Utility Coordination Minutes, December 5, 1012.

**Preamble**

It is the understanding of Horizon Utilities that the City of Hamilton intends to widen Rymal Road East to four or more lanes and require streetlights on both sides of the road. For the purposes of this question, please assume this to be the case and that it will become necessary for Hydro One or Bell to relocate the poles along the south side of Rymal Road East to accommodate the proposed 27.6kV Rymal Road East Circuit, this road widening and street lighting requirements.

Please provide a detailed breakdown of the fully loaded costs that Hydro One will incur to remove the existing poles and wires (whether the poles are owned by Hydro One or not; if the latter is the case, the breakdown should include Hydro One's reasonable contribution to the work). Without limiting the generality of the request, please include in the cost breakdown the following:

- (a) the cost to remove the existing poles and wires (whether owned by Hydro One or not, and in the latter case, the reasonable contribution of Hydro One to the work);
- (b) the cost to acquire new poles and/or replacement wires;
- (c) the labour costs associated with all of the work, including planning and execution;
- (d) any costs associated with the reconnection of Bishop Ryan SS and/or the Summit Park 7 development as a result of the work.

**Response**

- (a) – (d)
- Hydro One is awaiting final specifications related to the proposed pole configuration from the pole owner – Bell Canada. Therefore, Hydro One has not yet completed cost estimates detailed to the level anticipated in the question.

**Horizon Utilities Corporation (HUC) INTERROGATORY #10 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence

**Preamble**

Horizon Utilities now understands that Hydro One is no longer proposing to connect the proposed 27.6 kV Rymal Road East Circuit to the M3 and/or M4 feeder. It is now proposing to connect to the M5 feeder, which does not serve Horizon Utilities.

(a) Please confirm that Hydro One is no longer considering connecting the proposed 27.6 kV Rymal Road East Circuit to the M3 and/or M4 feeder.

(b) If the connection to the M3/M4 remains a possibility, please respond to the following questions:

(i) Does Hydro One agree that the M3/M4 feeders constitute subtransmission (“ST”) circuits and that in 2011 these circuits solely serviced Horizon Utilities?

(ii) Does Hydro One agree that where feeders such as the M3/M4 feeders solely serve Horizon Utilities, that such feeders are designated as an “express feeder” and that Horizon Utilities is therefore eligible to pay the approved express feeder ST rate?

(iii) What rates did Hydro One charge Horizon Utilities for the M3/M4 feeders in 2012? Does Hydro One agree that Horizon Utilities should have been charged an express ST rate under Hydro One’s approved ST rates? What is Hydro One’s estimate of the refund due to Horizon Utilities as a result of this error in billing for 2012?

(iv) Is it Hydro One’s position that if the 27.6kV Rymal Road East Circuit is connected to the M3/M4 feeder, that to supply either or both of Bishop Ryan SS Ryan or Summit Park 7, then the feeder will then become “common” and subject to the rate applicable to the ST rate for common feeders?

**Response**

(a) It is confirmed that Hydro One is no longer planning to connect the 27.6kV circuit on Rymal Road East to the M3 or M4 feeder.

(b) Please refer to Part a) above.

**Horizon Utilities Corporation (HUC) INTERROGATORY #11 List 1**

**Interrogatory**

When did Hydro One decide to no longer use the M3/M4 connection for the proposed 27.6 Rymal Road East Circuit? Please explain the reasons for the change? Please produce all construction drawings and specifications which identify this change and the additional route this circuit will follow. If these documents are not dated, please advise of the date of their creation.

**Response**

Hydro One was not able to follow through with its plan to connect the 27.6kV circuit on Rymal Road temporarily to the M3 due to the continued refusal of Horizon to provide a supporting guarantee to complete the work. This resulted in a delay to the construction schedule forcing Hydro One to replan the work and connect directly to the M5 instead, which was always intended to be the connection point beyond April 2013.

The following documents demonstrate the change to the route the circuit will follow and the existing construction plan:

Attachment 1 created September 24, 2012 illustrates the following:

- This would have been the temporary connection point to the M3 16/27.6KV at Work Location #55.
- The circuit will continue North East along HONI Transmission Corridor to Rymal Rd.

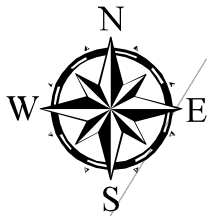
Attachment 2 created January 25, 2013 illustrates the following:

- This shows the routing of the M5 on the West Side of Glover Rd.
- Circuit continues from south of Twenty Rd to approximately 10 meters South of the existing M3 / M4 Circuits on the East Side Glover Rd where Permanent connection to M5 16/27.6KV will be.
- The circuit then continues North East along HONI Transmission Corridor to Rymal Road.

Attachment 3 created January 25, 2013 illustrates the following:

- This shows the routing of the new M5 from 440 Glover Rd to just South of Twenty Rd along the West side of Glover Rd.
- The three phase 16/27.6KV will continue / transition from Pole #BKJ5RJ where the M5 circuit is currently deadended near 440 Glover Rd,

- 1 Attachment 4 is meant to assist with visualizing where each of the stages above fit in to
- 2 the larger picture.



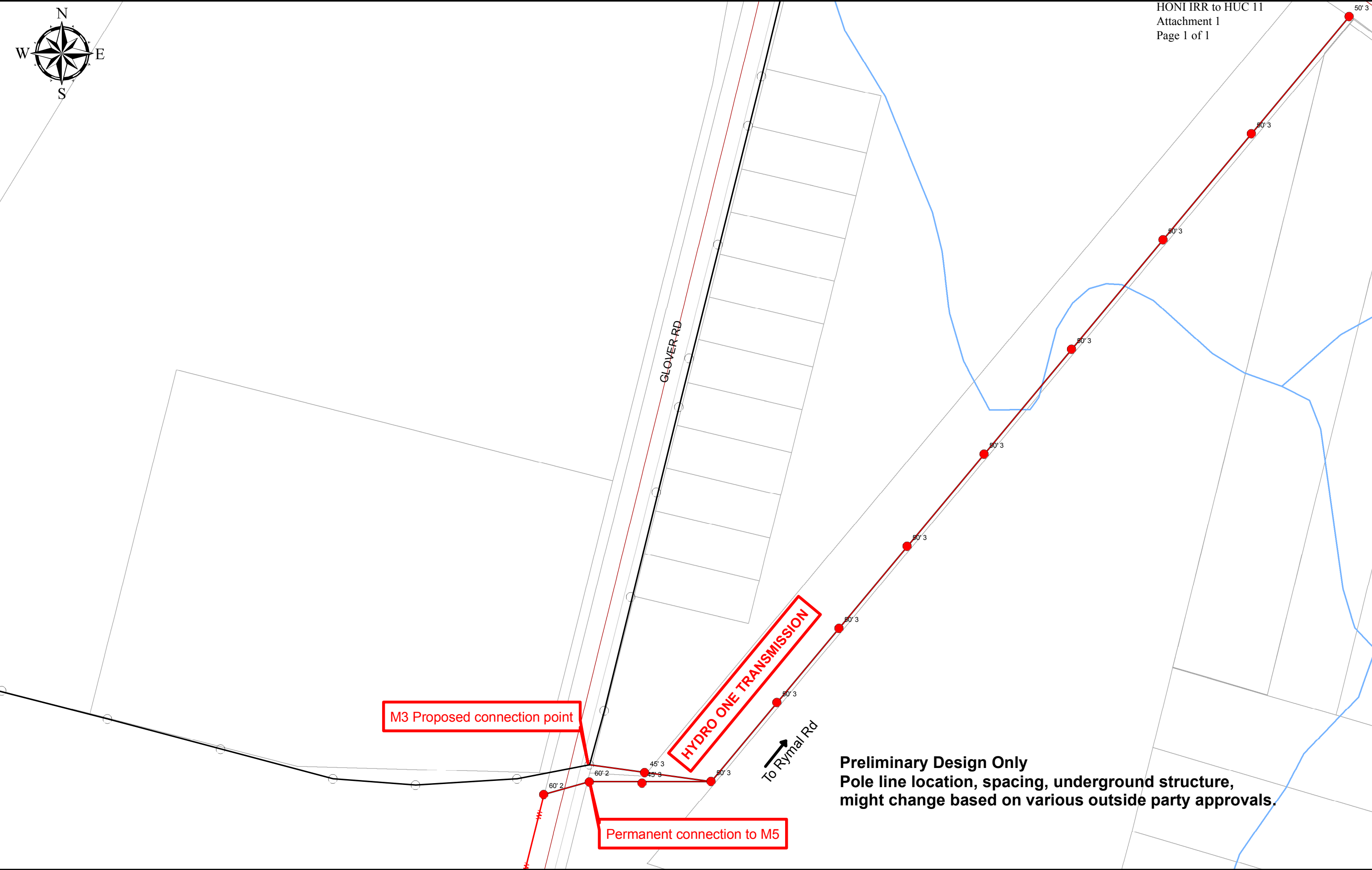
M3 Proposed connection point

Permanent connection to M5

HYDRO ONE TRANSMISSION

To Rymal Rd

**Preliminary Design Only**  
Pole line location, spacing, underground structure,  
might change based on various outside party approvals.





**Preliminary Design Only**  
**Pole line location, spacing, underground structure,**  
**might change based on various outside party approvals.**

**HYDRO ONE TRANSMISSION**

To Rymal Rd

Permanent connection to M5

GLOVER RD

20 RD E

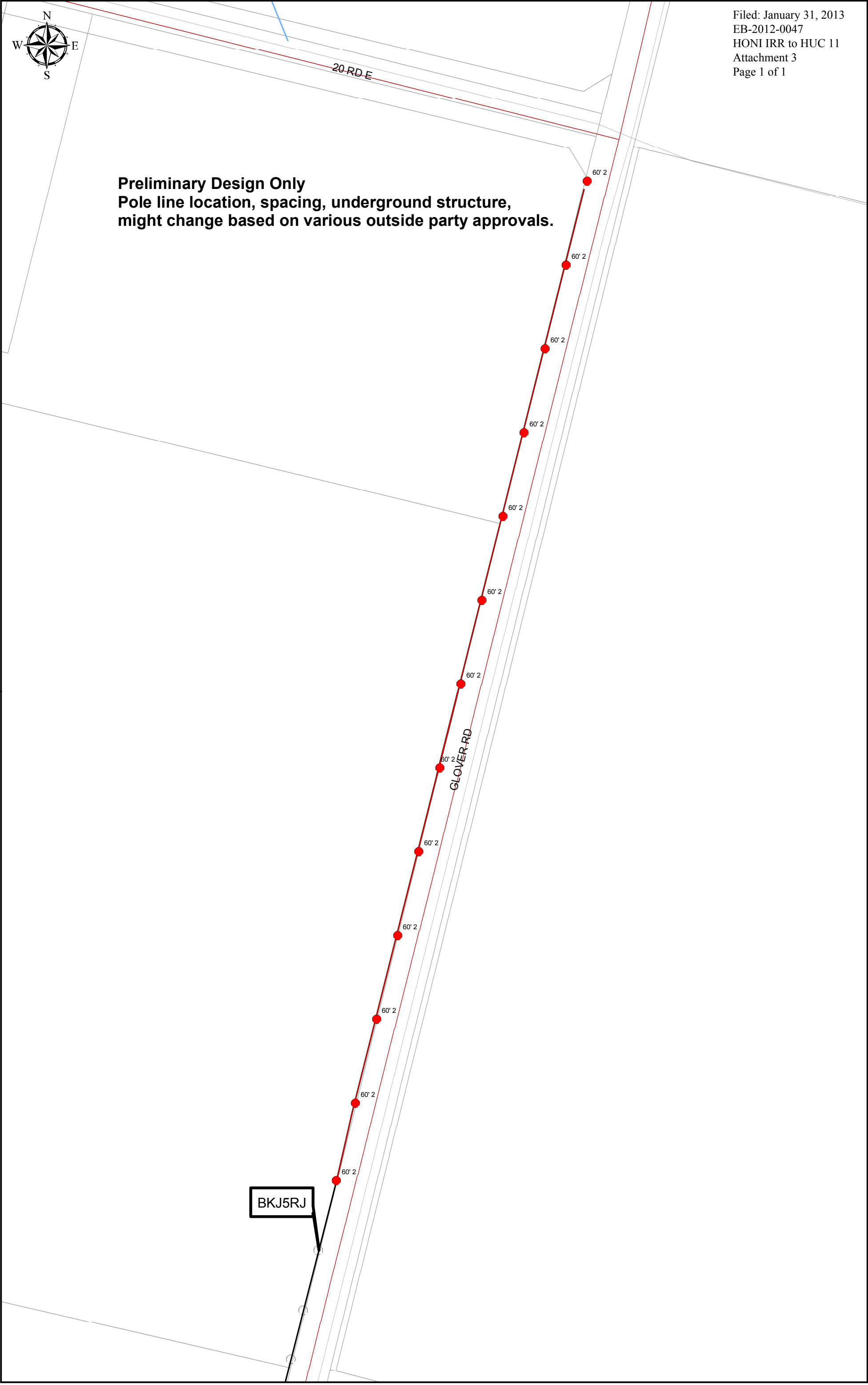






**Preliminary Design Only**  
**Pole line location, spacing, underground structure,**  
**might change based on various outside party approvals.**

BKJ5RJ

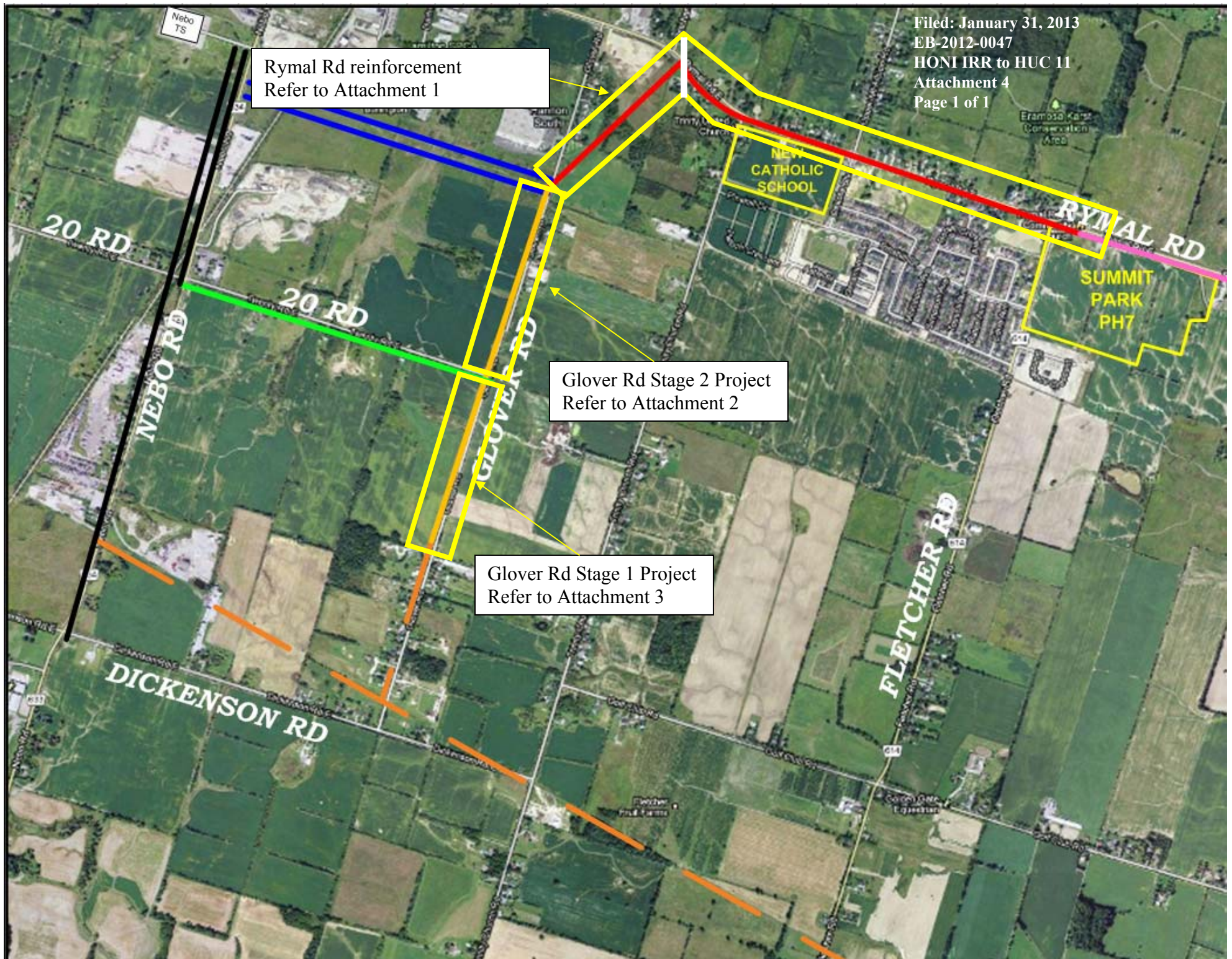




Rymal Rd reinforcement  
Refer to Attachment 1

Glover Rd Stage 2 Project  
Refer to Attachment 2

Glover Rd Stage 1 Project  
Refer to Attachment 3





1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #12 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide a detailed history of the planning, execution and installation by Hydro  
7                    One of the proposed 27.6 kV Rymal Road East Circuit. In addition, please provide a  
8                    copy of all internal and external (such as Bell Canada) communications including,  
9                    without limitation, all memoranda, plans, emails, studies, work orders.

10  
11                   **Response**

12  
13                   Please refer to HONI IRR to HUC 16.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #13 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Reference: Hydro One Pre-filed Evidence and Distribution Area Study, Appendix A

7  
8                    For the purposes of Hydro One's planning in respect of the new M5 feeder proposed  
9                    along Rymal Road East, please advise of the details of all assets health, visual  
10                  inspection, and any third party testing that was undertaken in respect of the poles  
11                  which exist along the preferred and alternate routes. Please produce copies of all  
12                  documentation generated as a result, including inspection reports and third party test  
13                  results.

14  
15                  **Response**

16  
17                  In 2008, a feeder patrol and visual inspection was conducted on the M5 feeder to assess  
18                  the health of Hydro One assets. Overhead line component defects were recorded and  
19                  corrective action has been taken. The wood poles on the M5 Rymal Road East segment  
20                  are owned by Bell where Hydro One is the joint use tenant. As per our Joint Use  
21                  agreements, the pole owner is accountable for maintaining pole condition.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #14 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide a complete copy of all earlier versions and iterations (whether draft or  
7                    otherwise) of the Distribution Area Study for Ancaster and Glanbrook Areas 2010-  
8                    2022, found at Appendix A of Hydro One's pre-filed evidence.

9  
10                  **Response**

11  
12                  Please refer to HONI IRR to Board Staff 7 part d).

**Horizon Utilities Corporation (HUC) INTERROGATORY #15 List 1**

**Interrogatory**

Please provide a complete copy of all earlier versions and iterations (whether in draft or otherwise) of the document entitled “Hydro One - Dundas Area Loop Feed to Binbrook”, filed as Appendix B of Hydro One’s pre-filed evidence.

**Response**

Please refer to HONI IRR to Board Staff #7 part d).

**Horizon Utilities Corporation (HUC) INTERROGATORY #16 List 1**

**Interrogatory**

Please provide a detailed description and chronology of the history of all work undertaken by Hydro One to date on the proposed 27.6 kV Rymal Road East Circuit, including:

- (a) the date when the circuit was first considered as an option internally at Hydro One;
- (b) when plans for the circuit were first prepared;
- (c) when approval was first given for the work;
- (d) when was the work first scheduled to commence;
- (e) the actual dates that work was undertaken and the status of the work;
- (f) a description of the work completed on each of the dates identified;  
and
- (g) A timetable of all future scheduled work.

If not already produced in response to an earlier question, please provide copies of all documentation confirming the above. Please also produce copies of all construction schedules.

**Response**

- (a) This circuit was first considered as an option internally at Hydro One in 2010 when the requirement for a loop feed to Binbrook was first identified.
- (b) Please refer to Appendix A and B in Hydro One's Evidence dated January 11, 2013 for history behind the planning for the Enhancement project.
- (c) There are several aspects to the Enhancement project that have various stages of approval. The final approval for the work to commence on the section of the 27.6kV feeder that has been done to date was provided in July 2012.
- (d) The work was scheduled to commence immediately following the approval stated in (c).
- (e) The following provides a list of the work that has been done on the first section of the 27.6kV feeder:

- 1
- 2       • May 2012 – Class C estimate is prepared
- 3       • June 2012 - ADET completed the design
- 4       • July 2012 - Planning received the design and construct award.
- 5       • Aug 2012 - Bell, Horizon and Hydro One work together on designing the Bell
- 6       pole line on Rymal Road to meet all parties' requirements.
- 7       • Aug 2012 – Hydro One begins construction on Rymal Road
- 8           ➤ 14 poles
- 9           ➤ 6 anchors
- 10          ➤ 6 down guys
- 11          ➤ 42 crossarms
- 12          ➤ 129 insulators
- 13          ➤ 3 step up transformers (rabbits)
- 14          ➤ 3 transformers
- 15          ➤ 3660m of 556 aluminum wire
- 16          ➤ 1220m of 3/0 AA wire
- 17       • October 11, 2012 – Horizon suddenly withdraws its supporting guarantee, putting
- 18       a stop to the progress of the work.
- 19       • October 2012 - Line construction was completed as far as possible until further
- 20       notice from the Board instructing Horizon to cooperate with the supporting
- 21       guarantee.
- 22
- 23       (f) Please see (e) above.
- 24
- 25       (g) The future work that is currently scheduled in 2013 related to the Enhancement
- 26       Project to bring the 27.6kV feeder to Binbrook is:
- 27
- 28       • Extend the M5 feeder from Glover to Trinity Church - March 1/13 - April 30/13
- 29
- 30       • Fletcher Rd East to Swayze Road to Hwy 56 South to Towerline - August 30/13 -
- 31       November 30/13



1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #17 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide the Hydro One construction standards in 2012 for the design of a 3-  
7                    phase 27.6KV distribution line, as per Ontario Regulation 22/04 under the *Electricity*  
8                    *Act*, Sections 6 and 7. Please include the standards for pole heights, framing and  
9                    conductor sizing, including the associates bills of material.

10  
11                   **Response**

12  
13                   This interrogatory is outside the scope of this proceeding. O. Reg. 22/04 is entitled  
14                   “Electrical Distribution Safety” and is the regulation that deals with the electrical safety  
15                   of the facilities of all LDCs. HUC’s and HONI’s compliance with O. Reg. 22/04 is not a  
16                   matter within the scope of this proceeding or part of the Board’s mandate. Compliance  
17                   with O. Reg. 22/04 is the mandate of the Electrical Safety Authority.

**Horizon Utilities Corporation (HUC) INTERROGATORY #18 List 1**

**Interrogatory**

Please produce the approved design plans that were used to construct the line modifications that have been undertaken on the south side of Rymal Road East between Trinity Church and Summit Park 7 (being part of the proposed 27.6 kV Rymal Road East Circuit), as per Regulation 22/04, Sections 6 and 7, evidencing the bill of material, pole heights of new poles installed by Hydro One, and the height of existing Bell poles that have been re-framed. Please produce the credentials of the individual who signed-off on the Certificate of Approval as per Regulation 22/04, Section 7.

**Response**

Please refer to HONI IRR to HUC 17.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #19 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide the Hydro One Construction Verification Program for the work  
7                    undertaken on the south side of Rymal Road East between Trinity Church Road and  
8                    Summit Park 7, as per O. Reg. 22/04, Section 8. Please specify if, prior to  
9                    commencing this new construction, the Construction Verification Program was used  
10                  to sign-off, or if the sign-off was provided by the ESA or a Professional Engineer.

11  
12                  **Response**

13  
14                  Please refer to HONI IRR to HUC 17.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #20 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide the Records of Inspection and Certificates for the construction of the  
7                    line modifications undertaken on the south side of Rymal Road East between Trinity  
8                    Church Road and Summit Park 7, as per O. Reg. 22/04, Section 8. Please provide  
9                    the credentials of the individual(s) who signed-off the Records of Inspection and  
10                   Certificates.

11  
12                   **Response**

13  
14                   Please refer to HONI IRR to HUC 17.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #21 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    What were the original line voltage levels and the number of phases on the  
7                    distribution line on the south side of Rymal Road East between Trinity Church Road  
8                    and Summit Park 7 prior to the construction which Hydro One has recently  
9                    undertaken? What are the current line voltage levels and the number of phases?  
10                   What are the planned future line voltages and number of phases of this distribution  
11                   line in order to service the Summit Park 7 development and the Bishop Ryan SS?

12  
13                   **Response**

14  
15                   The original line voltage levels and number of phases on the south side of Rymal Road  
16                   East between Trinity Church Road and Summit Park 7 prior to construction was 3 phase  
17                   8.3/4.8 kV.

18  
19                   The same portion of line is currently 3 phase 27.6 /16 kV.

20  
21                   The planned future line is the same as present line, 3 phase 27.6 /16kV and it will be part  
22                   of the system enhancement to provide a loop feed to Binbrook.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #22 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Does Hydro One consider the construction that took place on the south side Rymal  
7                    Road East between Trinity Church Road and Summit Park 7 a Line Upgrade, a New  
8                    Line, a Line Replacement, or a Like-for-Like construction as per the definition in  
9                    Regulation 22/04?

10  
11                   **Response**

12  
13                   Please refer to HONI IRR to HUC 17.

**Horizon Utilities Corporation (HUC) INTERROGATORY #23 List 1**

**Interrogatory**

- (a) Does Hydro One agree that in the event it provides service to the Bishop Ryan SS and/or Summit Park 7 through the proposed 27.6 kV Rymal Road East Circuit that there will be a period of service disruption while Hydro One Transmission and/or Hydro One Networks completes the upgrades to the Nebo TS?
- (b) Please provide Hydro One's reasonable estimate of the extent of the service interruption and Hydro One's plans for providing alternate service to Bishop Ryan SS and the Summit Park 7 homes and businesses during this period of service interruption.
- (c) When is the work to upgrade the Nebo TS scheduled to commence and be completed?

**Response**

- (a) No, there are no planned service interruptions on the M5 feeder.
- (b) Refer to a) above.
- (c) The work has already commenced and is scheduled for completion in two phases. The first transformer will be in service on May 30, 2013, and the second transformer will be in service on November 14, 2013.

**Horizon Utilities Corporation (HUC) INTERROGATORY #24 List 1**

**Interrogatory**

- (a) Does Hydro One acknowledge that in the event that there is a service interruption due to a problem with the proposed 27.6kV Rymal Road Circuit (for example, a pole is struck by a truck and the circuit is damaged), Hydro One would have no alternative means of providing load to Bishop Ryan SS and/or Summit Park 7?
- (b) If the answer to this question is No, please provide a detailed response and explanation supporting the response.

**Response**

- (a) The ultimate design for the feeder that the loads are to be connected to is a loop feed; hence, there will be alternative supply points for the loads. Initially the connection will be of a radial nature but the loop for this portion of the feeder is to be completed in 2013.
- (b) The loop will be accomplished by completing the conversion of the remainder of the line along Rymal Road and due south along highway 56 via Swayze Road where it will join the existing M5 along the tower line.



1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #25 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Is it correct that the proposed new 27.6kV circuit will not provide loop feed protection  
7                    to Summit Park 7 or the Bishop Ryan SS in 2013? If not, please provide a detailed  
8                    description of how Summit Park 7 and Bishop Ryan SS will be provided with loop  
9                    feed protection. Please also provide a line diagram depicting the loop feed. If the  
10                   loop feed is to be constructed at some point in the future, what are the current  
11                   proposed dates and what are the cost estimates involved with the work.

12  
13                   **Response**

14  
15                   Please refer to HONI IRR to HUC 24.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #26 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please provide a detailed list, including all sources of data and assumptions used in  
7                    respect of Hydro One's revenue projections used in its OTCs to Multi-Area and to the  
8                    School Board. Without limiting the generality of the following, this should include a  
9                    detailed list of all assumptions including the load projections for the houses at Summit  
10                  Park 7.

11  
12                  **Response**

13  
14                  Please refer to HONI IRR to Board Staff #3.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #27 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    What percentage of the homes does Hydro One estimate will be heated electrically, by  
7                    natural gas or by any other means? What are the specific load forecasts used?

8  
9                    **Response**

10  
11                   For Summit Park Phase 7, Hydro One has assumed that 100% of the homes will employ  
12                   Natural Gas as the primary energy source for heating. The specific load forecasts for the  
13                   different sized homes are included in the response to HONI IRR to Board Staff #3.

**Horizon Utilities Corporation (HUC) INTERROGATORY #28 List 1**

**Interrogatory**

Reference: Horizon Utilities Response to Board Staff No. 1

**Preamble**

In an email dated February 22, 2012 (provided to Horizon Utilities by Multi-Area Developments Inc.) from Gordon Messervey, Supervisor Planning and Design, Hydro One, Mr. Messervey stated in respect of the Summit Park 7 development:

“Based on the information I have seen on this site would this project not fall into the category or be considered one that we should support the SAA on? Isn’t there approx. \$400K of expansion/enhancement just to get our supply to that site?”

- (a) Please ask Mr. Messervey to provide a list of all of the information he is referring to in his email and to produce copies of same.
- (b) Please also ask where and how Mr. Messervey determined that the costs to get supply to the site would be “approx \$400K”. Please produce copies of all documents Mr. Messervey examined for the purpose of arriving at this estimate.
- (c) Please produce any responses to this email and summarize any oral discussions which relate to this email by Mr. Messervey.

**Response**

- (a) Mr. Messervey was unaware of the enhancement work that was already planned on Rymal Road outlined in Hydro One’s Appendix A & B in Hydro One evidence filed January 11, 2013. He was basing his internal questions on the assets in the area as of February 22, 2012 without consideration for other sustainment work planned in the area.
- (b) Mr. Messervey did not use any specific documents to arrive at the approximation he made in the email. That was a high level estimate made based on his professional opinion of the cost to build a 27.6kV distribution line.
- (c) This internal email chain was inadvertently sent to Mr. Spicer at Multi-Area Developments with the package for him to complete requesting an Offer to Connect.

**Horizon Utilities Corporation (HUC) INTERROGATORY #29 List 1**

**Interrogatory**

Reference Hydro One Pre-filed Evidence at page 11 of 15, re Parts II and III of Horizon Utilities' SAA Application

**Preamble**

Hydro One states that if Parts II and III of Horizon Utilities' SAA Application are approved, there will be approximately \$15,000 of existing assets that would be stranded.

(a) Please provide a detailed breakdown, by type of equipment, age and by location, of this \$15,000 estimate.

**Response**

Please refer to HONI IRR to Board Staff 8 part b).

**Horizon Utilities Corporation (HUC) INTERROGATORY #30 List 1**

**Interrogatory**

Please specifically identify, by Docket and evidentiary citation in each Application, all prior Applications by Hydro One to the Board that identifies or references Hydro One's intention to proceed with the proposed 27.6 kV Rymal Road East Circuit. Please produce copies of these filings.

**Response**

In July 2009, when EB-2009-0096 was filed, the Binbrook Loop was not one of the items under consideration for construction in 2010 or 2011. Therefore, an Investment Summary Document (ISD) was not included in the listing provided in that proceeding.

In June of 2012, Hydro One Distribution filed for a rate increase under the 3<sup>rd</sup> Generation Incentive Rate Mechanism (IRM) process. Hydro One included an Incremental Capital Module (ICM) as part of the proceeding. As part of the ICM, a number of Special Projects were listed that were, in the opinion of Hydro One, non-typical in nature and warranted additional funding beyond that allowed for in the 2011 rebaselining. Since the Binbrook Loop was considered typical capital and was not extraordinary or unforeseen, no ISD was filed. Therefore it was not considered specifically as one of the items warranting additional funding under the Escalated Capital Section. The cost to construct this line would be covered by the Typical Capital program of \$451.9 Mn referenced in Table 2 on Page 8 of Exhibit, B Tab 1, Schedule 1 of EB-2012-0136.

**Horizon Utilities Corporation (HUC) INTERROGATORY #31 List 1**

**Interrogatory**

Reference: Distribution Area Study, Appendix A to Hydro One Pre-filed Evidence, Figure 1

- (a) Figure 1 sets out the Study Area for the Distribution Area Study. Does Hydro One accept that the Study Area includes some of Horizon Utilities' service area?
- (b) Please list all of the dates and attach copies of all communications from Hydro One to Horizon Utilities evidencing Hydro One's consultations with Horizon Utilities and/or requests for information for the purposes of its Distribution Area Study.

**Response**

- (a) The study area was defined to illustrate the Hydro One customer base. All analysis done within the study strictly includes Hydro One assets and load. The study area in Figure 1 was not sought to depict the precise borders between the territories of the two companies.
- (b) Please refer to HONI IRR to BCPI, ENWIN, ESSEX 2.

Area studies are documents commissioned and created by Hydro One Distribution as part of normal planning in order to ensure that reliable supply is available to its customers within its territory. There is no obligation and generally no benefit to providing such detailed documentation to other utilities as their operations are unaffected by the matters enclosed therein. Similarly, Hydro One Distribution generally has no expectation or desire for Horizon or any other neighbouring utility to share its periodic planning documentation for the customers within its service territory. One exception to this might be in cases where a neighbouring utility is actively planning to build assets for customers within another utility's service territory. This is exactly what Horizon has done as evidenced by their response to "IRR to Hydro One" #15. However, in this case, Horizon did not share those specific plans with Hydro One Distribution.

**Horizon Utilities Corporation (HUC) INTERROGATORY #32 List 1**

**Interrogatory**

With specific reference to the proposed 27.6 kV Rymal Road East Circuit, please provide copies of all communications and correspondence from Hydro One to Horizon Utilities inviting Horizon Utilities to comment on this proposed work, requesting any input in respect of Hydro One's planning, any requests by Hydro One for information from Horizon Utilities as to the availability of its assets to serve the SAA lands and all documentation evidencing Hydro One's notice to Horizon Utilities that Hydro One intended undertake this work.

**Response**

When completed, the circuit in question will be owned by Hydro One Distribution and used to serve Hydro One customers, existing and future. The new circuit will not have any effect on Horizon's distribution system. Therefore, there is no requirement to invite Horizon to comment nor is Hydro One obligated to give notice of its intention to complete the work in Hydro One territory.



1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #33 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    What is the distance to the closest Hydro One Operations Centre or alternative dispatch  
7                    able location for the lands that are the subject of Horizon Utilities' SAA Application?  
8                    Where is the nearest Hydro One Operations Centre located?

9  
10                   **Response**

11  
12                   The nearest Hydro One Operations Centre is located in Dundas approximately 20 km  
13                   from the area covered by the SAA application.

**Horizon Utilities Corporation (HUC) INTERROGATORY #34 List 1**

**Interrogatory**

Reference: Distribution Area Study, Appendix A to Hydro One Pre-filed Evidence, page 5 of 17, Table 2

**Preamble**

This Table sets out feeder capacity and loading, existing and a 10-year forecast. For the Nebo TS M5, it indicates in the Notes to the Table that: "Red Hill Business Park is estimated to be 26MVA during the study period and is shown on Nebo M5 for the 2017 and 2022".

- (a) Please provide a map depicting the location of the Red Hill Business Park and Hydro One's proposed route of the M5 feeder to supply the Red Hill Business Park.
- (b) What is the impact in amps of adding 26MVA to 288 amps.

**Response**

- (a) The Red Hill Business Park is out of the scope of this Service Area Amendment and will not have an impact on the area included in this Application. Once the new feeder positions are available at Nebo TS in June 2013, feeders will be reconfigured and the 27.6kV line on Rymal Road East will be fed from one of the new feeder positions.
- (b) Please see response to (a) above.

**Horizon Utilities Corporation (HUC) INTERROGATORY #35 List 1**

**Interrogatory**

Reference: Distribution Area Study, Appendix A to Hydro One Pre-filed Evidence

Please confirm that the 8.32 kV supply to the SAA Application lands in question is via Dickenson Road DS F3 feeder. If not, please indicate which F-class feeder currently provides 8.32 kV service to the SAA Application lands in question and provide a line diagram evidencing this feeder from the customers on Rymal Road East back to the Dickenson DS.

**Interrogatories relating to Part I – Summit Park**

**Response**

Please refer to HONI IRR to Board Staff 8 part a).

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #36 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Does Hydro One acknowledge that its current 8 kV circuit which is located on the south  
7                    side of Rymal Road East is insufficient to supply the load required by the approximately  
8                    286 houses (and possible commercial or institutional applications) which are currently  
9                    being constructed as part of the Summit Park 7 residential development?

10  
11                   **Response**

12  
13                   Hydro One has repeatedly provided significant detail in this application about plans to  
14                   provide 27.6kV service to the areas of Summit Park 7 as well as other Hydro One  
15                   customers within Hydro One territory. Extending the 8kV system would not provide the  
16                   level of service Hydro One seeks to provide and has never been a long-term  
17                   consideration. That is the reason that Hydro One is planning to convert the primary  
18                   supply in the area to 27.6 kV, as detailed in Appendices A and B of Hydro One's  
19                   evidence.

**Horizon Utilities Corporation (HUC) INTERROGATORY #37 List 1**

**Interrogatory**

Please provide a copy of the Standard Terms and Conditions for Multi-Service Connection Projects V1 06-2011.

**Response**

A copy fo this version of the Standard Terms and Conditions for Multi-Service Connection Project V1 06-2011 has been attached as Attachment 1.

## Standard Terms and Conditions for Multi-Service Connection Projects

### **Reciprocal Representations and Warranties**

- 1.1. Each party represents and warrants to the other that:
- (a) it is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);
  - (b) it has all the necessary corporate power, authority and capacity to enter into the Agreement and to perform its obligations hereunder;
  - (c) any individual executing the Agreement, and any document in connection herewith, on its behalf has been duly authorized by it to execute the Agreement and has the full power and authority to bind it;
  - (d) the Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms;
  - (e) it is registered for purposes of Part IX of the *Excise Tax Act* (Canada). The registration number for Hydro One is 87086-5821 RT0001 and the registration number for the Developer is as specified in Part IV of the Agreement; and
  - (f) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

1.2. If the Developer is a First Nation, the representations and warranties set out in Section 1.1 do not apply to the First Nation and in their place and stead, the First Nation represents and warrants to Hydro One that:

- (a) the First Nation is a Band of Indians within the meaning of the *Indian Act* (Canada) and the Council has authority to act on behalf of and to bind the First Nation, and each of the representations, warranties, covenants, releases and agreements of the First Nation in this Agreement is binding on the First Nation and the Council; and
- (b) this Agreement and the execution and delivery hereof by the First Nation and of all documents to be executed and delivered by the First Nation pursuant hereto, including any permit to be issued by Her Majesty the Queen in right of Canada pursuant to Section 28 of the *Indian Act* (Canada), have been duly authorized by all necessary action on the part of the First Nation, including the passing of a valid BCR, a certified copy of which shall be delivered by the First Nation to Hydro One simultaneously with the execution and delivery of this Agreement and will be attached to the Agreement as Schedule "I", and such agreements and other documents constitute valid and binding obligations of the First Nation enforceable against it in accordance with their terms and conditions; and
- (c) the First Nation has received independent legal advice with respect to all terms and conditions of such agreements and the performance of any terms, conditions and covenants contemplated herein and therein to be performed by the First Nation; and
- (d) that there are no other persons with other possessory rights, including, but not limited to certificates of possession, in and to the lands where the Subdivision Development is located on the Reserve.

### **Incorporation of Code and Application of the Conditions of Service**

2.1 The Code, as it may be amended from time to time, is hereby incorporated in its entirety by reference into, and forms part of, the Agreement. Unless the context otherwise requires, all references to "the Agreement" include a reference to the Code.

2.2 Hydro One hereby agrees to be bound by and at all times to comply with the Code, and the Developer acknowledges and agrees that Hydro One is bound at all times to comply with the Code in addition to complying with the provisions of the Agreement.

2.3 In addition to the Agreement, the relationship between Hydro One and the Developer will be governed by Hydro One's Conditions of Service that are in effect at the relevant time. In the event of a conflict or an inconsistency between a provision of the Agreement and a provision of Hydro One's Conditions of Service, the provision of the Agreement shall govern.

2.4 In the event of a conflict or an inconsistency between a provision of the Code or the Agreement, the provision of the Code shall govern. The fact that a condition, right, obligation or other term appears in the Agreement but not in the Code shall not be interpreted as, or deemed grounds for finding of a conflict or inconsistency.

### **Hydro One Disclaimer**

3.1 Except as provided herein Hydro One makes no warranties, express or implied, and Hydro One disclaims any warranty implied by law, including implied warranties of merchantability or fitness for a particular purpose and implied warranties of custom or usage with respect to the Non-Contestable Work, any other work performed by Hydro One under the terms of the Agreement and where applicable, the Contestable Work.

### **Hydro One Rights and Obligations**

4.1 Hydro One shall, subject to the terms and conditions of the Agreement:

- (a) perform the Non-Contestable Work and where applicable, the Contestable Work in a manner consistent with Good Utility Practice, in accordance with the Conditions of Service and the Code, and in compliance with all Applicable Laws;
- (b) prepare all estimates and offers under the terms of the Agreement in accordance with Good Utility Practice and industry standards;
- (c) provide temporary construction services to the Developer subject to the execution of a separate agreement with respect to the actual Cost thereof;
- (d) advise the Developer of service locations upon request;
- (e) ensure all electrical equipment and facilities provided by the Developer shall be of sufficient size, as determined by Hydro One, to service the Project as well as the adjacent lands which in the opinion of Hydro One, may be required, in whole or in part, in order to serve such adjacent lands;
- (f) upon the Developer's notification, provide an Inspector during work on the site in accordance with the requirements of the Specifications; and

## Standard Terms and Conditions for Multi-Service Connection Projects

- (g) if the Developer chooses "Option B, perform Customer Connections in accordance with the Conditions of Service upon receipt of written notice from the Developer that any one or more of the industrial/commercial or residential units within the Project have passed inspection by the Electrical Safety Authority or within such time period as may be practicable as determined by Hydro One subject to Developer's and/or connecting customer's compliance with the Conditions of Service, including the requirements for payment.

4.2 Notwithstanding any other term to the contrary in the Agreement, Hydro One will not:

- (a) perform construction after the ground freezes, unless requested to do so by the Developer. The Developer shall be responsible for any and all additional actual Costs, as determined by Hydro One that may be incurred during any such construction period;
- (b) provide Three-Phase Secondary wire or any conductor for Industrial/Commercial Services under the terms of the Agreement;
- (c) design, construct, own or maintain any Three-Phase Industrial/Commercial Secondary Services or Residential Service(s)
- (d) design or install streetlights under the terms of the Agreement;
- (e) perform Civil Work;
- (f) reimburse the Developer for the cost of any Civil Work and will not include such costs in any Economic Evaluation;
- (g) construct Industrial/Commercial Services or Residential Service(s) under the terms of the Agreement if the Developer has chosen Option B;
- (h) perform any Non-Contestable Work or Contestable Work, as the case may be, until Hydro One has received everything listed in Part III of the Agreement; or
- (i) connect or energize any Industrial/Commercial Services and/or Residential Services where the Developer has chosen Option B until:
  - (i) the assets comprising the Contestable Work have been transferred to Hydro One in accordance with the terms of the Agreement; and
  - (ii) all of the Contestable Work, the Non-Contestable Work and any work to be performed by the Developer under the terms of the Agreement have been fully performed; and
  - (iii) the Developer has provided Hydro One with a copy of the registered plan of subdivision and/or binding registered easements from all legal and beneficial owners of lands traversed by the Contestable Work and/or land use permits for Crown lands traversed by the Contestable Work, in forms that are satisfactory to and in favour of Hydro One.

4.3 Hydro One will not be obligated to commence or continue the Non-Contestable Work and where applicable, the Contestable Work unless and until:

- (a) the Developer has paid the Capital Contribution specified in the applicable Option A or Option B Chart or in a Revised Chart (as defined in Section 5.3 below) and the Expansion Deposit;
- (b) the Developer has made arrangements for inspection as described in the Specifications where the Developer is performing the Contestable Work;
- (c) the Developer has obtained Contractor approval from Hydro One in accordance with the provisions of Section 5.5 below where the Developer is performing the Contestable Work.

### **Developer Obligations**

5.1 The Developer shall be responsible for obtaining, at its own expense, all necessary approvals, required by law or otherwise for the Project and the Developer shall register the requisite plans in the applicable Land Registry Office prior to the energization of all or any part of the Electrical Distribution System.

The Developer shall forthwith provide evidence of compliance with this clause to Hydro One upon request

5.2 The Developer covenants that in any event it will, at its own expense and unless otherwise specified below, by no later than 6 months after the Required Execution Date:

- (a) notify Hydro One, Bell Canada, any other affected telecommunications company(ies), and any other affected third party of any revisions to the engineering site plan prior to commencing or continuing the Project construction;
- (b) prior to the commencement of the construction of the Contestable Work and the Non-Contestable Work, provide clearance and grading of the Electrical Distribution System routes to within 15 centimetres of final levels, and where required by the municipality, install curbs. If no curbs are to be installed, ditches and shoulders must be shaped.
- (c) incorporate the Hydro One Design, as approved by the Developer, into the engineering drawings for the Subdivision;
- (d) provide Hydro One with the location of curb cuts and walkways at least six (6) weeks in advance of the performance of any portion of the Contestable Work and/or Non-Contestable Work. Any relocation of such services after the six (6) week period may result in additional Capital Cost, which will be the sole responsibility of the Developer;
- (e) provide location stake out of any other service(s) that might conflict with all or any portion of the Contestable Work and/or Non-Contestable Work;
- (f) identify lot lines and other reference points immediately prior to the commencement of any part of the Contestable Work and/or Non-Contestable Work or the construction of a joint use trench;
- (g) provide survey plans prepared by an Ontario Land Surveyor;
- (h) provide Hydro One personnel with unobstructed access to and along the route for the Electrical Distribution System;
- (i) perform the Civil Work in accordance with the Specifications;

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- (j) co-ordinate the Civil Work with respect to when trenches will be opened for the installation of electrical conductors as well as the installation of cables by Bell Canada, cable TV providers or other third parties who may be sharing the same trench;
- (k) defer sodding, final granular fill and paving until after the Electrical Distribution System has been installed; and
- (l) grant to Hydro One and register an easement and/or ensure that a permit is issued to Hydro One pursuant to Section 28(2) of the *Indian Act* (Canada), in, on, over, along, under, across, through the Subdivision lands identified on the Hydro One Design for the purposes of electricity distribution to the Subdivision in a form acceptable to Hydro One, and execute all necessary documents and consents connected therewith on or before the Easement Date specified in Part IV of the Agreement.

5.3 If at any time after the execution of the Agreement, the Developer submits revised plans or requires additional design work, Hydro One will prepare a new Firm Offer based on the revised plans or additional design work at the Developer's expense. Hydro One will then provide the Developer with the appropriate Option A Chart or Option B Chart (the "**Revised Chart**") and the Revised Chart shall be made a part of the Agreement as though it had been originally incorporated into the Agreement. In the event that the Capital Contribution paid by the Developer on the execution of the Agreement:

- (a) exceeds the Capital Contribution identified in the Revised Chart, the difference will be returned to the Developer by no later than 30 days after the date that Hydro One delivered the Revised Chart to the Developer; and
- (b) is less than the Capital Contribution identified in the Revised Chart, the Developer shall pay Hydro One the difference within 14 days after the date that Hydro One delivered the Revised Chart to the Developer.

5.4 If the Developer has chosen Option B, the Developer covenants that it will:

- (a) complete all of the Contestable Work in accordance with Hydro One's design and Specifications;
- (b) subject to Section 5.5 below, if the Developer uses a Contractor for all or any part of the Contestable Work:
  - (i) select and hire the Contractor;
  - (ii) pay all Contractor(s) costs for the Contestable Work;
  - (iii) assume full responsibility for the construction of any part of the Contestable Work being performed by a Contractor;
  - (iv) be responsible for administering the contract with such Contractor.
- (c) in addition to paying the Capital Contribution, pay Hydro One:
  - (i) to inspect and approve all aspects of the Contestable Work as a part of a system commissioning activity;
  - (ii) all costs for additional design, engineering or installation of facilities required to complete the

- Contestable Work;
- (iii) the actual Cost for inspection or approval of the work performed by the Developer and/or the Contractor;
- (d) approve, jointly with Hydro One, the "as-built" drawings of the Electrical Distribution System on or prior to the energization of the Primary Distribution System and where applicable, any Line Expansion;
- (e) contact Hydro One to make arrangements for pre-construction site meetings; and
- (f) provide binding registered easements from all legal and beneficial owners of lands traversed by the Contestable Work and/or land use permits for Crown lands traversed by the Contestable Work, in a form that is satisfactory to and in favour of Hydro One.

5.5 If the Developer has chosen Option B, any person performing all or any part of the Contestable Work (including, but not limited to the Developer, any employees, officers or directors of the Developer, and any employees, officers, directors, agents and sub-contractors of the Developer's Contractor). Prior to entering into any contract with a Contractor for the performance of any or all of or any part of the Contestable Work, the Developer shall provide Hydro One with evidence of the Contractor's previous experience and satisfactory performance of the Contractor and its workers in the area of expertise to be contracted by the Developer in order to first obtain Hydro One's prior approval of the Contractor. Such experience and performance must be to the satisfaction of Hydro One before the Developer signs a contract with the said Contractor and before the Contractor commences any of the Contestable Work.

5.6 Notwithstanding Section 11.1 of the Agreement, the Customer acknowledges and agrees that Hydro One will not assume and shall not be liable or responsible for any and all liabilities, debts or obligations and demands, direct or indirect, absolute or contingent, of the Developer, whether or not related to, attributable to or in any way connected with the Contestable Work. The Developer shall pay, satisfy, assume, discharge, observe, perform, fulfil, release, and indemnify and save harmless Hydro One and its successors, its directors, officers, employees, representatives and agents from and against such liabilities, debts and obligations and all costs, expenses, debts, demands, proceedings, suits, actions, losses or claims in connection therewith. This obligation shall survive the termination of the Agreement.

### **Financial Terms**

6.1 The Capital Contribution and the Expansion Deposit are payable by the Customer upon the execution of the Agreement.

6.2 Expansion Deposits shall be in the form of cash by way of a certified cheque, bank draft or wire transfer, letter of credit or surety bond. Letters of credit must meet the Letter of Credit Minimum Requirements and surety bonds must meet the Surety Bond Minimum Requirements. Letters of credit and surety bonds shall not expire until the later of:



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- (a) the end of the two-year warranty period set out in Section 9.1 below; and
- (b) 180 days following the expiry of the Revenue Horizon.

In the event that the Expansion Deposit provided by the Developer is in the form of a Letter of Credit which has an expiry date that is earlier than the period set out above, the Developer acknowledges and agrees that Hydro One shall have the right to draw down on the remainder of the amount secured by the Letter of Credit at any time during the period commencing on the day that is 30 days prior to the expiry of the Letter of Credit. Hydro One shall treat the amount drawn from the Letter of Credit as a cash deposit thereafter.

6.3 Invoiced amounts are due 30 days after invoice issuance. All overdue amounts including, amounts that are not invoiced but required under the terms of the Agreement to be paid by the Developer in a specified time period, shall bear interest at 1.5% per month compounded monthly (19.56 percent per year) for the time they remain unpaid.

### **Economic Evaluations and Apportioned Benefit Evaluations**

7.1 Hydro One's offer as reflected in the Option A Chart or Option B Chart, is a Firm Offer. The results of the Economic Evaluation for the Project are attached to the Agreement as Schedule "F".

### **Expansion Deposit Use and Return/ Reimbursements for Unforecasted Customer Connections**

8.1 If the Developer chooses Option B, Hydro One shall be allowed to retain and use the Expansion Deposit to cover Hydro One's Costs in the circumstances where Hydro One must complete, repair or bring the Contestable Work up to a standard that is acceptable to Hydro One in accordance with Good Utility Practice and all Applicable Laws. Complete, repair or bring up to standard includes Costs Hydro One incurs to ensure that the Contestable Work is completed to the proper design and technical standards and specifications, and that the Contestable Work operates properly when energized.

8.2 Subject to Sections 8.1 and 8.3, Hydro One shall annually return the percentage of the Expansion Deposit in proportion to the actual Customer Connections (for residential developments) or actual demand (for commercial and industrial developments) that materialized in that year (i.e., if twenty percent of the forecasted Customer Connections or demand materialized in that year, then Hydro One shall return to the Developer twenty percent of the Expansion Deposit) commencing on the first anniversary of the Energization Date. This annual calculation shall only be done for the duration of the Customer Connection Horizon. If at the end of the Customer Connection Horizon, the forecasted Customer Connections (for residential developments) or forecasted demand (for commercial and industrial

developments) has not materialized, Hydro One shall retain the remaining portion of the Expansion Deposit.

8.3 If the Developer chose Option B, Hydro One may retain up to ten percent of the Expansion Deposit during the warranty period described in Section 9.1 below. Hydro One shall return any remaining portion of this part of the Expansion Deposit at the end of such warranty period. This portion of the Expansion Deposit can be applied to any work required to repair the Contestable Work.

8.4 Where the Expansion Deposit is provided by the Developer in the form of cash, Hydro One shall return the Expansion Deposit to the Developer together with interest in accordance with the following conditions:

- (a) interest shall accrue monthly on the Expansion Deposit commencing on receipt of the total Expansion Deposit required by Hydro One; and
- (b) the interest rate shall be at the prime business rate set by the Bank of Canada less 2 percent.

8.5 Hydro One will not reimburse any amounts to the Developer except in accordance with Section 8.2 above.

### **Representations and Warranties for Contestable Work Performed by the Developer and Transfer Requirements**

9.1 Where the Developer has chosen Option B, the Developer represents and warrants that the Contestable Work shall be free from defects, for a period of two (2) years that begins:

- (a) when the last forecasted Customer Connection in the Project materialize (for residential developments) or the last forecasted demand materializes (for commercial or industrial developments); or
- (b) at the end of the Customer Connection Horizon;

whichever comes first.

9.2 In addition to the representations and warranties described in Section 9.1 above, on the date that the Contestable Work is transferred to Hydro One, the Developer represents and warrants to Hydro One that:

- (a) the Contestable Work is free and clear of all mortgages, liens, demands, charges, pledges, adverse claims, rights, title, retention agreements, security interests, or other encumbrances of any nature and kind whatsoever;
- (b) the Contestable Work is free and clear of any work orders, non-compliance orders, deficiency notices or other such notices relative to the Contestable Work or any part thereof which have been issued by any regulatory authority, police or fire department, sanitation, environment, labour, health or other governmental authorities or agencies;
- (c) there are no matters under discussion with any regulatory authority, police or fire department, sanitation, environment, labour, health or other

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governmental authorities or agencies relating to work orders, non-compliance orders, deficiency notices or other such notices pertaining to all or any part of the Contestable Work;

- (d) the Developer is the sole owner of the Contestable Work;
- (e) that the Contestable Work has been performed in accordance with Hydro One's design and the Specifications; and
- (f) all deficiencies identified by Hydro One have been remedied.

9.3 The Developer agrees that the representations and warranties in Sections 9.1 and 9.2 above shall survive the transfer, and the execution and delivery of any easements or other land rights, bills of sale, assignments or other instruments of transfer of title to the Contestable Work and the payment of the transfer price by Hydro One.

9.4 The Developer shall transfer legal and beneficial ownership of the Contestable Work to Hydro One by no later than 15 days after the latest of:

- (a) the Developer providing Hydro One with a breakdown of the cost of the Contestable Work in a form acceptable to Hydro One, together with copies of all documents related to the Contestable Work including, but not limited to, all invoices, purchase orders and fixed price contracts related to the design and construction of the Contestable Work and the procurement of equipment;
- (b) Hydro One inspecting and approving the constructed facilities comprising the Contestable Work;
- (c) the Developer providing Hydro One with a copy of the registered plan of subdivision, binding registered easements from all legal and beneficial owners of lands traversed by the Contestable Work and/or land use permits for Crown lands traversed by the Contestable Work, in a form that is satisfactory to and in favour of Hydro One; and

Hydro One shall pay the Developer the Transfer Price.

### **Insurance Requirements**

10.1 The Developer shall, during the term of the Agreement, maintain a policy or policies of insurance in which Hydro One is named as an additional insured and which policy or policies shall contain a cross-liability clause in the amount of FIVE MILLION DOLLARS (\$5,000,000.00) per occurrence (or as otherwise agreed, in writing, by the parties) for the following:

- (i) against liability due to damage to the property of Hydro One or any other person or persons including a third party, and against liability due to injury to or death of any person or persons including a third party in any one instance; and
- (ii) Automobile Liability Insurance, covering all licensed motor vehicles owned, non-owned, hired, rented or leased and used in connection with the Developers

work under the Agreement covering Bodily Injury, including death, personal injury and Property Damage Liability to a combined inclusive minimum limit of **TWO MILLION DOLLARS (\$2,000,000.00)** and mandatory accident benefits.

10.2 Upon execution and at any time thereafter at Hydro One's written request which may be made from time to time during the term of the Agreement, the Developer shall provide Hydro One with a certificate of insurance confirming that the minimum coverage required hereunder are in effect and that the coverages will not be cancelled, non-renewed, or materially changed by endorsement or through issuance of other policy(ies) of insurance which restricts or reduces coverage, without 30 days advance written notice by registered mail, or courier, receipt required, to: Hydro One Networks Inc., Risk and Insurance Department, 483 Bay Street, 8<sup>th</sup> Floor, South Tower, Toronto, Ontario, M5G 2P5.

10.3 The Developer acknowledges and agrees that:

- (a) failure of Hydro One to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Hydro One to identify a deficiency from evidence provided will not be construed as a waiver of Developer's obligation to maintain such insurance;
- (b) the acceptance of delivery by Hydro One of any certificate of insurance evidencing the required coverage and limits does not constitute approval or agreement by Hydro One that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements;
- (c) if the Developer fails to maintain the insurance as set forth here, Hydro One will have the right, but not the obligation, to purchase said insurance at the Developer's expense. Alternatively, the Developer's failure to maintain the required insurance may result in termination of this agreement at Hydro One's option;
- (d) all deductibles shall be to the account of Developer;
- (e) with the exception of Subsection 10.1(ii) (Automobile Liability), all insurance noted above shall specify that it is primary coverage and not contributory with or in excess of any other insurance that may be maintained by Hydro One; and
- (f) coverage provided for Hydro One should not be invalidated or vitiated by actions or inactions of others.

10.4 The Developer agrees that the insurance described in Section 10.1 does not in any way limit the Developer's liability pursuant to the indemnity provisions of the Agreement.

### **Liability, Indemnification and Events of Force Majeure**

11.1(a) The liability provisions of section 2.2 of the Code apply to the Agreement and are hereby incorporated by reference into, and forms part of, the Agreement *mutatis mutandis*.

## Standard Terms and Conditions for Multi-Service Connection Projects

(b) A party shall have a duty to mitigate any losses relating to any claim for indemnification from the other party that may be made in relation to that other party. Nothing in this section shall require the mitigating party to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

(c) A party shall give prompt written notice to the other party of any claim with respect to which indemnification is being or may be sought under the Agreement.

11.2 Except for any amounts due and payable by the Developer to Hydro One or by Hydro One to the Developer, neither Hydro One nor the Developer shall be deemed to be in default of the Agreement where the failure to perform or the delay in performing any obligation is due to a Force Majeure Event.

If a Force Majeure Event prevents or delays either party from performing any of its obligations under the Agreement, that party shall:

- (a) other than for Force Majeure Events related to acts of God, promptly notify the other party of the Force Majeure Event and its assessment in good faith of the effect that the event will have on its ability to perform or resume any of its obligations. Other than for Force Majeure Events related to acts of God, if the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practical;
- (b) not be entitled to suspend performance of any of its obligations under the Agreement to any greater extent or for any longer time than the Force Majeure Event requires it to do;
- (c) use its best efforts to mitigate the effects of the Force Majeure Event, remedy its delay in performing or its inability to perform, and resume full performance of its obligations;
- (d) keep the other party continually informed of its efforts;
- (e) other than for Force Majeure Events related to acts of God, provide written notice to the other party when it resumes performance of any obligations affected by the Force Majeure Event; and
- (f) if the Force Majeure Event is a strike, lock out or other labour dispute involving Hydro One's employees, Hydro One shall be entitled to discharge its obligation to notify the Developer in writing by means of placing an ad in a local newspaper.

### **Event(s) of Default and Termination**

12.1 Each of the following events shall constitute an "Event of Default" under the Agreement:

- (a) failure by the Developer to pay any amount due under the Agreement within the time stipulated for payment;
- (b) breach by the Developer of any term, condition or covenant of the Agreement; and
- (c) the making of an order or resolution for the winding up of the Developer or Hydro One or of their respective operations or the occurrence of any other dissolution, bankruptcy or reorganization or

liquidation proceeding instituted by or against the Developer or Hydro One.

12.2 Upon the occurrence of an Event of Default (other than those specified in Subsection 12.1(c) above, for which no notice is required to be given by Hydro One), Hydro One shall give the Developer written notice of the Event of Default and allow the Developer 10 days from the date of receipt of the notice to rectify the Event of Default, at the Developer's sole expense. If such Event of Default is not cured to Hydro One's reasonable satisfaction within the 10 day period, Hydro One may, in its sole discretion, exercise any of the following remedies in addition to any remedies that may be available to Hydro One under the terms of the Agreement, at common law or in equity:

- (a) Hydro One may take such action as may be appropriate to correct the breach and recover the cost thereof on demand from the Developer and the Developer shall pay the amount of said costs to Hydro One immediately upon Hydro One's demand; and
- (b) Recover the Cancellation/Termination Costs from the Developer by applying the Capital Contribution paid by the Developer and where necessary, the Expansion Deposit, against the Cancellation/Termination Costs. In the event that the Capital Contribution and the Expansion Deposit:
  - (i) exceeds the Cancellation/Termination Costs, the unspent Capital Contribution and the Expansion Deposit will be returned to the Developer by no later than 180 days after the date that the Agreement is terminated; and
  - (ii) is less than Cancellation/Termination Costs, the Developer shall pay Hydro One the difference within 30 days after the date of Hydro One's invoice.

12.3 In the event of any one or more of the following:

- (a) the Developer has chosen Option A and the Developer has not completed any one or more of the items of work described in Subsection 5.2 within the specified timeframe(s); or
- (b) the Developer has chosen Option B and the Developer has not commenced construction of the Contestable Work and/or the Non-Contestable Work has not commenced within 6 months of the Required Execution Date; or
- (c) the Contestable Work and Non-Contestable Work are not fully complete and energized by no later than 12 months following the Required Execution Date; or
- (d) the Developer cancels the Project; or
- (e) the Developer fails to perform the Civil Work within 12 months of the execution of the Agreement; or
- (e) the Developer has not provided Hydro One with the Registered Plan of Subdivision and the binding registered easements from all legal and beneficial owners of lands traversed by the Contestable Work and/or land use permits for Crown lands traversed by the Contestable Work, in a form that is satisfactory to and in favour of Hydro One:

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- (i) where the Developer has chosen Option A, within 30 days of the completion of the Contestable Work and Non-Contestable Work; and
- (ii) where the Developer has chosen Option B, within 12 months of the Required Execution Date,

Hydro One may, at its option, on the provision of written notice to the Developer, terminate the Agreement, without penalty or liability on the part of Hydro One. The Developer shall pay the Cancellation/Termination Costs. Hydro One will apply the Capital Contribution paid by the Developer and where necessary, the Expansion Deposit, against the Cancellation/ Termination Costs. In the event that the Capital Contribution and the Expansion Deposit:

- (a) exceed the Cancellation/Termination Costs, the unspent Capital Contribution and the Expansion Deposit will be returned to the Developer by no later than 180 days after the date that the Agreement is terminated; and
- (b) is less than Cancellation/Termination Costs, the Developer shall pay Hydro One the difference within 30 days after the date of Hydro One's invoice.

### **Miscellaneous**

**13.1 Assignment.** This Agreement and any rights, remedies, liabilities or obligations arising under it shall not be assignable by the Developer in whole or in part, without the prior written consent of Hydro One, which consent shall not be unreasonably withheld. The Developer further covenants and agrees to cause the permitted assignee to execute an assumption agreement with the Developer and Hydro One, thereby agreeing to be bound by the terms and conditions of the Agreement and to assume the Developer's obligations herein. Hydro One may withhold its consent to any proposed assignment until the proposed assignee executes the said Assumption Agreement. The parties agree that notwithstanding the assignment by the Developer pursuant to this clause, the Developer shall continue to remain liable for all of its obligations under the Agreement unless released by Hydro One. Subject to all of the foregoing, the Agreement shall extend to, be binding upon and enure to the benefit of the parties to the Agreement and their respective successors and permitted assigns.

**13.2 Interpretation.** Unless otherwise specified, references in the Agreement to Sections or Schedules are to sections, articles and Schedules of the Agreement. Any reference in the Agreement to any statute, regulation, any OEB-approved documents or any section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute, regulation, document or section as amended, restated or re-enacted from time to time. The insertion of headings is for convenience only, and shall not affect the interpretation of the Agreement. Unless the context requires otherwise, words importing the singular include the plural and vice versa. The word "including" (or includes) means including (or includes) without limitation.

**13.3 Waiver.** The failure of either party to the Agreement to enforce at any time any of the provisions of the

Agreement or to exercise any right or option which is herein provided shall in no way be construed to be a waiver of such provision or any other provision nor in any way affect the validity of the Agreement or any part hereof or the right of either party to enforce thereafter each and every provision and to exercise any right or option. The waiver of any breach of the Agreement shall not be held to be a waiver of any other or subsequent breach. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the party against whom such waiver is sought to be enforced which expressly waives a right or rights or an option or options under the Agreement.

**13.4 Severability.** If any provision of the Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed severed and shall not affect the validity or enforceability of the remaining provisions of the Agreement, unless such invalidity or unenforceability renders the operation of the Agreement impossible.

**13.5 Notice.** Any written notice required by the Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks Inc., 483 Bay Street, North Tower, 15<sup>th</sup> Floor, Toronto, Ontario M5G 2P5, fax no: (416) 345-6240 on behalf of Hydro One, and to the person at the address specified in Part IV of the Agreement on behalf of the Developer. A faxed notice shall be deemed to be received on the date of the fax if received before 3 p.m. on a business day or on the next business day if received after 3 p.m. or a day that is not a business day. Notices sent by courier or registered mail shall be deemed to have been received on the date indicated on the delivery receipt. The designation of the person to be so notified or the address of such person may be changed at any time by either party by written notice.

**13.6 Applicable Law.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the courts of Ontario shall have exclusive jurisdiction to determine all disputes arising out of the Agreement.

**13.7 Counterparts.** The Agreement may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

**13.8 Further Acts.** Each party shall, at the other party's request and expense, execute and do all such further acts and things as may be necessary to carry out the full intent and meaning of the Agreement and the transactions contemplated thereby.

**13.9 Survival.** The obligation to pay any amount due under the terms of the Agreement shall survive the termination of the Agreement.



## Appendix “A”: Definitions

In the Agreement unless there is something in the subject matter or context inconsistent therewith, the following words shall have the following meanings:

“**Applicable Laws**” means any and all applicable laws, including environmental laws, statutes, codes, licensing requirements, treaties, directives, rules, regulations, protocols, policies, by-laws, orders, injunctions, rulings, awards, judgments, or decree or any requirements or decision or agreement with or by any government or governmental department, commission, board, court authority or agency.

“**Available Support**” is the forecasted future revenue from the Customer Connections as determined using the Developer’s Load Forecast in the Economic Evaluation.

“**Bank**” means a bank listed in Schedule I or II of the *Bank Act* (Canada).

“**Cancellation/Termination Costs**” means the actual Cost of the Non-Contestable Work and where the Developer chose Option A, the Contestable Work performed by Hydro One to date of termination (plus applicable Taxes) accrued on and prior to the date that the Project is cancelled or the Agreement is terminated, including the preliminary design costs and all costs associated with the winding up of the Non-Contestable Work and where the Developer selects Option B, the Contestable Work, including, storage costs, facility removal expenses, any environmental remediation costs and a material re-stocking fee of 25% of the Cost of the Non-Contestable Work (as set out in the Firm Offer) and where the Developer chose Option A, the Cost of the Contestable Work (as set out in the Firm Offer).

“**Capital Contribution**” is the amount payable by the Developer that represents the shortfall between the present value of the projected costs and the present value of the projected revenue for distribution services provided by the Non-Contestable Work and Contestable Work facilities, all as determined by the Economic Evaluation.

“**Civil Work**” means the work to be performed by the Developer described in Schedule “B”.

“**Code**” means the *Distribution System Code* issued by the OEB on July 14, 2000 as amended or revised from time to time.

“**Conditions of Service**” means the document as amended from time to time, developed by Hydro One in accordance with subsection 2.3 of the Code that describes Hydro One’s operating practices and connection rules.

“**Contestable Work**” means the work described in Schedule “A” under the heading “Description of Contestable Work” which may be performed by Hydro One or the Developer depending on whether the Developer chooses to proceed under Option A or Option B as described in the

Agreement. Contestable Work is described in the Code as being “work that is eligible for alternative bid”.

“**Contractor**” means the person or entity, the company or the individual hired by the Developer to perform the Contestable Work on the Developer’s behalf.

“**Cost**” means Hydro One’s charge for equipment, labour and materials at Hydro One’s standard rates plus Hydro One’s standard overheads.

“**Council**” means the council of the First Nation, which is a “council of the band”, within the meaning of the *Indian Act* (Canada).

“**Customer Connection Horizon**” means the period of five (5) years beginning on the Energization Date.

“**Contractor**” means the person or entity, the company or the individual hired by the Developer to perform the Contestable Work on the Developer’s behalf.

“**Customer Connection**” means a standard connection service that is connected to the Electrical Distribution System that also has an account with Hydro One for billing purposes.

“**Distribution System**” means Hydro One’s system for distributing electricity, and includes any structures, equipment or other things used for that purpose.

“**Economic Evaluation**” means the analytical tool designed and used by Hydro One using the methodology described in Appendix “B” of the Code based on the estimated Cost of the Non-Contestable and Contestable Work and forecasted revenues, as described in Appendix “B” of the Code, to determine if the future revenue from the Customer Connections will pay for the capital Cost and on-going maintenance costs of the Non-Contestable and Contestable Work .

“**Electrical Distribution System**” means the Primary Distribution System, the Secondary Distribution System, the Residential Services and/or Industrial/Commercial Service(s) and where required, any Line Expansion.

“**Energization Date**” or “**In Service Date**” means the date that the Primary Distribution System and the Line Expansion, if any, is successfully energized by Hydro One.

“**Expansion Deposit**” means the amount specified in Section IV of the Agreement which represents:

- (i) where the Developer has to pay a Capital Contribution, 100% of the present value of the forecasted revenues; and
- (ii) where the Developer does not have to pay a Capital Contribution, 100% of the present value of the projected capital costs and on-going maintenance costs of the Non-Contestable Work and Contestable Work facilities.

## Standard Terms and Conditions for Multi-Service Connection Projects

The Expansion Deposit covers both the forecast risk (the risk associated with whether the Available Support will materialize as forecasted) and the asset risk (the risk associated with ensuring that the Contestable Work when it is performed by the Developer, is constructed, that it is completed to the proper design and technical standards and specifications, and that the Contestable Work operates properly when energized).

**"Firm Offer"** means the amounts specified in the Option A Chart set out in Schedule "G" and the amount specified in the Option B Chart set out in Schedule "G".

**"First Nation"** means a Band of Indians (including any successor to the Band) within the meaning of the *Indian Act* (Canada) represented by the Council.

**"Force Majeure Event"** shall be deemed to be a cause beyond the reasonable control of the party whose inability as aforesaid is involved such as, but without limitation to, strike, lockout or other labour dispute of that party's employees, damage or destruction by the elements, accident to the works of that party, fire explosion, war on the Queen's enemies, legal act of the public authorities, insurrection, act of God or inability to obtain essential services or to transport materials, products or equipment because of the effect of similar causes on that party's suppliers or carriers.

**"Good Utility Practice"** has the meaning given to it in the Code.

**"Hydro One Design"** means the design performed by Hydro One that is attached to the Agreement as Schedule "D";

**"Hydro One Networks Connection Work"** means the Non-Contestable Work and where the Developer selects Option A, the Contestable Work.

**"Industrial/Commercial Service(s)"** means the electrical system located from the transformer to the service entrance of each industrial/commercial unit.

**"Inspector"** means an employee of Hydro One who has been assigned to inspect the Contractor's work and method of installation in accordance with the Specifications.

**"Letter of Credit Minimum Requirements"** means a letter of credit that meets all of the following minimum requirements:

- (a) is in a form that is satisfactory, to Hydro One;
- (b) is issued by a Bank;
- (c) allows for presentment in Toronto, Ontario or presentment using a valid fax number where the Bank does not have a branch in Toronto, Ontario;
- (d) has an expiry date that is acceptable to Hydro One;
- (e) provides that any notice that the Bank does not wish to extend the letter of credit for any additional period of expiry must be provided, in writing, to Hydro One Networks Inc., 483 Bay Street, 8<sup>th</sup> Floor, South Tower, Toronto, Ontario M5G 2P5 Attn: Treasurer at least 60 days prior to any expiration date;

- (f) permits partial drawings and multiple presentations;
- (g) provides that drawings will be paid on written demand without the issuing Bank enquiring whether Hydro One has a right as between itself and the Developer to make such demand, and without recognizing any claim of the Developer;
- (h) only requirement to be met in order to draw on the letter of credit is that Hydro One present the letter of credit and a certificate stating that the amount demanded is payable to Hydro One by the Developer pursuant to the terms of the Multi-Service Connection Cost Agreement made between the Developer and Hydro One as it may be amended by the Developer and Hydro One from time to time;
- (i) provides that banking charges and commissions associated with the letter of credit are payable by the Developer;
- (j) is subject to the International Standby Practices "ISP 98" ICC Publication no. 590 ("**ISP 98**");
- (k) provides that notwithstanding ISP 98, in the event that the original of the letter of credit is lost, stolen, mutilated or destroyed, the Bank will agree to replace same upon written notice from Hydro One setting out the circumstances;
- (l) provides that matters not expressly covered by ISP 98, will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein;
- (m) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario; and
- (n) permits Hydro One to lower the amount secured by the letter of credit from time to time on written notice to the Bank with no penalty, banking charges and commissions being payable by Hydro One.

**"Line Expansion"** means a distribution line required to supply the Developer's property with energy from the development connection point to Hydro One's nearest practical point of connection.

**"Maintenance Costs"** means the on-going maintenance costs of the Contestable Work and the Non-Contestable Work.

**"Non-Contestable Work"** means the work to be performed by Hydro One described in Schedule "A" under the heading "Description of Non-Contestable Work". Non-Contestable Work is described in the Code as being "work that is not eligible for alternative bid".

**"Ontario Energy Board Act"** means the *Ontario Energy Board Act*, 1998, S.O. 1998, C.15, Schedule B, as amended.

**"Option A Chart"** means the chart attached to the Agreement as Schedule "G" if Option A is chosen by the Developer.

**"Option B Chart"** means the chart attached to the Agreement as Schedule "G" if Option B has been chosen by the Developer.

**"Primary Distribution System"** means the distribution lines which includes underground, overhead or submarine

## Standard Terms and Conditions for Multi-Service Connection Projects

cables and all associated equipment located up to and including the transformers within the property limits of the Project.

**“Qualified”** means qualified to deal with electrical hazards in accordance with the requirements of the *Occupational Health & Safety Act* (Ontario) and all applicable regulations thereto including, but not limited to Construction Projects – O. Reg. 213/91, all as may be amended or replaced from time to time.

**“Residential Service(s)”** means the electrical system located from the lot line to the dwelling.

**“Revenue Horizon”** is as set out in Part IV of the Agreement.

**“Secondary Distribution System”** means the overhead or underground cables and all associated equipment located from the transformer to the lot line of each serviced lot excluding three-phase secondary cable.

**“Specifications”** means the specifications and drawings described in Schedule “C” that form part of the Agreement.

**“Surety Bond Requirements”** means a surety bond that meets all of the following minimum requirements:

- (a) is in a form that is satisfactory, to Hydro One;
- (b) surety must be Canadian;
- (c) surety must be financially acceptable to Hydro One must have at, a minimum, a long-term credit rating of “A” from a bond-rating agency acceptable to Hydro One;
- (d) provides that fees, charges and commissions associated with the surety bond, including drawings therefrom, are payable by the Developer;
- (e) permit partial drawings and multiple presentations;
- (f) provide that drawings will be paid without the surety enquiring whether Hydro One has a right as between itself and the Developer to make such demand, and without recognizing any claim of the said Developer;
- (g) only requirement to be met in order to draw on the surety bond is that Hydro One present a certificate certifying that the amount demanded is payable to Hydro One by the Developer pursuant to the terms of the Multi-Service Connection Cost Agreement made between the Developer and Hydro One, as it may be amended by the Developer and Hydro One from time to time;
- (h) will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein;
- (i) any dispute or claim shall be submitted to the exclusive courts within the jurisdiction of the Province of Ontario; and
- (j) permits Hydro One to lower the amount secured by the surety bond from time to time on written notice to the surety with no penalty, banking charges and commissions being payable by Hydro One.

**“Taxes”** means all property, municipal, sales, use, value added, goods and services, harmonized and any other non-recoverable taxes and other similar charges (other than taxes imposed upon income, payroll or capital).

**“Transfer Price”** means the lower of the cost to the Developer to construct the expansion facilities or the amount set out in the Distributor's initial offer to perform the Contestable Work. The transfer price shall include any amounts paid by the Developer pursuant to Section 5.4(c) of the Agreement as part of the Developer's costs.



1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #38 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Please produce copies of all written communications (including memoranda, notes to file  
7                    confirming telephone conversations, emails, etc.) between Hydro One and Multi- Area  
8                    that relate to load requirements, upstream capacity available, construction timelines,  
9                    Hydro One specifications, oral or written representations and any warranties or  
10                    indemnities given by Hydro One.

11  
12                    **Response**

13  
14                    Construction timelines, specifications and warranty details were all conveyed to Multi-  
15                    Area through the Offer to Connect.

**Horizon Utilities Corporation (HUC) INTERROGATORY #39 List 1**

**Interrogatory**

Reference: Hydro One OTC to Multi-Area, dated July 27, 2012, page 6, Schedule A – Description of the Contestable and Non-Contestable Work, and page 7, Schedule “B”, Description of Civil Work

**Preamble:**

Hydro One’s OTC includes a description of contestable work that Hydro One or the developer/contractor can perform at Schedule “A”, on page 6. This page identifies two items under the subheading dealing with underground lines. On page 7, “Schedule B”, Description of Civil Work, the OTC states that the developer “shall perform the following civil work at its own expense”. Schedule B’s description of civil work, at page 7, goes on to itemize a number of areas of civil work specifically.

- (a) Please advise whether for the purposes of this OTC, Hydro One’s estimate of the costs of contestable work excluded the civil work contemplated under Schedule B, at page 7 of the OTC.
- (b) If some portion of the civil work identified on page 7 of the OTC was included in the contestable costs included in the OTC, please provide a detailed breakdown with estimates of the work, by type of work, which was included or excluded from the Hydro One OTC contestable work calculations.

**Response**

- (a) Hydro One’s estimate of costs of contestable work contained in its OTC for Summit Park Phase 7 does exclude the civil work contemplated under Schedule B, at page 7 of the OTC.
- (b) See response to (a) above.

**Horizon Utilities Corporation (HUC) INTERROGATORY #40 List 1**

**Interrogatory**

Reference: Hydro One OTC to Multi-Area, dated July 27, 2012, Hydro One Prefiled Evidence, Appendix D

**Preamble**

Hydro One has included in its OTC, at Schedule F, the Basic Discounted Cash Flow calculation under the heading "Capital Costs and Charges Option A" the sum of \$850,665. This is the aggregate of the total of the Option A non-contestable work totals (Sections 1.1, 2.1, and 2.2) and the contestable totals (Sections 4.1 and 4.2). By comparison, the aggregate of all of the non-contestable work under Option B (Sections 1.1, 2.1, 2.2 and 4.2) is \$571,849.

- (a) Please explain why the non-contestable worksite inspection costs were not included in the Basic Discounted Cash Flow calculation;
- (b) Please re-do the economic evaluation including the \$38,253 amount for the non-contestable worksite inspection costs under the Option B alternative selected by Multi-Area.
- (c) Does Hydro One have the ability to recover any additional amount from Multi-Area under the OTC for these costs? Does Hydro One have the right to undertake a final economic evaluation under the terms of its OTC?

**Response**

- (a) The Worksite Inspection Fee of \$38,253 is applicable to customers that have Hydro One perform only the non-contestable work and choose to complete the other contestable work themselves. This inspection is completed prior to energizing the customer. If Hydro One performs all of the work then the Worksite Inspection Fee is not charged. The Discounted Cash Flow included as part of HONI IRR to Board Staff 3 includes the Worksite Inspection Fee.
- (b) Option B outlined in the Offer to Connect to Multi-Area includes the Worksite Inspection fee. See Hydro One Evidence dated January 11<sup>th</sup>, 2013, Appendix D, Option B, Part 2 Non-Contestable work Above Standard Connection, Item 4.2 Worksite Inspection (If Applicable).

1  
2 (c) On page 2 of the Multi-Area Offer to Connect is the following:  
3

4 *“Hydro One hereby commits to honouring all the prices stated hereunder*  
5 *in the Agreement even if it becomes necessary, for any reason, for Hydro*  
6 *One to supply the said subdivision by means of a feeder or feeders other*  
7 *than the feeder or feeders stated hereunder in the Agreement.”*  
8

9 Offers to Connect are generally extended on a firm, Final Offer basis meaning, as  
10 described in the agreement via the quoted line above, Hydro One will honour its  
11 estimated prices.

**Horizon Utilities Corporation (HUC) INTERROGATORY #41 List 1**

**Interrogatory**

Reference: Hydro One OTC to Multi-Area, dated July 27, 2012, and Hydro One Pre-filed Evidence, Appendix D

**Preamble**

Hydro One estimated in its OTC total Contestable Work charges of \$317,068 (the aggregate of Total Costs, Sections 4.1 and 4.2). Hydro One's pre-filed evidence, at page 4 of 15, states that total contestable costs are in fact \$538,900.

(a) For the purposes of any final economic evaluation, will Hydro One use its under-estimate of the contestable costs of \$317,000 or the actual contestable costs of \$538,900?

(b) Has Hydro One advised Multi-Area of its intention in this regard?

**Response**

(a) Elements of the costs to the developer under Hydro One's Offer are outlined in the response to HONI IRR to Board Staff 3. The difference between the contestable costs noted above in part (a) of the question is due to the inclusion of certain civil costs that Hydro One does not perform on either a Contestable or Non-contestable basis and thus were never included in the original Offer to Connect. The higher estimate was done using the Contractor's costs in order to make for an apples-to-apples comparison to Horizon's Offer, which includes civil costs.

(b) The estimate in response to HONI IRR to Board Staff 3 that includes the \$538,900, is an estimate done for comparison purposes for this SAA proceeding and would not actually be charged to the developer. Therefore, Hydro One has no reason to notify the developer about these charges. Moreover, the Developer, Multi-Area, an existing Hydro One customer in existing Hydro One territory, has already accepted Option B of Hydro One's Offer to Connect and has commenced work on that basis. Therefore, any discussion with respect to Hydro One or Horizon performing contestable work is strictly for the purpose of comparing costs amongst the utilities. These notional costs will not actually be charged to the developer.

**Horizon Utilities Corporation (HUC) INTERROGATORY #42 List 1**

**Interrogatory**

Does Hydro One acknowledge that under its OTC with Multi-Area, Horizon Utilities is using the direct buried method to install wires as part of the civil work at the Summit Park 7 development? Does Hydro One acknowledge that all six prior phases of the Summit Park development, Horizon Utilities has installed wires in ducts, pursuant to its specifications? As a general matter, does Hydro One acknowledge that installing wire in ducts is more expensive than the direct buried method? Does Hydro One also acknowledge that the use of duct for underground wires tends to reduce the incidents of interruptions by excavations and facilitates the replacement of faulty wire?

**Response**

Hydro One's current engineering standard for underground distribution is direct bury. Hydro One cannot comment on Horizon's engineering standards for earlier phases of development. As Hydro One's standard is direct bury, the company does not have field data to support reliability comparisons between direct bury and using ducts.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #43 List 1**

2  
3                    **Interrogatory**

4  
5                    Reference: Hydro One OTC dated July 27, 2012, Appendix D

6  
7                    Please provide the CD-ROM identified in Hydro One's OTC as Schedule C – "Hydro  
8                    One Overhead and Underground Distribution Standards – 2011 Edition".

9  
10                   **Response**

11  
12                   2 copies of the CD HONI IRR to HUC 43, Attachment 1, are being provided as a  
13                   response to Horizon and for the Board. Other copies are available upon request.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #44 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Reference: Hydro One OTC dated July 27, 2012 , Appendix D

7  
8                    Please provide Schedule D to Hydro One's OTC, consisting of Drawing 00351-12-  
9                    116 Rev 06.

10  
11                   **Response**

12  
13                   Please refer to Attachment 1.





1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #45 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Does Hydro One acknowledge that its OTC to Multi-Area does not include the costs to  
7                    provide service from the lot line to the meter and metering to the individual homes? If  
8                    not, please explain where these costs are included and the amount for Summit Park 7?

9  
10                   **Response**

11  
12                   Hydro One's Offer to Connect does include all of the costs to service from the lot line to  
13                   the meter base.

**Horizon Utilities Corporation (HUC) INTERROGATORY #46 List 1**

**Interrogatory**

Reference: Hydro One OTC dated July 27, 2012 to Multi-Area, Appendix D to the Pre-filed Evidence

**Preamble**

The Hydro One OTC to Multi-Area dated July 27, 2012 contains Basic Discounted Cash Flow calculations and uses a figure of 2477 meters of UG Line. This figure, divided by the 287 lots which make up Summit Park 7, equals 8.7 meters per lot, or 28.3 feet which appears to account only for the primary conductors required for the subdivision.

(a) Please provide the basis (including any applicable plans and specifications) which support an estimate of 2477 meters for Summit Park 7.

(b) Please advise whether this figure also includes the secondary conductors on municipal rights-of-way. If it does not, how and where has Hydro One included the costs for the secondary conductors on municipal rights-of-ways?

**Response**

(a) The 2477 meter figure is the amount of primary trench and is used for line maintenance calculations. The drawing provided in HONI IRR to HUC 44 can be used to complete take-offs to determine the actual amount of primary conductor needed to complete the installation which is approximately 5,700 meters.

(b) The 2477 meters does not include the quantity of secondary conductor estimated for this project. The quantity of secondary conductor can be estimated from the same drawings referenced in part a). The costs of the secondary are included in the Offer to Connect - Schedule "G" section 4.1. The amount of secondary conductor estimated for this project is approximately 14,000 meters.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #47 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Reference: Hydro One OTC dated July 27, 2012

7  
8                    If not answered in an earlier question, please confirm what assumptions Hydro One has  
9                    used in respect of revenues arising from the Summit Park 7 development in each of the  
10                    years 2012 – 2015.

11  
12                    **Response**

13  
14                    Hydro One has assumed no revenue in 2012. For 2013 to 2015, the revenue forecast is  
15                    consistent with the assumptions included in the response to HONI IRR to Board Staff 3.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #48 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Reference: Hydro One OTC dated July 27, 2012

7  
8                    Which rate class did Hydro One use for the purposes of its OTC dated July 27, 2012?

9  
10                  **Responsee**

11  
12                  Hydro One assumed that the 286 residential customers in Summit Park Phase 7 would be  
13                  UR customers and the 1 commercial customer would be in the GSe class.

**Horizon Utilities Corporation (HUC) INTERROGATORY #49 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence, Hydro One's OTC to Multi-Area dated July 27, 2012

**Preamble**

Hydro One has not included any costs for upstream expansion work in its OTC to Multi-Area. Horizon Utilities takes the position that the proposed 27.6 kV Rymal Road East Circuit which Hydro One must necessarily construct to provide service to the Summit Park 7 development and to the Bishop Ryan SS constitutes upstream expansion work.

Should the Board conclude that the proposed 27.6 kV Rymal Road East Circuit is upstream expansion work, what amount would Hydro One have included in its OTC to Multi-Area? Please provide a breakdown of this figure and a detailed explanation as to how it has been calculated.

**Response**

Hydro One has not included expansion costs in the OTC as the 27.6kV feeder on Rymal Road is not expansion work. It is part of an enhancement project to provide a loop feed to Binbrook. Once the feeder is built on Rymal Road, Summit Park Phase 7 and the School can be served with no expansion facilities required. Please see the response to HONI IRR to Board Staff 3 d).



1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #50 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Hydro One requested by email dated September 26, 2012 from Robert Davidson to  
7                    Horizon Utilities that it agree to the transfer of the 3 legacy homes on the west side of  
8                    Fletcher Road. Is Horizon Utilities' evidence that Hydro One subsequently orally  
9                    rescinded this request correct? If so, please provide a detailed explanation for Hydro  
10                    One's rescission of its request that Horizon Utilities assume the transfer of these  
11                    customers.

12  
13                    **Response**

14  
15                    On October 22, 2012 Hydro One received a call from Horizon requesting consent for the  
16                    transfer of 3 existing Hydro One customers on Fletcher Road, which is now known as  
17                    Part II of the SAA application. At that time Horizon advised that they intended to file a  
18                    revised SAA application the next day that would include Summit Park Phase 7, as well as  
19                    the 3 Hydro One customers on Fletcher Road and possibly other properties. In the  
20                    context of a greatly enlarged scope of territory being sought by Horizon, the "one-off"  
21                    transaction of three customers is a matter that now needs to be determined in conjunction  
22                    with all the other matters.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #51 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Does Hydro One acknowledge that either Multi-Area or Hydro One is required to remove  
7                    the several legacy poles on Fletcher Road as part of the Site Plans approved by the City  
8                    of Hamilton in respect of its streetscape requirements?

9  
10                   **Response**

11  
12                   Multi-Area has advised Hydro One that they have a commitment to the City of Hamilton  
13                   to remove several existing poles and overhead line on Fletcher Road used to service  
14                   existing Hydro One customers.



**Horizon Utilities Corporation (HUC) INTERROGATORY #52 List 1**

**Interrogatory**

Assuming Part II of Horizon Utilities' SAA Application is not approved, please detail Hydro One's plans to provide service to these 3 legacy homes on the west side of Fletcher Road after the poles are removed. Please include in your answer:

- (a) a map or plan depicting the route Hydro One proposes to take to provide service to these customers and the details of how the necessary wires/transformers will be installed.
- (b) a detailed breakdown of the costs to undertake all of the work contemplated by (a); and
- (c) who will be responsible to pay for these costs (i.e., from its stakeholders, Multi-area, the customers, or some other entity) and how will these costs be recovered.

**Response**

- (a) Hydro One is already serving the customers on Fletcher Road that are included in Part II of this SAA application. Hydro One does not have a map or plan depicting the route Hydro One proposes to use to provide underground service to the customers at this time.
- (b) See response to (a) above.
- (c) Multi-Area Development has advised that they will be covering the costs to remove the overhead pole line feeding 3 existing Hydro One customers and move the service underground.

**Horizon Utilities Corporation (HUC) INTERROGATORY #53 List 1**

**Interrogatory**

In the event that Part III of Horizon Utilities' SAA Application is not approved, please detail Hydro One's plans to provide service to the 3 legacy Hydro One customers on the south side of Rymal Road East. Please include in your answer:

- (a) a map or plan depicting the route Hydro One proposes to take to provide service to these customers and the details of the equipment (i.e., wires, transformers) that will be installed to connect the customers to the proposed 27.6 kV Rymal Road East Circuit.
- (b) a detailed breakdown of the costs to undertake all of the work contemplated by (a); and
- (c) who will be responsible to pay for these costs (i.e., from its stakeholders, Multi-area, the customers, or some other entity) and how will these costs be recovered.

**Response**

- (a) Horizon has not specified which three Hydro One customers on Rymal Road East included in Part III to which they are referring in this question. There are ten existing Hydro One connections on Rymal Road East included in Part III, seven residential and three commercial. To be helpful Hydro One will answer the question for all ten customers.

All ten properties will be fed from the 27.6/16 kV line along Rymal Road East. The following list of equipment will be used to connect the customers to the new 27.6/16 kV line:

- Six 16kv/25 kva transformers
- Three banks = Nine -16kv/600v25kva transformers
- Fifteen 21kv arresters

- (b) The estimated costs for the material and installation of the items in part (a) are \$20,300:

- Six 16kv/25 kva transformers = \$6800
- Three banks = Nine -16kv/600v25kva transformers = \$12000
- Fifteen 21kv arresters = \$1500

Filed: January 31, 2013

EB-2012-0047

HONI IRR to HUC 53

Page 2 of 2

- 1 (c) Please refer to HONI IRR to HUC 62. All ten existing Hydro One connections
- 2 included in Part III of the SAA application will be converted to 27.6/16 kV service as
- 3 part of the Enhancement project. The conversion will phase out the HONI
- 4 8.32kV/4.8kV on Rymal Road East.

**Horizon Utilities Corporation (HUC) INTERROGATORY #54 List 1**

**Interrogatory**

Does Hydro One accept that its current 8 kV circuit along the south side of Rymal Road East does not have the capacity to reliably provide the load required by the new Bishop Ryan Catholic Secondary School (“Bishop Ryan Secondary”) currently under construction?

**Response**

Hydro One has repeatedly provided significant detail in this application about plans to provide 27.6kV service to the Bishop Ryan School as well as other Hydro One customers within Hydro One territory. Extending the 8kV system would not provide the level of service Hydro One seeks to provide and has never been a long-term consideration.

**Horizon Utilities Corporation (HUC) INTERROGATORY #55 List 1**

**Interrogatory**

The Electronic Layout/Schedule 'A' on the Hydro One OTC dated November 25, 2012 indicates that the feeder to be used is M3. A revised OTC dated December 14, 2012 now indicates that the feeder will be M5. Why was a different feeder selected? How will the connection to M5 be completed?

**Response**

As indicated in Hydro One evidence filed on January 11<sup>th</sup>, the customer will be served via the M5 feeder. Due to Horizon's continued refusal to provide a supporting guarantee which was required to enable Hydro One to complete the work required to temporarily connect to the M3, it became apparent as the year went on that the opportunity to connect to the M3 temporarily was lost. The connection to the M5 feeder in April 2013 was always the long-term plan as per Hydro One evidence filed on January 11, 2013. Therefore the OTC was updated to the M5 accordingly.

With Horizon's co-operation in respect of an outage required to complete one part of the work (co-operation which so far has not been forthcoming), Hydro One is confident that service will be ready for the customers in question.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #56 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    The Electronic Layout/Schedule 'A' on the OTC dated November 25, 2012 indicates in  
7                    Section 3 that the Connection Work that can be performed either by Hydro One or a  
8                    Contractor as per the customer's choice at a cost of \$3,439.27 and consisted of "load  
9                    break elbows, operate elbow, bushing cap, HI-POT cable and bushing insert". The  
10                  revised OTC dated December 14, 2012 no longer indicates that this Connection Work is  
11                  required. Were these costs omitted, or was the design changed? Please explain.

12  
13                  **Response**

14  
15                  This connection work outlined in Section 3 of the original OTC is required, but it is work  
16                  that the customer's contractor will perform. Hydro One does not complete any work past  
17                  the demarcation point on Customer-Owned equipment, so the option for Hydro One to  
18                  perform that contestable work is not available and accordingly the costs were removed.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #57 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Both OTCs indicate that Bell needs to change an end-of-life 40' pole for a 45' pole. Is  
7                    there a cost to Hydro One for the extra pole height? If yes, will this cost be passed to the  
8                    customer?.

9  
10                  **Response**

11  
12                  Yes, there is an additional cost for the additional pole height. The estimated incremental  
13                  cost totals \$227.

14  
15                  With respect to any adjustments to the OTC's, please refer to HONI IRR to HUC 40 part  
16                  (c).

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #58 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    The Electronic Layout/Schedule 'A' on the OTC dated November 25, 2012 indicates that  
7                    the Rate Class is UGd – Urban General Services. A revised OTC dated December 14,  
8                    2012 now indicates that the Rate Class is ST- Subtransmission. Why was a different rate  
9                    class selected? How does this rate class affect the OTC? Please provide details.

10  
11                   **Response**

12  
13                   The original OTC was revised to recognize that the school qualifies for the ST rate class  
14                   based on the load forecast provided by the School Board. The choice of rate class affects  
15                   the OTC only to the extent that under the ST rate class, the customer is required to  
16                   provide its own transformation facilities, with a transformation credit provided on the bill,  
17                   whereas under the General Service rate class transformation facilities can be provided by  
18                   Hydro One. Please refer to HONI IRR to Board Staff 5 for further details.



**Horizon Utilities Corporation (HUC) INTERROGATORY #59 List 1**

**Interrogatory**

Reference: Hamilton-Wentworth Catholic District School Board letter dated December 18, 2012, to Tammy O'Sullivan, Hydro One, re the Hydro One "Second Offer to Connect".

**Preamble**

Attached to the above-noted letter, which has been filed with the Board, is an analysis prepared by the School Board's electrical engineer, NRG Consultants ("NRG"). The letter indicates that NRG undertook a comparative evaluation of costs and in the attachment – Bishop Ryan Electricity Cost Analysis (Revision 1) – it appears that NRG has used Hydro One's 2012 ST rate.

Please confirm the percentage by which Hydro One's 2012 ST rate has increased for 2013 over the 2012 ST rate.

**Response**

The 2013 monthly fixed charge ST rate has increased by 1.08% over 2012. The 2013 variable Common ST Lines rate, including all riders, has decreased by 49% relative to 2012.

A full copy of the Conditions of Service including the Rate Class charges approved for 2013 is included in Attachment 1 of HONI IRR to HUC 2.

**Horizon Utilities Corporation (HUC) INTERROGATORY #60 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence, page 7 of 15

**Preamble**

Hydro One sets out the reasons why it should remain the service provider for the Bishop Ryan SS at page 7 of its Pre-filed Evidence.

- (a) Please confirm whether Hydro One received a copy of the letter dated December 18, 2012 from David Morrissey, Controller of Plant, Hamilton-Wentworth Catholic District Board, to Tammy O'Sullivan, Hydro One.
- (b) Has Hydro One subsequently received any further communications, whether oral or in writing, which would indicate that the School Board has reached a conclusion other than that set out in the December 18, 2012 letter? If so, please produce copies of all such correspondence and communications.

**Response**

- (a) Yes, Hydro One received a copy of the December 18, 2012, letter from David Morrissey.
- (b) No, Hydro One has not received any further communication from Mr. Morrissey that would indicate that the School Board has reached a different conclusion from that set out in the December 18, 2012, letter.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #61 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Reference: Hydro One OTC dated December 14, 2012

7  
8                    **Preamble**

9  
10                  Horizon Utilities understands that Hydro One has used a ST rate for the above OTC.

- 11                  (a) Please confirm that this is correct. If so, is there a threshold demand which the  
12                      Bishop Ryan SS must achieve, failing which it is no longer eligible to pay the ST  
13                      rate? What is the threshold? Would the alternative rate be the GS>50 kW rate in  
14                      the event that the Bishop Ryan SS falls below this threshold?

15  
16                  **Response**

- 17  
18                  (a) Please refer to HONI IRR to Board Staff 5.

**Horizon Utilities Corporation (HUC) INTERROGATORY #62 List 1**

**Interrogatory**

Reference: Hydro One Pre-filed Evidence, page 7 of 15 and Hydro One's OTC to the School Board dated December 14, 2012

**Preamble**

Hydro One has not included any costs for upstream expansion work in its OTC to the School Board. Horizon Utilities takes the position that the proposed 27.6 kV Rymal Road East Circuit which Hydro One must necessarily construct to provide service to the Bishop Ryan SS and to Summit Park 7 constitutes upstream expansion work.

- (a) Should the Board conclude that the proposed 27.6 kV Rymal Road East Circuit is upstream expansion work, what amount would Hydro One have included in its OTC to Multi-Area? Please provide a breakdown of this figure and a detailed explanation as to how it has been calculated.

**Response**

- (a) Hydro One has indicated that the proposed 27.6 kV circuit currently under construction along Rymal Road East constitutes an Enhancement project, as its primary purpose is to reinforce the radial line that currently serves the Town of Binbrook. Additionally, the new line is also designed to reinforce service for other customers along its proposed route, including the Elfrida Industrial Park. As an enhancement project that has been planned for some time and is required to be built regardless of the outcome of this SAA application, none of its costs are attributable to Summit Park Phase 7 or the new school.

1                    **Horizon Utilities Corporation (HUC) INTERROGATORY #63 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    Does Hydro One acknowledge that the lands which relate to Part V of the SAA  
7                    Application are all owned by Multi-Area and slated for further urban residential,  
8                    commercial and institutional development?

9  
10                   **Response**

11  
12                   As per Horizon SAA application Part V section 7.1.1.(c) Multi-Area is the owner for the  
13                   lands related to Part V of the SAA application. According to Horizon's SAA application  
14                   Part V section 7.2.1.(c), the lands which are subject to Part V are zoned primarily for  
15                   residential.

**Horizon Utilities Corporation (HUC) INTERROGATORY #64 List 1**

**Interrogatory**

In the event that Parts I and IV of the SAA Application are granted by the Board, does Hydro One accept that it would make no practical sense to build the proposed 27.6kV Rymal Road East Circuit to serve the lands included in Part V of the SAA Application?

If Hydro One disagrees, please provide a detailed explanation detailing how Hydro One will recover the costs of the Rymal Road East Circuit, from whom, and over what period of time.

**Response**

Hydro One does not agree with the assertions above. As stated in numerous other Interrogatory Responses and in Hydro One's evidence at Appendices A and B, the construction of the Binbrook loop will occur along the proposed route regardless of the outcome of this application.

As with other enhancement projects, the costs will be included in ratebase and recovered from all customers, consistent with the DSC.

1                    **School Energy Coalition (SEC) INTERROGATORY #1 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    [Hydro One Evidence, p. 1] Please confirm that, in exercising the “right to connect”  
7                    claimed by Hydro One, Hydro One agrees that its overriding obligation is to act in the  
8                    best interest of its customers, including the potential customer that is the subject of the  
9                    claimed right to connect.

10  
11  
12                   **Response**

13  
14                   Hydro One’s overriding obligation in any Service Area Amendment proceeding is to  
15                   follow the principles and considerations stated by the Board in the generic decision (RP-  
16                   2003-0044). All customers are taken into account by those principles and considerations.

1                    **School Energy Coalition (SEC) INTERROGATORY #2 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    [H1E, p. 2] Please confirm that, if the fact that “the Application seeks to carve out, from  
7                    the territory of HONI, the incumbent LDC, a new school being built”, is in the best  
8                    interest of that school, Hydro One agrees that such a carve out will generally be  
9                    appropriate.

10  
11                   **Response**

12  
13                   Please refer to HONI IRR to SEC 1.



1                    **School Energy Coalition (SEC) INTERROGATORY #3 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    [H1E, p. 3] Please advise whether, prior to the delays referred to, the use of the M3  
7 feeder to serve the customers in the subject area was the best option to serve those  
8 customers. Please advise what additional costs and other disadvantages will result by  
9 changing to a less optimal option, and how those additional costs could impact a) the  
10 customers to be connected, and b) the existing customers of Hydro One.

11  
12                   **Response**

13  
14                   Connection to the M3 feeder was always intended to be temporary until spring 2013  
15 when the M5 feeder was available. The current construction plan is the most optimal  
16 option. There are no disadvantages to the customers to be connected or existing  
17 customers of Hydro One.

**School Energy Coalition (SEC) INTERROGATORY #4 List 1**

**Interrogatory**

[H1E, p. 7] Please provide (or reference the information already in the evidence) the final offer to connect from Hydro One to the School Board, and the full response from the School Board. Please advise the date of the School Board's rejection of the Offer to Connect, and advise where Hydro One has disclosed that response in its evidence.

**Response**

The final offer to connect from Hydro One to the School Board can be found at Appendix C in Hydro One's Evidence document filed with the Board on January 11, 2013. The response from the School Board can be found in a letter dated December 18, 2012, which is filed on the OEB website under document type intervenor evidence at the following link:

<http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/377550/view/>.

Hydro One did not reference the School Board's response in its evidence given that it was already recorded on the Board website as the School Board's evidence document.

**School Energy Coalition (SEC) INTERROGATORY #5 List 1**

**Interrogatory**

[H1E, p. 7] Please advise whether the school would, subject to the applicability of the ST rate, be in the GS–Demand rate class or the UG-demand class. Please provide the annual monthly charges and volumetric charges that would currently be applicable to the school given the load estimates in the Offer to Connect, at:

- a. The proposed ST rates;
- b. The UG – Demand rates;
- c. The GS – Demand rates;
- d. The Horizon GS>50 rates.

**Response**

Please refer to HONI IRR to Board Staff 5 d) for details on ST customer conditions of service. Bishop Ryan must be treated as a ST customer.

Please refer to HONI IRR to SEC IR 10 for estimated customer charges for a typical ST customer using relevant demand parameters for Bishop Ryan School.

**School Energy Coalition (SEC) INTERROGATORY #6 List 1**

**Interrogatory**

[H1E, p. 7] Please advise whether Hydro One agrees that inability of the School Board to open a needed school on time, as a result of Hydro One's opposition to this Application, is a factor to be considered in determining "the public interest".

**Response**

The service and satisfaction of customers is always a key objective for Hydro One. Thus Hydro One agrees that the ability of the Bishop Ryan School, a Hydro One customer in Hydro One territory, to open on schedule is a priority in order to satisfy both this customer and the numerous residential customers Hydro One serves that will use this facility. The neighbouring utility has, in contravention of the Distribution System Code, provided temporary power to the facility. Nevertheless, Hydro One has not sought to remove or in any way interfere with that connection so that this customer can continue with construction on a timely basis. Regrettably, the timely, long-term provision of power to Hydro One's customer in Hydro One's territory has subsequently been subjected to the current proceeding. This proceeding was launched by the neighbouring utility without meaningful consultation with the incumbent LDC. Hydro One submits that had those consultations been initiated by the neighbouring utility in a meaningful way, as required by the Code, the uncertainty now faced by Hydro One's customer in Hydro One's territory may have been avoided.

Regardless of the outcome of this proceeding, Hydro One warrants that it will continue to take all steps at its disposal to support the timely opening of the facility.

**School Energy Coalition (SEC) INTERROGATORY #7 List 1**

**Interrogatory**

[H1E, p. 8] Please respond to the allegations in the Observer Request from the School Board to the Board relating to power quality issues at one Hydro One supplied school.

**Response**

The school referenced in the Observer Request from the School Board to the Board dated November 28, 2012, is St. Matthew Catholic Elementary School, which is fed from the M5 feeder from Nebo TS.

There are no power quality issues at this school that have been reported to Hydro One.

As per Hydro One evidence filed on January 11, 2013, page 8, there were only 8 interruptions in 2011, of which 63% were of a momentary nature where the outage was less than one minute.

There was only one incident reported (January 13, 2011) at the location of St. Matthew Catholic School. The cause of this outage was found to be a third party who severed a Primary Underground cable.

**School Energy Coalition (SEC) INTERROGATORY #8 List 1**

**Interrogatory**

[H1E, p. 9] Please identify the “upstream customers [who] have made significant contributions in aid of construction with a reasonable expectation that future connections will provide contributions in turn as they become connected” related to the feeders to be used to serve a) the school, b) Phase 7 of the development, and c) the other customers in the subject area, and in each case the total amount of all such contributions.

**Response**

This statement was in reference to the fact that there is a capital contribution from Hydro One Distribution required for the Nebo TS upgrade. Hydro One Distribution has requested this upgrade in order to provide increased capacity to meet the expected load growth in the area, including on the lands that are the subject of this SAA application. This capital contribution is pooled and recovered over time in rates from all Hydro One Distribution customers.

**School Energy Coalition (SEC) INTERROGATORY #9 List 1**

**Interrogatory**

[H1E, p. 10] Please explain why it is in the public interest for the school and the other new customers in the subject area to subsidize Hydro One's existing customers.

**Response**

Hydro One does not understand the question. Different customers will have different costs to serve. Given postage-stamp ratemaking within rate classes, different costs to serve will inherently give rise to cross-subsidies within rate classes, with some customers providing, and others receiving, a cross-subsidy from others in the rate class.

When an asset is constructed the optimal situation (i.e., the public interest) is for the capacity of that asset to be fully utilized. Hydro One has a requirement to build a loop feed to Binbrook to ensure robust and reliable service to the growing number of customers in Elfrida, Binbrook and along the line. Good utility practice is to maximize the use of that line. Thus, of the scenarios reviewed for the necessary Binbrook loop, the one chosen was determined to optimize the use of that asset over time and provide high quality service to all of Hydro One's customers in the area. This is the type of broad, long-term planning that a utility must perform.

Removal of service territory from the incumbent LDC means that the line, which still needs to be built, will likely serve fewer customers despite essentially the same cost to construct. Horizon, on the other hand, has acknowledged that its current facilities are at capacity and therefore new facilities will be necessary. Therefore, on a system-wide basis, the public interest of all ratepayers is best served by encouraging the fullest utilization of the assets in place and planned, rather than constructing new ones and, in so doing, causing the said assets to operate below their capability.

Customer Class	Billing Units	Average Monthly Volume	Distribution Charges		Bill Impacts on Distribution Charges		Total Bill Charges		Total Bill Impact	
			Horizon Utilities	Hydro One	\$	%	Horizon Utilities	Hydro One	\$	%
Sub-Transmission	kW	1,300		\$ 1,627.10			\$ 50,390.34			
GSe - General Service	kWh	2,000	\$ 57.34				\$ 285.87			
GSd - General Service	kW	1,300	\$ 2,501.78				\$51,826.81			
Note: Table 1 in Section 7.3.2 of Part IV of Horizon's SAA Updated October 24 states that: "Total Bill Charges include HST and OCEB"										
Ontario Clean Energy Benefit was inappropriately applied in their analysis. This customer is not eligible to receive OCEB.										
However for a fair comparison, Hydro One has applied OCEB in our analysis noting that this would not actually apply on the customer's bill.										



<b>Estimated Bishop Ryan Monthly Bill - ST Distribution Customer</b>				
Typical Bill as of Oct. 1 2012				
<i>Estimated Customer Consumption implied by the total bill amount shown in Table 1 of Section 7.3.2 of Part IV</i>				
Retail kWhrs				456,000
TLF (loss factor)				1.044
Wholesale kWhrs				476,064
Retail kW				1,300
<b>Bill Item</b>	<b>Rate</b>	<b>Units</b>	<b>Billing Quantity</b>	<b>Total</b>
1. Commodity Charge *	7.4 ¢/kWh		476,064 kWhrs	35,228.74
2. Dx Charges **				
ST Common Line charge	0.668 \$/kW		1,300 kW	868.40
Service charge	292.56 /month			292.56
Meter Charge	466.14 /month			466.14
				<b>1,627.10</b>
3. Retail Transmission Service Charges				
RTSR - Tx Network	2.65 \$/kW		1,300 kW x TLF	3,596.58
RTSR - Tx Line Connection	0.64 \$/kW		1,300 kW x TLF	868.61
RTSR - Tx Transformation Connection	1.5 \$/kW		1,300 kW x TLF	2,035.80
4. Other Regulated Charges				
Wholesale Market Service Charge	0.52 ¢/kWh		476,064 kWhrs	2,475.53
Rural and Remote Rate Protection	0.11 ¢/kWh		476,064 kWhrs	523.67
5. Debt Retirement Charge	0.7 ¢/kWh		456,000 kWhrs	3,192.00
6. Subtotal				<b>49,548.03</b>
7. HST	13%			6,441.24
8. Total Bill Charges				<b>55,989.27</b>
9. Adjustment of OCEB ***	10%			-5,598.93
10. Adjusted Total for Comparison Purposes (Included in Table above)				<b>50,390.34</b>
* Estimated commodity cost based on Hydro One's avg 2012 spot market price for energy plus Global Adjustment				
** Assumes no low voltage distribution station charges.				
*** OCEB is applied for the purpose of comparison of total charges. This customer is not eligible for OCEB.				

Hydro One acknowledges that the customer has indicated that it prefers Horizon's Offer to Connect, due apparently in large part to its obligation under HONI's ST Rate Class to build and maintain its own transformer facility at the school. However, from a financial perspective at least, Hydro One wishes to point out that the savings in rates more than offset a reasonable estimate of the transformer's cost as indicated by the analysis below. Whether using the Delivery Only portion of the bill or the Total Bill Charges, there is a significant overall benefit to being charged HONI ST rates.

Hydro One has concluded that a fair estimate of the cost to construct a suitable transformer for this application is approximately \$40-\$50 Thousand. This is very much inline with Horizon's cost estimate (after removal of permitting and connection cost) included in its Offer to Connect on Page 29 of Part IV of its SAA updated October 24. Also, Hydro One expects that maintenance on a transformer of this size would be less than \$2,000 per year.

Using a transformer cost of \$50,000, monthly maintenance of \$200, and the bill savings outlined above, there is a significant savings over a 10 year period.

Bishop Ryan - Transformer Purchase Analysis							
Monthly - Total Bill Charges				Monthly - Delivery Charge Only			
Total Bill Charge - HONI		50,390		Delivery Charge - HONI		1,627	
Total Bill Charge - HUC		51,827		Delivery Charge - HUC		2,502	
Rate Benefit		1,437		Rate Benefit		875	
Less: Monthly Maintenance		(200)		Less: Monthly Maintenance		(200)	
<b>Net Benefit of ST Rate</b>		<b>1,237</b>		<b>Net Benefit of ST Rate</b>		<b>675</b>	
Present Value of Rate Benefit (10 yrs)		112,195		Present Value of Rate Benefit (10 yrs)		61,210	
Estimated Cost of Transformer		50,000		Estimated Cost of Transformer		50,000	
<b>10-year Benefit of HONI ST Rate vs. HUC GS Rate</b>		<b>62,195</b>		<b>10-year Benefit of HONI ST Rate vs. HUC GS Rate</b>		<b>11,210</b>	
WACC		6%					
Monthly WACC		0.5%					

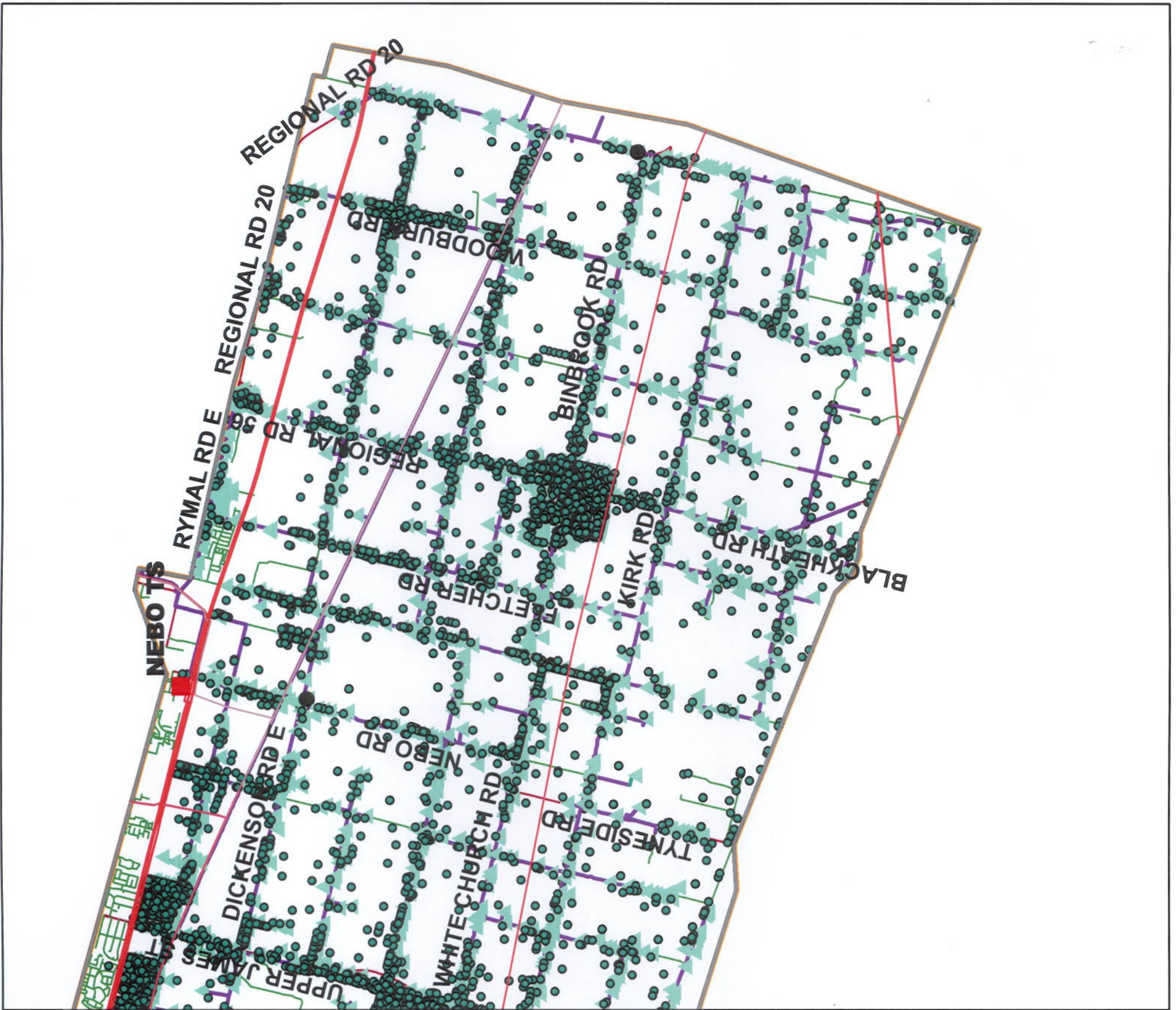
1                    **School Energy Coalition (SEC) INTERROGATORY #11 List 1**

2  
3  
4                    **Interrogatory**

5  
6                    [H1E, p. 15] Please provide a map showing the Urban and Non-urban areas “south  
7                    of HUC’s service territory”.

8  
9                    **Response**

10  
11                    Attached please find a map outlining Hydro One’s service territory south of Horizon’s  
12                    service territory, in the region included in the Service Area Amendment Application.  
13                    The section on Rymal Road East between Fletcher Road and Regional Road 56  
14                    continuing down Regional Road 56 to Binbrook will form a new Urban Cluster. The  
15                    remaining sections are considered Non-Urban.



### Legend

- |                       |   |              |
|-----------------------|---|--------------|
| Transformer Station   | • | Meter Point  |
| 0 kV                  | — | Transformers |
| 115 kV                | — | UG_Lines     |
| 14 kV                 | — | OH_Lines     |
| 230 kV                | — | Roads        |
| 28 kV                 | — | Highways     |
| 345 kV                | — | Expressway   |
| 44 kV                 | — |              |
| 500 kV                | — |              |
| 69 kV                 | — |              |
| DundasOps             | □ |              |
| Distribution_Stations | ● |              |

**School Energy Coalition (SEC) INTERROGATORY #12 List 1**

**Interrogatory**

[H1E, p. 14] Please confirm that the School Board is “a new customer [who] has compared two Offers to Connect and wishes to connect to a non-incumbent LDC”.

**Response**

Hydro One confirms that the Hamilton-Wentworth Catholic District School Board School Board has a new school under construction in Hydro One’s service territory that requires a connection to the distribution system. In a letter to Hydro One dated December 18, 2012, the School Board stated they have compared two Offers to Connect and wish to connect to a non-incumbent LDC.



**School Energy Coalition (SEC) INTERROGATORY #13 List 1**

**Interrogatory**

[H1E, App. A, p. 1] Please provide the date of this study. If this is not the original first page of the study, please provide the original first page.

**Response**

Please refer to HONI IRR to Board Staff 7, part d.

**School Energy Coalition (SEC) INTERROGATORY #14 List 1**

**Interrogatory**

[H1E. App. B, p. 1] Please provide the date of this document. If the original document included the date, please provide the full original document.

**Response**

Please refer to HONI IRR to Board Staff 7, part d.

**School Energy Coalition (SEC) INTERROGATORY #15 List 1**

**Interrogatory**

[H1E, App. D, Schedule F] Please recalculate this schedule with the sole change being to use Horizon's current Board-approved distribution rates rather than Hydro One's rates.

**Response**

As requested, Hydro One has revised Schedule F of its January 11<sup>th</sup> evidence changing ONLY the electricity delivery rates from Hydro One's to Horizon's. Hydro One has used the Horizon rates used in the filed June 2012 SAA application and cannot warrant that they represent the most up-to-date Board Approved rates as of January 2013. For the purpose of this comparison, Hydro One has not attempted to alter any other capital or cost factors.

See revised Schedule F on the next page.

Please note that the requested results are not meaningful with respect to the net present value or capital contribution calculated. Changing only the rate without changing the underlying factors that are used to derive the rate, such as OM&A and the cost of debt and equity, results in an invalid and non-meaningful comparison.



**Schedule "F": Economic Evaluation Results**

**Basic Discounted Cash Flow Calculation**

<b><u>Capital Costs and Charges</u></b>				<b>Hydro One does all the work (Option A)</b>	<b>Alternative Bid Option (Option B)</b>
Subdivision Expansion Cost	Length	2477	metres	\$ 757,154.26	\$ 473,214.43
Line Expansion Cost	Length	0	metres	\$ -	\$ -
Subtotal				\$ 757,154.26	\$ 473,214.43
Overheads and Interest During Construction				\$ 93,510.86	\$ 60,382.38
Total Capital Cost				\$ 850,665.11	\$ 533,596.80

<b><u>Operating and Maintenance (O&amp;M) Costs over 25 Year Revenue Horizon</u></b>					
Estimated Connection O & M per year		\$	34,180.06		
Estimated Expansion O & M per year					
Line Expansion O&M (OH Line)	0 m	\$	-		
Line Expansion O&M (UG Line)	0	\$	-		
Subdivision Line (OH Line)	0	\$	-		
Subdivision (UG Line)	2477	\$	2,558.74		
Estimated System Reinf. O&M per year		\$	31,776.61		
Estimated Yearly O&M		\$	68,515.41		
Estimated Total O&M Over 25 Years		\$	1,712,885.16	PV \$ 886,979.63	\$ 886,979.63

<b><u>Total Cost of Connection</u></b>					
Total Capital Cost				\$ 850,665.11	\$ 533,596.80
Total PV of O&M				\$ 886,979.63	\$ 886,979.63
Total Cost Of Connection				\$ 1,737,644.75	\$ 1,420,576.44

## Basic Discounted Cash Flow Calculation

### Summary of Revenues over Horizon

Residential Energy Kilowatt hours (kWh) **191,608.64** Energy Billed at a Rate of 1.420 cents per kWh  
Combined Averages for 286 Residential Rate Class customer(s)

Residential Energy Kilowatt hours (kWh)

Commercial Energy Kilowatt hours (kWh) **1892.1600** Energy Billed at a Rate of 3.938 cents per kWh  
Combined Averages for 1 GSe Rate Class customer(s)

Commercial Demand Kilowatts (kW)

Monthly Combined Revenue	\$	2,795.36		
Service Charges Totaled for the project	\$	4,168.19		
Total	\$	6,963.55		
Yearly Revenue	\$	83,562.55		
Total Revenue Over 25 Years	\$	2,089,063.79	PV \$	1,081,775.39
				\$ 1,081,775.39

### Taxes, Tax Credits and Other Adjustments

PV Income Taxes	\$	55,029.81		
CCA Tax Shield, and Municipal Taxes	\$	(130,709.12)		
PV Working Capital	\$	6,349.69		
Capital Contribution Adjustment	\$	106,487.19		
	\$	37,157.57	PV \$	37,157.57
				\$ 37,157.57
Revenue After Tax	\$	1,044,617.82		
				\$ 1,044,617.82

### Summary of Costs and Revenues

Total Cost of Connection	\$	1,737,644.75	\$	1,420,576.44
Less Applicable Revenue After Tax	\$	1,044,617.82	\$	1,044,617.82
Customer Pays This Amount* plus Excluded Items and HST	\$	(693,026.93)	\$	(375,958.62)

\*Difference between the Total Cost of Connection and Revenue After Tax (note negative number indicates Capital Contribution is required)

\*\* In the case of a credit, the maximum amount of this value is equal to the Contestable support of Option A

PV = Present Value

Rev IR\_SEC\_15

## Basic Discounted Cash Flow Calculation

**This is how the Calculation relates to Sections 2.0, 3.0, 5.0A and 5.0B of your contract.**

	Hydro One does all the work (Option A)	Alternative Bid Option (Option B)
<b>Customer Contribution Required For The Connection (From Above)</b>	\$ 693,026.93	\$ 375,958.62
<b>Less Pre Paid Amounts</b>		
Line 1.1 Engineering Design Fees Paid	\$ 14,800.00	\$ 14,800.00
Line 3.4 Miscellaneous Approvals Paid	\$ -	\$ -
<b>Plus Items Excluded From Receiving Support</b>		
Incremental Cost For Pad-Mounted Transformer (NonContestable)	\$ -	\$ -
Work Site Inspector	\$ -	\$ 38,253.60
Returned Materials Charge	\$ -	\$ -
Sub Total	\$ 678,226.93	\$ 399,412.22
HST	\$ 88,169.50	\$ 51,923.59
Amount Due*	\$ 766,396.43	\$ 451,335.81

Average Support per Service		Option A	Option B
Residential Energy		\$ 3,597.47	\$ 3,237.72
Commercial Energy		\$ 15,741.45	\$ 14,167.31
Commercial Demand		\$ -	\$ -
Note: Option B Average Support Includes 10% Holdback for Warranty			

1 \* Note:Section 4.0 charges are in addition to these amounts.

**School Energy Coalition (SEC) INTERROGATORY #16 List 1**

**Interrogatory**

[H1E, App. E, p. 2] Please explain why the work referred to in #8 was being done “on an accelerated schedule”.

**Response**

The statement made in Point #8 of Appendix E was made in the context of the Road Widening project. Hydro One was requesting Municipal Consent in advance of AJ Clarke completing the full design for the City and issuing a Pole Movement Order which is considered an accelerated schedule to AJ Clarke. It is not in reference to the work Hydro One is actually undertaking.

**School Energy Coalition (SEC) INTERROGATORY #17 List 1**

**Interrogatory**

[Horizon IR response to Hydro One #8] Please show side by side calculations of Hydro One's Offer to Connect based on the demand figures 458.3 and 1,108.3, and based on 1,100 and 1,300.

**Response**

Please see the response to Board Staff IR #5, parts e) to j). As noted there, the school is treated as a "lie along" customer under the terms of Hydro One's Conditions of Service and as such, a detailed Offer to Connect based on a DCF analysis and capital contribution calculation is not required under section 3 of the DSC.

Accordingly the school's load forecast does not affect the connection costs payable by the School Board under Hydro One's Offer. Those costs would remain the same regardless of which load forecast given by the School Board, the one to Horizon or the one to Hydro One, was used in its preparation.

Please also note that Hydro One has asked an Interrogatory of the School Board to clarify which of the two load forecasts is correct.

Details of the Demand forecast provided by the School Board that Hydro One used in its Offer to Connect are included below. Hydro One has used these numbers and has not sought to complete a revised Offer to Connect based on the forecast numbers that Horizon has used in its Offer for the reason outlined above.

## **NCCI COMPLETION INSTRUCTIONS FOR CUSTOMER**

Please complete all required information highlighted in yellow on the attached New Customer Connection Information form.

### **SECTION 1:**

- Provide **Customer Name**, **Phone Number** and **Civic Address** or **Township**, **Concession** and **Lot** and **Contractor/Consultant** name and contact information.
- **Desired Connection Date** can be an estimated date but one must be provided.
- **Peak Load** is the maximum monthly peak demand.
- **Requested Service Voltage** Rating may be primary or secondary.
- **Service Ampere Rating:** If upgrading service, provide both **Existing** service rating and **Proposed** new service rating. For a new service, provide **Proposed** new service rating only.

### **Loading Profile**

#### **Service Upgrade:**

**Loading Profile** must be provided for the **Existing Service** and the **New Service** in the **Demand Section** or **Energy Section** as applicable. The **Loading Profile** for the **New Service** should include the **Loading Profile** for **Existing Service**. Where the **Demand Section** is applicable (>50 kW), the **Loading Profile** must match the **Peak Load kW** in one month.

#### **New Service:**

**Loading Profile** must be provided for the **New Service** in the **Demand Section** or **Energy Section** as applicable. Where the **Demand Section** is applicable (>50 kW), the **Loading Profile** must match the **Peak Load kW** in one month.

### **Motor Information**

To assess the impact of motor starting, Hydro One needs to know the largest motor that will be started or the total of all motors that will be started simultaneously based on the table below. For example, a single 100 HP motor has the same impact as four 25 HP motors that are started at the same time. Also, indicate if motor starting assistance is being implemented (for example, "soft start").

Voltage	1 phase motors	3 phase motors
16/27.6 kV and above	>20hp	>100 hp
below 16/27.6 kV	>10 hp	>25 hp

### **Welding Machines**

Required for largest welder only or for each welder size exceeding 30 KVA.

If there is insufficient space provided in the attached form for all information required, list the details on a separate sheet of paper and return as an attachment.

***\*End of document***

SECTION 1 - Customer Section – please complete the following providing all information requested in yellow highlight												
Customer Name: <b>Bishop Ryan Catholic SS</b>	Customer Phone#: <b>905 525-2930</b>				Civic Address: <b>1824 Rymal Road East</b>							
Township: <b>Hamilton, Ontario</b>	Concession: <b></b>				Lot: <b></b>							
Contractor/Consultant: <b>NRG Consultants</b>	Contractor/Consultant Phone#: <b>905 304-0294</b>				Fax#: <b>905 304-0275</b>							
Desired Connection Date: <b>April, 2013</b>	Peak Load - Existing: <b>N/A</b> kW Proposed: <b>1000</b> kW											
Requested Service Voltage Rating: <b>347/600</b>	Service Ampere Rating - Existing: <b>N/A</b> Amps Proposed: <b>1500</b> Amps											
<b>Loading Profile</b>												
Note: If load is greater than 50 kW Customer is to complete DEMAND SECTION only. If the load is less than 50 kW Customer is to complete ENERGY SECTION only.												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
<b>Demand Section</b>												
Existing Service Demand (kW)	0	0	0	0	0	0	0	0	0	0	0	0
New Service Demand (kW)												
1 <sup>st</sup> year	0	0	0	300	300	300	400	400	800	900	1000	1100
2 <sup>nd</sup> year	1200	1200	1100	1100	1100	1000	900	800	1200	1100	1100	1100
3 <sup>rd</sup> year	1200	1200	1100	1100	1100	1000	900	800	1200	1100	1100	1100
4 <sup>th</sup> year	1200	1200	1100	1100	1100	1000	900	800	1300	1200	1200	1200
5 <sup>th</sup> year	1200	1200	1100	1100	1100	1000	900	800	1300	1200	1200	1200
<b>Energy Section</b>												
Existing Service Demand (kWh)	0	0	0	0	0	0	0	0	0	0	0	0
New Service Energy (kWh)												
1 <sup>st</sup> year												
2 <sup>nd</sup> year												
3 <sup>rd</sup> year												
4 <sup>th</sup> year												
5 <sup>th</sup> year												
<b>Motor Information</b>												
Type of Motor: <b></b>	Rated Horse Power: <b></b>											
Type of Operation: <b></b>	Full Load Current in Amps: <b></b>											
Starting Current Amps: <b></b>	In Rush KVA: <b></b>											
Frequency of Starts: <b></b>	NEMA Std: <b></b>											
Limitations may apply see Conditions of Service: Section 2.3.3, Electrical Disturbances "Customer Responsibilities"												
<b>Welding Machines</b>												
KVA Rating: <b></b>	Details: <b></b>											
Rated Welder Primary Voltage: <b></b>	Maximum Primary Current in Amps: <b></b>											
Power Factor: <b></b>	Number of Welders Operated Simultaneously: <b></b>											
Frequency of Operations of Each Machine (weld/min): <b></b>	Duration of Welds for Each Machine: <b></b>											

SECTION 2 – To be completed by the ADET			
Date:	ADET: <u>Dave DeNoble</u>	Service Centre: <u>Dundas</u>	Phone: <u>905 979 2081</u> Fax:
<b>Scope of Job</b> <u>New 3 phase primary u/g for new school on Rymal Road</u>			
Rate Class: <u>Gsd</u>	Primary Supply Voltage:	Connection Type: NCON <input checked="" type="checkbox"/> UPGRADE <input type="checkbox"/>	Voltage Conversion Area:
Transformer# <u>N/A</u> Existing: <u>27.6 KVA</u> Proposed: <u>1500 KVA</u>		Fuse Size: <u>No Line</u> Install. Fuse at station.	Phase (R,W,B or 3 Ph): <u>3 Ph</u>
Transformer Ownership: <input checked="" type="checkbox"/> Customer Owned Transformer <input type="checkbox"/> Hydro One Owned Transformer			
Please complete a separate description for each possible connection point			
Station #1: <u>Nebo TS</u>	Feeder #1: <u>M3 (as of now)</u>	Switch #1: <u>N/A (as of now)</u>	
Station #2:	Feeder #2:	Switch #2:	
Expansion Required: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> If yes, _____ meters Does Refund Admin Apply? <u>NO</u>			
Crossing Permits Required: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> Type: Rail <input type="checkbox"/> Water <input type="checkbox"/> Pipe <input type="checkbox"/>			
Distribution Operating Map Number:		Are there any adjoining subdivisions maps available: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Details: <u>Summit Park Phase 7</u>	
<b>Class C for Expansion:</b> Provide brief description of the work involved and the Class C's			
To be completed by the ADET for Expansions 1 Kilometre or Greater and all Subdivisions: Provide GPS coordinates at proposed Subdivision. GPS coordinates are to be latitude and longitude to 3 decimals or greater. Note: ArcFM x/y coordinates provide only two decimal places, which is not adequate			
<b>Location</b>	<b>GPS Latitude and Longitude</b>	<b>QNA Tool Report</b>	
Each Subdivision Entrance		Go <input type="checkbox"/> No Go <input type="checkbox"/>	
Nearest Corner of Subdivision Boundary		Go <input type="checkbox"/> No Go <input type="checkbox"/>	
		Go <input type="checkbox"/> No Go <input type="checkbox"/>	
		Go <input type="checkbox"/> No Go <input type="checkbox"/>	
		Go <input type="checkbox"/> No Go <input type="checkbox"/>	
<b>Collector Site Location Information Required</b>			
Potential AMRC installation locations	GPS Latitude and Longitude	MDX Pole ID (if bar-coded)	
Nearest suitable pole to each entrance			
Comments:			

SECTION 3: For DX Planning Use: System Impact Assessment for OCGG Controlled Assets	
Feeder Protection Checked? <input type="checkbox"/>	Comments:
Customer Primary Fuse Checked? <input type="checkbox"/>	Comments:
Additional Load Acceptable? <input type="checkbox"/>	Comments:
System Impact Assessment Completed by: <u>(Insert DX Planner's Name)</u>	

SECTION 4: To be completed by the Subdivision Group		
Subdivision Name:		
Title:	Reference:	
Type of Heat: Electric Baseboard <input type="checkbox"/> Electric Central Heat <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Propane <input type="checkbox"/> Other <input type="checkbox"/> (non-electric - please define):		
Subdivision O/H <input type="checkbox"/> U/G <input type="checkbox"/>	Number of Lots:	Estate Lots: Yes <input type="checkbox"/> No <input type="checkbox"/>
Is 3 Phase Service Required: Yes <input type="checkbox"/> No <input type="checkbox"/>	Type of Load:	Reason:
Further Phases of Subdivision:		



**School Energy Coalition (SEC) INTERROGATORY #18 List 1**

**Interrogatory**

[Horizon IR response to Hydro One #14] Please provide the map Hydro One requested from HUC, and HUC is unable to provide.

**Response**

Hydro One has asked that Horizon provide the map as originally requested. Once received, Hydro One will provide it to other intervenors if they have not received it from Horizon directly.

**School Energy Coalition (SEC) INTERROGATORY #19 List 1**

**Interrogatory**

[Horizon IR response to Hydro One #17] Please confirm that Hydro One proposes to connect the school on a radial fed feeder, as stated by Horizon.

**Response**

The ultimate design for the feeder that the school is to be connected to is to provide a loop feed. Initially the connection will be of a radial nature but the loop for this portion of the feeder is to be completed in 2013. Please refer to HONI IRR to HUC 24.

**Brant County Power Inc., EnWin Utilities Ltd. and Essex Powerlines**  
**(BCPI, ENWIN, ESSEX) INTERROGATORY #1 List 1**

**Interrogatory**

**Preamble:**

The Distributors understand that all or some of the areas and or customers were the subject of one or more prior application to amend the services areas in which Horizon would have obtained the service area and customers. Further, it is understood that neighbouring areas within the Summit Park (i.e. Phase 3) were the subject of service area amendment requests that were supported by Hydro One.

The Multi Service Connection Agreement is dated effective July 27, 2012. This is several weeks after the original filing of the Service Area Amendment process by Horizon.

**References:**

Hydro One Intervenor Evidence, Page 8 of 15.

Hydro One Intervenor Evidence, *Distribution Area Study for Ancaster and Glanbrook Areas*

Distribution System Code, section 6.3

OEB Decision and Order, EB-2006-0216

**Question:**

- (a) Please provide a timeline showing the various applications for service area amendments for the Summit Park? Please provide Hydro One's position (oppose, support, did not participate) in each application.
- (b) Please provide a copy of any Hydro One resolution, policy, guideline, procedure, directive or similar document that has constrained, authorized, informed, directed or implemented Hydro One's response to a service area amendment request by a distributor since January 2009.
- (c) When did Hydro One communicate to Horizon the apparent change in position that Hydro One would no longer consent or not oppose a change in service territory in respect of Summit Park Phase 7?
- (d) What communication between Hydro One and Horizon occurred with the preparation of the "*Distribution Area Study for Ancaster and Glanbrook Areas*"?
- (e) Did Hydro One make Horizon aware of the study "*Distribution Area Study for Ancaster and Glanbrook Areas*" prior to filing it as part of this proceeding? If so, when? If not, why not?
- (f) What does the DSC, section 6.3 .1 and 6.3.2, obligate a utility to do in responding to another distribution utility? Please provide examples.
- (g) At page 14 of 15, Hydro One states "*pole height and class are not driven by voltage*". Please explain this statement. Please list all factors that "drive" pole height and class?

[Response](#)

(a) The following is a summary of all previous service area amendments related to Summit Park:

EB-2004-0536 was filed by Hamilton Hydro on December 2, 2004 for Phase 1 Summit Park + future phases. Hydro One did not contest nor consent but when asked for confirmation of its intent by Board Staff, Hydro One submitted a letter noting several aspects of the application that were contrary to the Board's Decision with Reasons in RP-2003-0044 (including the issue of Hamilton Hydro trying to acquire area in which there are no immediate plans for service). The Board dismissed this SAA application finding that Hydro One had contested the applicant's proposal and that Hamilton Hydro had not met the burden of proving its case.

EB-2005-0262 revised SAA was filed by Hamilton Hydro on April 4, 2005. The revision was for Summit Park Phase 1 only. Hydro One did not contest this application.

EB-2005-0504 was filed by Horizon on October 20, 2005 for Summit Park Phase II as well as for four existing Hydro One customers (the same four existing Hydro One customers that are included in Part III of the current SAA application). Hydro One did not contest this application but expressed concern with respect to several aspects of the application that were not consistent with the the Board's Decision with Reasons in the RP-2003-0044 Proceeding. One of those concerns was the transfer of the four existing customers. Horizon amended the application on December 11, 2005. The Board Decision for EB-2005-0504 states:

*"It does not appear that Horizon has met its responsibility of following Board Decision RP-2003-0044 and attempted to negotiate a transfer of Hydro One's customers with Hydro One directly. Horizon's inability to carry out its responsibility has left me no choice but to follow the views of the Board in Board Decision RP-2003-0044, namely that service area amendments "should not result in the Board-mandated transfer of customers from one distributor to another." This means that the four Hydro One customers will remain with Hydro One and will not become part of Horizon's service area."*

EB-2006-0216 was filed by Horizon on September 12, 2006 for Summit Park Phase III. Hydro One supported this Service Area Amendment.

EB-2006-0311 was filed by Horizon on November 30, 2006 for Summit Park Phase IV. Hydro One supported this Service Area Amendment.

EB-2007-0914 was filed by Horizon on November 19, 2007 for Summit Park Phase VI and the Gardens. Hydro One supported this Service Area Amendment.

1 EB-2009-0035 was filed by Horizon on January 29, 2009 for Summit Park Phase V.  
2 The Board requested further information on February 5, 2009 which was submitted  
3 by Horizon on February 11, 2009. Hydro One supported this Service Area  
4 Amendment.

5  
6 EB-2009-0059 was filed by Horizon on February 17, 2009 for a commercial  
7 development known in part as the SmartCentres Commercial Development in the  
8 City of Hamilton. Hydro One supported this Service Area Amendment.

9  
10 (b) Hydro One bases its decisions regarding whether to consent or contest a Service Area  
11 Amendment application on the principles outlined in RP-2003-0044.

12  
13 (c) At no time did Hydro One state to Horizon that Hydro One consented or did not  
14 oppose the change in service territory in respect of Summit Park Phase 7. Hydro One  
15 continually requested Horizon's OTC in order to undertake the due diligence required  
16 to determine Hydro One's position in relation to the SAA for Summit Park Phase 7.  
17 However, Horizon refused to provide such a document thereby preventing Hydro One  
18 from performing its due diligence prior to the SAA being filed.

19  
20 (d) This study is an internal planning document for Hydro One Distribution assets and  
21 load and therefore no communication between Hydro One and Horizon occurred or  
22 was necessary.

23  
24 (e) Please refer to HONI IRR to Board Staff 7. This study is an internal document that  
25 assesses and plans for Hydro One Distribution assets and load. However, due to the  
26 requirement for additional station capacity in the Glanbrook and Ancaster area, a tri-  
27 party meeting was scheduled for July 28, 2010. This included Hydro One  
28 Distribution, Hydro One Transmission and Horizon.

29  
30 By December 2, 2010, Hydro One Distribution and Horizon requested that Hydro  
31 One Transmission proceed with the estimates to upgrade the existing Nebo TS to  
32 secure additional capacity for the area.

33  
34 (f) Sections 6.3.1 and 6.3.2 relate to the obligations of a host distributor to an embedded  
35 distributor that is requesting connection to the host distributor's system. The situation  
36 in this SAA does not involve, in any manner, circumstances regarding the request by  
37 an embedded distributor (in this case Horizon) for connection to Hydro One's  
38 distribution system. Therefore relevant examples cannot be produced.

39  
40 (g) In terms of determining the structural capability and capacity of a pole (height and  
41 classification) the following factors are used as per Hydro One Overhead  
42 Construction Standards Section 4-1:

43  
44 Tangent Structures

- 45 • Conductor or cable type and size

- 1           • Framing
- 2           • Number of conductors or cables
- 3           • Span
- 4           • Mass of equipment attached to the pole
- 5
- 6       Guyed Pole Selection:
- 7           • Conductor and guy arrangement
- 8           • Number of 9mm guys
- 9           • Total mass of equipment
- 10          • Lowest guy attachment height above ground
- 11          • Pole height

**Brant County Power Inc., EnWin Utilities Ltd. and Essex Powerlines**  
**(BCPI, ENWIN, ESSEX) INTERROGATORY #2 List 1**

**Interrogatory**

**Preamble:**

The Offer to Connect ("OTC") for the developer, Multi Area Developments Inc. has been provided by Hydro One at Appendix D. The Distributors wish to understand the Hydro One OTC provided to Multi Area Developments Inc. (the "**Developer**").

Hydro One has included a highlighted paragraph at Appendix D, page 2, which states *"Hydro One hereby commits to honouring all the prices stated hereunder in the Agreement, even if it becomes necessary, for any reason, for Hydro One to supply the said subdivision by means of a feeder or feeders other than the feeders stated hereunder in the Agreement."*

**References:**

Hydro One, Intervenor Evidence, Appendix C and D.

**Questions:**

- (a) When did Multi Area Developments Inc. (the "**Developer**") contact Hydro One Networks regarding the connections contemplated in the OTC - Multi Service Connection Agreement? Please provide a complete timeline for the dealings between Hydro One and the Developer.
- (b) Please confirm the Standard Terms and Conditions, Appendix C, included in the evidence are the version Standard Terms and Conditions V1 06-2011 referenced on page 2 of the OTC in Appendix D. If not, please provide a copy of the "Standard Terms and Conditions V1 06-2011".
- (c) Please confirm which entity is responsible for the completion of the civil work identified in Schedule B of the Offer to Connect.
- (d) Where is the cost of the work identified in Schedule B included the economic analysis? Please provide specific amounts and pinpoint references.
- (e) In respect of the quotation noted above:
  - (i) Assuming Hydro One must change feeders to supply the Developer and such costs are in excess of those stated in the OTC, who bears such costs - Hydro One's other ratepayers or Hydro One's shareholder?
  - (ii) Does this also apply in respect of changes that may require Expansion, Upgrades or Upstream Work that may become necessary?
- (f) Who bears the risk if the customer connection forecast is incorrect – the Developer or Hydro One?

[Response](#)

(a) On February 24, 2012, Hydro One sent the Developer a package with information required for completing an Offer to Connect (OTC) for Summit Park Phase 7. At that time the Developer advised he was requesting service from Horizon and did not submit the details required to prepare the OTC.

On April 4, 2012 Hydro One provided the Developer with a high level estimate for servicing the Development.

Several conversations between Hydro One and the Developer took place between April and May 2012 regarding Summit Park Phase 7.

On June 1, 2012, the Developer requested Hydro One to resend the package originally sent on February 24. On June 7 the Developer returned that completed package requesting an official OTC.

During June and July, through the normal course of business, Hydro One worked with the Developer and his consultant to complete the OTC.

On July 25 Hydro One met with the Developer and his consultant to present the OTC. At this meeting changes were requested to the design which necessitated a revised OTC to be created. On July 27 this revised OTC was sent to the Developer.

On September 7 Hydro One met with the Developer again at which time Multi-Area signed Hydro One's OTC. On September 11, 2012 the Developer filed a letter with the Board advising that he signed Hydro One's Offer to Connect and was withdrawing his support for Horizon to service the Summit Park Phase 7 development.

(b) Please refer to the response to HONI IRR to HUC 37 for a copy of the terms and conditions pertaining to the OTC.

(c) The developer and or its approved contractor is responsible to complete all civil work as described in Schedule "B"

(d) The cost of the work described in Schedule B for civil work is not included in the economic analysis included in Hydro One's Offer to Connect. Hydro One does not include an estimate for civil costs in its Offer as this is work that the developer must perform at its own expense.



- 1 (e)  
2 (i) Please refer to HONI IRR to HUC 40 part c)  
3  
4 (ii) Yes  
5  
6 (f) The customer is charged an Expansion Deposit consistent with the terms of the  
7 Distribution System Code. The deposit is returned over time as the customers  
8 forecasted by the developer are connected and begin to take service from Hydro One.  
9 If connections are fewer than the forecast provided, the applicable portion of the  
10 Expansion Deposit will not be returned to the developer.